



Annual Report and Financial Statements

for the year ended 31 July 2023

The University of
business, practice
and the professions.

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President's strategic report – 2022/23

I have now been at City, University of London, as President, for two years, having joined in July 2021. The last year has been exhilarating. Council approved the new City Strategy in November 2022 and we have been busy delivering against the ambitious action plan.

By this time next year, as we enter phase two of our strategy, we will have built the platform for success. We will have overseen a two-year operational excellence programme, delivering an enhanced student experience and demonstrating greater agility and responsiveness.

This will support our plan to secure the scale and margin we need to continue to invest and grow. We plan to grow, where there is demand, and where effective alignment can offer high-quality distinct programmes, alongside world-leading research and impactful partnerships with business, practice and the professions.

Central to delivering our mission are the values we hold and embody. We care. We learn. We act.

City St George's

We are working to deliver a combination with St George's University of London. This is an area where my team and I have been focusing a considerable amount of our attention. It is a once-in-a-generation opportunity.

This combination would ensure that we are strongly positioned to deliver the most significant contribution and impact possible for longer-term issues, most notably population health. It enables us to be a significant part of the solution for one of the greatest societal issues of the day – training and developing the workers and leaders who are critical for the NHS and healthcare professions.

While City is the substantially larger of the two, there is a collective synergy between the two institutions in merger. By creating one of the very few institutions combining medicine and biomedical sciences, pharmacology and global health, with nursing, midwifery, psychology, optometry and radiotherapy, we would create a powerhouse of health and interdisciplinary opportunity for future students, as well as for the workforce of the future. We would ensure our combined, scaled expertise exerts a dominant presence in health leadership and management, as well as in teaching, research and enterprise.

Simultaneously, the impact on medicine and allied health, as well as the population health locally, nationally and globally, will have interdisciplinary benefits that cannot be realised in an individual institution. Thus, the multi-faculty insights in teaching, research, enterprise and practice available through City's Schools can influence the extensive medical, biomedical sciences and additional health areas drawn in from St George's.

City St George's would be in the top quarter in the sector; within the top 50 for Research Grant and Contract income; in the top 15 for OfS teaching income and in the top 30 for overseas tuition fees. Ratio of borrowings to income would be towards the lower end of the sector, although staff costs to income would remain high¹. The diversity of our UK-domiciled student body would place us 6th in the sector.

From a research and enterprise perspective, the two institutions are a strong fit covering a wide gamut of health areas and focus with very limited overlap. As a single institution, we will see improved REF performance, submitting to the complete 'health' set of Units of Assessment, including one of the largest Allied Health submissions in the sector. An improved overall institutional REF GPA would move the University up the rankings.

Building a multi-disciplinary university

The proposed combination with St George's University of London builds on the recent experience we have of Urdang School of Music and Drama joining City in August 2022.

The acquisition is part of an ambitious new strategy to enhance and develop City's reputation for music and its engagement with practice and the creative industries.

City's long-term commitment to Urdang is supported by investment in its students, staff and facilities and a commitment to growth, through portfolio development and its global approach to student recruitment.

The impact of Urdang on City can be heard and seen up and down the corridors of Northampton Square, and is central to the development of our new School of Communication & Creativity, led by Executive Dean, Professor Anna Whitelock.

Providing a high-quality experience to our students is our number one priority

We cannot for a moment take our eye off the need to deliver an improved student experience. During the period of combination, we must not let this slide; on the contrary, students must see commitment and ongoing positive change.

We are proud of our students, and we are committed to ensuring that they have the best possible experience while at City, are empowered to make positive connections with fellow students and with our staff, and feel that they are a valued member of our community.

We commit to delivering an outstanding education and professional formation to our students: an education that is rigorous and deeply informed by our engagement with practice. Engagement with practice means that our students will benefit from current and applied experience of the emerging needs of employers. Our students will absorb this through what we teach, the interests, experiences and expertise of those delivering the teaching, and the opportunities we provide for our students.

We are pleased with our progress on the NSS results published in August 2023, which saw City improve by 45 places from 2022. There is still much work to be done for us to deliver against our commitments in this area, most particularly around Teaching and Assessment & Feedback.

This aligns to our recent award in the Teaching Excellence Framework (TEF). We were delighted to receive a silver award overall with a gold award for our student outcomes (September 2023). It wasn't all good news from the TEF, and our bronze rating in teaching re-emphasises the need to improve in this area. We will focus attention on excellent teaching, well-delivered, and timely and appropriate assessment and feedback. As we committed to in our strategy, we will become a university that delivers distinctive education and a great student experience at scale.

¹ HESA/OfS 2020/21 data

President's strategic report – 2022/23

Transforming the learning experience

Our refreshed Curriculum Framework will support a more efficient delivery, greater interdisciplinary options for students and in turn provide an improved operating margin for City.

Building on the Curriculum Framework, the work we have done on the Portfolio Review will accrue advantages to staff as well as to students:

- Refreshing our programmes to ensure they align directly with the interests of students and business, practice and the professions
- Greater flexibility in potential interdisciplinary and inter-professional offerings across and within Schools; supporting a rise in reputation and league table position through more productive use of resources
- Workload benefits by delivering teaching, assessing and administering programmes in a more focused, strategic and efficient way
- Growing the financial margin necessary to support research, staffing and the future strength of the institutions across all areas.

Transforming the learning environment

We are delighted to be opening our new building for Bayes Business School at Finsbury Square (FSQ). The project, which began in August 2022, has created a dedicated teaching and learning building over eight floors. The new space will transform the student experience for postgraduate students at Bayes as well as providing dedicated space for Bayes Executive Education and alumni. The project, together with a significant refurbishment at Bunhill Row will create sufficient space to allow the teaching of year 3 Bayes undergraduate students at Bunhill Row for the first time.

FSQ has been finished to a very high standard to ensure Bayes retains its position in a highly competitive market for postgraduate education in London and ensures that our newest and most valuable space is dedicated for our students.

The Student Gateway project is a physical manifestation of our commitment to student experience. Starting in 2023/24 this project will see a single physical gateway for students to access central support on campus.

The Student Gateway project is more than a building project, it is an opportunity to positively transform how we deliver our support services to students in line with our strategy and values. The Student Gateway, by physically bringing together services into a one-stop shop, will give us an exciting opportunity to redesign our services, taking a student-centred approach that understands the needs of our students.

The Student Gateway and Support@City will create a seamless and consistent in-person and online support offering for our diverse student community.

Leveraging our location

We will continue to leverage our place at the heart of London, with our partnerships providing insight and opportunity for our students, through guest lectures, placements and graduate employment.

Our relationship with business and practice will imbue professionalism, providing our students with transferable skills including communication, problem-solving, critical thinking and teamwork, combined with broader social skills required to progress in the world of work.

Supporting our students

Nearly 70 per cent of our domestic students come from backgrounds or areas that are under-represented in higher education. During 2022/23 we strengthened our partnerships with schools, colleges and community organisations through our Widening Participation Outreach programme. Our team engaged with over 2,000 young people on events designed to encourage under-represented groups to access and succeed in higher education.

In the last year we have also launched Support@City, our online portal for student support enquiries and case management.

Support@City will empower students to easily track their support journey in a secure, self-service portal, removing the need to repeat themselves to multiple services. Students will also have access to a knowledge base of information to answer their most common queries, helping them to find the information they need more quickly and to reduce the number of enquiries.

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). As seen in the Guardian League Table 2023, we are ranked 4th in the UK in the 'value added' score, a measure that looks at the gap between academic attainments on entry and degree outcomes.

Equality, diversity and inclusion

Our commitment to address inequality and promote inclusion for our students and staff is demonstrated by the formal launch of our newly established Office for Institutional Equity and Inclusion (OIEI) in 2023.

This is a significant milestone for City which demonstrates the prominence and significance of driving and embedding EDI across the institution. The OIEI will act as a catalyst for inclusive excellence and culture change and will work across City to foster an inclusive, fair and respectful environment for the whole community.

We are proactively using national accreditation frameworks provided by equality charters including Athena Swan, Disability Confident Scheme, Race Equality Charter and Stonewall to continuously identify and address institutional and cultural barriers for our staff and students and proactively create innovative initiatives and actions to ensure equity of opportunity.

Our progress is demonstrated through the achievement of City's Race Equality Charter (REC) Bronze award, which evidences our commitment to improve the representation, progression and success of staff and students of colour within higher education. Our continued commitment to tackling gender equality issues is demonstrated through the renewal of our institutional Athena Swan Bronze award.

The challenges facing the sector

The continuing increase in prices has now pushed down the real value of the benchmark £9,250 English fee cap to just £6,000 in 2012 money.

Comparison to previous periods within similar inflation trajectories gives some evidenced planning parameters. This suggests high uncertainty in the outlook with the possibility the real value of the £9,250 cap could fall to £5,000 within one to six years.²

These challenges act to reinforce the priorities of our strategy and in particular our plans to deliver education more effectively at scale, growing in unregulated fee income and having systems, processes and a workforce that is fit for the future. This is something we are actively seeking to develop in the next year, shown most immediately in our Digital Plan and the related Workforce Plan.

² UK-higher-education-Policy-practice-and-debate-during-HEPIs-first-20-years.pdf

President's strategic report – 2022/23

Student retention remains a challenge across the sector post-pandemic. This is no different at City. We must ensure that our educational experience, our student support, assessment practices, and our management information, support the improvements required in this area.

Our people are what make City special

I am proud of my leadership team, and colleagues across City, for their support in delivering our mission.

The leadership team has remained largely unchanged in the last year, other than the important appointment of Professor Elisabeth Hill, as Deputy President. Elisabeth is leading on the implementation of the strategy and is Chair of our Academic Planning Board, as well as project lead for the combination with St George's University of London.

One of the highlights of the last year was the Staff Excellence Awards in June. The opportunity to come together with wonderful and talented staff, to celebrate their success, is an extraordinary pleasure.

These awards have been designed to thank individuals and teams who go 'above and beyond' to support our Vision and Strategy.

There were ten categories and award winners across most Schools and Professional Services. Of particular note were:

- **Research project of the year** – Colleagues in the School of Health & Psychological Sciences, with The MATRIx project, at the frontier of healthcare practice, informing the design and development of perinatal mental health services.
- **Outstanding support for students** – The Careers Consultant team, having developed and taught employability modules now embedded throughout all undergraduate degrees.
- **Team of the year** – Student Health and Wellbeing team – Who over the last year transformed their services into a welcoming, supportive and innovative environment, offering excellent support to students – through the streamlining of systems, improved engagement and the diversification of City's health and wellbeing offering.

Through the Awards we recognise colleagues who show dedication and passion, and who embody our values of care, learn and act.

Signed

Professor Sir Anthony Finkelstein, President

Date ..20 December 2023.....

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, practice and the professions, for the benefit of individuals and society at large.

Our students

Providing a high-quality experience to our students is our number one priority.

We are proud of our students and we are committed to ensuring they have the best possible experience while at City, are empowered to make positive connections with fellow students and with our staff, and feel they are a valued member of our community.

We are committed to delivering an outstanding education to our students: an education that is rigorous and deeply informed by our engagement with practice. Engagement with practice means our students benefit from a current and applied experience of the emerging needs of employers to develop the skills they need to realise their future ambitions. Our students experience this through what and how we teach, the interests, experience and expertise of those delivering the teaching, and the broad range of opportunities we provide for them.

We believe that every student with the ability to do so should consider progression to higher education as an attainable option regardless of their social, ethnic or financial background. We encourage applications from students from all backgrounds and admit those who have the academic potential and personal motivation to succeed on our courses. This is reflected in our work with the local community and our commitment to contextualised admissions.

We have close to 21,000 students, 61 per cent of whom are undergraduate, 37 per cent postgraduate taught and 2 per cent postgraduate research students.

Nearly 70 per cent of our domestic students come from backgrounds or areas that are under-represented in higher education. Our student population also has a strong international make up. According to the recent QS World University Rankings, we have the 19th most international student cohort in the UK and are ranked in the top 50 worldwide. Our international students represent 159 countries.

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). As seen in the Guardian League Table 2024, we are ranked 14th in the UK in the 'value added' score, a measure that looks at the gap between academic attainments on entry and degree outcomes.

Undergraduate students

We have nearly 13,000 undergraduate students, with over half of them enrolled on business- and health-related subjects.

We now have one of the biggest undergraduate Law cohorts in the country, with other sizeable undergraduate cohorts across Economics, Computer Science, Engineering, Politics and Sociology.

During 2022/23 we strengthened our partnerships with schools, colleges and community organisations through our Widening Participation Outreach programme. Our team engaged with over 2,000 young people on events designed to encourage under-represented groups to access and succeed in higher education. This has included 15 primary schools, 37 secondary schools and 6 organisations in our local community.

