



CITY
UNIVERSITY OF LONDON
— EST 1894 —

Annual Report and Financial Statements

for the year ended 31st July 2021

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Strategic report

Our strategic objectives

City's *Vision & Strategy 2026* sets out our ambition for the future.

City, University of London: a leading global university committed to academic excellence, focused on business and the professions and located in the heart of London.

Achieving the Vision is based on three strategic priorities:

Maintain quality trajectory ("better")

Achieve growth in a way which maintains quality ("bigger")

Leverage partnerships

Progress towards strategic priorities

Progress against some objectives in *Vision & Strategy 2026* has been slower than expected in 2020/21, primarily due to the need to refocus efforts on meeting the significant operational challenges posed by Covid-19. Unless noted otherwise, rankings quoted below are City's internal calculations based on English universities and University of London institutions ("UoL") with data for the year/indicator in question.

Maintain quality trajectory ("better")

City's *Vision & Strategy 2026* sets four Academic Output KPI milestones for the halfway point at 2021:

1. Student experience: Consistently best NSS in London, top 20 per cent in UK
2. Student progression: 90 per cent average across all undergraduate programmes
3. Student employability: Top 20 in the Times and Sunday Times University League Table
4. Research: at least 60 per cent of total academic staff producing 4*/3* research.

In terms of milestone 1, while the pandemic student experience has been an issue for much of the sector in relation to NSS, City has been disappointed with its 2020/21 results:

- At an average 68 per cent, agree across all questions (except overall satisfaction) City has fallen 4 per cent year on year and ranks 11th of 14 UoL institutions and 93rd out of 105 English universities and fell short of its internal 2021 milestone by 12 per cent
- 68 per cent were satisfied overall, a 6 per cent point decrease year-on-year, with City ranking 11th of 14 UoL institutions and 90th out of 105 English universities
- At 74 per cent, approval of City's teaching fell by 2 percentage points year-on-year, to rank 12th in the UoL and 94th among English universities.

It is also worth noting that the severity of the Covid-19 impact upon the sector as a whole was such that, in each case above, City's ranking in England improved by 8-10 places in 2020/21.

In terms of milestone 2, by the latest published HESA PI data, 84 per cent of our 2018/19 FT home first degree entrants continued at City the following year; for 2019/20 starters the equivalent figure is not yet published, but an internal approximation indicates this has risen to 97 per cent, attributable at least in part to City's Covid-19 response. By the Office for Students (OfS) experimental "Proceed" measure (percentage of home undergraduates who complete their degrees and go on to highly skilled work or further study) City is ranked 32nd in England at 67 per cent. In the latest data from OfS (for

2019/20), City has seen a marked narrowing in its BAME attainment gap, down to 6 per cent vs 11 per cent previously, with City ranked in the top quartile among English universities by this measure (i.e. by comparative absence of an attainment gap).

Based on the latest results from the national Graduate Outcomes Survey, at 79 per cent City is within 1 per cent of its internal milestone and, relative to published milestone 3, ranks 19th in the Times and Sunday Times University League Table among English universities for the proportion of its 2018/19 first degree graduates in highly skilled work or further study 15 months after graduation. This is a significant improvement on 37th place by this measure for the previous leaving cohort and 67th place in DLHE data for the 2016/17 leaving cohort. Additionally, 97 per cent of our postgraduate 2018/19 leavers in work were in highly skilled employment (+1 per cent on 2017/18), with City ranked 4th among English universities by this measure.

While awaiting the REF2021 results to be published in May 2022, we continue to see improvements in our research performance: in relation to milestone 4 our latest internal assessment of the quality of City's research output shows that 54 per cent of our total academic staff produced world-leading (4*) or internationally excellent (3*) research in the five years to 2020/21, compared to 48 per cent for the period to 2019/20. Latest on-time PhD completion rates have also risen, to 66 per cent of countable students, vs 58 per cent previously, while City has maintained its position as second quartile among English universities for research income per FTE academic staff.

Achieve growth in a way which maintains quality ("bigger")

City has also continued to grow, maintaining our strong performance in recruiting within London, from the EU and internationally. We continue to review and restructure our curriculum to better meet the needs of students and employers, for example in Engineering, Business and Management. Based on (currently provisional) HESA data, at 21,237 City's 2020/21 headcount student population (HE level student instance) has grown by 12 per cent over the last five years and by 7 per cent on 2019/20 alone. The latter increase includes a 14 per cent increase in FT first degree students (+12 per cent for new entrants) and +34 per cent among PT "other UG" students (principally new Certificate programmes in Health), along with a 3 per cent decrease in FT PGT numbers including a 17 per cent reduction year on year in new intake. Growth vs last year has come wholly among UK domiciled students (+14 per cent), while EU and non-EU student numbers fell by 1 per cent and 8 per cent respectively. Teaching load has increased by nearly 1,000 FTEs in 2020/21, at 16,149 FTE vs 15,157 in the previous year.

Looking forward, during the 2021/22 entry cycle (i.e. the admissions activity taking place during 2020/21) City received 27,615 main scheme applications for UG study, a 7 per cent increase on the previous year and +9 per cent on the 2019/20 entry cycle and was placed joint 10th in the UK in the latest exercise to measure applications per place, indicative of its popularity among prospective UG students. However, postgraduate applications for a 2021/22 start were 13 per cent down on the previous cycle, although 3 per cent up on two years ago.

Leverage partnerships

We are proud of our international outlook and ability to attract well-qualified students from overseas, particularly to our postgraduate programmes. Our membership of the University of London is creating new opportunities for partnership and innovation and we continue to explore how we can build on this foundation. In 2020/21, nearly 2,000 students across 30 institutions or organisations were following a taught programme involving a partnership with City on a validation, franchise, co-delivery, articulation & access or off-site delivery basis; within this, the 600+ students following City-validated programmes at overseas organisations represents a near-doubling of numbers compared to five years ago.

Strategic report

Principal risks

City's Risk Policy sets out our approach to risk management. It provides a framework for the management of risk and also to increase overall awareness of risk throughout City. It defines roles and responsibilities to help ensure the risk management process is understood. City's strategic risks, categorised into five themes, are owned by the Senior Leadership Team. Schools have their own risk registers, mapped onto those same five themes. The overall aim is to use risk management to help deliver our priorities and objectives and, as such, it is a critical component of our annual integrated planning process, enabling the successful identification of objectives, KPIs/PIs (and associated milestones) and actions that will deliver the *Vision & Strategy 2026*.

Risks are given impact and likelihood scores which are used to generate a RAG rating which helps identify those that have higher or lower significance to City by indicating which present the greatest threats to achieving our strategic objectives.

City's strategic risk register is reviewed by the Audit and Risk Committee (ARC) and Council twice a year. This year, risk owners were asked to specifically consider how the impact of the increased level of Covid-19 vaccinations and moves towards opening up would affect their risks and how the risk scores and controls should be revised in the light of City's responses and plans. Those areas most affected by the pandemic continue to be teaching, recruitment and home working.

During the year the Senior Leadership Team approved the removal of the Brexit risk and have added a new risk – 'The risk that City does not achieve Equality Charter Awards'.

As part of the spring review the number of risks rated red (post-control) has fallen slightly from five to three. The most significant post-control risks (those rated red) are now:

- Student Experience – key NSS scores remain bottom quartile. Covid-19, online teaching and the resulting lack of face-to-face teaching and provision of alternate assessments all presented challenges to maintaining student engagement and improving the student experience
- Student Recruitment and Quality – continues to undergo significant challenges given the competition for high tariff students across London, compounded by the Covid-19 outbreak and restrictions on international movement
- Health and Safety – a consistently applied approach for Health and Safety across City remains an objective. Covid-19 has generated additional challenges relating to home working, the protection of staff required to be on site and plans for a return to campus for staff and students.

During 2020/21 City refreshed its approach to the recording of risk. New software introduced provides greater visibility of mitigating controls and their links across Schools and Professional Service Departments (PSD's); increases engagement with risk management from managers and leaders and improve accountability and ownership.

Our values

Central to the achievement of our strategic objectives are the people at City: our staff, our students and our partners. The City values describe how we will work towards our shared goals:

Ambitious

A place where people seek new challenges and go the extra mile.

Collaborative

A place where successes are shared and problems are solved by working together for the common good.

A community

A place where people have pride in their institution, are respectful, know and are concerned for each other.

Diverse and inclusive

A place where diversity is a strength and inclusiveness is promoted proactively.

Institutionally self-confident

A place that knows its strengths and is open about and strives to address its weaknesses.

How City creates value

For students, we educate future citizens to participate and contribute to the best of their ability and achieve fulfilment in life and work. For society and the economy, we advance knowledge and capability. In partnership with others, we put our intellectual and social capital to productive use. For business and the professions, we educate future leaders and colleagues who will undertake key roles in areas such as leadership and management, law, nursing, computing, engineering and journalism. For the environment we lead the way in sustainability and are responsible stewards of the natural resources we use. For our community we reach out locally and globally, building links and sharing expertise so our resources and knowledge can benefit others.

Our Public Benefit Statement explains more about the value we create and the benefits it provides a wide range of individuals and organisations, including students, schools and colleges, the NHS, charitable and commercial organisations, local and national Government and our neighbours in the heart of London.

Professor Anthony Finkelstein, President

Ms Julia Palca, Chair of Council

Public benefit statement

Charitable status

We are an exempt charity under the terms of the Charities Act 1993. Our charitable purpose is to advance education, knowledge, wisdom and understanding by teaching and research, both within the institution and in close association with business and the professions, for the benefit of individuals and society at large.

Our students

We believe that every student with the ability to do so should consider progression to university as an attainable option regardless of social, ethnic or financial background.

International students (representing some 160 countries) and students from backgrounds under-represented in higher education form large parts of our annual undergraduate cohorts.

We are committed to improving how we demonstrate value for money to our students, in line with the requirements of the Office for Students (OfS). City has initiated new governance arrangements, to include City Students' Union and the implementation of a framework to ensure we embed and celebrate the value we add to students' journeys with us.

Undergraduate students

Of our UK undergraduate students, 70.8 per cent come from under-represented groups in higher education (known as Widening Participation students). During the 2020/21 academic year we continued to work in partnership with Schools and Colleges to adapt our Widening Participation Outreach activities in response to the evolving Covid-19 pandemic. In 2020/21 the Widening Participation Outreach team engaged with over 1,117 young people to encourage under-represented groups to access and succeed in higher education.

Through early engagement, we provide practical support and learning for students through the full educational life cycle, from primary school to transition to higher education. We adapted our attainment raising mentoring and tutoring key stage 2-4 provision to be delivered remotely, working with 20 tutors to deliver 1,100 hours of tutoring. We worked in partnership with schools and colleges to deliver remote and online careers advice and information activities direct to learners, reaching 326 young people. We continued to support the transition to higher education through Start@City, a programme for Widening Participation students starting their studies at City. We expanded our digital inclusion support to include young people in Islington facing digital poverty. The Widening Participation Outreach Blog, a single source of accessible learning and information about higher education, had 1,550 users view 6,483 posts in 2020/21.

We provided laptops to Islington Council and City and Islington College to support young people in care to access online education and we introduced a laptop loan scheme for college students with no access to the technology they needed to study at home. We also provided 500 learning resource packs to families who did not have access to home learning materials during the pandemic, via schools and food banks.

We provide individual support for care leavers to help them to make the transition to university life, support them during study and help prepare them for life after graduation. The support extends to other vulnerable groups including students who are estranged from their families, those with unpaid caring responsibilities and refugees and asylum seekers.

Our undergraduate bursary and scholarship schemes include the City Cares Bursary, City Education Grant, President's International Scholarship and the Lord Mayor of London Scholarships for Academic Excellence. We also offer three Sanctuary Scholarships to enable applicants who are refugees and asylum seekers in the UK to access undergraduate programmes. They provide a full tuition

fee waiver and a grant of £13,510 (for up to three years) per year of study to cover living expenses. We are proud to support equal access to university for refugees and asylum seekers in the UK.

In 2020/21, £234,896 of financial support from the Hardship Fund was provided to 235 students across all disciplines. The Fund provides financial assistance to students who have met unforeseen financial hardship during their studies. We also distributed an additional £470k through the Covid-19 emergency hardship fund. We established a digital inclusion fund supporting over 500 students to access laptops, hardware and reliable Wi-Fi to enable them to engage in their studies.

Postgraduate students

With 45 per cent of City students studying taught postgraduate degrees, we provide a 'passport to the professions'. We offer over 150 taught postgraduate degrees, each developed by academic staff who are experts in their fields and who possess an in-depth understanding of the graduate employment marketplace. We have more than 500 research postgraduate students, who contribute to our vibrant academic community.

Our people

We support staff and students to develop in ways that extend far beyond their academic and professional roles. Our staff can request up to two days per year to take part in volunteering activities, which has enabled colleagues across the institution to take up various volunteer roles in charities near their homes and within our local community.

The Community Volunteering Service supports students in running community initiatives and arranging one-off volunteering opportunities for students with limited time. Over the years, our staff have worked with students, local residents and the local council to build community links and strengthen student engagement with our local area. We now work closely with colleagues at Better Space to support social enterprises in the Islington area. We are also collaborating with colleagues in the Sociology department on integrated experience programmes for students to work with charities and community organisations as part of their studies.

The Community Volunteering Service also supports and mentors pan-London student organisations such as Public Interest Environmental Law UK (PIEL UK), led by students from City and other University of London institutions. They plan and host an annual conference, historically at Bayes Business School (formerly Cass). Speakers have featured from major law firms, global environmental organisations and the United Nations. Because of the global pandemic, the conference was virtual and was hosted online for the second year running. In addition, it has expanded to include the production of environmental law-themed podcasts by the student committee.

We have ensured students and staff are empowered to safely continue their efforts to support the community while enhancing their employability and career skills. In the early stages of the pandemic, we re-evaluated existing volunteering opportunities and organisations to ensure they were either online or using appropriate social distancing measures. For example, we encouraged students to engage with regional Covid-19 Mutual Aid UK groups, the British Red Cross Community Reserve Volunteers and the United Nations Online Volunteering corps supporting the UN Sustainable Development Goals. Now that we are emerging from the pandemic, we have returned to a more facilitative role with more direct oversight of student volunteer recruitment and engagement through our updated volunteering brokerage system.

City supports other UK higher education institutions concerning best practices in risk management and online delivery of volunteering opportunities through our continued membership of the UK Student Volunteering Network.

Equality, diversity and inclusion

City's new *Equality, Diversity and Inclusion (EDI) Strategy 2020 to 2026* was launched in June 2020. It was developed through consultation with staff and students and sets out our vision to provide an environment and culture that is truly inclusive, where staff and students have a sense of belonging; feel valued for who they are; and are supported to be the best they can be. The Strategy focuses on four key areas: race, disability, sexual orientation and gender, but also recognises intersectionality with all protected-characteristic groups. Implementation is being taken forward through a delivery plan overseen by our EDI Committee who will set actions and priorities and monitor progress.

We hold an Athena Swan Bronze Award which recognises our commitment to tackling issues related to gender equality. All five Schools have self-assessment teams and are at various stages of their Athena Swan journeys, with the School of Health Sciences, the School of Mathematics, Computer Science & Engineering and the School of Arts & Social Sciences holding Bronze Athena Swan awards. The City Law School, will be submitting an application for a Bronze award in 2022.

In support of our ambitions to tackle racial inequality in 2020 we appointed a senior Race Equality lead, Assistant Vice President, EDI – Race Equality and we are progressing with application for a Race Equality Charter award, which we have committed to applying for in early 2022. We are working closely with our Network for Racial Justice in implementation of the Race Equity Demands set by the network.

In 2020 we became Stonewall Diversity Champions demonstrating City's commitment to its lesbian, gay, bi-sexual and transgender (LGBT+) staff and student community. We continue to demonstrate our commitment to disability equality through the use of the Disability Confident Framework.

The City Faith Centre facilities have proved invaluable for our student faith societies who have held many regular and one-off events online and on campus when permitted under the Covid-19 regulations. Our staff and students run equality, diversity and inclusion networks which have open membership.

We are actively working to tackle inequalities for our students. Work to reduce the degree awarding gaps is being undertaken with clear action plans which include commitments to ensure inclusive curricula and assessment design, culture change and decolonising curricula and practice. This year we have introduced the "You Report, We Support" tool to better enable students to report incidents of harassment and bullying, and receive support in a timely manner. We continue to work closely with the City Students' Union and student communities to partner and co-create in these spaces, including the introduction of Student EDI Reps, a paid role, who together form our Student EDI Steering Group.

Community

Providing a sense of community, both internally and externally, is one of our values and one that has never been so important than during this academic year. In response to Covid-19, our civic engagement activities supported those most in need in our community – from healthcare, to volunteering in food banks and combatting digital poverty by donating laptops to local schools.

The development of our Civic Engagement Strategy has continued at pace, with the refinement of five key themes or focus areas that reflect the previous and current civic work done by City. They have been linked where possible to existing City strategies and initiatives to ensure we are incorporating important elements such as EDI and sustainability.

This strategy development process has been driven by our staff and students, providing key direction and ideas on the five themes and what the future of our civic engagement could and should look like. Through this process, a considerable number of staff and students

have indicated they want to be more engaged in civic activities and we look forward to supporting them to do this, as well as act as ambassadors as we launch the strategy.

Our staff and students, from across disciplines and expertise, make some amazing and selfless contributions to the community – be it local to City, local to where they live, nationally and globally. We are proud to have so many willing to provide their expertise, their voice and their time to volunteer and support the community. We aim to recognise and highlight these efforts in our year-round communications and regular recognition opportunities. This year's President's Awards saw a record number of peer nominations celebrating staff efforts since the start of the Covid-19 pandemic, including the work done for the community. Following the redesign of our external website, a dedicated area allows anyone to explore the history of City and the current civic focus we have, as well as learn about the many ways we are engaged with the local community.

Our research work provides substantial value to the community and our academics have undertaken important research relating to the pandemic as well as on important topical issues as we come out of it. This includes mental health, online training for deaf people and leading a new research consortium on violence, health and society. Our experts continue to comment and provide advice to national bodies and the media to support this important work.

We have been active in our collaboration with other higher education institutions and civic stakeholders, sharing best practice and looking at how we can work together for our communities. We are developing a shared programme of civic engagement with Islington Council and London Metropolitan University, which has included our experts attending new working groups on skills and challenging inequalities.

We continue to support several Islington Council initiatives, including the 11by11 initiative, a pledge to give Islington-educated young people access to 11 culturally enriching experiences by Year 11. The Upward Bound programme, run in collaboration with London Metropolitan University aims to raise attainment and aspirations for young people attending Islington secondary schools. Additionally to support families impacted by digital poverty, our Widening Participation Outreach team developed and distributed learning packs to schools and food banks. We are also part of an alliance with other prominent Islington employers to make Islington North London's first "Living Wage Borough".

In a 10-year collaboration with Islington Council, which commenced in March 2021, we will act as the operator of Better Space, a social enterprise hub which will provide an affordable workspace and expert support to micro and small businesses in the local community, as well as deliver a range of social value initiatives to benefit residents, businesses and communities. The inaugural month-long Good Entrepreneur Festival was held in March celebrating social enterprises and discussing how they are using business to make the community and world a better place.