Through early engagement, we provide practical support and learning for young people across the full educational life cycle, from primary school to transition to higher education. We organise

numerous events with schools from Year-4 to Post-16. These events are designed to provide meaningful encounters with City and help young people understand and experience higher education. In 2022/23 we delivered 1,500 tutoring hours across primary and secondary provision. To ensure broad and flexible access to our attainment-raising programmes, tutoring and mentoring are delivered both online and in-person. We also work in partnership with schools and colleges to deliver online and in-person careers information and advice to help young people make informed decisions at key stages of their educational lifecycle. Ensuring Greatness is a multi-year tutoring project targeting Black Caribbean students and has expanded to support students at three schools. Our Transition to Secondary project for Primary Girls has developed a model for highly targeted close partnerships work whereby City staff co-design projects with schools and students.

We provide individual and targeted support to care leavers to help them make the transition to university life, support them during their studies and help them prepare for life after graduation. The support we provide extends to other vulnerable groups including students who are estranged from their families, those with unpaid caring responsibilities as well as refugees and asylum seekers. The support we provided included £192,500 in financial aid.

We are proud to support equal access to university. Our undergraduate bursary and scholarship schemes include the Lord Mayor of London Scholarships for Academic Excellence, the President's International Scholarship, City Cares Bursary and City Education Grant. We also offer Sanctuary Scholarships to enable applicants who are refugees and asylum seekers in the UK to access undergraduate programmes. Our schemes provide a full tuition fee waiver alongside a grant covering living expenses.

In 2022/23, £645,783 of financial support from the Hardship Fund was provided to 320 students across all disciplines. The Fund provides financial assistance to students who have met unforeseen financial hardship during their studies. The increase in financial support forms part of City's wider response to the cost-of-living crisis, which alongside the Hardship Fund includes the introduction of a travel bursary, free community breakfasts, access to free sanitary products on campus, low-cost evening meals and the introduction of a laptop loan scheme.

Postgraduate students

We have around 7,500 postgraduate taught students split over 150 taught postgraduate degree programmes, each of which are developed and taught by academic staff who are experts in their fields and who possess an in-depth understanding of the graduate employment marketplace.

This includes 2,500 students in the Business School, 1,600 students in the Health Sciences, just over 1,000 students in Law, across professional and academic pathways and just over 1,000 in science and technology disciplines.

Our postgraduate taught students are highly international. We have 3,000 non-UK students, with a third of these students coming from China, India and USA.

Our research postgraduate students are valued members of our vibrant academic community. We have over 500 postgraduate research students with the majority in sciences, mainly split in health and engineering.

We allocated some strategic funding to the Students' Union to support them in delivering a range of events targeted at postgraduate students to develop a postgraduate network and build a sense of community. The postgraduate network, launched in welcome week, attracted over 190 students and more than 200 students attended the postgraduate Christmas party co-created with students. The feedback we received from students attending these events showed how much they value the opportunity to meet peers from outside their chosen programme and become part of a growing cross-School student community within City.

Public benefit statement

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, enabling 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 in arranging one-off volunteering opportunities for students. Over the years our staff have worked with students, local residents and the local Council to build community links, strengthen student engagement with our local area and help them build their employability skills. Our Community Volunteering Service plays a facilitative role through our volunteering brokerage system which gives us direct oversight of volunteer recruitment and engagement.

We have worked in close collaboration with colleagues in the Sociology and Psychology departments on integrated experience programmes for students to work with charities and community organisations as part of their studies. This programme is now expanding into further departments across City.

We support other UK higher education institutions to develop and embed best practices in risk management and online delivery of volunteering opportunities through our continued membership of the UK Student Volunteering Network.

Use of Apprenticeship Levy

Through our partnership agreement with Workwhile (formerly London Progression Collaboration) our unspent Apprenticeship Levy continues to be transferred to support apprentices in the local area. To date, we have transferred almost £200,000 to support apprenticeship training for small businesses, charities and social enterprises within Islington and neighbouring boroughs. This has created opportunities for young people and underrepresented groups to engage in high-quality training and work opportunities which they would have otherwise been unable to access.

Partnerships have been developed with organisations ranging from digital and media, to construction, hospitality and youth support. We are supporting individuals from a diverse range of backgrounds, including the care sector, ex-armed forces and ex-offenders. We have built close relationships with Islington Council and other large employers in Islington and we work collaboratively with them as part of the Islington Anchor Institution Network to develop cohesive approaches around levy transfer.

Equality, diversity and inclusion

Our Vision and Strategy 2020 (www.city.ac.uk/about/vision-and-strategy) places equity, diversity and inclusion (EDI) at its core and emphasises the importance of embedding our values: **We care, We learn, We act**, in everything we do. We take pride in the diversity that exists in our staff and student communities and are committed to continuing to drive forward initiatives to build a university where everyone feels welcome and supported. Our EDI strategy focuses on four key areas: race, disability, sexual orientation and gender, but also recognises intersectionality within all protected characteristic groups. Implementation of our strategy is being taken forward through a delivery plan overseen by our EDI Board which is co-chaired by our President and the Assistant Vice-President (EDI).

We have put in place long-term EDI Key Performance Indicators (KPIs) to drive our ability to embed our values and build an inclusive university culture. Data monitoring and reporting are key to help us assess progress made to address inequalities and to highlight the areas that require stronger foci. We have been reporting on our gender pay gap since 2017 and have worked rigorously to improve gender equity within the institution. This year we have also voluntarily reported on our ethnicity pay gap.

Our commitment to addressing inequality and promoting inclusion for our students and staff is demonstrated by the formal launch of our newly established Office for Institutional Equity and Inclusion (OIEI). This is a significant milestone for City which demonstrates the prominence and significance of driving and embedding EDI across the institution. The OIEI will act as a catalyst for inclusive excellence and culture change and will work across City to foster an inclusive, fair and respectful environment for the whole community. The OIEI team delivers several co-creation opportunities and works collaboratively with students, staff and networks to encourage diverse decision-making through actively seeking a wide range of voices from across the institution. We place the student experience at the heart of our EDI work and continue to work in close partnerships with our Students' Union and our diverse student communities to co-create EDI initiatives which directly impact them.

We are proactively using national accreditation frameworks provided by equality charters including Athena SWAN, Disability Confident Scheme, Race Equality Charter and Stonewall to continuously identify and address institutional and cultural barriers for our staff and students and proactively create innovative initiatives and actions to ensure equity of opportunity.

Our progress is demonstrated through the achievement of the Race Equality Charter (REC) Bronze Award which evidences our commitment to improve the representation, progression and success of staff and students of colour within higher education. Through our Race Equity Action Plan, we continue to progress through key initiatives to address cultural, institutional and systemic barriers faced by staff and students with lived experiences of racism and discrimination.

Our continued commitment to tackling gender equality issues is demonstrated through the renewal of our institutional Athena SWAN Bronze Award. Our Schools are at different stages in their Athena SWAN journey with the following Schools being all Athena Swan Bronze Award holders: The City Law School, the School of Health & Psychological Sciences, the School of Science & Technology, the School of Policy & Global Affairs, and the School of Communication & Creativity.

We are proud to take part in the Disability Confident scheme which demonstrates our strong commitment to disability equality. Currently a Level 2 Disability Committed employer, we aim to progress to a Level 3 Disability Confident Leader. We remain committed to actively tackling inequalities that impact our staff and students and continue to champion the scheme and encourage and support other organisations in our network to become Disability Confident.

We have been a member of the Stonewall Diversity Champions programme since July 2021 and completed our first submission into the Stonewall Workplace Equality Index (WEI) to assist us in implementing LGBTQIA+ inclusive policies and practices across the institution. Through the programme we secured a Silver Award and are ranked 97 in the Top 100 Employers list. This achievement is a testament to colleagues who helped compile the submission and have been working to develop LGBTQIA+ inclusion for City's staff and students.

The collective responsibility of creating an inclusive and antiracist workplace and educational environment rests with all members of City's communities, from those who lead teams, support students and manage staff, to the students themselves. The Lived Experiences of Staff Project aimed at exploring the experiences of staff of colour at City was proposed by the City's Network for Racial Justice (NRJ). The project, which is fully funded and supported by City, is entirely led by staff of colour. The data arising from this project will be coupled with existing data from the Race Equality Charter work to enrich our Race Equity Action plan and ensure City is an environment where our staff of colour can thrive.

Public benefit statement

Work to reduce the degree awarding gaps for students is being undertaken through clear action plans which include commitments to design inclusive curricula and assessments and to decolonise curricula and practice. The OIEI also continues to develop and enhance an inclusive and accessible environment for all, removing barriers to progression and enabling a culture of fairness, equity and respect where everyone can thrive. We are confident that through our action plans and continued commitment, we will build an environment where all our students and staff feel welcome and supported.

Sustainable City

Sustainability is an essential part of our Vision and Strategy 2020. Our priorities include reducing the environmental impact of our operations as well as integrating sustainability into our undergraduate and postgraduate educational programmes. To ensure sustainability remains a priority for the Executive Team, Professor Richard Ashcroft, Executive Dean of The City Law School, was appointed as City's executive champion for this area.

In May 2023 we established the Sustainability Board to oversee the development and implementation of a cohesive approach to sustainability across the institution. Through the Sustainability Board, we are creating a sustainability strategy and action plan aimed at delivering our net zero carbon emissions ambitions by 2040 and are focused on embedding sustainability into our research, teaching and corporate governance.

The Board is focussing on four key priorities.

- **Education** – Inclusion of sustainability within our educational offer, ensuring students are engaged with sustainability throughout their studies and equipped with the skills and knowledge they need to contribute personally and professionally to global environment progress.
- **Research** – Supporting our scientific community to advance sustainability knowledge and create real-world impact.
- **Engagement** – Engaging with our student, staff and wider communities to deliver change and positively address sustainability issues.
- **Operations** – Operating our campus and conducting all activities in a way that reduces negative environmental impact and working towards our goal to achieve net zero carbon emissions by 2040.

In support of the United Nations Global Goals for Sustainable Development, we delivered our annual Global Goals Week, an event where Schools, student societies, and Professional Services came together to deliver a series of cross-discipline activities to engage, inspire and motivate students and staff alike. We subsequently released our annual Global Goals Report which presents case studies showcasing how we are responding to the 17 United Nations' Sustainable Development Goals and highlighting our good practice in five key themes: education, research, engagement, campus operations and governance.

The London Student Sustainability Conference, which we initiated and continue to lead, has gone from strength to strength and now boasts a partnership of 10 London universities. The 2023 Conference was delivered to a hybrid audience with student presenters and guest speakers emphasising the need for action and collaboration to tackle the global problems we collectively face. The success of the conference was recognised through City being shortlisted alongside 92 other finalists representing 25 countries for the prestigious International Green Gown Award which recognises best practice in the higher education and sustainability sectors. The London

Student Sustainability Conference is one of many elements of our engagement plan aimed at building community, inspiring positive action, enabling collaboration and creating opportunities. Our engagement plan also includes a newly formed placement scheme which gives students firsthand experience of working within the sector, together with a Sustainable City Hackathon, an event which brings together students, staff and residents to tackle sustainability issues in the local community.

We continue to collaborate with Islington Council and other key stakeholders on the development of the Green SCIES infrastructure project which aims at creating a district heat and cooling network using waste heat from nearby sources including tube lines. We have also commissioned MEP consultants to review these proposals and other initiatives to reduce our operational emissions through the deployment of energy efficiency programmes and site-located renewable energy technologies.

We continue to be ranked in the top 10 of London Universities by the People & Planet University League Table, a UK-wide independent performance indicator reviewing environmental and social sustainability criteria.

Community

An anchor institution in Islington

In September 2022, City became a founding member of the Islington Anchor Institution Network (IAIN). IAIN is made up of organisations in the fields of:

- **Education:** City and London Met universities, Capital City College Group
- **Health:** Camden and Islington NHS Foundation Trust, Whittington Health NHS Trust
- **Leisure:** Arsenal Football Club
- **Business community:** Angel Business Improvement District Alliance
- **Property:** Peabody Trust
- **Commercial:** Business Design Centre.

The areas of initial focus for the network are to work collaboratively to improve social equity and the quality of life for Islington residents by boosting jobs and employment opportunities, supporting local businesses through procurement and supply chains and reducing carbon emissions.

Our staff are actively engaged in the Anchor Institution's working groups who are delivering on:

- Creating a shared database of local suppliers to encourage and track procurement expenditure within the borough
- Creating a passport of transferrable skills for job seekers
- Hosting an employment fair
- Making better use of the government apprenticeship levy scheme planning for net zero in the borough from 2030 onwards.

City was delighted to welcome the network to discuss progress in April 2023, with the President commenting "The IAIN illustrates how City works collaboratively to use our influence to help shape the borough's future."

Public benefit statement

Beyond the IAIN, our engagement with the borough includes a focus on developing an ecosystem with a focus on Life Sciences. We are part of a consortium seeking to build a diverse and inclusive health and life sciences ecosystem which tackles inequities and creates opportunities for all. We work with partners from across the London boroughs of Camden, Islington, Hackney, Hammersmith and Fulham, Lambeth, Southwark and Tower Hamlets, several types of organisations, such as local authorities, educational institutions, and community organisations; and we are engaged with NHS Projects in areas of health inequity, career pathways, inclusive innovation and knowledge exchange and community building. Funding from the UK Shared Prosperity Fund (UKSPF) for a project to boost the life sciences social economy has been approved by the Greater London Authority (GLA).

Another lively example of how we are engaging in the borough is the Sustainable City Hackathon which was held in March 2023. The Hackathon is a partnership between City Ventures, the City Sustainability team and London Borough Islington. We recruited 17 students and Islington residents to join a three-day hackathon that took place over two weeks at Better Space. Expert speakers (including City academics, Islington Council members and the GLA) introduced the topics and framed the challenges linked to the Global Goals. The challenges addressed during the hackathon were focused on the night-time economy in Islington, food waste and the circular economy. As a result of the Hackathon 2, new ventures were formed and we are currently supporting the participants to further develop their business ideas. Five City students who participated in the Sustainable City Hackathon were subsequently invited to attend an international Global Goals Hackathon in the Netherlands.

As a partner in the Anchor Institution Network, we will continue to use our collective influence to help shape Islington's future, generating more opportunities and wealth for local people and businesses, creating a more equal and inclusive borough and adding further profile and impetus to our own strategic goals. For example, our primary outreach programme is targeted around Clerkenwell and Islington to provide concrete benefits to our partner schools and students in the local area. Our partnership with St Luke's Community Centre is now in its tenth year, and we continue to work with them to facilitate encounters between schools and employers based in Islington. This year we have supplemented our tutoring provision with targeted support for Upward Bound, a programme aimed at supporting attainment and aspirations for young people in participating Islington secondary schools. We have delivered 350 hours of tutoring for their programme, doubling our participating maths tutors on this programme from two to four and taking on the role of Chair of the Strategic Governance Board.

Better Space

Another important relationship with Islington is embodied in our Better Space affordable workspace joint venture.

Better Space is an affordable workspace in Islington that we operate on behalf of the London Borough Islington. The purpose of the partnership is to provide affordable workspace for Islington residents focused on social impact businesses. Alongside the affordable workspace, Better Space offers a range of services for disadvantaged groups in Islington including employment support, education and skills development and support for small and micro businesses.

Since its launch in April 2021, this initiative has gone from strength to strength. We have seen a significant increase in bookings and member activity. The interest in purpose-led and business-for-good enterprise continues to grow with a wide variety of individuals and organisations contributing towards the development of a vibrant and supportive community of social entrepreneurs, creating strong links between City and the local community. Currently Better Space hosts approximately 30 businesses and 120 individual members.

Working with the local community

The Office for Institutional Equity and Inclusion are working in collaboration with Islington Borough Council to support their Challenging Inequality Programme which aims at removing and dismantling structures and barriers that prevent residents of the borough from accessing the same opportunities as others.

Across City, there are many examples of School engagement with our local communities.

The City Law School's long-standing commitment to working with the local Not-for-Profit sector to place our students in the community, volunteering with legal charities. The City Law School students are a fantastic asset to organisations and volunteer to assist clients with their cases, while learning through doing. The City Community Legal Advice Centre (CityCLAC) has been established at The City Law School for over 10 years to provide advice on several areas of law including, employment, family, civil litigation, consumer, personal injury, contractual disputes and housing. Our approach enables our students to work with experienced lawyers in the provision of legal advice to members of the public who would not otherwise be able to pay for legal services. We have also worked with small businesses to advise them on company setup and commercial disputes and we run a representation service for schools' exclusions supported by two barrister's chambers, providing advice, casework and advocacy to families who have had a SEN child excluded from school.

In our School of Health & Psychological Sciences we offer free eye examinations in our student clinics (during term time) which take place in our state-of-the-art facilities at the CitySight clinic. These are provided by third-year students working under staff supervision. The clinic provides free eye and contact lens tests to the community, as well as specialist services for children, addressing binocular vision problems, specific learning difficulties, visual impairment and colour vision defects.

We welcome our friends, neighbours and local communities through our many open and free lectures, discussions and events both online and in person. In May and June the annual City Summer Sounds Festival returned as a series of live events, reflecting the vibrant and diverse work of our Department of Performing Arts. The series included work by our undergraduate and postgraduate students, staff and resident ensemble alongside special guests. A piano recital, a concert by 97 Ensemble (presenting a diverse range of music from female composers of Iranian heritage) and resident gamelan ensemble brushed shoulders with recent audio-visual work from our students.

More generally our facilities (including meeting rooms and CitySport) are available for local community groups to use and we are keen to engage with them. We continue to hold a Bi-Annual Residents' Forum and work with a resident co-chair to exchange important updates and address any queries or concerns that residents might have with City operations. In 2022 we appointed an Assistant Vice-President of Civic Planning and Development, to take a lead in this work.

Public benefit statement

City of London Academy, Islington

Together with the City of London Corporation, we co-sponsor the City of London Academy, Islington (COLAI), a secondary school managed under the Multi Academy Trust (MAT).

Governors from City play a leading role in the governance and life of both the Academy and the Multi Academy Trust and sit on the Board of Governors, Curriculum and Community (C&C) and Finance Committees:

- Ronald Zeghibe, a member of the University Council and entrepreneur (Governor until 31 August 2022)
- Professor Sanowar Khan, Deputy Co-Chair of COLAI's Civic Engagement T&F Group (Governor until 31 August 2022) and a current member of MAT Board of Trustees
- Simon Harding-Roots, a member of City's Council and the Crown Estate's Managing Director for London (Governor until 2 May 2023)
- Hafiza Patel, Deputy Finance Director
- Reema Khan, Head of Principal Gifts.

Our relationship with the City of London Academy is not limited to its Governance and our engagement with COLAI extends throughout City. Through our partnership we give pupils access to a range of high-quality activities to enhance their educational and career aspirations and make them aware of the opportunities they can enjoy if they progress to higher education. Our undergraduate student tutors work with pupils to support their learning and develop their skills and confidence in Mathematics and English. In return, our undergraduate students gain an introduction to teaching which may encourage them to consider a career in the profession. We also extend this tutoring scheme to all target schools.

Research highlights

At City, we undertake research at the frontier of practice. By fostering impactful and engaged research and by educating future professionals for whom evidence-based thinking is integral, we are challenging practice and redefining the professions. We aim to become sector leaders in outstanding practice-led research.

In recent years we have seen significant improvement in our research performance. This has been achieved as a result of the large investment in academic excellence we have made over the past 10 years.

We have cemented our place in society as a public university that delivers research with impact, both locally and globally. As we enter into the next phase of our development, our commitment to increasing the quality, output and impact of our research will see us achieve our vision of creating new knowledge, supporting business and the professions, and contributing to the global good of society.

Recognition for world-leading research

The Research Excellence Framework (REF) assesses the strength of research quality across UK higher education institutions through measuring three components: Outputs (60 per cent); Impact (25 per cent); and Environment (15 per cent). These measures are aggregated to form the overall 'quality profile' for each institution.

The results of the Research Excellence Framework (REF) 2021 confirm our position as a world-leading university with an international reputation for research excellence that has a major impact on society, policy and the economy. We are ranked 39th in the UK out of 129 universities in the Times Higher Education rankings. This is an improvement of 12 places since the previous REF assessment which took place in 2014.

The results show that 86 per cent of our research submitted to the REF 2021 has been rated as being of world-leading (4*) or internationally-excellent (3*) quality. This is an increase of 10 per cent from the last REF in 2014 and 35 per cent since the Research Assessment Exercise (RAE) in 2008. The proportion of City's research rated world-leading (4*) has almost doubled to 40 per cent in REF 2021 (from 23 per cent in 2014). The results demonstrate a continued and significant improvement in our research standing.

A vital element of REF is to illustrate the benefits research delivers beyond academia, including how research brings tangible changes to people's lives and the public value it delivers. Our results showcase excellent research which is firmly rooted in our mission to be the university of business, practice and the professions.

Universities receive a Quality-Research block funding from Research England based on the REF2021 outcomes. This funding is fundamental in maintaining and developing institutional research infrastructure, supporting researchers and investing in priority research areas.

Research at the frontier of practice

Research from City and the University of Glasgow, and published in the journal, *Lancet Public Health*, suggests that over the course of a year, young adults (aged 16-24) who experienced an increase in severity of gambling harms were 2.74 times more likely to attempt suicide than those whose gambling was unchanged. The findings demonstrate the need to quickly identify those who may be experiencing greater harms from gambling and to intervene with suicide prevention activities among young adults at elevated risk. The research was led by **Sally McManus**, Senior Lecturer in Health, from City's Violence and Society Centre.

In his research paper published in *Philosophical Transactions of the Royal Society*, **Professor Jason Dykes**, School of Science & Technology reveals some of the challenges, solutions and recommendations springing from the collaboration between epidemiologists and visualisation researchers during the Covid-19 Pandemic. Among the many issues collaborators had to grapple with were how much detail should be included in the model, what data should be used as inputs for the model, and what would be the most useful spatial and temporal scales. The research highlights the importance of interdisciplinary collaborations.

Research led by the **Dr Neil Thurman** from the Department of Journalism has found that a certain combination of advertising messages leads to an increased willingness to pay for online newspaper subscriptions. The study's results reveal how an online subscription pitch that mentions journalism's difficult financial situation and points out how subscribing can support independent journalism, significantly increases readers' willingness to pay. The findings provide new insights that could help online newspapers increase their subscription revenues and contribute to a more informed citizenry.

Operation Soteria, launched at the end of 2022 and led by **Professor Katrin Hohl**, Professor of Criminology and Criminal Justice, and Visiting Professor, Professor Betsy Stanko has received a major endorsement in the Government's Rape Review Progress Report that tracks performance in tackling rape and sexual violence. The programme, which has already been piloted across 19 police forces and nine Crown Prosecution Areas, aimed at developing new operating models for investigating and prosecuting rape in England and Wales by June 2023. The success of the pilot means all 43 police forces across England and Wales, as well as all rape prosecutors across the Country will now begin implementing Operation Soteria's approach to dealing with rape and other serious sexual offences. To further improve the response to rape, 2,000 extra police investigators will be specially trained in rape and sexual offences by April 2024. It will also be compulsory for new recruits to undertake rape and sexual offences training, and training will be rolled out to all existing first responders.

Public benefit statement

The **MATRix project** is at the frontier of healthcare practice, informing the design and development of perinatal mental health services. The project has shown demonstrable impact, with invitations to present findings to national and international clinical audiences such as the Royal College of Psychiatrists and the International Association for Women's Mental Health. The Project, awarded Research Project of the Year at our President's Awards in 2023, is led by Professor Susan Ayers, Professor of Maternal and Child Health from the School of Health & Psychological Sciences.

Partnering with business, government and third sectors

City's Data Science Institute is **collaborating with Fujitsu** to use explainable Artificial Intelligence (AI) to increase trust between humans and AI and the accountability of AI-based medical systems. Fujitsu, who have been working with City academics since 2021 have co-authored the paper, *Extracting Meaningful High-Fidelity Knowledge from Convolutional Neural Networks*, which was featured at the 2022 IEEE World Congress on Computational Intelligence, authored by City's Dr Kwun Ho Ngan and Professor Artur d'Avila Garcez and Fujitsu's Dr Joe Townsend.

The City Law School has teamed up with Casino Guru, the global gambling authority with the largest database of online casinos, to identify best practice in online gambling self-exclusion and to recommend a set of standards for adoption across different jurisdictions. The project is led by **Associate Professor Dr Margaret Carran**, who possesses extensive research experience in the field of gambling and has in the recent past devoted herself to the analysis of player protection and monitoring of problem gambling in the EU states. The project is set to last 18 months and involves three phases: research and fact finding, workgroup meetings with representatives of all stakeholders' groups and broader consultations.

Julienne Meyer, Professor Emerita of Nursing will chair the new Older People's Housing Taskforce which was announced as part of the government's Adult Social Care Implementation Plan. The Taskforce aims at helping to transform housing options for older people in the UK. The Taskforce includes directors from charities such as Age UK, the chair of the Home Builders Federation, local government leaders, CEOs of housing associations and academics with relevant expertise including **Les Mayhew**, Professor of Statistics at Bayes Business School who has written extensively on active aging and paying for long-term care.

Emmeline Taylor, Professor of Criminology has been appointed as Academic Advisor to the Strategic Oversight Board for Business Crime (SOBBC), a high profile and important appointment working with the most senior people in the country on business crime and serious acquisitive crime. This appointment further cements City as the go-to place for business crime-related research and insight. The SOBBC's main task is to address the high volume of violent and acquisitive crime experienced by the business community.