While physical events or access to our facilities were limited throughout the year, we continued to host open and free online events for the community, such as the annual City Summer Sounds festival and mindfulness drop-in sessions being held three times a week. Generally, our facilities (including meeting rooms and CitySport facilities) are available for local community groups to use.

We continue to hold a bi-Annual Residents' Forum, albeit digitally during the pandemic. A resident co-chair was introduced this year to support the important exchange of updates, feedback and addressing any queries or concerns that residents have. Issues raised through this forum, or bilaterally with City staff, are investigated through our complaints handling procedure and agreed actions incorporated into our community engagement activities. We are also a member of the Clerkenwell Safer Neighbourhood Panel, comprising local organisations, residents, Islington Council and the Metropolitan Police to discuss local concerns.

Public benefit statement

Among the free services open to members of the public is the CitySight clinic provided by the Optometry staff and students. It offers free eye and contact lens tests to the community, as well as specialist clinics for children, contact lenses, binocular vision problems, specific learning difficulties, visual impairment and colour vision defects. The new Sebastian Street building will have a dedicated space for law clinics, providing free legal advice to members of the community.

Sustainable City

We are ranked first in London and fifth in the UK in the People and Planet University League, the UK's only comprehensive and independent green ranking of universities. We have continued to embed sustainability within City through initiatives covering a variety of environmental and social issues, with a focus on the United Nations Global Goals for Sustainable Development. We submitted to the third global Times Higher Education Impact Rankings, across several of the Global Goals: SDG 3 – Good Health and Well-being; SDG 5 – Gender Equality; SDG 8 – Decent Work and Economic Growth (top 300); SDG 10 – Reduced Inequalities (top 200); SDG 12 – Responsible Production and Consumption (top 200); SDG 13 – Climate Action (top 200); and SDG 17 – Partnerships for the Goals. We also submitted to the overall ranking and achieved a place in the top 400 of 1,115 institutions.

We have adapted our student engagement programme to deliver online initiatives for students. This included the development and hosting of the third London Student Sustainability Conference in collaboration with King's College London. The Conference is an opportunity for London students to present their research relating to the Global Goal themes to other students, staff and the public.

In January City launched the Global Goals 2020 report. Our first to explore how activities undertaken across City support each of the 17 UN Global Goals across five areas: research, education, engagement, campus and governance.

In support of our net zero emissions by 2040 target, we undertook an emissions gap analysis to understand the indirect emissions that arise from our supply chain and business travel. Further work to increase the accuracy and granularity of data will be conducted and used to inform our net zero strategy.

The new Sebastian Street building opened with a BREEAM (Building Research Establishment Environmental Assessment Method) rating of Excellent, reflecting the many sustainable features within the design and construction of the building.

City of London Academy, Islington

Together with the City of London Corporation, we co-sponsor the City of London Academy, Islington (COLAI).

City nominates four Governors, out of a total of 12 Governors, to the Academy:

- Ronald Zeghibe, a member of the University Council and entrepreneur
- Professor Sanawar Khan, Deputy Co-Chair, Civic Engagement T&F Group
- Hafiza Patel, Assistant Finance Director
- Reema Khan, Head of Principal Gifts.

All our Governors play a leading role in the governance and life of the Academy. They sit on the Board of Governors, Finance and Curriculum and Community (C&C) committees.

Our relationship with the Academy extends throughout City. Undergraduate student tutors work with pupils to support learning and to develop skills and confidence in Mathematics and English. In return, undergraduates gain an introduction to teaching which may encourage them to consider a career in the profession. We also extend the tutoring scheme to all target schools.

Research highlights

Researchers respond to Covid-19

City's Interaction Lab offered free consultancy to web User Experience teams working on the front line of the Covid-19 pandemic crisis – health charities, food retailers, government departments, etc. The Interaction Lab is run by the Human-Computer Interaction Design unit of the Schools of Mathematics, Computer Science & Engineering's Computer Science Department.

Senior Development Officer at My Home Life, Jen Lindfield, presented a series of weekly YouTube videos to provide support and guidance to Care Home Managers during the current Covid-19 crisis. My Home Life was originally founded in 2006 by National Care Forum in partnership with Help the Aged (now Age UK) and City, University of London.

City Nursing Professor Leanne Aitken, a critical care nurse and Professor of Critical Care at the School of Health Sciences, joined the staff of the Nightingale hospital, to provide education and training.

Professor Tim Lang from City's Centre for Food Policy and colleagues from the University of Sussex and Cardiff University, wrote to Defra minister George Eustice and Duncan Selbie of Public Health England urging that similar importance be given to healthy eating advice as has been dedicated to social distancing. They argue the government should take responsibility for ensuring that foods of highest nutritional and immunological value are available to all, and in particular to the most vulnerable.

Led by City's Dr Lucia Rocca Ihenacho, the Midwifery Unit Network published its position statement on midwifery units and Covid-19, including calling for 'pop-up' midwifery units, close to acute services, but in a separate building where needed.

Partnering or advising Government and business

The Department of Journalism's Professor Jane Singer was given the role of Specialist Adviser by the Communications and Digital Committee of the House of Lords for its inquiry on the future of journalism. Their report, *'Breaking News? The Future of UK Journalism'* was published in November 2020 and discussed widely in the general press.

Professor Jason Chuah, from The City Law School, has been commissioned as an expert contributor to the Sustainable Shipping Guidance by the UN Global Compact in its Practical Guidance for the Sustainable Ocean Principles project. The UN Global Compact is recognised in several other inter-governmental contexts, including the G8.

School of Health Science academics commenced a collaboration with clinicians at the Royal Marsden NHS Foundation Trust on a £3M, seven-year-long study funded by the National Institute for Health Research (NIHR). The study will evaluate the use of a new blood test to precisely guide who should be offered chemotherapy after surgery for bowel cancer.

Commissioned by Highways England, City engineering academics Dr Alfredo Camara and Dr Chetan Jagadeesh, made a ground-breaking study of the Orwell Bridge in Ipswich. They have identified new measures that could help to keep the bridge open to traffic during periods of high winds. Reducing the speed limit over the bridge during high winds, using temporary lane closures to mitigate the effect of high winds on vehicles and keeping the bridge open in one direction are three potential solutions identified in their year-long study.

Public benefit statement

Dr Michael Garcia Ortiz, Dr Eduardo Alonso and Professor Nabil Aouf from the School of Mathematics, Computer Science & Engineering developed partnerships with the Sony Computer Science Laboratories and Japanese Universities on artificial intelligence and robotics, including research on endowing a robot with learning capabilities akin to animals and humans.

The School of Health Sciences' Dr Michelle Hennelly, advised the Tanzanian Government on its ophthalmic nursing training programme as part of Vision 2020, the global initiative for the elimination of avoidable blindness, a joint programme of the World Health Organization (WHO) and the International Agency for the Prevention of Blindness.

Open access to research

We are at the forefront of the growing open publication movement, making the outputs of academic research freely available to anyone with an internet connection. Since 2012 City has expected its staff where possible to deposit the 'final author version' of their journal articles in the institutional repository City Research Online (CRO); later this was backdated to include journal articles published since 2008. A decision prompted by HEFCE/UKRI Guidance but also a desire to increase visibility of our research, improve citations counts and contribute to public good. 88 per cent of City publications were identified as being available in City Research Online, placing City second in the world and first in the UK of universities with the highest proportion of their published research outputs available as 'Green' Open Access in their own institutional repositories according to a July 2020 study led by Delft University of Technology.

Enterprise activities and knowledge sharing

'Better Space' affordable workspace partnership with Islington Council
Starting from March 2021, City will act as the operator for Better Space at The Ray Farringdon, 127 Farringdon Road, in a 10-year collaboration that will provide genuinely affordable workspace to micro and small businesses and deliver a range of social value initiatives for the benefit of residents, businesses and communities. The partnership will help the local economy bounce back strongly from the Covid-19 pandemic, creating more jobs and a space where enterprise can thrive. Instead of paying rent City will deliver significant levels of social value by delivering employment and skills opportunities for Islington residents, providing expert support for businesses and entrepreneurs and supporting Islington Council to meet their key objectives such as becoming Carbon Neutral by 2030. City was chosen by Islington Council, as we have a good understanding of the programme's ambitions and a proven track record in delivering employment initiatives for Islington residents, providing expert business support through our Launch Lab accelerator programme and developing strong local partnerships and networks.

Graduate start-ups

In 2020/21 City provided 'rapid response' support to local entrepreneurs and start-ups by creating a new fund for start-up businesses to re-think their business models in light of the global coronavirus pandemic and to build in resilience into their business planning.

In 2020/21, The Higher Education – Business and Community Interaction (HE BCI) survey, the essential source of information on university knowledge exchange in the UK, reported that our graduate start-ups registered £20.6M in external investment received (placing City 7th in the UK) and created 817 full-time jobs (10th in the UK). New this academic year, the Launch Accelerator Programme is a three-month scheme focused on expert-led learning, delivered by over 25 experienced entrepreneurs. The Laboratory is also focused on wellbeing, particularly mental health and offers access to qualified counsellors.

City supports young entrepreneurs in developing countries

Bayes Business School backing Latin American start-ups to close gaps in inequality and build ties across Europe

As part of Bayes Business School's Management MSc, 19 students chose to study the international elective 'Start-ups: International Field Trip' in their third term. The module allows students to spend six weeks on consultancy projects to support new businesses from the likes of Brazil, Argentina, Chile and Peru. While the module is normally taught in Buenos Aires, the pandemic has seen a transfer to online learning, which module leader Dr Joanna Zaleska says has created 'more access for students and teachers to benefit personally and academically'.

Bayes Business School's lead of a new programme aiming to support increased youth employability and entrepreneurship across Africa

A new innovative programme, led by Bayes Business School, is aiming to support increased youth employability and entrepreneurship across Africa through the actions of universities. Funded by the British Council and City – alongside the University of Nairobi and ChangeSchool – is part of the Centre of Excellence that will be delivering the Innovation for African Universities (IAU) Programme. The 18-month project will initially aim to improve the prospects of employability in Kenya, Ghana, Nigeria and South Africa by funding partnerships between universities in the UK and Sub-Saharan Africa. This will ensure that skills are developed to help build industries, companies, products and services, while supporting the internationalisation of universities in both continents, who continue to support overseas initiatives. The initiative is led by Professor Sam Kamuriwo.

Climate change

The City Law School's Environmental Law Advice Clinic teamed up with the Environmental Law Foundation (ELF) to produce a Climate Emergency Declaration Report. Through their recent Climate Emergency Declaration Report, City's Environmental Law Advice Clinic has found that more London councils have made a climate emergency declaration (over 86 per cent) compared to the UK of around 75 per cent and that many of those councils are carrying progressive and effective work in securing carbon reduction - efforts by public bodies to reduce their own emissions is just the start and there is a need to work alongside local communities, businesses and others in civil society if real change is to be secured.

Trade Union Facility Time for the period 1st April 2020 to 31st March 2021

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require us to publish information on Trade Union Facility Time annually. The following table covers the reporting period from 1st April 2020 to 31st March 2021.

For period 1 st April 2020 – 31 st March 2021	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
16	13
Percentage of time spent on facility time	Number of employees
0%	0
1-50%	14
51%-99%	2
100%	0
Total cost of facility time	£198,171
Total pay bill	£148,266,831
Percentage of total pay bill spent on facility time	0.13%
Hours spent on paid facility time	7,098
Hours spent on paid trade union activities	0
% of total paid facility time hours spend on paid trade TU activities	0%

Public benefit statement

Fundraising

We fundraise with a view to funding student support, to further research and enterprise and to support our charitable objectives. We employ a fundraising team and adhere both to the Fundraising Code of Practice and the Principles of Practice for Fundraising Professionals at educational institutions approved by the Council for Advancement and Support of Education's Board of Trustees in July 2014. They set out ethical principles of personal integrity, confidentiality and public trust. We fundraise from individuals, the majority of whom are alumni, along with trusts, foundations and companies whose aims and objectives align with ours. We use a combination of personal approaches, tailored applications and in normal times, we run a telephone fundraising campaign twice a year. This year, due to Covid-19, we have not been able to run a telephone campaign and instead are planning a direct mail fundraising campaign for the autumn.

There were no formal complaints regarding fundraising at City in the past year.

The total income recognised from donations and legacies from 1st August 2020 to 31st July 2021 was £2.4M.

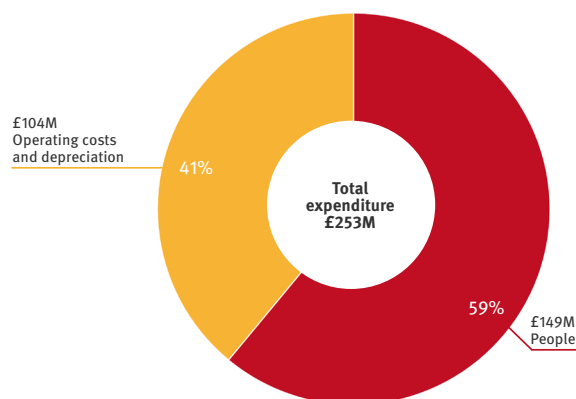
The Covid-19 pandemic has had an impact on our fundraising. We are particularly grateful to the donors who supported our students during this challenging year, donors who had funded work that we were unable to undertake because of the pandemic either rolled over their funding to next year (which means City didn't gain additional income this year for these projects) or moved their donations towards alleviating the financial effects of the pandemic on our students. We have also seen some regular supporters having to reduce their support as a result of the pandemic. We are grateful to all our donors who have supported us this year and in previous years. Our situation is very similar to many others in the fundraising sector and we hope to see our fundraising begin to return to normal in the coming academic year.

We benchmark our fundraising activity through the Council for the Advancement and Support of Education's CASE Ross survey, which measures the performance of fundraising in UK universities. The survey groups universities' fundraising performance into six clusters, with City being placed in the fourth of these, the Developing Cluster. There are 26 institutions in the Developing Cluster and 37 institutions in the clusters above. City is the 4th best performing within this group.

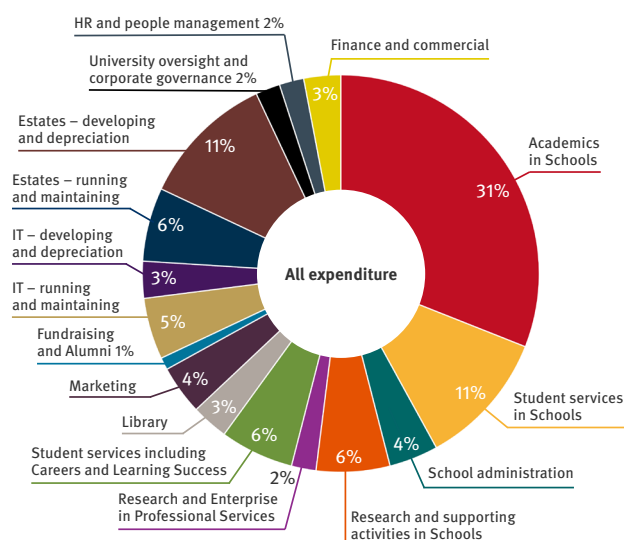
How fees are spent

The following graphics show, at a high level, how we spent the income received last year and adds a financial view of value for money to the narrative above. They are intended to offer a more rounded view of value for money for students, our community and the taxpayer.

We spend the majority of our income on people



How money was spent in 2020/21



Corporate governance statement

City is an independent corporation, governed by a Royal Charter, first granted in 1966 and amended by a supplemental Charter which came into effect on 1st September 2016 to reflect City's accession on that date to the University of London Federation.

City's Charter and Statutes prescribe the following components of City's governance:

- **Council** – Council is the supreme governing body, responsible for the affairs of City, setting City's strategic direction, ensuring effective management and control of City's affairs, property and finances and determining its structure, staffing and overall composition. It appoints the President, the Chair and Deputy Chair of Council and the College Secretary. It has given significant delegated powers to its Committees and to the President through a delegations framework set out in its Ordinances.
- **Senate** – Senate has delegated authority from Council for the enhancement of academic quality and assurance of academic standards.
- **Rector** – The Rector is the honorary head of City who presides over the Court (Annual Stakeholders Meeting) and confers awards on behalf of City. The Rector is, ex-officio, the Lord Mayor of the City of London. The ceremonial and supportive role performed by the Rector is highly valued by City.
- **President** – The President assumes the role of Chief Executive Officer of City.

City's Charter and Statutes are available at www.city.ac.uk/_data/assets/pdf_file/0018/331092/City_Supplemental_Charter_2016.pdf

City structures its governance arrangements in conformity with the ongoing requirements of registration with the Office for Students (OfS) as a provider of higher education to students; and in accordance with the recommendations of recent reviews of corporate governance, the seven Principles identified by the Committee on Standards in Public Life September 2020 edition (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and with the guidance that has been provided by the Committee of University Chairs (CUC) for members of Higher Education Governing Bodies in the UK (The Higher Education Code of Governance).

City has charitable status as one of the exempt charities listed in Schedule 3 to the Charities Act 2011. It is therefore exempt from certain requirements of that Act, including the need to register with the Charities Commission. Since 1st April 2018, the OfS has been the 'principal regulator' for charity law purposes of those English universities which are exempt charities. City's Council members act as trustees for charitable law purposes.

Council

Council consists of a maximum of twenty-one members: five members by virtue of office – the Chair and Deputy Chair of Council, the President, the Chief Financial Officer and the President of the Students' Union; up to twelve additional independent members; and up to four additional members drawn from staff and students.

City's Council comprised sixteen members on 26th November 2021, of whom eleven, including the Chair and Deputy Chair, were external independent members. The staff and student members of Council at that date comprised City's Chief Financial Officer, its Director of Human Resources, one Dean and the President of the Students' Union.

A term of office for a Council member is limited to three years or for such shorter period as Council may determine. Members are eligible for re-appointment but may not serve more than three terms of three years or nine years in total with the exception of a member who becomes Chair of Council who can then serve a further two terms of three years as Chair.

Council has five committees: Senate, an Audit and Risk Committee (ARC), a Corporate Governance and Nominations Committee (CGNC), a Remuneration Committee (RemCo), and a Strategy, Implementation and Performance Committee (SIPCo).

All of these Committees are formally constituted with terms of reference. These terms of reference may be read in full at www.city.ac.uk/about/governance/policies/city-university-of-london-ordinances. Membership of Council Committees is set out at www.city.ac.uk/about/governance.

With the exception of Senate, which is chaired by the President, each Committee is chaired by an independent member of Council and membership is normally limited to independent Council members. But the President is a member of both SIPCo and CGNC, the Deputy Chair of Senate is a member of CGNC and the Students' Union President is a member of SIPCo. Independent members of Council are each expected to sit on at least one Council Committee.

In some cases independent appointees are co-opted to serve on a Committee, because of their relevant expertise.

There is an open invitation for Council members to attend Senate as observers. Two independent members of Council attended meetings of Senate in 2020/21.

Relevant members of the Executive attend Council and Council Committees as required.

There are arrangements to allow the formation of a Redundancy Committee in the event of any compulsory redundancies being proposed. No Redundancy Committee met in 2020/21.

City uses an executive search company to assist in the appointment of members of Council. Two independent members of Council were appointed in 2020/21. The appointment process seeks to match individuals' skills and experience with City's aims and the terms of reference and priorities of Committees. The process City has followed seeks to strengthen Council's membership and increase the diversity of its membership.