Dr Aldo Zammit Borda, Reader in International Law at The City Law School was an invited expert at a meeting of the **All-Party Parliamentary Group (APPG)** on the Yazidis held at the House of Lords on 20 June 2023. The meeting built on research in a report authored by experts from the International Bar Association Human Rights Initiative and The City Law School, entitled: *Justice and accountability for the atrocities of Daesh - Progress made and the way forward*, which emphasised the need to prosecute returning Daesh fighters in the UK and to address the barriers that Yazidi survivors faced when applying for asylum in the UK.

The UK KEF praises City for its work with private, public and third sectors

The results of the 2nd edition of the UK's Knowledge Exchange Framework (KEF) were announced in September 2022. City was among the universities which score the highest marks on the **KEF metric** linked to commercialisation of research. Of the higher education institutions listed in the top quintile for the estimated average turnover of companies built on their research, City is placed

in a group that comprises primarily large Russell Group institutions. We also scored highly for interactions with business, professions and the commercial sector in delivering courses for business and the community, and in having a high number of graduate start-ups.

City attracts research funding to tackle societal problems

Tackling health inequalities is the target of a bold new £11.6m programme of research training for health professionals from City, University of London and Queen Mary, University of London. The programme funds full-time salary and consumables for three years. In addition to PhD training, the programme offers a one-year Pre-Doctoral Training Phase for people with no previous formal research experience to help them gain research exposure and support them in becoming more competitive when applying for PhDs. Over the lifetime of the programme, we will recruit 32 PhD students, with 10 recruited in 2023/24.

The National Institute for Health Research has provided new funding to Royal Marsden Hospital's Biomedical Research Centre (BRC) as part of wider nationwide initiative. In partnership with BRC, our **Centre for Healthcare Innovation Research** will examine the wider organisational, cultural and economic challenges of embedding innovations in healthcare. This will enable research breakthroughs to reach those who need them the most. Over the next five years, the BRC will continue to play a crucial role in providing infrastructure and funding to our researchers and research partners at The Royal Marsden, providing them with more opportunities to develop innovative new treatments for cancer patients.

Ofcom, the UK's communications regulator, has sponsored our Department of Sociology and Criminology to carry out research focused on the key attributes and experiences of cyberbullying, online abuse and harassment in children. The project is led by **Dr Carrie-Anne Myers**, Reader in Sociology. Working in partnership with the National Centre for Social Research (NatCen), the research project involves visiting schools with the Anti-Bullying Alliance and the Diana Award to understand what cyberbullying and related behaviours mean to young people.

City supports new entrepreneurs

The ambitious Innovation for African Universities (IAU) programme has helped strengthen ties at 24 universities across the UK and Sub-Saharan Africa. The innovative pilot programme led by Bayes Business School developed employability and entrepreneurship opportunities at universities from across the UK and Sub-Saharan Africa. The main outcomes of the project have now been completed. Results show that entrepreneurship and innovation ecosystems have been strengthened. Students and staff have been better trained and have developed long-term partnerships across different stakeholder groups including with UK universities and other ecosystem players. It is thought that this will now help students and staff start better quality ventures that employ more people and will help address unemployment in Africa. The initiative is led by Professor Sam Kamuriwo, Professor of Strategy and Innovation.

The National Centre for Creativity Enabled by AI (CebAI, *pr: see-bay*) has joined forces with CityVentures, our dedicated student business incubator, and Numbers Studio, a business consultancy that specialises in developing successful university spinouts, to create the CebAI CityVentures programme. The 10-week sprint is designed to engage and support postgraduate business and technology students develop a new venture proposal to commercialise CebAI technology through products or services related to professional financial services firms. Over the course of the sprint, the selected start-up team will conduct detailed target sector and customer research and analysis to develop a robust market-ready proposition to take to early-stage investors.

Public benefit statement

Fundraising

At City we raise funds from donors to support our students, further research and enterprise activities, and support more broadly our charitable objectives. Our fundraising team adheres to both 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. These set out ethical principles of personal integrity, confidentiality and public trust. Through a combination of personal and tailored approaches and fundraising campaigns, we fundraise from individuals, the majority of whom are our alumni, along with trusts, foundations and companies whose aims, objectives and ethics align with ours.

Following on from the pandemic, the current cost-of-living crisis continues to influence the causes our generous donors are able to support. Our students, who have been strongly impacted by Covid-19, are now deeply affected by the cost-of-living crisis. We are very grateful to those understanding and generous donors who have helped students facing financial hardship in these difficult times. Some of our students would not have been able to secure a safe place to stay, nor access food without their generosity. On behalf of our students and all staff at City we extend our heartfelt thanks.

The total income recognised from donations and legacies from 1 August 2022 to 31 July 2023 is £2.789M.

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 most recent results available are for the year 2021/22. The survey groups universities' fundraising performance into six clusters namely: Elite Established, Moderate, Developing, Emerging and Fragile. We are part of the Developing Cluster alongside 26 other institutions and are ranked 8th in this group.

Trade Union Facility Time for the period 1 April 2022 to 31 March 2023

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 1 April 2022 to 31 March 2023.

For the period 1 April 2022 to 31 March 2023	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
18	14.4
Percentage of time spent on facility time	Number of employees
0%	0
1-50%	16
51%-99%	2
100%	0
Total cost of facility time	£206,994
Total pay bill	£164,819,253
Percentage of total pay bill spent on facility time	0.13%
Hours spent on paid facility time	5,901
Hours spent on paid trade union activities	0
Percentage of total paid facility time hours spent on paid trade union activities	0%

Corporate governance statement

The following statement provides for readers of the financial statements a short explanation of City's corporate governance arrangements.

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 1 September 2016 to reflect City's accession on that date to the University of London Federation and a further supplemental Charter which came into effect on 17 April 2023 to reflect the completion of City's application process for University Title (commenced in 2017) and which means that since that date City has had the status of a university.

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 delegation 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/about/governance/charter-and-statutes.

City structures its governance arrangements in conformity with the conditions of registration with the Office for Students (OfS) for providers 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 (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 1 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 Operating 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 nineteen members on 31 July 2023, of whom twelve, including the Chair and Deputy Chair, were external independent members. There were two vacancies for independent members. The staff and student members of Council at that date comprised City's President, Deputy President, Chief Operating

Officer, Director of Human Resources, two Deans and the President of the City 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 six committees: Senate, an Audit and Risk Committee (ARC), a Corporate Governance and Nominations Committee (CGNC), a Remuneration Committee (RemCo), a Strategy and Finance Committee (SaFCo) and a Development Committee (DevCo).

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. The President is a member of both SaFCo and CGNC, the Deputy Chair of Senate is a member of CGNC and the City Students' Union President is a member of SaFCo. 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. 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 2022/23.

City uses executive search to assist in the appointment of members of Council. In 2022/23, three independent members of Council were appointed. 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 reimbursement of expenses. City maintains a Register of Interests of members of the Council, which may be viewed on City's Governance web pages.

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

The open 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 2022/23, one of which was an away day. Meetings of Council in 2022/23 were held in person with arrangements for those unable to attend to be present through MS Teams. Most meetings of committees were also held in person, but some were held through MS Teams.

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.

Corporate governance statement

There is an annual appraisal scheme for 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.

Audit and Risk Committee (ARC)

This Committee receives a report on the 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 reviews and approves the 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 reviews 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 the Higher Education Statistics Agency (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 2022/23. It regularly met the President and (from June 2022) the Chief Operating Officer 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 2022/23 and was chaired by Dr Andrew Mackintosh, an independent member of Council.

CGNC recommended for approval to Council the appointment of three independent members of Council and membership changes to Council committees.

The Committee also recommended eight candidates for Honorary Degrees.

Remuneration Committee (RemCo)

The Committee determines the terms and conditions of employment of the President, members of the Senior Leadership 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.

RemCo met three times in 2022/23 and was chaired by Ms Jen Tiffin, an independent member of Council.

The Committee is advised by a Director from the KornFerry 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 annual remuneration statement on page 14. This has been compiled in accordance with the CUC Higher Education Senior Staff Remuneration Code.

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

Strategy and Finance Committee (SaFCo)

SaFCo 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, and to monitor City's performance in the round and that of its constituent Schools.

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

SaFCo met six times in 2022/23 and is chaired by Mr Adrian Haxby, an independent member of Council.

Development Committee

In March 2022, Council established a Development Committee to oversee City's development agenda, fundraising strategy and implementation plans; provide advice on ethical issues, processes, donor approval and reputational risk; and acts as a forum to identify and agree on priority projects for fundraising and to support the development and implementation of fundraising campaigns to support income generation. The Committee also monitors the activities and progress of City's fundraising.

The Committee met three times in 2022/23 and is chaired by Mr Ron Zeghibe, an independent member of Council.

Senate

Senate has delegated authority from Council for the enhancement of academic quality and assurance of academic standards and is chaired by the President. From 19 October 2022 to December 2022, the composition allowed 17 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 40. The composition of Senate was updated in December 2022 to include the Deputy President. This took the total ex-officio membership to 18 making a total membership of up to 42.

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 Learning Enhancement and Development (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) who acts as a point of contact for Senate members and other academic staff if there are concerns that significant matters

Corporate governance statement

of academic quality and standards have not been appropriately addressed by Senate. Dr Anton Cox has taken up the position of SES, effective from 19 October 2022. He has replaced Professor Rachel Cohen who has served two terms as SES. 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 eight Boards of Studies (increased from seven on 1 August 2022), Assessment Boards, Education and Employability Board, Educational Quality Committee, Student Experience Board, Research Ethics Committee, Collaborative Provision Committee and Academic Governance & Nominations Committee. On research issues, the Research and Enterprise Committee acts as a sub-committee of Senate on research issues and reports directly to Senate on research issues. On enterprise issues, the reporting line of the Committee is to the Vice-President (Enterprise, Employability and Engagement). 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 2022/23. 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.

In July 2023 the Chair of Senate used his powers as President to suspend or depart from Senate Regulations to enable City to enable students to progress or graduate, while City was affected by the marking and assessment boycott.

In 2022/23 meetings of Senate took place in person but with the ability to attend remotely via MS Teams for any Senators unable to attend in person.

The 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 Anthony Finkelstein was the President of City during 2022/23 and was advised over this period by a Senior Leadership Team comprising the Deputy President, Vice-Presidents, Associate Vice-President for Equality, Diversity and Inclusion, the Deans of City's Schools, its Chief Operating Officer, Chief Financial Officer, Director of Human Resources and Director of Marketing & External Relations.

Annual remuneration statement

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/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 HE (including those of comparable size and complexity, those in a similar geographic location, 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/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, University 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. This was the case in 2022/23.

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

An element of City's remuneration strategy is that pay for senior staff includes an element of performance-related remuneration. RemCo agreed the parameters of a new scheme for performance-related remuneration in 2021 and details of the new scheme are available at www.city.ac.uk/about/governance/council/remuneration-committee. Payments under the scheme have been determined by RemCo following the end of the Financial Year and is awarded in respect of performance in that Financial Year.

President's remuneration

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

The President's total remuneration comprises: salary (including pay in lieu of pension contributions) and taxable benefits in kind (Professor Finkelstein is entitled to private health care, as are all senior managers at City).

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. 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.

RemCo 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. Tables which set out the ratios, when calculated on the basis required by the OfS Accounts Direction are given in Note 8 to the accounts.

For 2022/23 the Committee determined in July 2023 that for 2023/24 the President's remuneration remained appropriate.

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 2022/23 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 by Professor Sir Anthony Finkelstein in 2022/23 from Non-Executive and Advisory roles in external bodies was as follows: UK Research & Innovation £8,000; Metropolitan Police (for National Police Chief's Council) £2,500; Polecat Intelligence Ltd. £12,000; Gallos Technologies Ltd. £14,000; Government of Singapore £3,800. In February 2023 the President received an entitlement to share options, in lieu of further payment by Gallos Technologies Ltd. Additionally, the President received a number of small one-off payments, which, when summed, amounted to less than £5,000 in total.

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/remuneration-committee. The President retained no income from consultancy in 2022/23.

Expenses

City's expenses policy for members of staff is publicly available at www.city.ac.uk/about/governance/council/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.

Under City's current Freedom of Information Code of Publication, details of all the expenses incurred by the President are published on a quarterly basis and are publicly available at www.city.ac.uk/about/governance/council/remuneration-committee.

Expenses reimbursed to Council members in 2022/23 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.

Membership of Council

Council comprised the following members for the period
1 August 2022 to 29 November 2023:

Rector

The Right Honourable, The Lord Mayor of London

Chair of Council

Ms J Palca

Deputy Chair of Council

Ms K Desai

President

Professor Sir A Finkelstein

Independent Members

Professor R Allison (from 18 May 2023)

Ms A Fresko

Mr S Harding-Roots

Mr A Haxby

Mr T Lee-Warren (to 31 January 2023)

Dr A Mackintosh (to 31 August 2023)

Ms C McGuinness

Ms E Okobi (to 23 March 2023)

Mr A Prakash

Professor Sir E Thomas (from 18 May 2023 to 4 November 2023)

Ms J Tippin (to 31 July 2023)

Mr R Zeghibe

Ms R Lock (from 18 September 2023)

Staff Members

Professor E Hill (from 25 November 2022)

Ms M Luckiram (to 31 July 2023)

Ms H Watson

Professor D Salmon

Professor A Spicer (from 25 November 2022)

Student Members

Ms A Kumar (from 1 July 2023)

Ms G Tsourrai (to 30 June 2023)

Honorary Rectors (not members of Council)

The Hon Mr A Bagri

Professor Sir D Bone

Ms H Nouss

Mr R Woodward

Senior Elected Senator (not a member of Council)

Dr R Cohen (until 18 October 2022)

Dr A Cox (from 19 October 2022)

Presidents and other key officers of the University

Professor Sir A Finkelstein, President

Professor E Hill, Deputy President

Professor M Mera, Vice-President, Research

Professor S Quinsee, Vice-President, Digital & Student Experience

Professor J John, Vice-President, Education

Dr S Robinson, Vice-President, Enterprise,

Engagement & Employability

Professor A Whitelock, Dean, School of Communication & Creativity

Professor C Lees, Dean, School of Policy & Global Affairs

Professor R Roy, Dean, School of Science & Technology

Professor D Salmon, Dean, School of Health &

Psychological Sciences

Professor R Ashcroft, Dean of The City Law School

(Interim 1 October-12 December 2022)

Professor A Spicer, Dean, Bayes Business School

Ms H Watson, Chief Operating Officer

Ms M Luckiram, Director of Human Resources

Ms M O'Hara, Chief Financial Officer

Dr W Jordan, University 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 Office for Students (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 OfS, UKRI (including Research England) and the Education and Skills Funding Agency 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.

Risk management

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.

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

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 1 August 2022 to 20 December 2023.

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, 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 2023/24.

Prevent Duty

Council is required to provide assurance to OfS by 1 December each year that it has discharged effectively its responsibilities under the Prevent Duty. City's Council approved in November 2023 its Prevent Annual Report and Risk Assessment to OfS and authorised signature of the required annual assurance statement to OfS for the academic year 2022/23 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 for 2022/23. 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.

Please note that there are some minor and non material rounding differences in this report when compared to the financial statements. The 2021/22 amounts have been restated as a result of the matters noted in Note 33 to the financial statements.

Financial performance

The financial results for 2022/23 are a reported surplus of £3.7M (2021/22: deficit of £60.2M) and total comprehensive income of £37.0M (2021/22: £11.5M). However, when removing the large and volatile pensions movements, the results are an operating deficit of £2.7M (2021/22: deficit of £3.4M) and comprehensive expenditure (excluding pension movements) of £3.5M (2021/22: income of £6.9M). This is an improvement on the revised forecast for 2022/23, when we were forecasting for a £5.0M deficit.

The results for the last year were mainly impacted by inflation coming through noticeably in energy costs, payroll costs and general expenditure. These cost pressures were further compounded by recruitment shortfalls on some postgraduate programmes. This has required careful cost management measures with budgets being adjusted to successfully address these within the year.

Summary results for the year

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

	2022/23	2021/22
	£M	£M
Income	276.7	257.8
Expenditure	272.2	328.2
Operating surplus/(deficit)	4.5	(70.4)
(Loss)/gain on investments	(0.9)	0.3
Gain on sale of fixed assets	0.0	10.1
Share of operating surplus/(deficit) in joint venture	0.1	(0.1)
Taxation	0.0	(0.1)
Surplus/(deficit) for the year	3.7	(60.2)
Actuarial gain/(loss) in respect of pension schemes	33.3	71.7
Total comprehensive income/(expenditure) for the year	37.0	11.5

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 a positive £40.5M for 2022/23 (2021/22: positive £4.6M) and go through the various lines on the SOCIE as follows:

	2022/23			2021/22		
	LPFA £M	USS £M	Total £M	LPFA £M	USS £M	Total £M
Movement on pension provision	3.3	(14.4)	(11.1)	7.6	57.8	65.4
Interest and other finance costs	0.8	3.1	3.9	1.4	0.3	1.7
	4.1	(11.3)	(7.2)	9.0	58.1	67.1
Actuarial (gain)/loss in respect of pension schemes	(33.3)	0.0	(33.3)	(71.7)	0.0	(71.7)
	(29.2)	(11.3)	(40.5)	(62.7)	58.1	(4.6)

Removing these adjustments indicates that we have actually made an operating deficit of £2.7M (2021/22: deficit of £3.4M) and a total comprehensive expenditure of £3.5M (2021/22: total comprehensive income of £6.9M) for the year as summarised in the table below.

	2022/23	2021/22
	£M	£M
Income	276.7	257.8
Expenditure	279.4	261.2
Operating (deficit)/surplus	(2.7)	(3.4)
(Loss)/gain on investments	(0.9)	0.3
Gain on sale of fixed assets	0.0	10.1
Share of operating surplus/(deficit) in joint venture	0.1	(0.1)
Taxation	0.0	(0.1)
(Deficit)/surplus for the year	(3.5)	6.9
Actuarial gain/(loss) in respect of pension schemes	0.0	0.0
Total comprehensive (expenditure)/income for the year	(3.5)	6.9

These results reflect our core financial performance at an operational level, and the operating (deficit) line is used to measure our financial performance internally and for preparing future forecasts.

The key variances between the 2022/23 and 2021/22 results are summarised as follows:

Income:

It is of note that both Fee income and Funding Body Grant income are higher than in 2021/22 by £12.6M and £1.7M respectively. This is due to post-pandemic improvement in student numbers, fee increases and the increase in our Research funding received from Research England resulting from our improvement in REF results.

Investment income increased by £3.2M due to increases in interest rates and investment performance.

The almost £1.0M increase in Donation income is due to one-off donations received in the year.

Expenditure:

The £10.2M increase in staff costs is due to increases in salary, pension costs and National Insurance. A pay award of 3 per cent was made in August 2022, with a further 2 per cent award made in February, brought forward from August 2023.

The £16.2M decrease in pensions provisions and holiday accrual is driven by the £11.1M decrease in pension provisions and the £5.1M swing in holiday accrual between the two years.

Other operating expenses increased by £11.3M. The individual variances for other operating expenses are discussed later in the report.

Further down the adjusted SOCIE, the deficit for the year (excluding actuarial gains and losses in respect of pensions schemes) is £3.5M (2021/22: surplus of £6.9M). Within 2022/23, this arises due to losses of £0.9M on our investments and a £0.1M gain in our share of the joint ventures surplus. This is then contrasted against the one-off gains on the sale of two properties of £10.1M, gains on our endowment portfolio of £0.3M, City's share of the 2021/22 loss from the INTO joint venture £0.1M and overseas taxes of £0.1M being incurred in 2021/22.

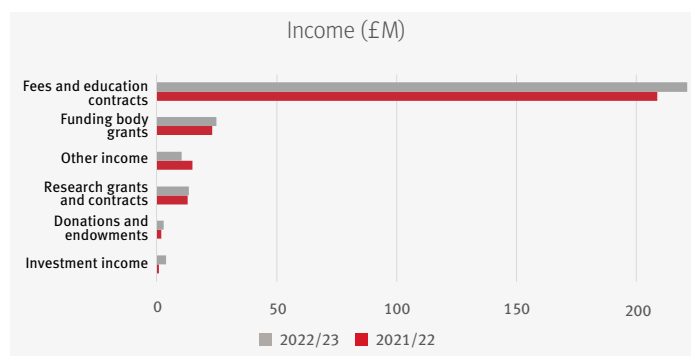
These variances are discussed in more detail within the relevant sections later in the report.

Financial report

Income

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

	2022/23 £M	2021/22 £M
Fees and education contracts	221.3	208.7
Funding body grants	24.9	23.2
Research grants and contracts	13.4	12.9
Other income	10.3	10.4
Investment income	4.0	0.8
Donations and endowments	2.8	1.8
Total income	276.7	257.8



Total income increased by £18.9M (7.3 per cent) to £276.7M.

Fee and education contract income increased by £12.6M, and research grants and contract income increased by £1.7M. This is due to post-pandemic improvement in student numbers, fee increases and the increase in our Research funding received from Research England resulting from our improvement in REF results.

Investment income increased by £3.2M due to increases in interest rates and investment performance.

The £1.0M increase in Donation income is due to several one-off donations received in the year.

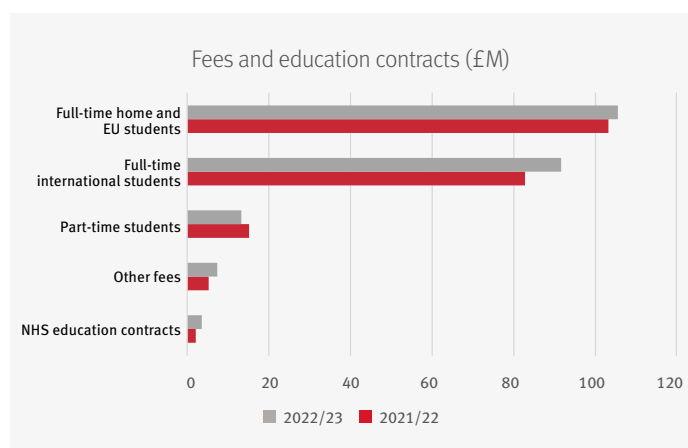
Fee and education contracts

Fees from full-time international students increased by £8.8M driven by increased student numbers and fee increases. Fees from home students increased by £2.4M, mainly due to increased recruitment. NHS contract income and other fee income also increased by £1.3M and £2.0M respectively, due to post-pandemic recovery of activity in these areas.

Part time student income decreased by £1.9M, mainly due to pauses in recruiting to several programmes within Bayes Business School.

This is shown in the table and graph below.

	2022/23 £M	2021/22 £M
Full-time home students	105.6	103.2
Full-time international students	91.7	82.9
Part-time students	13.2	15.1
Other fees	7.3	5.3
NHS education contracts	3.5	2.2
Total fees and education contracts income	221.3	208.7

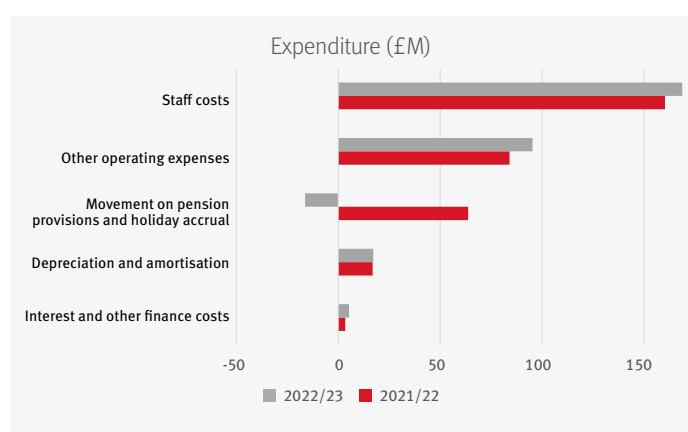


Expenditure

The table and graph below analyse our reported expenditure for 2022/23 compared to the previous year.

	2022/23 £M	2021/22 £M
Staff costs	170.5	160.3
Other operating expenses	95.3	84.0
Depreciation and amortisation	17.3	16.8
Interest and other finance costs	5.3	3.3
Core expenditure	288.4	264.4
Movement on holiday accrual	(5.1)	(1.7)
Movement on pension provisions	(11.1)	65.4
Total expenditure	272.2	328.1

Financial report

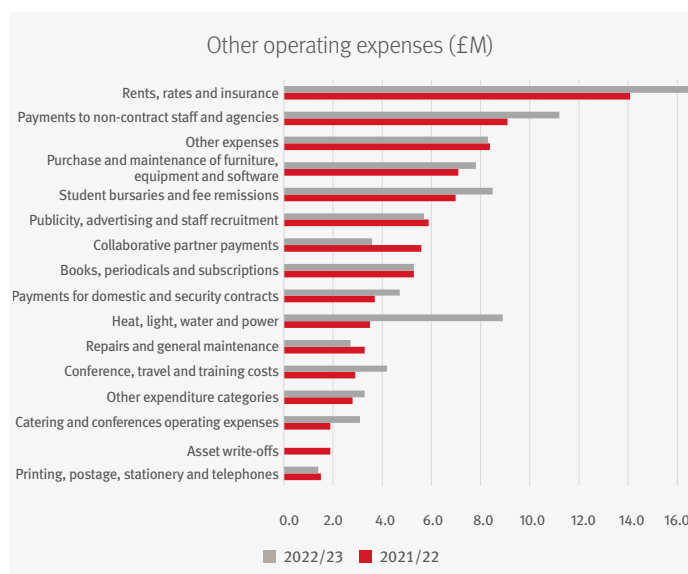


Core expenditure, as seen from the table above, increased by £24.0M (9.1 per cent) compared to the previous year.