Council members do not have service contracts or receive any payment for the work that they do for City, apart from the re-imbursment of expenses. City maintains a Register of Interests of members of the Council, which may be viewed on City's Governance web pages.

The College Secretary is responsible for managing City's governance processes and reports directly to the Chair of Council.

Corporate governance statement

The minutes of Council appear on the governance public web pages following their approval by Council. A short report on the Council meeting is sent to all staff a day or so after the meeting and staff can access all the papers on the intranet except those that are closed. The minutes and papers from Council's Committees are not available for staff, students, or the general public, with the exception of arrangements for Senate and for Remuneration Committee, which are described below.

Council had six meetings in 2020/21, one of which was an away day. In 2020/21 meetings of Council and its Committees were held through the use of Microsoft Teams to comply with Government regulations and guidance on social distancing, with the exception of the Council away day on 6th May and the meeting of Council on 5th July.

One Council plenary dinner was held on the evening before the Council meeting on 5th July to mark the retirement from City of Professor Sir Paul Curran as President. City's governance arrangements seek to ensure that all Council members fully participate in Council discussions and that there are constructive relationships between the Executive and the Council.

There is an annual appraisal scheme for all Council members, which also serves as an annual review of the adequacy and effectiveness of governance arrangements.

Members of Council complete a short questionnaire which rates the performance of Council and the contribution of the individual member. This is supplemented by a meeting or telephone conversation between the member and the Chair of Council. The process adopted for 2020/21 has been amended (and comprised telephone conversations between members and the Chair of Council only) to reflect Council's intention of commissioning an external review of Council effectiveness in 2021/22.

Audit and Risk Committee (ARC)

This Committee receives a report on the Annual Report and Financial Statements from the external auditors. It reviews and scrutinises the Financial Statements and recommends their approval by Council after any necessary changes have been made. It considers the adequacy of internal audit resources; and reviews and approves the risk based internal audit programme for the year, including where appropriate arrangements for auditing the regularity and propriety of the use of public funding at City. It considers detailed internal audit reports and recommendations for the improvement of City's systems of internal control, together with the Executive's response and implementation plans. The Committee also has a role in reviewing the achievement of Value for Money (VfM) within the institution and monitors City's risk management processes.

The Committee receives reports from the Executive in order to inform its judgments – specifically an assurance from the President on internal controls and reports on VfM and data quality. Each year the Committee gives Council an opinion on the adequacy and effectiveness of City's arrangements for: risk management, control, governance, VfM, and the management and the quality of data submitted to HESA and OfS.

The Committee is chaired by Ms Kru Desai, an independent member of Council. The Committee membership includes two co-opted members appointed for their relevant expertise, Mr Sandeep Das and Mr Richard Shaw. The internal and external auditors attend each meeting.

The Committee met four times in 2020/21. It regularly met the President without other members of the Executive or the auditors being present, to discuss risk. During the year, the Committee met risk owners on a rolling programme to discuss the management of those risks in more detail. It also regularly received the risk register and commented on it before it was considered by Council, which it does on a bi-annual basis. The Committee reviews its own effectiveness and the effectiveness of the internal and external auditors on an annual basis.

Corporate Governance and Nominations Committee (CGNC)

This Committee advises Council on matters concerning City's corporate governance capability, structural arrangements and practices, membership of the Council and its Committees, and amendments to the Charter, Statutes and Ordinances. This Committee is also responsible for making recommendations to Council on nominations for honorary degrees.

CGNC met three times in 2020/21 and was chaired by Professor Chris Jenks, an independent member of Council.

CGNC recommended for approval to Council the appointment of two independent members of Council and membership changes to Council Committees.

The process of recommending to Council nominations for the award of an Honorary Degree was paused in 2020/21 as a result of the pandemic but will resume in 2021/22.

Remuneration Committee (RemCo)

The Committee determines the terms and conditions of employment of the President, members of the Executive team, the Deans, the College Secretary and the Director of Internal Audit. It also reviews and determines the remuneration for higher paid staff, as defined by OfS, including the above, taking into account recommendations from the Chair of Council or the President. The Committee's Terms of Reference also require it to keep under review progress in addressing equality, diversity and inclusion issues at City.

RemCo met four times in 2020/21. The Committee was chaired until 31st March 2021 by Ms Philippa Hird, an independent member of Council; and has been chaired since 1st April 2021 by Ms Jen Tippin, an independent member of Council.

The Committee is advised by a Director from the Hay Group, Mr Peter Smith. The Chair of Council is a member of the Committee, as are two other independent members of Council.

The President attends meetings of the Committee when required but is not a member of the Committee. The President is not present when his remuneration is considered or set.

A report on the work of the Committee in determining the remuneration of senior and higher paid staff are given in the remuneration report on pages 13 to 15. This has been compiled in accordance with the CUC Higher Education Senior Staff Remuneration Code.

Open minutes of the meetings of the Remuneration Committee are available at www.city.ac.uk/about/city-information/governance/council-senate-and-committees/remuneration-committee. Details of the attendance of members at meetings of RemCo are noted in the minutes of RemCo meetings.

Strategy, Implementation and Performance Committee (SIPCo)

SIPCo was established to allow more time than is available at Council for independent Council members to consider strategic issues, review progress in delivering *City's Vision & Strategy 2026* and to monitor City's performance in the round and that of its constituent Schools.

SIPCo seeks assurance on these matters, advises Council and assists the Executive in bringing any matters to Council through the process of constructive challenge.

SIPCo met six times in 2020/21 and is chaired by Mr Adrian Haxby, an independent member of Council. SIPCo approved the Annual Transparency Return (TRAC) to OfS on behalf of Council in 2021.

Corporate governance statement

Senate

Senate has delegated authority from Council for the enhancement of academic quality and assurance of academic standards. It is chaired by the President. In 2020/21 the composition allowed fourteen ex-officio positions and an equal number of members elected from the academic staff plus up to five students and a member of staff elected from Visiting Academic Staff, making a potential total membership of up to thirty-four

Elected members are appointed for a three year period and at least two elected members must be drawn from each Board of Studies area, with the exception of LEaD and the Doctoral College. All Senators are expected to express views that benefit City as a whole.

The elected members elect from their number a Senior Elected Senator (SES) (currently Dr Rachel Cohen) who acts as a point of contact for Senate members and other academic staff if there are concerns that significant matters of academic quality and standards have not been appropriately addressed by Senate. The SES has the right to raise such matters directly with the Chair of Council. The role ensures that there is an alternative route of communication to Council for members of Senate if they have concerns in respect of academic quality and/or standards that have not been addressed by the President and the Executive.

Senate delegates many of its responsibilities to the President and to its sub-committees. The key sub-committees are six Boards of Studies, Assessment Boards, Educational Quality Committee, Research Ethics Committee, Collaborative Provision Committee and Academic Governance Committee. On research issues, the Research & Enterprise Committee acts as a sub-committee of Senate and reports directly to Senate. On enterprise issues, the reporting line of the Committee remained in 2020/21 to the VP (R&E). Internal Audit supports Senate and its sub-committees in reviewing, on a rolling basis, processes agreed by Senate, to ensure they are operating appropriately.

Senate met five times in 2020/21. Minutes and papers are available to the public on the website at www.city.ac.uk/about/governance/senate although restricted papers are only available to staff and students. A short report on the Senate meeting is sent to all staff a day or so after the meeting.

The Chair of Senate wrote to Senators on 26th March 2021 to inform them that he would again be using his powers as President in 2020/21 to suspend or depart from Senate Regulations (see Ordinance B.1.3) to enable City to enable students to progress or graduate, while City was affected by the government response to the Covid-19 pandemic. The period of suspension came to an end on 6th September 2021. Throughout the year, Senate continued to meet through the use of MS Teams. Its delegated authority under City's Ordinances was otherwise unchanged.

President

Council delegates authority and responsibility for the management of the institution to the President, as City's Chief Executive Officer. The President is also City's accountable officer under the terms of the OfS terms and conditions of funding for higher education institutions. This means that the President is personally responsible for ensuring compliance with the OfS terms and conditions and for providing OfS with clear assurances to this effect.

As City's Chief Executive, the President exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The President also has general responsibility to the Council for maintaining and promoting the efficiency and good order of City.

The President is personally responsible for the exercise of the powers delegated to him in the delegations framework agreed by Council but is advised by members of the Executive in the exercise of his powers.

Professor Sir Paul Curran served as President of City throughout the year 2020/21 and as Accountable Officer until 27th June 2021. Professor Sir Paul Curran resigned as President on 31st July 2021. Professor Anthony Finkelstein was appointed as President and Accountable Officer from 28th June 2021. City was fortunate to be able secure a six-week handover period between Professor Sir Paul Curran and Professor Anthony Finkelstein in the role of President.

Until 30th August 2020, the President was advised by an Executive Committee comprising the Deputy President & Provost, Vice-Presidents, Chief Financial Officer and Director of Human Resources together with the Deans and key Professional Services Directors. From 1st September 2020 to 27th June 2021, the President was advised by an Executive Board chaired by an Interim Deputy President, Professor Andrew Jones, which comprised additionally the Deputy President & Provost, Vice-Presidents, Chief Financial Officer and Director of Human Resources together with the Deans and the Director of Marketing and External Relations. From 28th July, the President has been advised by a Senior Leadership Team comprising the Deputy President, Vice-Presidents, Chief Financial Officer, the Director of Human Resources together and the Executive Deans.

Remuneration report

In determining the remuneration of the President and of senior and higher paid staff as defined in City's Ordinances, the Remuneration Committee (RemCo) works within the context of City's remuneration and HR strategies. City's remuneration strategy is available at www.city.ac.uk/about/governance/council-senate-and-committees/remuneration-committee.

In making individual remuneration decisions, RemCo has also been informed by salary benchmark data, retention considerations and relevant market conditions. These factors are also considered in setting starting salaries. Benchmarking studies consider the remuneration of staff in comparator institutions within higher education (including those of comparable size and complexity, those in a similar geographic location and members of the Russell Group) and comparators in other relevant sectors, for professional services staff. City reviews the data within the surveys it uses regularly to ensure that RemCo has access to the most relevant information for all positions. A list of comparator institutions used for benchmarking purposes is available at www.city.ac.uk/about/governance/council-senate-and-committees/remuneration-committee.

For senior staff, RemCo considers annually the appraisal reports of staff and recommendations on remuneration from the Chair of Council (for the President, College Secretary and Director of Internal Audit) and from the President (for all other senior and higher paid staff).

With the exception of the President, all staff whose remuneration is determined by RemCo normally receive the annually negotiated cost of living increase for staff across the higher education sector. For 2020/21 no cost of living increase was made. This reflected the financial challenges facing the higher education sector from the coronavirus pandemic.

All staff whose remuneration is determined by RemCo are eligible for membership of the Universities Superannuation Scheme.

An element of City's remuneration strategy has been that pay for senior staff includes an element of Performance Related Remuneration. Details of City's Performance Related Remuneration Scheme (PRRS) are available at www.city.ac.uk/about/governance/council-senate-and-committees/remuneration-committee. Payments under the PRRS have been determined by RemCo following the end of the financial year and are awarded in respect of performance in that financial year. PRRS is based on an annual appraisal of personal performance plus institutional performance against a basket of strategic measures including City's four academic KPIs and three institutional PIs. A table setting out City's performance against the indicators used in the PRRS is at www.city.ac.uk/about/governance/council-senate-and-committees/remuneration-committee.

RemCo has, however, determined that no awards under the scheme should be made for the year 2020/21 in light of the financial challenges posed for City by the coronavirus pandemic. RemCo has also determined that it would be appropriate to review the scheme in 2021/22.

President's remuneration – Professor Sir Paul Curran

Remuneration of the President at City is determined by the Remuneration Committee of Council.

The President's total remuneration comprises: salary, taxable benefits in kind, PRRS, pension contribution and non-taxable benefits.

The President's salary is reviewed by the Remuneration Committee each year to determine the salary effective from August. The Committee's annual review of salary is informed by remuneration

benchmark data from, among other sources, the Committee of University Chairs and with reference to City's Remuneration Strategy. Salary is determined by an assessment of long-term performance, retention considerations and relevant market conditions. It is not automatically increased by the annually negotiated cost of living increase for university staff across the higher education sector.

For 2020/21, the Committee determined in June 2020 that for 2020/21 the President should not receive an increase in base pay.

The President continued to receive an adjustment to his remuneration of eleven per cent of base pay, to reflect his decision in 2018/19 to leave the USS and a decision made at the time to RemCo to make such an adjustment to his base pay. Details are given in Note 8 to the accounts.

The President, in the course of the financial year 2020/21, opted to reduce his base pay and pension supplement by 20 per cent for a six month period, as part of City's work to reduce its costs in light of the financial challenges posed to City by the coronavirus pandemic. The reduction in the base pay of the President is reflected in the annual accounts for 2020/21.

The President's taxable benefits in kind are for private healthcare and accommodation

The President has accrued both taxable and non-taxable benefits arising from City's ownership of a property at 20 Myddleton Square at which City's Service Agreement with the President stated that it was necessary for him to reside for the proper performance of his duties. The President resided at this property until his resignation from City, which took effect from 31st July 2021.

From 1st August 2021 it ceased to be a requirement for the President of City to reside at 20 Myddleton Square and the property at 20 Myddleton Square was placed on the market.

For the tax year 2020/21, the benefits accrued by the President arising from this property were non-taxable. The opportunity cost to City of providing this benefit for the tax year 2020/21, calculated on the basis required by OfS, is given in Note 8 to the accounts.

For the tax year 2021/22, the benefits accrued by the President from this property became taxable. Details of those benefits are given in Note 8 to the accounts.

RemCo considers annually the ratio of the President's salary to the median salary for academic staff and the ratio of the President's salary to the median salary for all staff. The ratios reflect the two roles of the President, as academic leader and Chief Executive. The ratios nationally and for City, in the form which they are considered by RemCo, were published in City's Annual Report last year; and have been extended on page 15, to cover 2020/21 in relation to the remuneration of Professor Sir Paul Curran as President and also in relation to the remuneration of Professor Anthony Finkelstein as President.

Further tables which set out the ratios, when calculated on the basis required by the OfS Accounts Direction (which requires the incorporation of the non-taxable benefits of the President, calculated on the basis of the opportunity cost to City) are given in Note 8 to the accounts. In line with the annual Accounts Direction from OfS, these tables do not take account of the voluntary reduction in the base pay and pension supplement of Professor Sir Paul Curran, the details of which are given above.

Professor Sir Paul Curran resigned as City's President with effect from the end of the 2020/21 financial year, at 31st July 2021.

Remuneration report

President's remuneration – Professor Anthony Finkelstein

Professor Anthony Finkelstein CBE FREng has been appointed the new President of City, University of London. Professor Finkelstein took up the post of President at City with effect from 28th June 2021. The remuneration received by Professor Finkelstein as President during the financial year 2020/21 is recorded in the annual accounts below.

The Remuneration Committee, in July 2020, following a review of remuneration across the sector, agreed the remuneration of Professor Finkelstein.

The base pay of Professor Finkelstein as President will be £306,500. Professor Finkelstein will not receive performance-related remuneration and he will not be provided with accommodation by City. He will not participate in the Universities' Superannuation Scheme. Professor Finkelstein will be entitled to private health care, as are all senior managers at City.

Senior and higher paid staff

Details of the remuneration of higher paid staff are given in Note 8 to the accounts.

Remuneration for these staff is determined by RemCo in the same way and in the light of the same considerations as the remuneration of the President.

Decisions relating to the remuneration of individual members of senior and higher paid staff taken in 2020/21 by RemCo are recorded in the minutes of the Committee's meetings.

External appointments and retention of income

In the case of the President, prior consent in writing from the Chair of Council is required if the President is to accept appointment to any office or position or be interested directly or indirectly in any other business. The President is permitted to retain income from any such appointment.

The amount retained from external bodies by Professor Sir Paul Curran as President in 2020/21 was £34,179. This related to the President's role as Non-Executive Director of the Universities Superannuation Scheme Ltd.

The amount retained from external bodies by Professor Anthony Finkelstein in 2020/21 was £2,000. This was for scientific advice from Polecat Ltd.

For other senior and higher paid staff, City also requires prior written agreement if any appointment or position is to be accepted at another body. As in the case of the President, any income from such an appointment may be retained by the individual.

City's policy on income from consultancy applies to all staff, including the President, and is available at www.city.ac.uk/about/governance/council-senate-and-committees/remuneration-committee. Professor Sir Paul Curran and Professor Anthony Finkelstein retained no income from consultancy in 2020/21.

Expenses

City's expenses policy for members of staff is publicly available at www.city.ac.uk/about/governance/council-senate-and-committees/remuneration-committee. This policy applies to all members of staff including the President, senior staff and higher paid staff.

The Chair of Council is required, under the President's Contract of Service, to approve all overseas trips including their budget in advance of any commitment being made.

City's expenses policy for the reimbursement of expenses by Council members is publicly available at www.city.ac.uk/about/governance/council-senate-and-committees/council.

Under City's current Freedom of Information Code of Publication, details of the out of pocket expenses reimbursed to Professor Sir Paul Curran and to Professor Anthony Finkelstein as President in 2020/21 are publicly available at www.city.ac.uk/about/governance/council-senate-and-committees/remuneration-committee.

Expenses reimbursed to Council members in 2020/21 are reported in Note 8 to the accounts.

Severance payments to senior and higher paid staff

Details of severance payments to senior and higher paid staff are reported in Note 8 to the accounts.

Remuneration report

Table illustrating the President's remuneration to median salary for all staff.

President's remuneration 2011/12 to 2020/21											
Academic year	2011/12 Curran	2012/13 Curran	2013/14 Curran	2014/15 Curran	2015/16 Curran	2016/17 Curran	2017/18 Curran	2018/19 Curran	2019/20 Curran	2020/21 Curran	2020/21 Finklestein
Salary ¹ (£k)	280	280	280	294	294	309	314	314	320	320*	307
Taxable benefits in kind (£k)	1	1	1	1	1	1	1	1	2	2	2
Performance-related remuneration (PRR) ² (£k)	0	42	20	16	13	24	21	18	16	0	0
Total pay (£k)	281	281	301	311	308	334	336	333	322	322	309
Payments in lieu of pension contributions (£k)								11.5	35	35	0
Pension contribution ³ (£k)	22	22	45	47	49	56	57	37.5	0	0	0
Ratio of President's salary to median salary for academic staff (UCEA methodology)											
National	5	5.2	5.2	5.3	5.6	5.7	5.6	5.6	5.7	N/A	N/A
City – Academic staff	5	4.8	5	5.2	5.1	5.4	5.4	5.3	5.5	5.4	4.7
Ratio of President's salary to median salary for all staff (UCEA methodology)											
National	6.3	6.6	6.5	6.6	6.8	6.8	6.7	6.7	6.6	N/A	N/A
City – All staff	6.5	6.5	6.9	6.9	6.8	7.3	7.5	7.3	7.6	7.3	6.3
OfS ratio – Ratio of President's salary to median salary of the whole workforce											
City – Base pay							8.3	8.2	7.7	7.7	7.4
OfS ratio – Ratio of President's total remuneration to median total remuneration of the whole workforce											
City – Total remuneration							10	9.5	8.5	8.6	6.4

Notes:

1. A salary increase has been awarded three times: 2014/15 (5%) 2016/17 (5%) & 2017/18 (1.7%).

2. Performance related remuneration was first introduced in 2012/13. The President chose not to take the associated payment in 2012/13 and 2019/20.

3. Employer pension contributions are made at the same rate as for other staff and this was 16% to 2015/16 and 18% thereafter. The President opted-out of USS for a year that bridged the academic years 2011/12 and 2012/13. City made no employer contribution during that twelve month period. The President opted out of the pension scheme from 1st April 2019.

*Excludes six month voluntary pay cut which ended in March 2021

Membership of Council

Council comprised the following members for the period 1st August 2020 to 26th November 2021:

Rector

The Right Honourable, The Lord Mayor of London

Chair of Council

Ms J Palca

Deputy Chair of Council

Ms K Desai (from 1st April 2021)

Ms P Hird (until 31st March 2021)

Presidents

Professor Sir P Curran (until 31st July 2021)

Professor A Finkelstein (from 28th June 2021)

Independent Members

Dr P Franklin (until 30th June 2021)

Mr S Harding-Roots

Mr A Haxby

Professor C Jenks

Mr T Lee-Warren

Dr A Mackintosh

Ms E Okobi (from 1st February 2021)

Mr A Prakash (from 1st February 2021)

Ms J Tippin

Staff Members

Ms M Luckiram

Ms C Rylatt

Professor D Salmon

Student Members

Ms S Dallali (from 1st July 2021)

Mr S Riaz (until 30th June 2021)

Honorary Rectors (not members of council)

The Hon Mr A Bagri

Professor Sir D Bone

Ms H Nouss (from 1st July 2021)

Mr R Woodward

Senior Elected Senator (not a member of council)

Dr R Cohen

Presidents and other key officers of the University

Professor Sir P Curran, President (until 31st July 2021)

Professor A Finkelstein, President (from 28th June 2021)

Professor D Bolton, Deputy President and Provost (until 31st August 2021)

Professor A Jones, Deputy President

Professor M Mera, Vice-President, Research (from 1st September 2021)

Professor S Quinsee, Vice-President, Education (interim) (from 1st July 2021)

Dr S Robinson, Vice-President, Enterprise, Engagement & Employability (from 1st July 2021)

Professor S Newman, Vice-President, International (until 30th September 2020)

Professor Z Radnor, Vice-President, Strategy & Planning (until 11th July 2021)

Professor M Mera, Interim Dean, School of Arts and Social Sciences (until 31st August 2021)

Professor J John, Dean, School of Arts and Social Sciences (from 1st September 2021)

Professor R Roy, Dean, School of Mathematics, Computer Science & Engineering

Professor D Salmon, Dean, School of Health Sciences

Professor A Stockley, Dean, City Law School

Professor V Volpin, Interim Dean, Bayes Business School

Ms M Luckiram, Director of Human Resources

Ms C Rylatt, Chief Financial Officer

Dr W Jordan, College Secretary

Statement of the responsibilities of City's Council and statement of internal controls

System of internal control and financial statements

In accordance with City's Charter, City's Council is responsible for the administration and management of City, including ensuring an effective system of internal control and adopting audited financial statements for each financial year.

The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time City's financial position and enable it to ensure that the financial statements are prepared in accordance with City's Charter and Statutes, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and other relevant accounting standards. In addition, within OfS and Research England terms and conditions of funding for higher education institutions and the annual OfS Accounts Direction, the Council, through its designated office holder (the President), is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of City, and of the surplus or deficit and cash flows for that year.

The Council has to ensure that:

- Suitable accounting policies are selected and applied consistently
- Judgments and estimates are made that are reasonable and prudent
- Applicable accounting standards are followed, subject to any material departures disclosed and explained in the financial statements
- It is appropriate that financial statements are prepared on the going concern basis, as the Council has satisfied itself that City has adequate resources to continue in operation for the foreseeable future.

The Council has taken reasonable steps to:

- Ensure that funds from the Office for Students and Research England are used only for the purposes for which they have been given and in accordance with the relevant terms and conditions of funding and any other conditions which these funding bodies may from time to time prescribe
- Ensure that funds relating to the contracts with the National Health Service (NHS) have been properly expended on the purposes for which they have been provided
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- Safeguard City's assets and prevent and detect fraud
- Secure the economical, efficient and effective management of City's resources and expenditure
- Ensure that there are effective systems of risk identification and management that are based on a clearly articulated policy and approach and are aligned to City's strategic objectives
- Plan and conduct its financial and academic affairs to ensure that City remains solvent.

The key elements of City's system of internal control, which is designed to discharge the responsibilities set out above, include:

- Definitions of the responsibilities of, and the authority delegated to, Schools and Professional Services
- A medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of financial results involving variance reporting and updates of forecast out-turns
- Defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to appraisal and review according to approval levels set by the Council and the President
- Financial Regulations, detailing financial controls and procedures
- A professional Internal Audit Service whose annual programme is approved by the Audit & Risk Committee and is endorsed by the Council. The Director of Internal Audit provides the Council with an annual report on internal audit activity within City and an opinion on the adequacy and effectiveness of City's system of internal control, including risk management, corporate governance and value for money
- Regular academic reviews carried out on behalf of Senate to assure academic quality and standards.

The key elements of City's system of risk identification and management, which is designed to discharge the responsibilities set out above, includes:

- The integration of planning, risk, KPIs and other performance indicators to provide an efficient reporting and control mechanism
- The management of risk at strategic, School and project level to ensure that a full picture of risks is available and that significant risks are escalated to the appropriate level
- Business continuity and emergency management: ensuring plans are in place which would address any disaster and emergency situation
- Ensuring that all risks have appropriate ownership so that risks can be controlled appropriately
- Reporting regularly to Audit & Risk Committee which assures Council on the effectiveness of arrangements of internal control and risk management.

Any system of internal control or risk management is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute assurance against material misstatement or loss.

Having reviewed all available evidence, Council has satisfied itself with the adequacy of internal controls for the period 1st August 2020 to 26th November 2021.

Statement of the responsibilities of City's Council and statement of internal controls

Risk management

The key elements of City's risk management framework through which we review and mitigate risk are set out above. Risk registers at both Institutional and School level use a common format so that risks can be compared and discussed more easily.

Our risk register is structured so that strategic and operational risks that would prevent City from achieving our vision are clearly described.

The highest risks as we enter the next academic and financial year are: strategic risks that would prevent us from maintaining and improving student satisfaction, recruiting planned numbers of students, the risk that Brexit will affect staff retention and recruitment and operational risks relating to compliance, information governance and health and safety. A failure in any of these areas could have a significant impact on our reputation, finances and/or ability to operate.

Our risk review process includes regular review and updating of controls and mitigating actions.

Our risk register will be reviewed and revised as necessary in 2021/22.

Prevent Duty

Council is required to provide assurance to OfS by 1st December each year that it has discharged effectively its responsibilities under the Prevent Duty. City's Council approved in November 2021 its Prevent Annual Report and Risk Assessment to OfS and authorised signature of the required annual assurance statement to OfS for the academic year 2020/2021 and up to the date of approval of the Annual Report. This assurance statement relates to having due regard to the Prevent Duty, to the provision of information to OfS about the implementation of the Prevent Duty and reporting to OfS in a timely way all serious issues relating to the Prevent Duty.

Financial report

The financial report below comments on our financial performance and position for 2020/21. It also covers key finance-related commentary and provides a view on our future financial sustainability and our ability to operate as a going concern.

Ongoing financial impact of the Covid-19 pandemic

The Covid-19 pandemic has impacted City's financial results for both 2019/20 and 2020/21 and also the future financial outlook for the medium term.

The financial impact for 2020/21 was a reported deficit of £3.8M and total comprehensive expense of £7.6M. However, when removing the large and volatile pensions movements, it actually resulted in an overall surplus and comprehensive income (excluding pension movements) of £3.6M. This was better than anticipated at the beginning of 2020/21, when we were planning for a much larger deficit. The better than anticipated results have been achieved by mitigating the loss of income, notably from international students, with increases in our home student intakes and savings on operating costs driven by the lockdown, campus closure and cost constraints imposed on all our operational budgets and investment projects.

The financial impact for 2021/22 is expected to result in a return to a small surplus position. This is predicated on international student recruitment holding to planned levels and pandemic related campus disruptions being minimal. As campus operations increase and travel resumes, operating costs will inevitably rise and as the income from international students is still depressed, cost control measures will still need to be maintained. These include staff replacement and recruitment controls, reducing discretionary spend and reviewing, reprioritising and reducing investment project spend over the short to medium term. We are expecting to have adequate liquidity resources over the foreseeable future and are not anticipating the need to access any additional borrowing.

Forecasts beyond 2021/22 indicate our finances will recover as a result of the expected return to pre-pandemic levels of student recruitment and increases in the UK population of university starters. The recovery of our income streams, coupled with cost control measures, is expected to mean that our cash reserves are still maintained and do not need to be supplemented by any long term borrowing. We will continue to monitor the financial situation as 2021/22 financial outcomes become clearer and the impact of the pandemic on UK and international student recruitment develops.

Financial performance

Summary results for the year

The reported and summarised consolidated statement of comprehensive income and expenditure (SOCIE) shows:

	2020/21	2019/20
	£M	£M
Income	246.4	245.0
Expenditure	252.6	218.4
Operating (loss) / surplus	(6.2)	26.6
Gain / (loss) on investments	2.8	(1.5)
Share of (loss) / surplus in joint venture	(0.3)	0.2
Taxation	(0.1)	0
(Loss) / surplus for the year	(3.8)	25.3
Actuarial (loss) / gain in respect of pension schemes	(3.8)	(22.3)
Total comprehensive income for the year	(7.6)	3.0

This year's reported results are once again being skewed by several large pensions related movements that are outside our direct control and influence and do not reflect our operational or cash generating performance. These movements total £11.2M (£1.1M in 2020) and go through the various lines on the SOCIE as follows:

	2020/21			2019/20		
	LPFA £M	USS £M	Total £M	LPFA £M	USS £M	Total £M
Movement on pension provision and holiday accrual	6.6	(0.5)	6.1	3.7	(29.1)	(25.4)
Interest and other finance costs	1.0	0.3	1.3	1.0	1.0	2.0
	7.6	(0.2)	7.4	4.7	(28.1)	(23.4)
Actuarial loss in respect of pension schemes	3.8	0.0	3.8	22.3	0.0	22.3
	11.4	(0.2)	11.2	27.0	(28.1)	(1.1)

Removing these adjustments indicates that we have actually made an operating surplus of £1.2M and achieved a surplus and total comprehensive income of £3.6M for the year as summarised in the table below.

	2020/21	2019/20
	£M	£M
Income	246.5	245.0
Expenditure (excluding pensions)	245.3	241.8
Operating surplus (excluding pensions)	1.2	3.2
Gain / (loss) on investments	2.8	(1.5)
Share of (loss) / surplus in joint venture	(0.3)	0.2
Taxation	(0.1)	0.0
Surplus for the year (excluding pensions)	3.6	1.9
Actuarial (loss) / gain in respect of pension schemes	0.0	0.0
Total comprehensive income for the year (excluding pensions)	3.6	1.9

These results are more reflective of our core financial performance at an operational level, noting that the Covid-19 pandemic has affected them over both years. The operating surplus line is used to report and forecast internally and is the key line to refer to in terms of financial performance. The restated operating surplus of £1.2M is £2.0M less than last year.

The key variances between the represented 2019/20 and 2020/21 results are summarised as follows:

Income: It is of note that fee income is £0.5M lower than in 2019/20. In previous years, fee income, and international fee income in particular, has grown year on year and this downturn in international student numbers and fees is reflective of the pandemics impact on this income stream. Additional, non-recurrent funding was provided by the OfS for student hardship support and by UKRI for investment in City's laboratories. Other income increased by £2.9M; a one-off property related transaction of £4.4M and £0.8M in other income is being offset by pandemic related reductions in catering income £1.8M. Investment income declined due to falling interest rates and the large movement in donation income reflects large, one-off receipts received in 2019/20.

Expenditure: Other operating expenses increased by £4.1M (see the tables on operating expenditure further below for the breakdown relating to this). The increase in depreciation of £2.9M and increase in interest on borrowings £0.7M both relate to the works on the Sebastian Street building now being complete. While under construction, a proportion of the interest payment, of £1.7M, was being capitalised. These increases are offset against reductions in the year-on-year movement of the holiday accrual £3.4M and staff costs £0.8M.

Further down the adjusted SOCIE, the surplus for the year (excludes actuarial gains and losses in respect of pensions schemes) is £3.6M. This arises due to gains on our endowment portfolio of £2.8M (driven by global market recoveries), City's share of the 2020/21 loss from the INTO JV £0.3M and overseas taxes of £0.1M being incurred in the year.

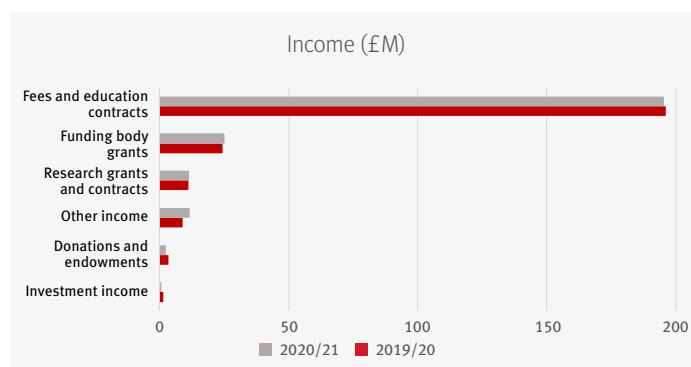
These variances are discussed in more detail within the relevant sections later in the report.

Financial report

Income

The table and graph below illustrate our reported income compared to the previous year.

	2020/21	2019/20
	£M	£M
Fees and education contracts	195.4	195.9
Funding body grants	25.0	24.4
Research grants and contracts	11.3	11.1
Other income	11.7	8.9
Donations and endowments	2.4	3.4
Investment income	0.7	1.3
Total operating income	246.5	245.0

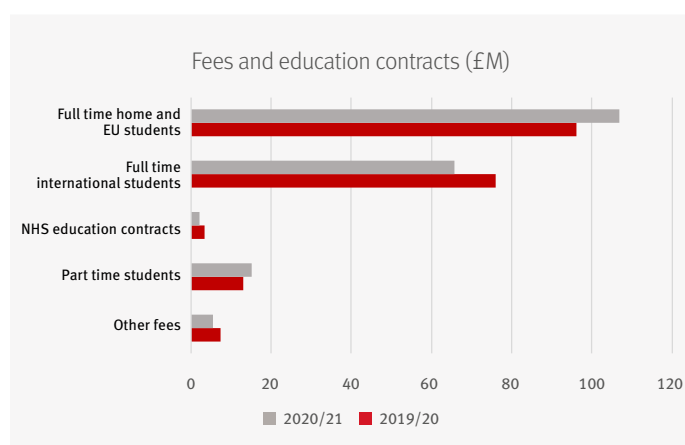


Total income increased by £1.5M (0.1 per cent) to £246.5M.

Other income increased by a net £2.9M (mainly due to a one-off large property transaction and offset by reductions in catering income as mentioned previously), funding body grants by £0.6M and research grants and contracts by £0.1M. These increases were offset by reductions in donations and endowments £1.0M, fees and education contracts £0.5M and investment income £0.6M. These reductions are all driven by the pandemics impact on students, donors and cash investment returns.

Fees from full-time home and EU students increased by £10.8M and those from full-time international students decreased by £10.2M, indicating the positive recruitment from mainly home students and the pandemics negative impact on international student recruitment.

Part-time student income increased by £2.1M, mainly driven by increases in recruitment of students studying on part-time courses, NHS contract income reduced by an expected £1.3M (consequent on the national change of funding arrangements for NHS students) and Covid-19 related reductions in other fees of £2.0M. This is shown in the following graph.



The £25.0M funding body grants that we received from the Office for Students and Research England increased by £0.6M during 2020/21. This additional funding mainly related to funding for additional student hardship support and for investments in City's laboratories.

Income from research grants and contracts increased by £0.2M from the previous year, to £11.3M.

Donations and endowments income decreased by £1.0M as a result of one-off large donations being received the previous year as well as the pandemics impact on donors willingness to give.

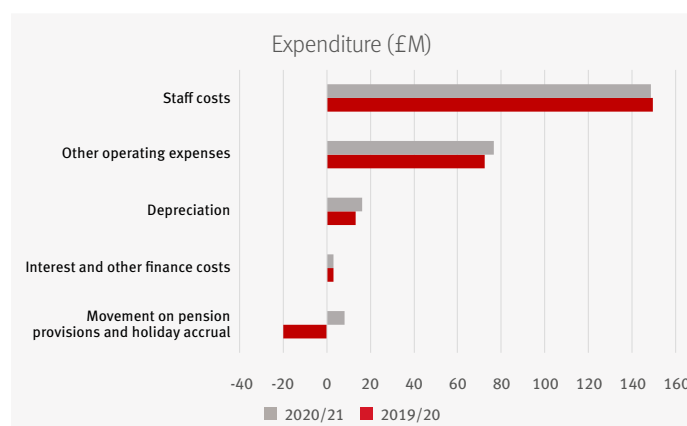
Other income increased by a net £2.8M as a result of a one-off property related transaction of £4.4M and this increase being offset by pandemic related reductions in catering income of £1.8M.

Investment income decreased by £0.6M due to Covid-19 impacts on cash investment market returns. All of our cash and endowment investments are managed in line with our Investment Policy, by our appointed investment managers.

Expenditure

The table and graph below analyses our reported expenditure for 2020/21 compared to the previous year:

	2020/21	2019/20
	£M	£M
Staff costs	148.8	149.6
Other operating expenses	76.6	72.5
Depreciation	16.1	13.3
Interest and other finance costs	3.0	3.1
Core expenditure	244.5	238.5
Movement on holiday accrual	2.0	5.4
Movement on pension provisions	6.1	(25.5)
Total operating expenditure	252.6	218.4

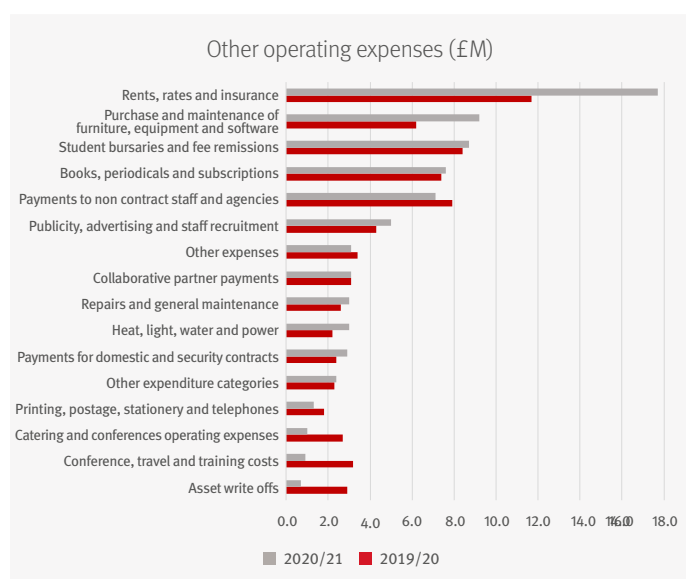


Core expenditure, as seen from the table above, increased by a planned £6.0M (2.5 per cent) compared to the previous year.