The £10.2M increase in staff costs is due to increases in salary, pension costs and National Insurance. A pay award of 3 per cent was made in August 2022, with a further 2 per cent award made in February, brought forward from August 2023.

The breakdown of our other operating expenses is shown in the table below and graph to the right.

	2022/23	2021/22
	£M	£M
Rents, rates and insurance	16.6	14.1
Payments to non-contract staff and agencies	11.2	9.1
Other expenses	8.3	8.4
Heating, lighting, water and power	8.9	3.5
Student bursaries and fee remissions	8.5	7.0
Publicity, advertising and staff recruitment	5.7	5.9
Books, periodicals and subscriptions	5.3	5.3
Purchase and maintenance of furniture, equipment and software	7.8	7.1
Payments for domestic and security contracts	4.7	3.6
Conference, travel and training costs	4.2	2.9
Collaborative partner payments	3.6	5.6
Catering and conferences operating expenses	3.1	1.9
Repairs and general maintenance	2.7	3.3
Other professional fees	1.8	1.0
Printing, postage, stationery and telephones	1.4	1.5
External venue hire	0.7	1.1
IT and academic consumables	0.6	0.6
Auditors' remuneration in respect of group UK statutory audits	0.2	0.1
Auditors' remuneration in respect of other audit related assurance work	-	0.1
Asset write-off	-	1.9
Total expenditure	95.3	84.0



Other operating expenses, excluding depreciation, increased by £11.3M (13.5 per cent) to £95.3M.

The main variances within other operating expenses are due to the following:

- Utilities costs, notably energy, increased by £5.4M, consequent on global energy price increases
- Conferences, travel, training, non-contract staff, catering and other expenses all increased in 2022/23 due to the recovery of activity following the pandemic lockdowns
- The increase in rents is primarily due to rent reviews for the Myddelton Street building and costs relating to the Atkins building
- Payments for domestic and security contracts increased by £1.1M as a result of changes to the terms and conditions offered to staff employed through the cleaning contract and the introduction of a number of freelance staff to support the new Urdang undergraduate programme
- Student bursaries and fee remissions increased by £1.5M
- The £2.0M decrease in collaborative partner payments is due to a reduction in the costs associated with Bayes' online marketing and recruitment provider and other one-off changes in 2021/22 related to agreements on research contracts
- There was no asset write off in 2022/23, resulting in a decrease of £1.9M.

Depreciation and amortisation charges increased by £0.5M to £17.3M, reflecting the introduction of Urdang to City for the first year.

Interest and other finance costs increased by £2.0M, mainly due to pension scheme finance charges, as shown in the table below.

	2022/23	2021/22
	£M	£M
Charge on LPFA pension	0.8	1.4
Charge on USS pension	3.1	0.3
	3.9	1.7
Interest on borrowings	1.7	1.7
Foreign exchange differences	(0.3)	(0.1)
	5.3	3.3

Financial report

FRS 102 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:

	2022/23	2021/22
	£M	£M
Movement on USS provision	(14.4)	57.8
Movement on LPFA provision	3.3	7.6
Movement on holiday accrual	(5.1)	(1.7)
Total movements	(16.2)	63.7

The decrease in the movement on the USS provision of £14.4M within 2022/23 reflects the decreased forecast liability for our portion of the USS deficit recovery plan, based on the USS valuation at 31 March 2020. More information on this can be found in note 31 of the accounts.

The movement of the LPFA provision is due to changes in the actuarial assumptions being applied to the LPFA scheme. The actuarial gain of £33.3M (recognised within other comprehensive income) is due to changes in the updated actuarial assumptions relating to the LPFA's forecast liabilities and asset values being applied at the new valuation date of March 2022.

The large year-on-year movement of £3.4M relating to the holiday accrual is due to the reduction of the overall annual leave carried over between the two years and by City returning to its pre-pandemic carry-over limit of 5 days being applied. For 2022/23 an average of 4.0 days was carried over per staff member and for 2021/22 it was 13.9 days.

Financial position

Capital projects

The value of our tangible and intangible non-current assets increased by a net £27.2M to £412.1M and £3.1M respectively. This is due to the purchase of the Finsbury Town Hall property as part of the Urdang transaction, the development of the Bayes Business School estate at Finsbury Square and Bunhill Row and the initiation of several large IT software related projects within the year.

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 FRS 102, we account for the scheme as if it were a defined contribution scheme. For 2022/23, the scheme is accounted for under the 31 March 2020 valuation. There has been a subsequent valuation as at 31 March 2023, but this has not yet been formally concluded.

Under FRS 102, 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 2022/23 is estimated to be £81.6M (2021/22: £92.9M) and has been accounted for as such. This is a large decrease of £11.3M from the previous year and is reflective of updated assumptions being applied for the scheme still using the March 2020 valuation results. Although the March 2022 valuation has not yet formally concluded, it is anticipated to

result in a significant gain being reported next year, together with reduced pension contributions for both employers and employees and an increase in benefits to employees.

The LPFA scheme shows an FRS 102 asset of £5.7M (2021/22: deficit of £23.6M) for City. This results from the overall scheme moving to a surplus position following the schemes most recent valuation in March 2022. Our first time recognition of the LPFA scheme asset is reflected in the statement of financial position in accordance with FRS 102 and is based on the scheme actuary's calculations following the March 2022 valuation.

Investments

FRS 102 and the further education/higher education SORP require any investments that can readily be converted to cash within 90 days at placement 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.

City's 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	2022/23 Total	2021/22 Total
	£M	£M	£M	£M	£M
Working capital cash	-	6.0	54.4	60.4	87.0
Endowments & restricted reserves	19.6	-	0.1	19.7	18.6
MetLife Sinking Fund	2.0	-	-	2.0	-
Bonds relating to post graduate student loans	0.4	-	-	0.4	0.5
Investments in subsidiaries and spinout companies	0.7	-	-	0.7	0.1
Total	22.7	6.0	54.5	83.2	106.2

City's working capital cash of £60.4M, endowment reserves of £19.7M and new MetLife sinking fund of £2M (as indicated above) continue to be managed in accordance with its Investment Policy and under the management of its external investment managers at UBS. The new MetLife Sinking Fund has been set up to grow via annual contributions and capital growth over time in order to build up the funds necessary to make City's borrowing repayments to MetLife. Working capital cash has decreased by £26.6M over the last year, mainly as a result of SOCIE performance and increased capital expenditure. The new MetLife sinking fund has been set up to build up funds, via annual contributions and capital growth, in order to repay City's borrowings from MetLife when they fall due.

The balance of our investments comprises £0.4M bonds relating to postgraduate loans and £0.7M of shares in various City spin-out companies.

Cash flows

City's balance sheet shows a balance of cash and cash equivalents of £54.5M at the year end. This is a £22.9M decrease from 2021/22, which arises due to a net increase of cash generated by operations of £4.8M, offset by increased spending of £26.0M on investing activity and £1.7M on interest payments. The £26.0M investment activity includes ongoing capital expenditure for the Bayes Estate, totalling £20.2M, and other investment movements.

Our cash levels and liquidity position remain healthy at year-end and it is not anticipated that we will require additional liquidity resources in the short to medium term. The recovery of our income streams, coupled with careful cost management, is expected to mean our cash reserves are still maintained and do not need to be supplemented by additional borrowing.

Financial report

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.

We continue to monitor our future borrowing requirements, consequent on our future investment plans. City has no current need or 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 2022/23 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 2022/23 was a small surplus of £0.1M (2021/22: loss of £0.1M). The switch from loss to surplus indicates the return to pre-pandemic activity within the joint venture.

Financial sustainability and going concern

Financial sustainability

City's Financial and Investment Plan demonstrates that it continues to remain financially sustainable. The Investment Plan is being refreshed to reflect the spending required to deliver City's strategy and future plans. The Financial Plan demonstrates that City generates sufficient operational cash and surpluses to enable it both to run day-to-day activities and deliver its strategic investment objectives and plans. City is still aiming to generate a post-investment surplus of between 2 per cent and 3 per cent of income in the medium term and beyond.

Some of the financial indicators that City monitors are presented in the table below.

	2022/23	2021/22
External borrowing as a % of total income	21.8%	23.4%
Net cash flow from operating activities as a % of total income	1.7%	6.6%
Net liquidity days	87	102
Core staff costs (excl. pension movements and holiday accrual) as a % of total income	61.6%	62.2%

These indicators continue to demonstrate that City remains financially strong and cash generative.

City's investment plans and projects are under regular review and are prioritised to ensure they continue to deliver long-term benefits for its students, staff and wider community as well as enabling it to meet all our regulatory and legal requirements.

Going concern

The Chief Financial Officer, on behalf of City's Senior Leadership Team and Council, 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 incorporates 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.

City has non-current assets of £443.5M, a positive balance of cash and current investments of £60.5M at the year-end and a comparatively small level of external borrowing of £60.2M. City has 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.

In addition to the assessment of City as a stand-alone University, as noted in the President's Strategic report, we are working to deliver a combination with St George's University of London. The financial forecasts for the two institutions are being combined and a joint financial plan prepared that includes merger transaction costs as well as other changes likely to arise from the merger. The joint financial plan has undergone third-party assessment and has demonstrated that the risks of the merger and on the finances are well-understood. It is anticipated that a decision on the merger, by both City and St George's Councils, will be made in 2024.

Taking all of the above into account, City has 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.

Independent auditors' 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 2023 and of the group's and of City's income and expenditure, gains and losses and 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 2023; 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 and statement of internal controls, 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 or 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 the institution/industry, 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 judgments 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;

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

- Reviewing terms and conditions of significant contracts;
- Reviewing correspondence with regulators including the Office for Students and UK Research and Innovation (including Research England);
- Understanding and evaluating the Group's control environment;
- Identifying and testing journal entries, including journal entries posted with unusual account combinations to income accounts;
- Assessing the reasonableness of key accounting judgments and estimates including the accounting and estimates in respect of the USS and LPFA pension schemes; 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 the City, University of London 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) and the Education and Skills Funding Agency 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.

Signed

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date

Statement of accounting policies

1. 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 Royal Charter and the Accounts Direction (OfS 2019.41) issued by the Office for Students.

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

2. 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 City's financial position, 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 Great British Pounds sterling which is the functional currency of the group and rounded to the nearest £1,000.

3. 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.

4. 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 31 July 2023. 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.

5. Income recognition

Income from the sale of goods and services is credited to the 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.

Tuition Fee income is stated gross of any expenditure which is not a discount and credited to the statement of comprehensive income and expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount 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 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 where it is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Funding body grants are recognised in the year they are received. Research grants are recognised in income over the periods in which City recognises the related costs for which the grants are 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

6. Accounting for retirement benefits

The two 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.

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.

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.

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.

Where City is able to identify its share of the underlying assets and liabilities of the scheme, the net asset or liability is recognised in the Statement of financial position in respect of each scheme and is the fair value (at bid price) of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods. 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. The LPFA scheme is accounted for under this method.

Annually, City engages independent actuaries to calculate the LPFA obligations. The present value is determined by discounting the estimated future payments of benefits 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.

Further detail is provided on the specific pension schemes in note 31 to the financial statements.

7. 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 31 July.

8. 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.

9. Foreign currencies

City's group functional currency is the Great British Pound (GBP). 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.

10. 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 FRS102 are measured at deemed cost, being the revalued amount at 31 July 2014.

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.

Statement of accounting policies

Equipment

Equipment purchases 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 statement of comprehensive income and expenditure.

Borrowing costs

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

11. Intangible assets and Goodwill

Intangible assets

City's intangible assets comprise the goodwill from the purchase of the Urdang Academy and software under construction relating to various IT projects.

Intangible assets, other than those acquired in a business combination, are initially recognised at its cost.

Intangible assets acquired in a business combination are recognised separately from goodwill when all the following three conditions are satisfied:

1. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably
2. The intangible asset arises from contractual or other legal rights
3. The intangible asset is separable (i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged either individually or together with a related contract, asset or liability).

Intangible assets recognised as a result of a business combination are initially recognised at their fair value at the acquisition date.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Amortisation period is deemed to be ten years.

Goodwill

Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition.

Goodwill is amortised over 10 years representing the remaining estimated economic life to which the goodwill relates.

The identification and measurement of the assets, liabilities and provisions for contingent liabilities and the measurement of the cost of the combination is reassessed and the excess is included in the Statement of Financial Position.

Any excess exceeding fair value of non-monetary assets acquired, is recognised in the Statement of Comprehensive Income in the periods expected to benefit.

Goodwill and intangible assets are subject to an assessment whether there are any indicators of impairment at each reporting date in respect of intangible assets. If such indicators exist, City will perform an impairment review.

12. Investments

Non-current asset investments, excluding endowment investments and current asset investments, are held on the statement of financial position at amortised cost less impairment except that unlisted equity investments in spin-out companies are held at cost less impairment.