Staff costs decreased by £0.8M (0.1 per cent), reflecting the reduction in staff numbers driven by in-year cost control measures being applied and the pandemic related slowdown in staff recruitment.

Financial report

The breakdown of our other operating expenses is shown in the graph below.



Other operating expenses, excluding depreciation, increased by £4.1M (5.7 per cent) to £76.6M.

Two main areas of cost increases are notable and these relate to the £6.0M increase in rents, rates and insurances (mainly driven by taking occupation of our new building for Bayes Business School in Finsbury Square) and the £3.0M increase in the purchase and replacement of furniture, equipment and software (mainly relating to the opening of the new Sebastian Street building for The City Law School and the move towards remote education and working as a result of the Covid-19 pandemic and campus closures).

The largest cost decreases were in the areas of conferences, travel and training costs £2.3M (as a result of the pandemic driven travel restrictions), reductions in asset write-offs £2.2M and catering and conference running costs £1.7M (due to the impact of the closure of our campuses during lockdown).

Depreciation for the year increased from £13.3M to £16.1M, mainly reflecting the new Sebastian Street building opening and becoming operational during 2020/21.

Interest and other finance costs remained relatively constant at around £3.0M (£3.1M in 2019/20). However there were swings between the various components of this cost, notably around pensions and borrowings. These are shown in the table below.

	2020/21	2019/20
	£M	£M
Charge on LPFA pension	1.0	1.0
Charge on USS pension	0.3	1.0
	1.3	2.0
Interest on borrowings	1.7	1.3
Foreign exchange differences	0.0	(0.2)
	3.0	3.1

The finance charges on pension schemes decreased by £0.7M and interest on borrowings increased by £0.4M to £1.7M, which reflects the full uncapitalised portion of the interest payable on our borrowings from MetLife. The change in foreign exchange differences is driven by the one-off gains recognised last year due to the finalisation of several international research projects.

FRS102 requires that the movement on pension provisions and untaken staff holiday is estimated and accrued for at year-end. These are accounting estimates and hence are being shown separately from

core expenditure. These adjustments are out of our direct influence, and are generally volatile, hence making the accounts difficult to compare and read.

These movements comprise the following:

	2020/21	2019/20
	£M	£M
Movement on USS provision	(0.5)	(29.1)
Movement on LPFA provision	6.6	3.7
Movement on holiday accrual	2.0	5.4
Total movements	8.1	(20.0)

The reduction in the USS provision of £0.5M within 2020/21 reflects our decreased forecast liability for our portion of the USS deficit recovery plan, which is still based on the USS valuation as at 31st March 2018. The new USS valuation at 31st March 2020 has been submitted to The Pensions Regulator with an effective date of 1st October 2021, which is after our year end and as such the new 2020 valuation will be accounted for in next year's accounts. More information on this can be found in note 30 of the accounts.

The movement of the LPFA provision is mainly due to changes in the actuarial assumptions being applied to the LPFA scheme. This is mainly being driven by the pandemic's impacts on global markets and future returns.

The pension movements arising in 2020/21 have resulted in the pension provisions on our statement of financial position increasing by a net £11.1M to £121.1M. The USS pension provision has decreased by £0.3M (from £35.1M to £34.8M) and the LPFA has increased by £11.4M (from £74.9M to £86.3M) from the previous year.

The large year-on-year movement of £3.4M relating to the holiday accrual is due to the change to the holiday carry over cap that was put in place due to the pandemic. Staff could only carry over a maximum of five unused annual leave days at the 2018/19 year-end. This cap was lifted for both of the 2019/20 and 2020/21 year ends, resulting in the average days carried over per staff member increasing from 3.7 in 2018/19 to 13.9 in 2019/20 and to 18.0 in 2020/21.

Financial position

Capital projects

The value of our tangible fixed assets decreased by £2.5M to £398.3M. This is due to the opening of the new Sebastian Street building and occupation of the Finsbury Square building within 2020/21, being offset with the increased depreciation charges associated with them.

Pensions

City participates in two multi-employer defined benefit pension schemes, the Universities Superannuation Scheme (USS) and the local government pension scheme which in London is managed by the London Pensions Fund Authority (LPFA).

The largest proportion of our staff are within the USS. Because of the mutual nature of the scheme, its assets are not hypothecated to individual institutions. We are therefore unable to identify our share of the underlying assets and liabilities on a consistent and reasonable basis and therefore, as required by FRS102, we account for the scheme as if it were a defined contribution scheme. The scheme was subject to a triennial valuation as at 31st March 2018. Another valuation was undertaken as at 31st March 2020 and has recently been submitted to The Pensions Regulator with an effective date of 1st October 2021.

Under FRS102, we have accounted for our estimated share of the deficit recovery plan relating to the USS. This is calculated using the approved sector wide method. The liability for 2020/21 is based on

Financial report

the March 2018 valuation and is estimated to be £34.8M and has been accounted for as such.

The LPFA scheme currently shows an FRS102 deficit of £86.3M for City, an increase of £11.4M from 2019/20. The present value of the fund's liabilities for City has increased by £21.5M to £172.9M and assets have only increased in value by £9.7M to £86.3M. Our share of the LPFA scheme deficit is reflected in the statement of financial position in accordance with FRS102. This calculation reflects the position of the fund on one particular day based on a prescribed set of assumptions and does not determine the contributions that employers pay into the fund. The contribution level is set based on the actuary's recommendation following the last completed revaluation, which took place in March 2019.

Investments

FRS102 and the FE/HE SORP require any investments that can readily be converted to cash within 90 days to be classed as cash and cash equivalents at year-end. Investments that are held for longer are classed as either current or non-current asset investments. As such, our working capital cash and endowments-related investments are split across several lines on the statement of financial position – cash and cash equivalents and investments within both the current and non-current assets sections.

Our allocation of cash and investments at the year-end is indicated in the table below:

Allocation of investments	Non-current asset investments	Current asset investments	Cash and cash equivalents	2020/21 Total	2019/20 Total
	£M	£M	£M	£M	£M
Working capital cash	0	1.0	78.2	79.2	70.2
Endowments and restricted reserves	18.0	0	0.3	18.3	15.3
Bonds relating to post graduate student loans	0.8	0	0	0.8	1.1
Investments in spinout companies	0.1	0	0	0.1	0.2
Total	18.9	1.0	78.5	98.4	86.8

City's working capital cash of £79.2M and endowment and restricted reserves of £18.3M continue to be managed in accordance with our Investment Policy and under the management of our external investment managers. Our endowment and restricted reserves increased by £3.0M in value mainly due to markets recovering from the steep declines experienced at the start of the pandemic.

The balance of our investments comprises £0.8M bonds relating to postgraduate loans and £0.2M of shares in various City spin out companies.

Cash flows

Our statement of financial position shows a balance of cash and cash equivalents of £78.5M at the year-end. This is a £15.4M increase from 2019/20. The increase results mainly from generating £22.5M cash from operations, a £6.8M conversion of current asset investments, receiving £0.7M investment income and receiving £1.8M in capital grants. These inflows are offset by the planned spending of £14.2M on fixed assets as part of our Strategic Investment Plan and paying out £1.7M on our borrowings.

Our cash levels and liquidity position remain healthy at year-end and it is not anticipated that we will require additional liquidity resources. The recovery of our income streams, coupled with cost control measures adopted from 2019/20 onwards, is expected to mean our cash reserves are still maintained and do not need to be supplemented by additional borrowing. We will continue to monitor this situation as financial outcomes become clearer and the impact of the pandemic on UK and international student recruitment develops.

Borrowings

In April 2017, City completed a privately arranged and competitive borrowing exercise, which secured £60M of long-term funds from MetLife for us to use in financing our Strategic Investment Plan.

Due to the forecast financial impact of the pandemic on City's income streams for 2020/21, we were forecasting to default on one of our borrowing covenants. This was discussed with MetLife and a formal temporary covenant waiver was agreed and concluded with them in December 2020. This temporary waiver covered the 2020/21 financial year only and City has passed all of the requirements laid out within the temporary waiver. City is not forecasting to default on its covenants going forward.

We are monitoring our future borrowing requirements, consequent on the future impact of the Covid-19 pandemic on our finances and City has no current plans to borrow any additional funds.

Other finance related commentary

Basis of preparation

The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP): 'Accounting for Further and Higher Education 2019' Financial Reporting Standard (FRS) 102 and the Office for Students Accounts Direction.

Scope of the financial statements

The financial statements for 2020/21 comprise the consolidated results of City and its two subsidiaries, City Foundations Limited and City Entrepreneurship Limited.

Subsidiaries

The significant majority of activity is within City itself. Our two active wholly-owned subsidiaries are City Foundations Limited, which began trading in January 2010 and is the ownership vehicle for our share of the joint venture with the INTO Group. The results for INTO City LLP have been incorporated into the SOCIE and statement of financial position. The other subsidiary is City Entrepreneurship Limited which holds various investments relating to Bayes Business School.

INTO City LLP

INTO City LLP is a joint venture between City and INTO University Partnerships Limited which began trading in January 2010. Its principal activity is the provision of pre-university education for international students, with the intention that a significant proportion of them progress to degree level programmes at City.

The accounting impact for our share of the joint venture's results in 2020/21 was a loss of £0.3M (£0.2M gain in 2019/20). The loss is due to the Covid-19 pandemic's impact on the joint ventures' finances within 2020/21.

Financial sustainability and going concern

Financial sustainability

Our Financial and Investment Plan demonstrates that we continue to remain financially sustainable. The plan demonstrates that we generate sufficient operational cash and surpluses to enable us both to run day-to-day activities and deliver our strategic investment objectives and plans. The plan also considers the adverse impact that Covid-19 is expected to have on our finances over the next few years as well as demonstrating our plans to mitigate those impacts to an acceptable level. We are still aiming to generate a pre-investment surplus of between 5 per cent and 8 per cent of income in the medium term and beyond.

Some of the financial indicators that we monitor are presented in the table below.

	2020/21	2020/19
External borrowing as a % of total income	24.5%	24.6%
Net cash flow from operating activities as a % of total income	9.1%	6.8%
Net liquidity days	123 days	126 days
Core staff costs (excl. pension movements and holiday accrual) as a % of total income	60.4%	61.1%

These indicators continue to demonstrate that we remain financially strong and cash generative.

Our income from tuition fees and education contracts is expected to return to pre-pandemic levels in the medium term and in line with our plans for 'quality constrained growth' as set out in our *Vision & Strategy 2026*.

Pension related costs are increasing and we continue to monitor them, noting that they are largely out of our direct control and influence and do not have an immediate impact on our cashflow and liquidity.

Cost containment and management measures are already in place and are expected to be a feature over the next few years, in order to mitigate the pandemic's adverse impact on both our and the sector's finances. We will continue to prioritise our spending on academic education and research activities as well as regulatory and legal requirements over the short term.

Our investment plans and projects were all paused as part of our response to the pandemic's adverse impact on our finances. All investment plans are under review and are prioritised to ensure they continue to deliver long-term benefits for our students, staff and wider community as well as enabling us to meet all our regulatory and legal requirements.

Going concern

The Finance Director, on behalf of City's Senior Leadership Team, has assessed whether City, University of London is a going concern in reference to its Financial and Investment Plan. City's Financial and Investment Plan covers its financial performance, financial position and cash flows for the next five years and beyond and incorporate well balanced assumptions, driven by sensitivity modelling and scenario analysis, within it. This includes modelling possible income changes, expenditure increases and mitigating actions.

Particular note has been taken of the need to ensure the assessment is proportionate to the size and level of financial risk and complexity of the organisation. The review covers a 12-month period from the date of signing the financial statements and concludes that there are no material uncertainties that cast significant doubt about our ability to continue as a going concern.

We have non-current assets of £417.3M, a positive balance of cash and current investments of £79.5M at the year-end and a comparatively small level of external borrowing of £60.2M. We have no liabilities, contingent or otherwise, that would pose a threat to our operation in the coming year. Sources of income for the year ahead have been largely secured through grant income from funding bodies, contract income from the NHS and tuition fees from registered students. The cash flow forecast for the next 12 months reveals positive cash balances throughout this period. The Statement of Council's Responsibilities and the Corporate Governance Statement summarise the arrangements we have in place for the identification and management of risk.

Taking all of the above into account, we have a reasonable expectation that adequate resources exist to continue operations for the foreseeable future and the going concern basis continues to be appropriate for preparing the annual financial statements.

Mrs Marion O'Hara
Finance Director

Independent auditor's report to the Council of City, University of London ("City")

Report on the audit of the financial statements

Opinion

In our opinion, City, University of London's Group financial statements and City financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of City's affairs as at 31 July 2021 and of the Group's and of City's income and expenditure, gains and losses, changes in reserves, and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise the Consolidated and City statement of financial position as at 31 July 2021; the Consolidated and City statement of comprehensive income and expenditure, the Consolidated and City statement of changes in reserves, and the Consolidated statement of cash flows for the year then ended; the statement of accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group and City's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Council is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Council for the financial statements

As explained more fully in the Statement of the responsibilities of City's Council set out on page 17, the Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council is also 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.

In preparing the financial statements, the Council is responsible for assessing the Group and City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Group and City or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of City and the education sector, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students initial and general ongoing condition of registration, and the Office for Students' Accounts Direction (OfS 2019.41), and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the members of Council, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reading minutes of meetings of the Council and Council subcommittees, including the Audit and Risk Committee;

- reviewing terms and conditions of significant contracts;
- reviewing correspondence with regulators including the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education;
- understanding and evaluating the Group's control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income accounts;
- testing the recognition of research grant expenditure against the terms of the grant awards;
- assessing the reasonableness of key accounting judgements and estimates including USS and LPFA pension accounting; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Council as a body in accordance with Statute 3 of the Charters and Statutes of City and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by City for specific purposes have been properly applied to those purposes and, if relevant, 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.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- City's grant and fee income, as disclosed in note 4 to the financial statements, has been materially misstated; or
- City's expenditure on access and participation activities for the financial year, as disclosed in note 11 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Statement of accounting policies

1. General information

City, University of London ("City") is registered with the Office for Students. The address of the registered office is Northampton Square, London. EC1V 0HB.

2. Accounting Convention

The Consolidated and City 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 issued in 2019. 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 31st July 2019, the Royal Charter, the 2019/20 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.

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

3. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of certain fixed assets and investments).

City's activities, together with the factors likely to affect its future development, performance and position, are set out in the financial report. The financial report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities. Council has a reasonable expectation that City has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £1,000.

4. Exemptions under FRS 102

City has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for City in its separate financial statements.

5. Basis of consolidation

The consolidated financial statements include City, University of London and its subsidiaries, City Foundations Limited and City Entrepreneurship Limited for the financial year ended 31st July 2021. Intra-group sales and profits are eliminated fully on consolidation.

The joint venture, INTO City LLP, is accounted for using the equity method. Balances between City and the joint venture are not eliminated. Normal trading transactions that are not settled by the statement of financial position date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to City's share is eliminated.

The consolidated financial statements do not include City Students' Union as City does not exert control or dominant influence over its policy decisions.

6. Income recognition

Income from the sale of goods and services is credited to the Consolidated and City statement of comprehensive income and expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated and City statement of comprehensive income and expenditure over the period in which

students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when City is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the Consolidated and City statement of comprehensive income and expenditure on a receivable basis.

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

Grant funding

The funding body grant is recognised in the year it is received. The research grants are recognised in income over the periods in which City recognises the related costs for which the grant is intended to compensate. Where part of a Government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised as income when City is entitled to the funds subject to any performance related conditions being met.

Grants (including research grants) from non-Government sources are recognised in income when City is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the statement of financial position and released to income as the conditions are met.

Donations and endowments

Some non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when City is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised as income when City is entitled to the funds.

Investment income and appreciation of endowments is recorded as income in the year in which it arises and as either restricted or unrestricted income according to the terms of the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

1. Donations with restrictions - the donor has specified that the donation must be used for a particular objective
2. Permanent unrestricted endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for City's general benefit without specific restrictions applied to them.
3. Expendable restricted endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets and City may expend the capital
4. Permanent restricted endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Statement of accounting policies

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their fair value or the amount actually realised.

7. Accounting for retirement benefits

The two main pension schemes for City's staff are the Universities Superannuation Scheme (USS) and the London Pensions Fund Authority scheme (LPFA). The schemes are defined benefit schemes, which are externally funded and were contracted out of the State Second Pension (S2P) scheme until April 2016 when contracting out ceased for all pension schemes. The Funds are valued every three years by independent actuaries.

The USS is a multi-employer defined benefit scheme for which it is not possible to identify the assets and liabilities attributable to City members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme. This is calculated using an approved sector-wide method based on projected changes in salaries and employee numbers and the return from a high-quality corporate bond over the life of the planned repayment period.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income and expenditure in the periods during which services are rendered by employees.

Multi-employer schemes

Where City is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where City has entered into an agreement with such a multi-employer scheme that determines how City will contribute to a deficit recovery plan, City recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit and the resulting expense is recognised in expenditure.

Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, City's obligation is to provide the agreed benefits to current and former employees and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by City.

The net liability is recognised in the statement of financial position in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The Group recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by an actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which City is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually, City engages independent actuaries to calculate the LPFA obligations and City uses the sector-wide model to calculate its portion of the USS deficit. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments. The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with City's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of comprehensive income and expenditure.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

The LPFA scheme is accounted for under this method.

Further detail is provided on the specific pension schemes in note 29 to the financial statements.

8. 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 City. Any unused benefits are accrued and measured as the additional amount City expects to pay as a result of the unused entitlement. Unused annual leave is accrued for as the amount City would have to pay to an employee for untaken holiday if they were to leave on 31st July.

9. Finance leases

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

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

10. Operating leases

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

11. Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in surplus or deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Statement of accounting policies

12. Fixed assets**Land and buildings**

Operational freehold and leasehold land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses. Land and buildings that were revalued to fair value on or prior to the date of transition to the 2015 HE SORP, are measured at deemed cost, being the revalued amount at 31st July 2014 on transition to FRS 102.

Costs incurred in relation to operational land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to City.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of up to 75 years. Leasehold buildings are depreciated over the life of the lease. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

No depreciation is charged on assets in the course of construction. Once an asset under construction is completed and comes into use, it is transferred to the appropriate asset category.

City's residential land and building is measured initially at cost and subsequently at fair value with movements recognised in the Consolidated and City statement of comprehensive income and expenditure. The value of this building is considered regularly and depreciation charged on a straight-line basis over their expected useful lives of up to 75 years.

Equipment

Equipment purchase by City or group of related items over £10,000 is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer equipment: between three and five years

Other equipment: over five years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each statement of financial position.

Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCIE.

Borrowing costs

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

13. Investments

Non-current asset investments, excluding endowment investments, are held on the statement of financial position at amortised cost less impairment.

Investments in associates and subsidiaries are carried at cost less impairment in City's financial statements.

Current assets, including endowment investments, are held at fair value with movements recognised in the Consolidated and City statement of comprehensive income and expenditure.

14. Stock

Stock is held at the lower of cost and net realisable value and is measured using an average cost formula.

15. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily available within 24 hours without penalty.

16. Provisions, contingent assets and liabilities

Provisions are recognised when City 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 obligation.

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

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

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

Contingent assets and liabilities are not recognised in the Consolidated and City statement of financial position but are disclosed in the notes.

17. Reserves

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

Temporarily restricted reserves include balances where the donor has designated a specific purpose for the funds and therefore City is restricted in the use of these funds but can expend both the capital and revenue in meeting the donor's wishes.

18. Taxation

Current tax, including UK Corporation Tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

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

Statement of accounting policies

City receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

City's subsidiary companies are subject to Corporation Tax and VAT in the same way as any other commercial organisation.

19. Termination benefits

City has an agreed method for calculating termination benefits. These are expensed in the year when the termination is agreed.

20. Financial instruments

City has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when City becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated and City statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Consolidated and City statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if

payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

21. Joint venture entities

City accounts for its share of the joint venture, INTO City LLP, using the equity method. Where the share of losses of the joint venture are greater than the initial investment, then a provision is recognised to the extent that City has a legal or constructive obligation to the joint venture.

22. Critical accounting judgments and estimates

The preparation of City's financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. These judgments, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgments have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Judgments

Income recognition – Judgment is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

USS retirement benefit obligations - City is satisfied that the USS meets 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 these financial statements.

Estimates

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of City's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and City's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 13.

USS Retirement benefit obligations – 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 Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the statement of comprehensive income and expenditure in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and City has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Statement of accounting policies

The liability is calculated using agreed rates but the estimates are driven by discount rate and staff assumptions as detailed in note 29.

A sensitivity analysis with regards to the USS pension scheme can be found in note 29.

LPFA Retirement benefit obligations

The appropriate values of the assets and liabilities belonging to City have been identified by the LPFA pension scheme. City has based its liability on the latest actuarial valuation as at 31st March 2019 rolled forward using the latest financial assumptions.

In relation to the LPFA scheme, there is also estimation uncertainty with reference to the growth rate used for the month of July 2021 in order to calculate the asset balance as part of roll forward procedures. For City, the estimated growth rate used by the actuary of 0.6% for this month was not materially different to the actual growth rate.

More details can be found in note 29.

Consolidated and City statement of comprehensive income and expenditure for the year ended 31st July 2021

		Year ended 31 st July 2021		Year ended 31 st July 2020	
	Notes	Group £000	City £000	Group £000	City £000
Income					
Tuition fees and education contracts	1	195,338	195,338	195,876	195,876
Funding body grants	2	25,016	25,016	24,429	24,429
Research grants and contracts	3	11,246	11,246	11,144	11,144
Other income	5	11,725	11,725	8,848	8,848
Investment income	6	699	699	1,334	1,334
Donations and endowments	7	2,434	2,434	3,360	3,360
Total income		246,458	246,458	244,991	244,991
Expenditure					
Staff costs	8	148,842	148,842	149,614	149,614
Movement on pension provision and holiday accrual	8	8,048	8,048	(20,007)	(20,007)
Other operating expenses	10	76,612	76,601	72,484	72,473
Depreciation	13	16,097	16,097	13,246	13,246
Interest and other finance costs	9	3,021	3,021	3,050	3,050
Total expenditure		252,620	252,609	218,387	218,376
(Deficit)/surplus before other gains/ (losses) and share of operating surplus of joint ventures and associates		(6,162)	(6,151)	26,604	26,615
Gain/(loss) on investments	21,22	2,756	2,756	(1,484)	(1,484)
Share of operating (deficit)/surplus in joint venture	15	(246)	0	147	0
(Deficit)/surplus before tax for the year		(3,652)	(3,395)	25,267	25,131
Taxation	12	(114)	(114)	(9)	(9)
(Deficit)/surplus for the year		(3,766)	(3,509)	25,258	25,122
Other comprehensive (expense)/income					
Actuarial loss in respect of pension schemes	20	(3,791)	(3,791)	(22,323)	(22,323)
Total comprehensive (expense)/ income for the year		(7,557)	(7,300)	2,935	2,799
Represented by:					
Endowment comprehensive income/ (expense) for the year		1,118	1,118	(439)	(439)
Restricted comprehensive income/ (expense) for the year		1,629	1,629	(142)	(142)
Unrestricted comprehensive (expense)/ income for the year		(10,304)	(10,047)	3,516	3,380
	21,22	(7,557)	(7,300)	2,935	2,799

The Consolidated and City statement of comprehensive income and expenditure is in respect of continuing activities.

There is no material difference between the surplus or deficit on a historical cost basis and the result for the year.

Consolidated and City statement of changes in reserves for the year ended 31st July 2021

Group	Income and expenditure reserve			Revaluation reserve	Total
	Endowment	Restricted	Unrestricted		
	£000	£000	£000	£000	£000
Balance at 1st August 2019	5,737	10,079	38,206	202,099	256,121
Surplus/(deficit) for the year	(427)	2,159	23,526	0	25,258
Other comprehensive income	0	0	(22,323)	0	(22,323)
Release of restricted funds spent in year	(51)	(2,262)	2,313	0	0
Balance at 31st July 2020	5,259	9,976	41,722	202,099	259,056
(Deficit)/surplus for the year	1,125	4,022	(8,913)	0	(3,766)
Other comprehensive expense	0	0	(3,791)	0	(3,791)
Release of restricted funds spent in year	(7)	(2,393)	2,400	0	0
Revaluation	0	0	0	97	97
Balance at 31st July 2021	6,377	11,605	31,418	202,196	251,596
City					
	Endowment	Restricted	Unrestricted	Revaluation reserve	Total
	£000	£000	£000	£000	£000
Balance at 1st August 2019	5,737	10,079	40,699	202,099	258,614
Surplus/(deficit) for the year	(427)	2,159	23,390	0	25,122
Other comprehensive expense	0	0	(22,323)	0	(22,323)
Release of restricted funds spent in year	(51)	(2,262)	2,313	0	0
Balance at 31st July 2020	5,259	9,976	44,079	202,099	261,413
(Deficit)/surplus for the year	1,125	4,022	(8,656)	0	(3,509)
Other comprehensive expense	0	0	(3,791)	0	(3,791)
Release of restricted funds spent in year	(7)	(2,393)	2,400	0	0
Revaluation	0	0	0	97	97
Balance at 31st July 2021	6,377	11,605	34,032	202,196	254,210

Consolidated and City statement of financial position as at 31st July 2021

	Note	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Non-current assets					
Fixed assets	13	398,339	398,339	400,830	400,830
Investments	14	18,932	19,842	15,856	16,766
		417,271	418,181	416,686	417,596
Current assets					
Stock		22	22	37	37
Trade and other receivables	16	14,800	14,824	13,384	13,405
Investments	17	1,000	1,000	7,810	7,810
Cash and cash equivalents	24	78,518	78,518	63,074	63,074
		94,340	94,364	84,305	84,326
Less: creditors: amounts falling due within one year	18	(56,685)	(56,631)	(49,999)	(49,952)
Share of net liabilities in joint venture	15	(1,625)	0	(1,379)	0
Net current assets		36,030	37,733	32,927	34,374
Total assets less current liabilities		453,301	455,914	449,613	451,970
Creditors: amounts falling due after more than one year	19	(80,562)	(80,561)	(80,546)	(80,546)
Provisions					
Pension provisions	20	(121,143)	(121,143)	(110,011)	(110,011)
Total net assets		251,596	254,210	259,056	261,413
Restricted reserves					
Income and expenditure reserve - endowment reserve	21	6,377	6,377	5,259	5,259
Income and expenditure reserve - restricted reserve	22	11,605	11,605	9,976	9,976
Unrestricted reserves					
Income and expenditure reserve - unrestricted		31,418	34,032	41,722	44,079
Revaluation reserve		202,196	202,196	202,099	202,099
Total reserves		251,596	254,210	259,056	261,413

All items of income and expenditure relate to continuing activities. The notes on pages 35 to 54 form part of the financial statements.

The financial statements on pages 31 to 54 were approved by Council and signed on its behalf by:

Ms Julia Palca
Chair of Council

Professor Anthony Finkelstein
President

Consolidated statement of cash flows for the year ended 31st July 2021

	Notes	2021 £000	2020 £000
Cash flow from operating activities			
(Deficit)/surplus for the year before tax		(3,652)	25,267
Adjustment for non-cash items			
Depreciation	13	16,097	13,246
Asset write-off cost	10	692	2,972
(Gain)/loss on investments	21, 22	(2,756)	1,484
Decrease in stock		15	37
(Increase)/decrease in debtors	16	(1,416)	2,793
Increase/(decrease) in creditors	18, 19	6,703	(4,154)
Increase/(decrease) in pension provision	20	7,341	(23,396)
Share of surplus/(deficit) in joint venture	15	246	(147)
Adjustment for investing or financing activities			
Investment income	6	(699)	(1,334)
Interest payable	9	1,743	1,083
Capital grant income		(1,751)	(1,213)
Cash flows from operating activities		22,563	16,638
Taxation		(114)	(9)
Net cash inflow from operating activities		22,449	16,629
Cash flows from investing activities			
Capital grants receipts		1,751	1,213
Investment income		699	1,334
Payments made to acquire tangible assets	13	(14,202)	(31,611)
Non-current investment disposals/(acquisitions)		(320)	(240)
Decrease in current asset investments	17	6,810	16,602
		(5,262)	(12,702)
Cash flows from financing activities			
Interest payable on borrowings		(1,743)	(1,083)
	23	(1,743)	(1,083)
Increase in cash and cash equivalents in the year		15,444	(2,844)
Cash and cash equivalents at beginning of the year		63,074	60,232
Cash and cash equivalents at end of the year		78,518	63,074

The notes on pages 35 to 54 form part of the financial statements.

Notes to the financial statements for the year ended 31st July 2021

1. Tuition fees and education contracts

	Group	City	Group	City
	2021	2021	2020	2020
	£000	£000	£000	£000
Full-time home and EU students	106,944	106,944	96,057	96,057
Full-time international students	65,771	65,771	76,009	76,009
Part-time students	15,114	15,114	12,988	12,988
Education contracts with National Health Service	2,130	2,130	3,406	3,406
Other tuition fees	5,379	5,379	7,416	7,416
	195,338	195,338	195,876	195,876

2. Funding body grants

	Group	City	Group	City
	2021	2021	2020	2020
	£000	£000	£000	£000
Recurrent grant				
Office for Students	8,549	8,549	8,852	8,852
Research England	11,351	11,351	11,451	11,451
	19,900	19,900	20,303	20,303
Specific grants				
Higher Education Innovation Fund	1,858	1,858	1,793	1,793
National Productivity Investment Fund	174	174	0	0
Industrial Strategy Uplift	0	0	348	348
	2,032	2,032	2,141	2,141
Global Challenges Research Fund	736	736	332	332
Laboratories	207	207	0	0
Student Hardship Funds	366	366	0	0
Strategic Priorities Fund	104	104	114	114
Other specific grants	20	20	19	19
	3,465	3,465	2,606	2,606
Release of deferred capital grants				
Buildings	1,651	1,651	1,520	1,520
	1,651	1,651	1,520	1,520
	25,016	25,016	24,429	24,429

3. Research grants and contracts

	Group	City	Group	City
	2021	2021	2020	2020
	£000	£000	£000	£000
Research Councils	2,115	2,115	1,771	1,771
UK based charities	1,282	1,282	1,487	1,487
UK Government and health authorities	2,901	2,901	2,379	2,379
UK industry and commerce	695	695	727	727
European Union	2,599	2,599	2,626	2,626
Other sources	1,654	1,654	2,154	2,154
	11,246	11,246	11,144	11,144

4. Grant and fee income

	Group	City	Group	City
	2021	2021	2020	2020
	£000	£000	£000	£000
Grant income from the Office for Students	10,262	10,262	10,347	10,347
Grant income from other bodies	15,708	15,708	14,490	14,490
Fee income for taught awards	185,649	185,649	187,230	187,230
Fee income for research awards	14,232	14,232	13,405	13,405
Fee income from non-qualifying courses	2,916	2,916	3,867	3,867
	228,767	228,767	229,339	229,339

Notes to the financial statements for the year ended 31st July 2021**5. Other income**

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Catering and conferences	159	159	2,022	2,022
Other services rendered	2,741	2,741	3,208	3,208
Other income	8,825	8,825	3,618	3,618
	11,725	11,725	8,848	8,848

Included within other income above is an amount of £101,539 (2019/20: £40,664) which relates to moneys received from the Government for the Coronavirus Job Retention Scheme and an amount of £4.2M which relates to the one-off receipt from City's takeover of a lease for the property at Finsbury Square.

6. Investment income

	Note	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Investment income on endowments	21	173	173	147	147
Investment income on restricted reserves	22	326	326	261	261
Other investment income		200	200	926	926
		699	699	1,334	1,334

7. Donations and endowments

	Note	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Donations with restrictions	22	1,891	1,891	2,807	2,807
Unrestricted donations		543	543	553	553
		2,434	2,434	3,360	3,360

8. Staff

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Staff costs				
Salaries	116,353	116,353	117,851	117,851
Social security costs	12,058	12,058	12,009	12,009
Pension costs	19,682	19,682	19,286	19,286
Restructuring costs	749	749	468	468
	148,842	148,842	149,614	149,614
Movement on USS provision	(542)	(542)	(29,052)	(29,052)
Movement on LPFA pension	6,594	6,594	3,677	3,677
Movement on holiday accrual	1,996	1,996	5,368	5,368
	8,048	8,048	(20,007)	(20,007)
	156,890	156,890	129,607	129,607

A further breakdown of pension costs has been included in note 20.

Emoluments of the President

Remuneration of City's President is determined by the Remuneration Committee of Council and is chaired by an independent member of Council. The Chair of Council is a member of the Committee, as are two other independent members of Council. The President attends meetings of the Committee when required but is not a member of the Committee. A full report on the work of the Committee in determining the remuneration of senior and higher paid staff, including the remuneration of the President, is given in the remuneration report on pages 13 to 15.

The President's salary is determined by an assessment of long-term performance, retention considerations and relevant market conditions. These factors are also considered in setting starting salaries.

Professor Sir Paul Curran served as City's President until 31st July 2021; and Professor Anthony Finkelstein served as President from 28th June 2021. The Remuneration Committee, in July 2020, following a review of remuneration across the sector agreed the remuneration of Professor Finkelstein as President.

Details of the emoluments of Professor Sir Paul Curran and Professor Anthony Finkelstein as City's Presidents are given below.

Notes to the financial statements for the year ended 31st July 2021

Details of the current process for judging the performance of the institution and its consequences for the remuneration of senior staff, including the President, namely City's Performance Related Remuneration Scheme, are given in the remuneration report on pages 13 to 15. The scheme will be reviewed in 2021/22.

The Remuneration Committee also considers annually the ratio of the President's salary to the median salary for academic staff and the ratio of the President's salary to the median salary for all staff. The ratios reflect the two roles of the President, as academic leader and Chief Executive of City. The ratios nationally and for City, in the form which they are considered by the Remuneration Committee, are published in the remuneration report.

Emoluments of President, Professor Sir Paul Curran

	2021 £000	2020 £000
Salary awarded	320	320
Less salary waived	(35)	0
	285	320
Taxable benefits in kind	29	2
Non-taxable benefits in kind	26	39
	340	361
Pension contributions and payments in lieu of pension contributions	35	35
	375	396

The amounts disclosed above cover the period 1st August 2020 to 31st July 2021.

Professor Sir Paul Curran, in the course of the financial year 2020/21, opted to reduce his base pay for a six-month period, as part of City's work to reduce its costs in the light of the financial challenges posed to City by the coronavirus pandemic. This totalled £35,475.

The President ceased to be a member of the USS from 1st April 2019. The Remuneration Committee agreed that an adjustment should be made to the President's remuneration to reflect this decision. The adjustment has been agreed at the level of 11 per cent of the President's base salary, totaling £35,156 for 2020/21 (2019/20: £35,156).

The President received two taxable benefits in kind consisting of private health insurance of £1,648 (2019/20: £1,532) and a new taxable benefit resulting from HMRC's decision to withdraw the extra statutory exemption for representative occupiers relating to the accommodation provided to the President, totaling £27,511. The withdrawal of the concession was effective from 6th April 2021 and so the benefit figure shown is for the 4 months from 6th April 2021 to 31st July 2021. The amounts have been calculated using the figures required for P11D reporting purposes, in line with the requirements of the OfS Accounts Direction.

The President's non-taxable benefit arises from City's ownership of a property at which City's Service Agreement with the President states that it is necessary for him to reside for the proper performance of his duties. This benefit has been calculated as £25,989 for 2020/21 (2019/20: £39,301). This figure is derived by assessing the net opportunity cost of renting out the accommodation on a commercial basis and adding the direct costs to City of providing the accommodation. These costs have then been pro-rated to ensure that the official use of the property is not included as a benefit and also to reflect that they are only applicable for eight months of the year, up to 6th April 2021, when this non-taxable benefit switched to a taxable benefit thereafter, as explained above.

The Remuneration Committee determined in June 2020 that the President should not receive an increase in basic salary for 2020/21.

The President and other senior members of staff received no payments under City's performance-related remuneration (PRR) scheme in 2019/20 and 2020/21, in light of the financial challenges posed by the Covid-19 pandemic.

Professor Sir Paul Curran resigned as City's President with effect from the end of the 2020/21 financial year, i.e. 31st July 2021.

Emoluments of President, Professor Anthony Finkelstein

	2021 £000	2020 £000
Salary awarded	28	0
	28	0

City's new President, Professor Anthony Finkelstein joined City on 28th June 2021.

The amounts disclosed above, effectively cover the first month of his employment from 28th June 2021 to 31st July 2021.

The Remuneration Committee, in July 2020, following a review of remuneration across the sector, agreed the remuneration of the new President: the base pay of Professor Finkelstein as President will be £306,500; he will not receive performance-related remuneration; he will not be provided with accommodation by City; he will not participate in the Universities' Superannuation Scheme; he will be entitled to private health care, as are all senior managers at City.

Notes to the financial statements for the year ended 31st July 2021

OfS pay ratios

The Accounts Direction from OfS defines two pay ratios to be included in the financial statements: a basic salary ratio and a total remuneration ratio.

The basic salary ratio is defined as: the Presidents salary / the median salary of the whole workforce.

The total remuneration ratio is defined as: the Presidents total remuneration including both taxable and non-taxable benefits / the median total remuneration of the whole workforce, including taxable benefits.

For both of these ratios, the figures below include all academic and non-academic staff and include all employees who are required to be included in real-time reporting to HMRC. This is in line with the OfS Accounts Direction.

OfS pay ratios for President, Professor Sir Paul Curran

The ratio of the President's basic salary, so defined, to that of all staff is 7.7 times (£319,599 / £41,526) the median pay of all staff for 2020/21 (7.7 times for 2019/20), where the median pay is calculated on a full-time equivalent basis for the salaries paid by City to its staff.

The ratio of the President's total remuneration, so defined, to that of all staff is 8.6 times (£410,403 / £47,913) the median total remuneration of all staff for 2020/21 (8.5 times for 2019/20), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of all of City's staff.

OfS pay ratios for President, Professor Anthony Finkelstein

Professor Anthony Finkelstein joined City on 28th June 2021 and his actual salary earned in this year is effectively covering one month only. In order to aid comparability and provide information to readers, the pay ratios below have been calculated using his entitled full year annual salary as the basis for the calculation and is disclosed on a full-time equivalent basis.

The ratio of the President's basic salary, so defined, to that of all staff is 7.4 times (£306,500 / £41,526) the median pay of all staff for 2020/21. Where the median pay is calculated on a full-time equivalent basis for the salaries paid by City to its staff.