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

Endowment investments are held at fair value with movements recognised in the statement of comprehensive income and expenditure.

13. Stock

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

14. 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.

15. 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 probable 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 statement of financial position but are disclosed in the notes.

Statement of accounting policies

16. 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.

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.

17. Financial instruments

City has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement 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 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 statement of comprehensive income and expenditure. Where the investment

in equity instruments is 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.

18. 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.

19. 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.

20. 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 considers 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

Statement of accounting policies

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 – The USS is a multi-employer scheme. There is insufficient information to allow City to identify the share of assets and liabilities of the scheme and so it is accounted for as a defined contribution scheme. As required by FRS 102, City recognises the discounted fair value of the contractual contributions under the recovery plan in existence at the reporting date.

LPFA Pension Asset – 2022/23 is the first year that City has to account for a pension asset relating to the LPFA pension fund. Previously the fund was in deficit and had to be accounted for as a liability under Pensions and other provisions on the Statement of Financial Position.

City is an open admitted body within the LPFA scheme and there is no expectation that City will cease to be an admitted body. As such, there is no prospect of a refund from the scheme. Accordingly, the limit on the pension asset has been calculated by reference to the value of a reduction in future contributions. FRS 102 does not specify how this is calculated and, in particular, how minimum funding requirements are considered. City considers that the requirement for City to pay contributions to the scheme, as determined by the scheme's actuary and specified in the rates and adjustment certificate is a minimum funding requirement and that the scheme's minimum funding requirement should be taken into account when determining the limit on the pension asset.

As such, the limit on the pension asset has been calculated as:

- (i) the net present value of the FRS 102 future service cost measured using the financial and demographic assumptions as at the reporting date, less
- (ii) the net present value of expected future contributions, using the current certified primary contribution rate from the last triennial valuation.

City considers this provides the most relevant and reliable information on the value that can be recovered through a reduction in future contributions. The impact of including the minimum funding requirement in determining the limit on the pension asset reduces the asset that can be recognised, as disclosed in Note 16.

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. City is currently developing its strategy for achieving its goal of achieving net zero carbon emissions by 2040. As such, useful lives have not yet been adjusted to take into account actions required to achieve this goal and the impact this will have on the use of City's assets. Details of the carrying values of property, plant and equipment are shown in Note 13.

Provision for operating internationally – City has identified several staff members that have been working overseas and who have potentially triggered tax and social security obligations there. City has therefore provided for these by either having an assessment undertaken by professional tax advisors of the relevant net tax and social security exposure or by estimating the potential exposure value for this by taking the relevant staff members' salaries over the time they have been working overseas and using an average rate

to cover the potential tax and social security exposure. The rate has been reviewed with professional advisors and is deemed to be a reasonable and representative estimate to use. Refer to Note 23.

USS Retirement benefit obligations – City has recognised the discounted present value of the expected future contractual contributions under the University Superannuation Scheme recovery plan in existence at 31 July 2023, being the recovery plan agreed on October 2021.

The liability is based on estimates of the appropriate discount rate and staff assumptions as detailed in Note 31.

A sensitivity analysis with regards to the USS pension scheme can be found in Note 31.

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 defined benefit obligation on the latest actuarial valuation as at 31 March 2022 rolled forward using the latest financial assumptions which are discount rate 5.1 per cent; pension increases based on CPI 2.8 per cent; and, salary increases of 3.0 per cent.

More details can be found in Note 31.

Consolidated and City statement of comprehensive income and expenditure for the year ended 31 July 2023

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Group £000	City £000	Group restated (Note 33) £000	City restated (Note 33) £000
Income					
Tuition fees and education contracts	1	221,265	221,265	208,656	208,656
Funding body grants	2	24,975	24,975	23,250	23,250
Research grants and contracts	3	13,372	13,372	12,866	12,866
Other income	5	10,325	10,326	10,411	10,361
Investment income	6	4,018	4,018	810	795
Total income before donations and endowments		273,955	273,956	255,993	255,928
Donations and endowments	7	2,771	2,789	1,804	1,804
Total income		276,726	276,745	257,797	257,732
Expenditure					
Staff costs	8	170,475	170,475	160,296	160,296
Movement on pension provision and holiday accrual	8	(16,224)	(16,224)	63,716	63,716
Other operating expenses	9	95,287	95,275	84,017	83,992
Depreciation	13	17,325	17,325	16,829	16,829
Amortisation	14	40	40	0	0
Interest and other finance costs	10	5,296	5,296	3,338	3,338
Total expenditure		272,199	272,187	328,196	328,171
Surplus/(deficit) before other gains and losses and share of operating surplus/(deficit) of joint venture		4,527	4,558	(70,399)	(70,439)
Gain on sale of fixed assets	13	0	0	10,115	10,115
(Loss)/gain on investments	15	(865)	(865)	313	313
Share of operating surplus/(deficit) in joint venture	21	70	0	(86)	0
Surplus/(deficit) before tax for the year		3,732	3,693	(60,057)	(60,011)
Taxation	12	(15)	(15)	(105)	(112)
Surplus/(deficit) for the year		3,717	3,678	(60,162)	(60,123)
Other comprehensive income/(expense)					
Actuarial gain in respect of pension schemes	23	33,289	33,289	71,668	71,668
Total comprehensive income/(expense) for the year		37,006	36,967	11,506	11,545
Represented by:					
Endowment comprehensive (expense)/income for the year	24	(446)	(446)	965	965
Restricted comprehensive income for the year	25	997	997	288	288
Unrestricted comprehensive income for the year		36,455	36,416	10,253	10,292
		37,006	36,967	11,506	11,545

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

The statement of accounting policies on pages 25 to 29 and the notes on pages 34 to 54 form part of the financial statements.

Consolidated and City statement of changes in reserves for the year ended 31 July 2023

Group	Income and expenditure reserve			Revaluation reserve	Total
	Endowment	Restricted	Unrestricted		
	£000	£000	£000	£000	£000
Balance at 1 August 2021	6,377	11,605	31,418	202,196	251,596
Surplus/(deficit) for the year - restated (Note 33)	490	1,983	(62,635)	0	(60,162)
Other comprehensive expense	0	0	71,668	0	71,668
Release of restricted funds spent in year	475	(1,695)	1,220	0	0
Total comprehensive income/(expense) for the year - restated (Note 33)	965	288	10,253	0	11,506
Release of revaluation reserve for disposed asset - restated (Note 33)*	0	0	2,319	(2,319)	0
Balance at 31 July 2022 - restated (Note 33)	7,342	11,893	43,990	199,877	263,102
Surplus/(deficit) for the year	263	2,788	666	0	3,717
Other comprehensive expense	0	0	33,289	0	33,289
Release of restricted funds spent in year	(709)	(1,791)	2,500	0	0
Total comprehensive income/(expense) for the year	(446)	997	36,455	0	37,006
Balance at 31 July 2023	6,896	12,890	80,445	199,877	300,108
City	Income and expenditure reserve			Revaluation reserve	Total
	Endowment	Restricted	Unrestricted		
	£000	£000	£000	£000	£000
Balance at 1 August 2021	6,377	11,605	34,032	202,196	254,210
Surplus/(deficit) for the year - restated (Note 33)	490	1,983	(62,596)	0	(60,123)
Other comprehensive expense	0	0	71,668	0	71,668
Release of restricted funds spent in year	475	(1,695)	1,220	0	0
Total comprehensive income/(expense) for the year - restated (Note 33)	965	288	10,292	0	11,545
Release of revaluation reserve for disposed asset - restated (Note 33)*	0	0	2,319	(2,319)	0
Balance at 31 July 2022 - restated (Note 33)	7,342	11,893	46,643	199,877	265,755
Surplus/(deficit) for the year	263	2,788	627	0	3,678
Other comprehensive expense	0	0	33,289	0	33,289
Release of restricted funds spent in year	(709)	(1,791)	2,500	0	0
Total comprehensive income/(expense) for the year	(446)	997	36,416	0	36,967
Balance at 31 July 2023	6,896	12,890	83,059	199,877	302,722

* As highlighted in Note 33, there have been reserves adjustments. These statements previously disclosed and the consolidated statement of changes in reserves also disclosed an increase in unrestricted reserves of 35k relating to City Entrepreneurship Limited a decrease in reserves of £1,078k relating to the Release of revaluation reserve for disposed asset. These changes to reserves are now incorporated within the Consolidated and City statement of comprehensive income and expenditure. The impact of these adjustments on the Consolidated and City statement of comprehensive income and expenditure is disclosed in Note 33. The Release of revaluation reserve for disposed asset previously showed a reduction in the revaluation reserve of £379k and reduction in unrestricted reserves of £699k. This has been restated to a reduction of the revaluation reserve of £2,319k and an increase in unrestricted reserves of £2,319k.

The statement of accounting policies on pages 25 to 29 and the notes on pages 34 to 54 form part of the financial statements.

Consolidated and City statement of financial position as at 31 July 2023

	Note	Group 2023 £000	City 2023 £000	Group restated (Note 33) 2022 £000	City restated (Note 33) 2022 £000
Non-current assets					
Tangible assets	13	412,051	412,051	387,960	387,960
Intangible assets	14	3,108	3,108	0	0
Investments	15	22,717	23,627	18,895	19,805
Pension asset	16	5,666	5,666	0	0
		443,542	444,452	406,855	407,765
Current assets					
Stock		21	21	16	16
Trade and other receivables	17	17,756	17,756	26,977	26,977
Investments	18	6,000	6,000	10,030	10,030
Cash and cash equivalents	19	54,468	54,468	77,375	77,375
		78,245	78,245	114,398	114,398
Less:					
Creditors: amounts falling due within one year	20	(52,912)	(52,847)	(56,795)	(56,762)
Share of net liabilities in joint venture	21	(1,639)	0	(1,710)	0
Net current assets		23,694	25,398	55,893	57,636
Total assets less current liabilities		467,236	469,850	462,748	465,401
Creditors: amounts falling due after more than one year	22	(79,975)	(79,975)	(79,418)	(79,418)
Provisions					
Pensions and other provisions	23	(87,153)	(87,153)	(120,228)	(120,228)
Total net assets		300,108	302,722	263,102	265,755
Restricted reserves					
Income and expenditure reserve - endowment reserve	24	6,896	6,896	7,342	7,342
Income and expenditure reserve - restricted reserve	25	12,890	12,890	11,893	11,893
Unrestricted reserves					
Income and expenditure reserve - unrestricted		80,445	83,059	43,990	46,643
Revaluation reserve		199,877	199,877	199,877	199,877
Total reserves		300,108	302,722	263,102	265,755

The statement of accounting policies on pages 25 to 29 and the notes on pages 34 to 54 form part of the financial statements.

The financial statements on pages 25 to 54 were approved by Council and signed on its behalf by:

Signed

Ms Julia Palca
Chair of Council

Date 20 December 2023

Signed

Professor Sir Anthony Finkelstein
President

Date 20 December 2023

Consolidated statement of cash flows for the year ended 31 July 2023

	Notes	2023 £000	2022 restated (Note 33) £000
Cash flow from operating activities			
Surplus/(deficit) for the year before tax		3,732	(60,057)
Adjustment for non-cash items			
Depreciation	13	17,325	16,829
Amortisation	14	40	0
Asset write-off cost	9	0	1,940
Loss/(gain) on endowment investments	24, 25	865	(313)
(Increase)/decrease in stock		(5)	6
Decrease/(increase) in debtors	17	(1,413)	(1,212)
(Decrease) in creditors	20, 22	(5,861)	(1,034)
(Decrease)/increase in pension provision	16, 23	(7,246)	67,038
Increase in other provisions	23	1,794	3,715
Share of (surplus)/deficit in joint venture	21	(70)	86
Adjustment for investing or financing activities			
Investment income	6	(4,018)	(810)
Interest payable excluding net charge on pension schemes	10	1,720	1,720
(Gain) on the sale of tangible assets	13	0	(10,115)
Capital grant income	2	(2,008)	(566)
Cash flows from operating activities		4,855	17,227
Tax paid	12	(15)	(105)
Net cash inflow from operating activities		4,840	17,122
Cash flows from investing activities			
Proceeds from sales of tangible assets		0	17,405
Purchase of the Urdang Academy	13	0	(11,000)
Capital grants receipts		2,922	566
Investment income	6	3,652	810
Payments made to acquire tangible assets	13	(30,146)	(15,646)
Payments made to acquire intangible assets	14	(1,798)	0
Non-current investment disposals/(acquisitions)		(4,687)	350
(Increase)/decrease in current asset investments	18	4,030	(9,030)
		(26,027)	(16,545)
Cash flows from financing activities			
Interest payable on borrowings	26	(1,720)	(1,720)
		(1,720)	(1,720)
(Decrease)/increase in cash and cash equivalents in the year		(22,907)	(1,143)
Cash and cash equivalents at beginning of the year		77,375	78,518
Cash and cash equivalents at end of the year		54,468	77,375

The statement of accounting policies on pages 25 to 29 and the notes on pages 34 to 54 form part of the financial statements.