The ratio of the President's total remuneration, so defined, to that of all staff is 6.4 times (£308,313 / £47,913) the median total remuneration of all staff for 2020/21, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of all of City's staff.

Staff members with a basic salary over £100,000

The number of staff members with a basic salary of over £100,000 per annum has been included below.

Basic salary of senior staff, excluding employer's pension contributions and restructuring costs	2021	2020
	Number	Number
£100,000 - £105,000	9	11
£105,001 - £110,000	17	18
£110,001 - £115,000	13	15
£115,001 - £120,000	11	11
£120,001 - £125,000	10	12
£125,001 - £130,000	10	11
£130,001 - £135,000	10	10
£135,001 - £140,000	7	4
£140,001 - £145,000	7	8
£145,001 - £150,000	5	5
£150,001 - £155,000	2	2
£155,001 - £160,000	1	2
£165,001 - £170,000	2	2
£180,001 - £185,000	2	1
£185,001 - £190,000	0	1
£220,001 - £225,000	2	2
£235,001 - £240,000	1	1
£315,001 - £320,000	1	0

Average staff numbers

The average staff numbers employed by City is included below.

Average staff numbers - full-time equivalents	2021	2020
	Number	Number
Academic	822	848
Research	122	123
Management and specialist	1,173	1,188
Technical	10	9
	2,127	2,168

Notes to the financial statements for the year ended 31st July 2021

Severance payments

During 2020/21 City made payments of £696k in compensation for loss of office being paid to 34 employees (2019/20: £169k to 15 employees).

Compensation for loss of office costs	2021	2020
	£000	£000
These costs are in respect of 34 (2020: 15) staff members	696	169

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of City.

2020/21 was an unusual year as City was in a period of transition and handover between two Presidents as well as temporarily adapting its management structures to deal with the pandemic. During this time, City's key management body and its associated personnel changed three times. The year started with the Executive Committee, moving to the Executive Board and finally settling into the Senior Leadership Team. The membership and active dates of these three bodies over 2020/21 are shown below.

Executive Committee – August 2020 to September 2020

- President
- Deputy President and Provost
- Vice-President, International (part-time)
- Vice-President, Research & Enterprise
- Vice-President, Strategy & Planning; Equality, Diversity & Inclusion
- Chief Financial Officer
- Director of Human Resources.

Executive Board – October 2020 to June 2021

- Interim Deputy President
- Deputy President & Provost
- Vice-President, Strategy & Planning, Equality, Diversity & Inclusion
- Chief Financial Officer
- Director of Human Resources
- Director of Marketing & External Relations
- Dean of the School of Arts & Social Sciences
- Dean of the School of Health Sciences
- Dean of Bayes Business School (interim)
- Dean of the School of Mathematics, Computer Science & Engineering
- Dean of The City Law School.

Senior Leadership Team – July 2021 to August 2021 and onwards

- President
- Deputy President
- Chief Financial Officer
- Chief Operating Officer (vacant)
- Director of Human Resources
- Vice-President, Research
- Vice-President, Enterprise, Engagement & Employability
- Vice-President, Education (interim)
- Dean of the School of Arts & Social Sciences
- Dean of the School of Health Sciences
- Dean of Bayes Business School (interim)
- Dean of the School of Mathematics, Computer Science & Engineering
- Dean of The City Law School.

In 2020/21, the total staff costs relating to key management personnel, shown in the table below, includes remuneration paid to them and comprises the 17 various posts from the three bodies above, totaling 11.8 FTE in the year. For 2019/20 it was for 7 posts and 6.6 FTE relating to the Executive Committee only.

	2021	2020
	£000	£000
Key management personnel remuneration, including pension contributions	2,704	1,503

Council Members' expenses

Council members received no remuneration within 2020/21 (2019/20: £0). Council members' expenses include out-of-pocket travel expenses. None of the nine independent Council members received out-of-pocket travel reimbursements within 2020/21 (2019/20: two Council members, £564) for expenses incurred directly.

Notes to the financial statements for the year ended 31st July 2021**9. Interest and other finance costs**

	Note	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Interest on borrowings		1,720	1,720	1,308	1,308
Foreign exchange differences		12	12	(236)	(236)
Net charge on pension scheme - USS	20	256	256	999	999
Net charge on pension scheme - LPFA	20	1,033	1,033	979	979
		3,021	3,021	3,050	3,050

10. Other operating expenses

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Rents, rates and insurance	17,701	17,701	11,744	11,744
Purchase and maintenance of furniture, equipment and software	9,226	9,226	6,181	6,181
Student bursaries and fee remissions	8,693	8,693	8,353	8,353
Books, periodicals and subscriptions	7,625	7,625	7,415	7,415
Payments to non-contract staff and agencies	7,068	7,068	7,934	7,934
Publicity, advertising and staff recruitment	5,028	5,028	4,325	4,325
Collaborative partner payments	3,046	3,046	3,138	3,138
Other expenses	3,022	3,022	3,449	3,449
Heating, lighting, water and power	3,010	3,010	2,175	2,175
Repairs and general maintenance	2,970	2,970	2,554	2,554
Payments for domestic and security contracts	2,860	2,860	2,355	2,355
Other professional fees	1,773	1,770	1,005	1,001
Printing, postage, stationery and telephones	1,263	1,263	1,802	1,802
Catering and conferences operating expenses	964	964	2,671	2,671
Conference, travel and training costs	899	899	3,162	3,162
Asset write-off	692	692	2,972	2,972
IT and academic consumables	557	557	584	584
Auditors' remuneration in respect of group UK statutory audits	97	89	77	70
External venue hire	74	74	561	561
Auditors' remuneration in respect of other audit related assurance work	44	44	27	27
	76,612	76,601	72,484	72,473

The auditors' remuneration in respect of group UK statutory audits includes VAT at 20 per cent. The fee paid (excluding VAT) directly to PwC in 2020/21 as the external auditors was £80,466 for the group and £74,196 for City. In 2019/20 the fee paid (excluding VAT) directly to PwC as the external auditors was £64,016 for the group and £58,044 for City.

11. Access and participation

This note is in response to the Office for Students Accounts Direction and sets out expenditure on activities that support the ambitions as set out in our 2020/21 Access and Participation Plan for England approved by the Office for Students. This year is the first year of our five-year plan and the second time we have completed the financial audit note. Our 2020 to 2025 Access and Participation Plan is available at www.city.ac.uk/_data/assets/pdf_file/0006/492747/CityUniversityOfLondon_APP_2020-21-_V1_10001478.pdf.

We are required to disclose expenditure on access activities, financial support provided to under-represented and disadvantaged groups of students; support for disabled students including the disabled students' premium and the expenditure on research and evaluation related to access and participation activities in the financial year. Expenditure on our success and progression activities is not included in this note.

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Access investment	578	578	622	622
Financial support	2,112	2,112	1,848	1,848
Disability support	848	848	793	793
Research and evaluation	147	147	107	107
	3,685	3,685	3,370	3,370

Notes to the financial statements for the year ended 31st July 2021

The total expenditure in 2020/21 for the reporting categories was £3,684,092, an increase of £315,025 compared to 2019/20.

Access investment was £577,566 in 2020/21 which represents 2.2 per cent of total. This is 0.5 percentage points below access investment in 2019/20 and 1.2 percentage points below forecast investment set out in the Access and Participation Plan. The difference between forecast and actual expenditure on access is due to the reduction of in-person activities delivered to students as a result of the Covid-19 Pandemic. The pandemic significantly meant a change in how we delivered outreach work, moving from on campus and in-person to online, remote delivery, resulting in a reduced spend on in-person costs such as tutor pay and catering.

Investment in financial support was £2,111,926 in 2020/21, an increase of £264,084 compared to 2019/20. The 2020/21 figure represents 8.0 per cent of total expenditure which is 2.0 percentage points higher than the forecast amount. In accordance with guidance from the Office for Students, we reallocated planned investment in access to respond to the students adversely impacted by the pandemic by increasing financial support and student hardship funding.

Expenditure on disability support was £848,004, an increase of £55,360 compared to 2019/20. Prior to 2019/20 there was no requirement to report on disability support, hence expenditure in this area was not included in the forecast. Therefore there is no forecast with which to compare actual spending for this cost area.

Investment in research and evaluation was £146,596 in 2020/21, an increase of £39,642 compared to 2019/20. This increase is due to the introduction of a full-time role dedicated to research and evaluation as we committed to in our APP. The actual spend was 4.0 percentage points lower than forecast which is due in part to plans to spend on student voice platform to collate student feedback from across City. Investment on this project was delayed due to the pandemic as supporting teams redeployed staff resource into more urgent areas of student support.

12. Taxation

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Recognised in the statement of comprehensive income and expenditure				
Current tax				
Foreign tax	114	114	9	9
Current tax expense	114	114	9	9
Total tax expense	114	114	9	9
Factors affecting the UK Corporation Tax charge				
The tax assessed for the year is lower than the standard rate of Corporation Tax in the UK. The difference is explained below:				
	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
(Deficit)/surplus before taxation	(3,652)	(3,395)	25,267	25,131
UK Corporation Tax at 19% (2020: 19%)	(694)	(645)	4,801	4,773
Effect of:				
Surplus/(deficit) falling within charitable exemption	694	645	(4,801)	(4,773)
Total UK tax expense	0	0	0	0
Total tax expense	114	114	9	9

13. Group and City's tangible assets

	Freehold land and buildings £000	Residential property £000	Assets under construction £000	Leasehold buildings £000	Equipment £000	Total £000
At 1 st August 2020	350,811	3,042	72,325	21,864	46,104	494,146
Additions	2,570	0	3,573	1,900	6,159	14,202
Transfers	69,906	0	(71,121)	801	414	0
Asset write-off	0	0	(692)	0	0	(692)
Revaluation	0	97	0	0	0	97
At 31st July 2021	423,287	3,139	4,085	24,565	52,677	507,753
Depreciation						
At 1 st August 2020	47,390	109	0	12,235	33,583	93,317
Charge for year	9,026	18	0	1,304	5,749	16,097
At 31st July 2021	56,416	127	0	13,539	39,332	109,414
Net book value at 31st July 2021	366,871	3,012	4,085	11,026	13,345	398,339
Net book value at 31st July 2020	303,421	2,933	72,325	9,629	12,521	400,830

Notes to the financial statements for the year ended 31st July 2021

The freehold residential property at 20 Myddelton Square was last valued as at 31st July 2021 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2017 and the UK national standards, Financial Reporting Standard 102 and the Statement of Recommended Practice ‘Accounting for Further and Higher Education’. Please refer to note 31 regarding the sale of the residential building.

14. Non-current investments

	Year ended 31 st July 2021			Year ended 31 st July 2020		
	Subsidiary companies	Other non-current asset investments	Total	Subsidiary companies	Other non-current asset investments	Total
	£000	£000	£000	£000	£000	£000
Group						
At 1 st August 2020	0	15,856	15,856	0	17,100	17,100
Additions	0	49	49	0	360	360
Disposals	0	(394)	(394)	0	(304)	(304)
Gain/(loss)	0	2,756	2,756	0	(938)	(938)
Reinvested income	0	665	665	0	0	0
Impairment	0	0	0	0	(362)	(362)
At 31st July 2021	0	18,932	18,932	0	15,856	15,856
City						
At 1 st August 2020	910	15,856	16,766	900	17,100	18,000
Additions	0	49	49	10	360	370
Disposals	0	(394)	(394)	0	(304)	(304)
Gain/(loss)	0	2,756	2,756	0	(938)	(938)
Reinvested income	0	665	665	0	0	0
Impairment	0	0	0	0	(362)	(362)
At 31st July 2021	910	18,932	19,842	910	15,856	16,766
Other non-current asset investments consist of:						
			Group and City			Group and City
			£000			£000
Endowments			18,054			14,633
Bonds relating to postgraduate student loans			732			1,064
Investment in spin-out companies			146			159
			18,932			15,856

Details of investments in which the Consolidated and City (unless indicated) hold 20 per cent or more of the nominal value of any class of share capital are as follows:

Company	Principle activity	Status	Holding	Registered office
City Entrepreneurship Limited	Member of various vehicles used to invest in early-stage business	100% ownership	Ordinary shares	City University, 10 Northampton Square, London, EC1V 0HB
City Foundations Limited	Member of INTO City LLP	100% ownership	Ordinary shares	10 Northampton Square, London, EC1V 0HB
INTO City LLP	Provision of pre-University education for international students	38% ownership/ 50% Controlling interest/ 15% Profit share	Ordinary shares	1 Gloucester Place, Brighton, England, BN1 4AA
Heliex Power Limited	Manufacture of compressors: steam energy generator sets	0.9% ownership	Ordinary shares	Kelvin Building Bramah Avenue, East Kilbride, Glasgow, G75 0RD
City Occupational Limited	Manufacture of electronic measuring and testing of equipment, not for industrial process control	39% ownership	Ordinary shares	73 Shepherds Hill, London, N6 5RE
Ascending Power Limited	Research and experimental development on natural sciences and engineering	20% ownership - Not trading	Ordinary shares	John Hammerbeck, 13 Ovington Street, London, SW3 2JA
Camineo	Software development	4% ownership	Ordinary shares	3 domaine du luaragais, 31280 Mons, 482 418 803 RCS Toulouse, France
CVCP Property PLC	Letting and operating of own or leased real estate	0.82% ownership	Ordinary shares	Woburn House, 20 Tavistock Square, London, WC1H 9HQ
Structured Eye Limited	Technology development: research and experimental development on natural sciences and engineering	45% ownership - Dormant	Ordinary shares	9 9 Lake Avenue, Loscoe, Loscoe Heanor, Derbyshire, England, DE75 7LJ
JECT.AI Limited (INJECT)	Digital Content Management, business and domestic software development and software publishing	23.8% ownership	Ordinary shares	City University Of London, Northampton Square, London, United Kingdom, EC1V 0HB

Notes to the financial statements for the year ended 31st July 2021

Company	Principle activity	Status	Holding	Registered office
CityDefend Cyber Security Solutions Limited	Business and domestic software development and other information technology service activities	10% ownership	Ordinary shares	Weltech Centre, Ridgeway, Welwyn Garden City, Hertfordshire, England, AL7 2AA
Sentech Analytics Limited	Research and experimental development on natural sciences and engineering	12% ownership	Ordinary shares	10 Northampton Square, London, EC1V 0HB
Raven Science Limited	Information technology service activities	5% ownership	Ordinary shares	27 The Pentlands, High Wycombe, United Kingdom, HP13 7PB
Thompson Screening Solutions Limited	Data processing, hosting and related activities and specialist medical practice activities	22.5% ownership	Ordinary shares	20-22 Wenlock Road, London, England, N1 7GU

CityDefend Cyber Security Solutions Limited, Sentech Analytics Limited and Raven Science Limited were acquired during the year. The percentage of ordinary shares and principal activities are detailed above.

15. Investment in Joint Venture

INTO City LLP is a joint venture between City, through its subsidiary company City Foundations Limited and INTO University Partnerships Limited. INTO City LLP's principal activity is the provision of academic and language courses, primarily to international students, through the operation of an International student centre in London.

The financial and management arrangements of the INTO City LLP joint venture were reviewed and new agreements were executed on 1st September 2017. The restructuring led to a change in the share of the LLP's net income that City will receive from 50 per cent of net income to 15 per cent.

City's share of the net liabilities of the LLP is included in the Consolidated and City statement of financial position and its share of the net income is reported in the Consolidated and City statement of comprehensive income and expenditure.

16. Trade and other receivables

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Amounts falling due within one year:				
Research grants receivables	2,388	2,388	2,625	2,625
Other trade receivables	4,587	4,587	4,304	4,304
Other receivables	65	65	183	183
Prepayments and accrued income	7,760	7,760	6,272	6,272
Amounts due from subsidiary companies	0	24	0	21
	14,800	14,824	13,384	13,405

17. Current investments

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Short-term deposits	1,000	1,000	7,810	7,810
	1,000	1,000	7,810	7,810

Cash deposits are held with our wealth managers at UBS and in a Special Interest Bearing Account with our corporate bankers at NatWest, operating in the London market and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at the time of placement with UBS.

Notes to the financial statements for the year ended 31st July 2021**18. Creditors: amounts falling due within one year**

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Trade payables	3,474	3,474	3,815	3,815
Social security and other taxation payable	4,009	4,009	3,353	3,353
Deferred income	24,811	24,811	25,528	25,528
Accruals	21,243	21,234	13,776	13,764
Amounts due to subsidiary companies	0	855	0	865
Loan from joint venture repayable on demand (note 15)	900	0	900	0
Other creditors	2,248	2,248	2,627	2,627
	56,685	56,631	49,999	49,952

Deferred income

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

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Research grants received on account	7,640	7,640	8,350	8,350
Grant income	1,689	1,689	1,594	1,594
Deferred income	15,482	15,482	15,584	15,584
	24,811	24,811	25,528	25,528

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

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Deferred income - 2-5 years	5,716	5,716	6,028	6,028
Deferred income - more than 5 years	14,578	14,577	14,261	14,261
Unsecured borrowings	60,268	60,268	60,257	60,257
	80,562	80,561	80,546	80,546

	Group 2021 £000	City 2021 £000	Group 2020 £000	City 2020 £000
Unsecured borrowings are repayable as follows:				
Private placement repayable	60,268	60,268	60,257	60,257
	60,268	60,268	60,257	60,257

City's unsecured borrowings relate to funds raised via a private placement with MetLife in May 2017. The funds are repayable over three terms in 2037, 2042 and 2047 and are at fixed interest rates. The weighted average interest rate of the borrowed funds is 2.85 per cent at 31st July 2021 (2020: 2.85 per cent).

20. Provisions for liabilities

	Obligation to fund deficit on USS Pension (note 29) £000	Defined Benefit obligations (note 29) £000	Total pension provisions £000
Group and City			
At 1 st August 2020	35,130	74,881	110,011
Financing charge	256	1,033	1,289
Amount recognised in other comprehensive income and expenditure	0	3,791	3,791
Other movement charged to the statement of comprehensive income and expenditure	(542)	6,594	6,052
At 31st July 2021	34,844	86,299	121,143

USS deficit

The obligation to fund the past deficit of 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 have assessed future employees within the USS scheme and salary payments over the period of the contracted obligation in estimating the value of this provision. This is based on the scheme valuation as at 31st March 2018. The March 2020 valuation effect has been explained in note 30.

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan was agreed of which more detail is given in note 29. This plan requires deficit payments of 2 per cent of salaries from 1st October 2019 to 30th September 2021 and then payments of 6 per cent of salaries from 1st October 2021 to 31st March 2028.

Notes to the financial statements for the year ended 31st July 2021**21. Endowment reserves**

	Restricted permanent endowments	Unrestricted permanent endowment	2021 Total	2020 Total
	£000	£000	£000	£000
At 1 st August 2020				
Capital	4,651	14	4,665	5,239
Accumulated income	591	3	594	498
Total	5,242	17	5,259	5,737
Investment income	172	1	173	147
Expenditure	(7)	0	(7)	(51)
Reclassification	0	0	0	(39)
Increase/(decrease) in market value of investments	949	3	952	(535)
Total endowment comprehensive income for the year	1,114	4	1,118	(478)
At 31st July 2021	6,356	21	6,377	5,259
Represented by:				
Capital	5,600	17	5,617	4,665
Accumulated income	756	4	760	594
Total	6,356	21	6,377	5,259
Analysis by type of purpose				
Lectureships	1,634	0	1,634	205
Scholarships and bursaries	994	0	994	819
Prize funds	849	0	849	704
General	1,303	21	1,324	1,093
Academic chair	1,517	0	1,517	0
Other	59	0	59	2,438
	6,356	21	6,377	5,259
Analysis by asset				
Current and non-current asset investments			6,377	5,259
			6,377	5,259

22. Restricted reserves

	Expendable restricted endowments	Donations with restrictions	2021 Total	2020 Total
	£000	£000	£000	£000
Balance as at 1st August 2020	6,151	3,826	9,977	10,079
New donations	7	1,884	1,891	2,807
Investment income	201	125	326	261
Other income	0	0	0	2
Expenditure	(9)	(2,384)	(2,393)	(2,262)
Reclassification	0	0	0	39
Increase/(decrease) in market value of investments	1,113	691	1,804	(949)
Total restricted comprehensive income for the year	1,312	316	1,628	(103)
At 31st July 2021	7,463	4,142	11,605	9,976
Analysis by type of purpose				
Lectureships			141	92
Scholarships and bursaries			8,579	7,156
Research support			149	162
Prize funds			390	316
General			1,959	1,880
Other			387	370
			11,605	9,976

Notes to the financial statements for the year ended 31st July 2021**23. Consolidated reconciliation of net debt**

	2021	
	£000	
Net debt opening balance – 1st August 2020	8,348	
Movement in cash and cash equivalents	8,635	
(Gain)/loss on investments	(2,756)	
Investment income	(699)	
Other non-cash changes	4,930	
Interest on borrowings	(1,720)	
Changes in market value and exchange rates	(12)	
Net debt – 31st July 2021	16,726	
Change in net debt	8,378	
Analysis of net debt:	2021	2020
	£000	£000
Cash and cash equivalents	78,519	63,074
Current investments	1,000	7,810
Borrowings: amounts falling due within one year		
Unsecured loans (loan from joint venture repayable on demand (note 15))	(900)	(900)
Share of net liabilities in joint venture	(1,625)	(1,379)
	(2,525)	(2,279)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(60,268)	(60,257)
	(60,268)	(60,257)
Net debt	16,726	8,348

24. Cash and cash equivalents

	At 1 st August	Cash flows	At 31 st July
	2020		2021
	£000	£000	£000
Group:			
Cash at bank	5,068	705	5,773
Cash equivalents	58,006	14,739	72,745
	63,074	15,444	78,518

25. Financial instruments

	Group	City	Group	City
	2021	2021	2020	2020
	£000	£000	£000	£000
Financial assets				
Financial assets at fair value through statement of comprehensive income and expenditure				
Listed investments	18,932	19,842	15,856	16,766
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	78,519	78,519	63,074	63,074
Other investments	699	699	1,334	1,334
Trade and other receivables	7,040	7,064	7,112	7,133
Financial liabilities				
Financial liabilities measured at amortised cost				
Loans	60,268	60,268	60,257	60,257
Trade creditors	8,383	8,338	8,068	8,033
Other creditors	2,248	2,248	2,627	2,627

For all financial assets and financial liabilities measured at fair value, City has disclosed the basis for determining fair value, e.g. quoted market price in an active market or a valuation technique. When a valuation technique is used, City has disclosed the assumptions applied in determining fair value for each class of financial assets or financial liabilities.

Notes to the financial statements for the year ended 31st July 2021**26. Capital and other commitments - Group and City**

	2021 £000	2020 £000
Provision has not been made for the following capital commitments at 31 st July:		
Expenditure authorised and contracted for	1,960	5,962
Expenditure authorised but not contracted for	63,508	72,932
	65,468	78,894

27. Lease obligations

Total rentals payable under operating leases:				
	Land and buildings £000	Plant and machinery £000	2021 Total £000	2020 Total £000
Payable during the year	5,548	688	6,236	7,244
Future minimum lease payments due:				
Not later than 1 year	9,732	688	10,420	6,692
Later than 1 year and not later than 5 years	35,201	1,448	36,649	21,216
Later than 5 years	142,608	0	142,608	39,544
Total lease payments due	187,541	2,136	189,677	67,452
Total rentals receivable under operating leases:				
	Land and Buildings £000	Plant and Machinery £000	2021 Total £000	2020 Total £000
Receivable during the year	29	0	29	170
Future minimum lease payments due:				
Not later than 1 year	22	0	22	29
Later than 1 year and not later than 5 years	48	0	48	67
Later than 5 years	0	0	0	3
Total lease payments due	70	0	70	99

Notes to the financial statements for the year ended 31st July 2021**28. Related party transactions**

During the year ended 31st July 2021 City had transactions with several organisations which fell within the definition of related parties under FRS102. Transactions are disclosed where members of Council and other senior members of staff disclose an interest in a body with which City undertakes transactions which are considered material to City's financial statements or the other party. Due to the nature of City's operations and the composition of Council it is inevitable that transactions in the normal course of business will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with City's financial regulations and normal procurement procedures. City has taken advantage of the exemption under FRS102 not to disclose transactions with other members of its group who qualify as related parties.

Included in the financial statements are the following transactions between City and related parties where a member of City's Council or senior officer was also a director or trustee of the related party.

	Income/(expenditure)		Debtor/(creditor) balance	
	2021	2020	2021	2020
	£000	£000	£000	£000
Group investments				
City Occupational Ltd	4	26	0	0
Heliex Power Ltd	44	(238)	14	(238)
- of which bad debts provided for	0	0	0	(108)
INTO City LLP	(519)	(303)	(69)	2
Thomson Screening Solutions Ltd	0	(4)	(6)	(6)
- of which bad debts provided for	0	0	(45)	(45)
Raven Science Limited	12	0	0	0
	Income/(expenditure)		Debtor/(creditor) balance	
	2021	2020	2021	2020
	£000	£000	£000	£000
Relationships with Council members and Co-opted members of Council subcommittees				
Buro Happold LLP	(320)	0	(3)	0
Charities Aid Foundation	0	1	0	0
City Students' Union	(117)	57	(59)	58
KPMG	3	10	(2)	(2)
London Higher	(34)	(41)	0	0
Morgan Sindall PLC	(17)	(485)	0	0
Ordnance Survey	55	74	(5)	2
The Children's Society	0	0	0	(1)
Universities and Colleges Employers Association	(12)	(25)	(8)	(8)
	Income/(expenditure)		Debtor/(creditor) balance	
	2021	2020	2021	2020
	£000	£000	£000	£000
Relationships with other senior executives who are not on Council but in attendance				
The Academy of Social Science	(2)	0	0	0
The Campaign for Science and Engineering	(2)	0	0	0
Southern Universities Management Services	(69)	(45)	0	0

29. Pension schemes

The two pension schemes for City staff are the Universities Superannuation Scheme (USS) and the London Pensions Fund Authority scheme (LPFA). The assets of the schemes are held in separate trustee administered funds. The Schemes are defined benefit schemes, which are externally funded and are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. USS provides benefits to academic and related employees of all 'old' UK Universities and some other employers based on career average salary for earnings after 1st October 2016 and a hybrid of career average salary and final pensionable salary for earnings before this date. LPFA provides similar benefits for other staff of City. The pension costs are assessed using the projected unit method.

Universities Superannuation Scheme

Deficit recovery liability

The total cost charged to the statement of comprehensive income and expenditure is £17,493,364 (2019/20: £17,214,095).

Deficit recovery contributions due within one year for the institution are £4,524,834 (2019/20: £1,679,008).

The 2020/21 financial statements have been prepared using the March 2018 valuation.

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 per cent.

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

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

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as 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% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

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

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

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	N/A	N/A

Notes to the financial statements for the year ended 31st July 2021**USS pensions provision****Significant accounting policies**

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

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 st July 2021	£000	Impact
0.5% pa decrease in discount rate	693	Decrease
0.5% pa increase in salary inflation over duration	676	Decrease
0.5% pa increase in salary inflation year 1 only	170	Decrease
0.5% increase in staff changes over duration	700	Decrease
0.5% increase in staff changes year 1 only	176	Decrease
1% increase in deficit contributions	5,760	Decrease

London Pensions Fund Authority scheme

LPFA maintains a rate per institution related to assets and liabilities accruing to each individual institution. There are no minimum funding requirements in the LPFA but the contributions are generally set to target a funding level of 100 per cent using the actuarial valuation assumptions. In order to comply with the requirements of FRS 102, the following additional information is disclosed in relation to the LPFA scheme.

Financial Assumptions as at	31 st July 2021		31 st July 2020	
	% per annum		% per annum	
Price Increases - Retail Prices Index	3.10		3.00	
Price Increases - Consumer Prices Index	2.80		2.20	
Salary increases	3.80		3.20	
Pension increases	2.80		2.20	
Discount rate	1.60		1.40	
Mortality				
The assumed life expectations from age 65 are:				
Current pensioners	20.6 years		23.8 years	
Future pensioners	22.4 years		25.6 years	
The assets of the LPFA scheme were:	Assets at 31st July 2021		Assets at 31st July 2020	
	£000	%	£000	%
Equities	48,735	56	42,042	55
Target return portfolio	19,009	22	17,416	23
Cash	3,427	4	4,701	6
Infrastructure	7,790	9	5,291	7
Property	7,337	9	7,096	9
Total	86,298	100	76,546	100
Analysis of the amount shown in the statement of financial position	31st July 2021		31st July 2020	
	£000		£000	
Present value of defined benefit obligation	172,882		151,426	120,033
Fair value of fund assets (bid value)	86,299		76,546	72,131
Net defined benefit liability	86,583		74,880	47,902

Notes to the financial statements for the year ended 31st July 2021

Analysis of the amounts recognised in the statement of comprehensive income and expenditure	31st July 2021	31st July 2020
	£000	£000
Service cost	8,793	6,333
Net interest on the defined liability	1,033	978
Administration expenses	100	94
Return on fund assets in excess of interest	7,950	2,339
Other actuarial losses on assets	0	(836)
Change in financial assumptions	(16,875)	(19,461)
Change in demographic assumptions	1,840	588
Experience loss/(income) on defined benefit obligation	3,109	(4,859)
Total comprehensive expense/(income)	5,950	(14,824)
Reconciliation of opening and closing balances of the present value of the defined benefit obligation	31st July 2021	31st July 2020
	£000	£000
At 1 st August	151,426	120,033
Current service cost	8,793	6,333
Interest cost	2,110	2,508
Changes in financial assumptions	16,875	19,461
Changes in demographic assumptions	(1,840)	(588)
Experience (gain)/loss on defined benefit obligation	(3,109)	4,859
Estimated benefits paid net of transfers in	(2,399)	(2,221)
Contributions by scheme participants and other employers	1,025	1,041
At 31st July	172,881	151,426
Reconciliation of opening and closing balances of the fair value of fund assets	31st July 2021	31st July 2020
	£000	£000
At 1 st August	76,546	72,131
Interest on assets	1,077	1,530
Return on assets less interest	7,950	2,339
Other actuarial gains/(losses)	0	(836)
Administration expenses	(100)	(94)
Contributions by employer including unfunded	2,199	2,656
Contributions by scheme participants and other employers	1,025	1,041
Estimated benefits paid plus unfunded net of transfers in	(2,399)	(2,221)
At 31st July	86,298	76,546

30. USS Non Adjusting Post Balance Sheet Event Disclosure

The Universities Superannuation Scheme 2020 valuation was signed and filed with The Pensions Regulator with an effective date of 1st October 2021, which was after City's accounting year end of 31st July 2021, but before our accounts were signed off on 26th November 2021. As such, the 2020 Valuation constitutes a non-adjusting balance sheet event.

The 2020 valuation came into effect with a dual rate Schedule of Contributions (SoC):

- Leg 1, which includes a small increase in contribution rates from the 2018 valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) and subject to member consultation
- Leg 2, which includes more significant increases in contribution rates from the 2018 valuation and shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28th February 2022.

For both legs of the 2020 valuation, the future service cost of funding the current benefits is different than it was under the 2018 valuation.

Differences in deficit recovery contributions

As stated above, the deficit recovery contributions (DRCs) in the dual rate SoC differs in both size and duration between the first and second legs.

In the first leg of the SoC:

- DRCs under the 2018 valuation (2 per cent up to 30th September 2021) cease from 1st October 2021
- DRCs under leg 1 of the 2020 valuation commence from 1st April 2022 and include allowance for the fact that until 1st April 2022 the contributions payable under this leg of the SoC are less than the contributions required to fund the unchanged benefits accruing in that period
- From 1st April 2022, when the proposed benefit changes are assumed to have been implemented, the DRCs are equal to 6.3 per cent of salaries and are payable for the length of the recovery plan until 31st March 2038.

In the second leg of the SoC, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28th February 2022:

- DRCs commence from 1st October 2022 and include allowance for the fact that until 1st October 2022 the contributions payable under this leg of the SoC are less than the contributions required to fund the benefits accruing in that period
- From 1st October 2022 DRCs commence at 3 per cent then increase every 6 months (the difference between 37 per cent required to fund future service cost and the total contributions being collected) until they reach 20 per cent at 1st October 2025. They remain at this level until 31st July 2032. The higher DRCs and shorter recovery period reflect the lower level of covenant support provided under this leg.

Sensitivity analysis on the impact of the two legs

The impact on City's USS pension deficit provision as at 31st July 2021 would have been the following, depending on whether leg 1 or leg 2 is triggered by 28th February 2022 and if using the same discount rates, salary inflation and headcount growth as used for the 2021 disclosure.

- Leg 1 – the USS pension provision will increase by £66.1M, to £101.3M
- Leg 2 – the USS pension provision will increase by £124.5M, to £159.6M.

31. Non-adjusting post balance sheet event – sale of residential property

After the 2020/21 financial year end, City's residential property at 20 Myddelton Square was sold, with the sale being concluded in October 2021 for a sale price of £3.4M. The sale will be fully accounted for within City's 2021/22 financial statements.

32. US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

- Prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- Prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- Presented in pounds sterling.

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

Notes to the financial statements for the year ended 31st July 2021

Primary reserve ratio

Page	Expendible net assets		Year ended 31 st July 2021		Year ended 31 st July 2020	
33	Consolidated and City statement of financial position unrestricted reserve	Net assets without donor restrictions		233,614		243,821
33	Consolidated and City statement of financial position restricted reserve	Net assets with donor restrictions		17,982		15,235
48	Group investments - Heliex Power Ltd debtor balance as at 31 st July 2021	Secured and unsecured related party receivable	14		0	
48	Group investments - Heliex Power Ltd debtor balance as at 31 st July 2021	Unsecured related party receivable		14		0
33	Consolidated and City statement of financial position fixed assets	Property, plant and equipment, net (includes construction in progress)	398,339		400,830	
	Property, plant and equipment breakdown below	Property, plant and equipment - pre-implementation		384,137		385,436
	Property, plant and equipment breakdown below	Property, plant and equipment - post-implementation with outstanding debt for original purchase		0		0
	Property, plant and equipment breakdown below	Property, plant and equipment - post-implementation without outstanding debt for original purchase		10,117		3,122
41	Group and City's tangible assets - Assets under construction	Construction in progress		4,085		72,325
	Statement of financial position - Lease right-of-use assets, net	Lease right-of-use asset, net	0		0	
	Note of the Financial Statements - Statement of financial position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		0		0
	Note of the Financial Statements - Statement of financial position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation		0		0
	Statement of financial position - Goodwill	Intangible assets		0		0
	Statement of financial position - Other intangible assets	Intangible assets		0		0
33	Consolidated and City statement of financial position pension provisions	Post-employment and pension liabilities		121,143		110,011
44	Note of the Financial Statements - Note 19 creditors amounts falling due after more than one year - Unsecured borrowings	Long-term debt - for long term purposes	60,268		60,257	
44	Note of the Financial Statements - Note 19 creditors amounts falling due after more than one year - Unsecured borrowings	Long-term debt - for long term purposes pre-implementation		60,268		60,246
	Statement of financial position - Note payable and line of credit for long-term purposes (both current and long term) and line of credit for construction in process	Long-term debt - for long term purposes post-implementation		0		11
	Statement of financial position - Note payable and line of credit for long-term purposes (both current and long term) and line of credit for construction in process	Line of Credit for construction in process		0		0
	Statement of financial position - Lease right-of-use asset liability	Lease right-of-use asset liability	0		0	
	Statement of financial position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		0		0
	Statement of financial position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		0		0
	Statement of financial position - Annuities	Annuities with donor restrictions		0		0
	Statement of financial position - Term endowments	Term endowments with donor restrictions		0		0
	Statement of financial position - Life income funds	Life income funds with donor restrictions		0		0
33	Consolidated and City statement of financial position - Total restricted permanent endowments	Net assets with donor restrictions: restricted in perpetuity		6,356		5,259
	Total expenses and losses		458,621	837,716	461,087	895,466
31	Consolidated and City statement of income and expenditure - Total expenditure less restricted permanent endowment expenditure (Note 21) and total restricted expenditure (Note 22)	Total expenses without donor restrictions - taken directly from Statement of Activities		250,220		216,063
31	Consolidated and City statement of income and expenditure - Actuarial loss in respect of pension schemes, less taxation, share of operating loss in joint venture and investment income	Non-operating and net investment (loss)		-3,455		-23,816
31	Consolidated and City statement of income and expenditure - (Loss) on investments	Net investment losses		0		-1,484
33	Consolidated and City statement of financial position - Group 2021 pension provision	Pension-related changes other than net periodic costs		-3,791		-22,323

Notes to the financial statements for the year ended 31st July 2021

Equity ratio

Page	Modified net assets		Year ended 31 st July 2021		Year ended 31 st July 2020	
33	Consolidated and City statement of financial position	Net assets without donor restrictions		233,614		243,821
33	Consolidated and City statement of financial position	Net assets with donor restrictions		17,982		15,235
	Statement of financial position - Goodwill	Intangible assets		0		0
48	Group investments - Heliex Power Ltd debtor balance as at 31 st July 2021	Secured and unsecured related party receivable	14		0	
48	Group investments - Heliex Power Ltd debtor balance as at 31 st July 2021	Unsecured related party receivable		14		0
	Modified assets					
33	Consolidated and City statement of financial position - Total asset	Total assets		511,612		500,991
	Note of the Financial Statements - Statement of financial position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		0		0
	Statement of financial position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		0		0
	Statement of financial position - Goodwill	Intangible assets		0		0
48	Group investments - Heliex Power Ltd debtor balance as at 31 st July 2021	Secured and unsecured related party receivable	14		0	
48	Group investments - Heliex Power Ltd debtor balance as at 31 st July 2021	Unsecured related party receivable		14		0

Net income ratio

Page			Year ended 31 st July 2021		Year ended 31 st July 2020	
31	Consolidated and City statement of income and expenditure unrestricted comprehensive (expense)/income for the year	Change in net assets without donor restrictions		-10,304		3,516
31	Consolidated and City statement of income and expenditure - Total income and gain on investments	Total revenue and gains		249,214		245,138

Property, plant and equipment breakdown

	2021	2020
Pre-implementation property, plant and equipment	384,137	325,383
Post-implementation property, plant and equipment	0	0
Construction in progress	4,085	72,325
Post-implementation property, plant and equipment with no outstanding debt	10,117	3,122
Total	400,360	402,850

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