Notes to the financial statements for the year ended 31 July 2023

1. Tuition fees and education contracts

	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Full-time home students	105,640	105,640	103,220	103,220
Full-time international students	91,699	91,699	82,888	82,888
Part-time students	13,166	13,166	15,055	15,055
Education contracts with National Health Service	3,504	3,504	2,194	2,194
Other tuition fees	7,256	7,256	5,299	5,299
	221,265	221,265	208,656	208,656

2. Funding body grants

	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Recurrent grants				
Office for Students	6,989	6,989	6,503	6,503
Research England	12,893	12,893	11,551	11,551
	19,882	19,882	18,054	18,054
Specific grants				
Higher Education Innovation Fund	1,918	1,918	1,710	1,710
National Productivity Investment Fund	0	0	174	174
Knowledge Exchange Collaboration	0	0	103	103
Research and Knowledge Exchange	0	0	86	86
Business commercialisation	66	66	0	0
World Class Laboratories	0	0	38	38
Office for Students Student Hardship Funds	67	67	0	0
Research England Student Hardship Funds	0	0	32	32
Ukrainian Hardship Funding	(175)	(175)	200	200
Strategic Priorities Fund	108	108	105	105
Enhancing Research Culture	200	200	161	161
Participatory Research Funding	44	44	52	52
Research England via EPSRC funding for CebAI: National Centre Creativity by AI	857	857	827	827
Other specific grants	0	0	20	20
	3,085	3,085	3,508	3,508
Release of deferred capital grants				
Buildings and equipment	2,008	2,008	1,688	1,688
	2,008	2,008	1,688	1,688
	24,975	24,975	23,250	23,250

3. Research grants and contracts

	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Research Councils	2,145	2,145	2,516	2,516
UK based charities	1,195	1,195	1,344	1,344
UK Government and health authorities	3,958	3,958	3,089	3,089
UK industry and commerce	335	335	767	767
European Union	2,475	2,475	2,675	2,675
Other sources	3,264	3,264	2,475	2,475
	13,372	13,372	12,866	12,866

Notes to the financial statements for the year ended 31 July 2023

4. Grant and fee income

	Group	City	Group	City
	2023	2023	2022	2022
	£000	£000	£000	£000
Grant income from the Office for Students	8,888	8,888	8,191	8,191
Grant income from other bodies	18,017	18,017	15,597	15,597
Fee income for taught awards	211,668	211,668	200,340	200,340
Fee income for research awards	15,424	15,424	15,666	15,666
Fee income from non-qualifying courses	4,373	4,373	3,192	3,192
	258,370	258,370	242,986	242,986

5. Other income

	Group	City	Group restated (Note 33)	City restated (Note 33)
	2023	2023	2022	2022
	£000	£000	£000	£000
Catering and conferences	1,660	1,660	913	913
Other services rendered	2,982	2,982	3,061	3,061
Other income	5,683	5,684	6,437	6,387
	10,325	10,326	10,411	10,361

Also included in other income for 2022/23 is funding for the Turing Scheme of £288,190 (2021/22: £232,694). The Turing Scheme is a UK government programme which provides funding for students to access study and work opportunities abroad. This includes term-time exchange programmes, internships and summer schools.

6. Investment income

	Note	Group	City	Group	City
		2023	2023	2022	2022
		£000	£000	£000	£000
Investment income on endowments	24	778	778	303	303
Investment income on restricted reserves	25	513	513	206	206
Other investment income		2,727	2,727	301	286
		4,018	4,018	810	795

7. Donations and endowments

	Note	Group	City	Group	City
		2023	2023	2022	2022
		£000	£000	£000	£000
Donations with restrictions	25	2,625	2,625	1,650	1,650
Unrestricted donations		146	164	154	154
		2,771	2,789	1,804	1,804

8. Staff

	Group	City	Group	City
	2023	2023	2022	2022
	£000	£000	£000	£000
Staff costs				
Salaries	132,670	132,670	125,557	125,557
Social security costs	13,949	13,949	12,712	12,712
Pension costs	23,357	23,357	20,839	20,839
Restructuring costs	499	499	1,188	1,188
	170,475	170,475	160,296	160,296
Movement on USS provision	(14,366)	(14,366)	57,787	57,787
Movement on LPFA pension	3,286	3,286	7,579	7,579
Movement on holiday accrual	(5,144)	(5,144)	(1,650)	(1,650)
	(16,224)	(16,224)	63,716	63,716
	154,251	154,251	224,012	224,012

A further breakdown of pension costs has been included in Notes 23 and 31.

Notes to the financial statements for the year ended 31 July 2023

Emoluments of President, Professor Sir Anthony Finkelstein

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

The President's total remuneration comprises: salary (including pay in lieu of pension contributions) and taxable benefits in kind (Professor Finkelstein is entitled to private health care, as are all senior managers at City).

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. 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.

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. Tables which set out the ratios, when calculated on the basis required by the OfS Accounts Direction are given in Note 8 to the accounts.

For 2022/23 the Committee determined in July 2022 that for 2022/23 the President's remuneration remained appropriate.

	2023	2022
	£000	£000
Emoluments of President, Professor Sir Anthony Finkelstein		
Salary awarded	307	306
Taxable benefits in kind	2	2
	309	308

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 Anthony Finkelstein

The ratio of the President's 'basic salary', so defined, to that of all staff is 6.5 times (£306,500/£47,047) the median pay of all staff for 2022/23 (7.3 times for 2021/22), 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 5.7 times (£308,667/£54,007) the median total remuneration of all staff for 2022/23 (6.0 times for 2021/22), 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.

Notes to the financial statements for the year ended 31 July 2023

Basic salary of senior staff, excluding employer's pension contributions and restructuring costs	2023	2022
	Number	Number
£100,000 - £105,000	17	10
£105,001 - £110,000	12	23
£110,001 - £115,000	17	4
£115,001 - £120,000	14	13
£120,001 - £125,000	12	7
£125,001 - £130,000	10	15
£130,001 - £135,000	17	7
£135,001 - £140,000	14	6
£140,001 - £145,000	4	8
£145,001 - £150,000	14	9
£150,001 - £155,000	10	3
£155,001 - £160,000	5	2
£160,001 - £165,000	7	2
£165,001 - £170,000	1	0
£170,001 - £175,000	10	1
£175,001 - £180,000	3	0
£180,001 - £185,000	2	1
£185,001 - £190,000	1	2
£190,001 - £195,000	3	0
£195,001 - £200,000	1	0
£200,001 - £205,000	1	0
£205,001 - £210,000	3	0
£210,001 - £215,000	1	0
£220,001 - £225,000	1	0
£225,001 - £230,000	0	1
£230,001 - £235,000	1	0
£240,001 - £245,000	0	1
£250,001 - £255,000	1	0
£305,001 - £310,000	1	1

Average staff numbers

The average staff numbers employed by City is included below.

Average staff numbers - full-time equivalents	2023	2022
	Number	Number
Academic	927	876
Research	131	126
Management and specialist	1,273	1,194
Technical	9	8
	2,340	2,204

Severance payments

During the year City made payments of £561k in compensation for loss of office being paid to 35 employees (2021/22: £975k to 36 employees).

Compensation for loss of office costs	2023	2022
	£000	£000
These costs are in respect of 35 (2022: 36) staff members	561	975

Notes to the financial statements for the year ended 31 July 2023

Key management personnel

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

For 2022/23 this comprised the members of City's Senior Leadership Team. The membership of this body was as follows:

Senior Leadership Team – August 2022 to July 2023

- President
- Deputy President
- Vice-President, Research
- Vice-President, Digital & Student Experience
- Vice-President, Education
- Vice-President, Enterprise, Engagement & Employability
- Executive Dean of the School of Communication & Creativity
- Executive Dean of the School of Policy & Global Affairs
- Executive Dean of the School of Science & Technology
- Executive Dean of the School of Health & Psychological Sciences
- Executive Dean of The City Law School
- Executive Dean of Bayes Business School
- Chief Operating Officer
- Director of Human Resources
- Chief Financial Officer
- Director of Marketing & External Relations.

The total staff costs relating to Key Management Personnel shown in the table below, includes remuneration paid to them and comprises the 16 posts of the Senior Leadership Team, totaling 15.9 FTE. For 2021/22 it was for 15 posts and 14.8 FTE.

	2023	2022
	£000	£000
Key management personnel remuneration, including pension contributions	3,031	2,896

Council Members' expenses

Council members received no remuneration (2021/22: £nil). Council members' expenses include out-of-pocket travel expenses. Four of the twelve independent Council members received out-of-pocket travel reimbursements totalling £2,702 (2021/22: Council members, £743) for expenses incurred directly.

9. Other operating expenses

	Group	City	Group restated (Note 33)	City
	2023	2023	2022	2022
	£000	£000	£000	£000
Rents, rates and insurance	16,575	16,575	14,134	14,134
Payments to non-contract staff and agencies	11,195	11,195	9,138	9,138
Heating, lighting, water and power	8,937	8,937	3,471	3,471
Student bursaries and fee remissions	8,542	8,542	6,949	6,949
Other expenses	8,315	8,315	8,447	8,433
Purchase and maintenance of furniture, equipment and software	7,774	7,774	7,076	7,076
Publicity, advertising and staff recruitment	5,684	5,684	5,918	5,918
Books, periodicals and subscriptions	5,253	5,253	5,337	5,337
Payments for domestic and security contracts	4,702	4,702	3,645	3,645
Conference, travel and training costs	4,238	4,238	2,853	2,853
Collaborative partner payments	3,603	3,603	5,599	5,599
Catering and conferences operating expenses	3,115	3,115	1,875	1,875
Repairs and general maintenance	2,695	2,695	3,315	3,315
Other professional fees	1,789	1,787	960	958
Printing, postage, stationery and telephones	1,410	1,410	1,513	1,513
External venue hire	693	693	1,046	1,046
IT and academic consumables	568	568	602	602
Auditors' remuneration in respect of group UK statutory audits	167	157	113	104
Auditors' remuneration in respect of other audit related assurance work	32	32	86	86
Asset write-off	0	0	1,940	1,940
	95,287	95,275	84,017	83,992

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 2022/23 as the external auditors was £139,167 for the group and £130,833 for City. In 2021/22 the fee paid (excluding VAT) directly to PwC as the external auditors was £94,013 for the group and £86,616 for City.

Notes to the financial statements for the year ended 31 July 2023

10. Interest and other finance costs

	Note	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Interest on borrowings		1,720	1,720	1,720	1,720
Foreign exchange differences		(258)	(258)	(54)	(54)
Net charge on pension scheme - USS	23	3,076	3,076	303	303
Net charge on pension scheme - LPFA	23	758	758	1,369	1,369
		5,296	5,296	3,338	3,338

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 2022/23 Access and Participation Plan for England approved by the Office for Students. This year is the third year of our five-year plan and the fourth time we have completed the financial audit note. Our 2020-25 Access and Participation Plan is available at www.city.ac.uk/_data/assets/pdf_file/0010/709354/City-University-of-London-Access-and-Participation-Plan-AP-Summary. This is our revised plan based on guidance from the OfS on their new priorities, we did not change our investment plan as part of the variation exercise

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 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Access investment	661	661	558	558
Financial support	1,815	1,815	1,940	1,940
Disability support	983	983	808	808
Research and evaluation	211	211	195	195
	3,670	3,670	3,501	3,501

The total expenditure in 2022/23 for the reporting categories was £3,670,470, an increase of £169,779 compared to 2021/22.

Access Investment was £660,850 in 2022/23 which represents 18.0 per cent of total. This is a small increase in the percentage Access Investment from 2021/22 and 26.0 percentage points below forecast investment set out in the Access and Participation Plan. Access delivery and expenditure has increased as our student numbers have and there have been some ongoing staff vacancies during 2022/23 that impacted investment. These roles are now filled, and the Access team overall staffing investment has been increased.

Investment in Financial Support was £1,814,984 in 2022/23, a decrease of £125,000 compared to 2021/22. This is 42.7 percentage points higher than forecast. Given the increased pressure on students and the cost of living crisis, we reallocated investment increasing financial support and student hardship funding.

Expenditure on Disability Support was £983,174, which is 26.8 per cent of our overall access and participation investment. This is an increase of £175,361 compared to the previous year. City have focused their investment on disability and mental health support for our students as a priority.

Investment in Research and Evaluation was £211,462 in 2022/23, an increase of £16,106 compared to 2021/22. This reflects the overall prioritisation of evaluation and understanding the impact of our APP investment.

Notes to the financial statements for the year ended 31 July 2023

12. Taxation

	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Recognised in the statement of comprehensive income and expenditure				
Current tax				
UK Corporation Tax expense	0	0	(7)	0
Foreign taxes	15	15	112	112
Total tax expense	15	15	105	112
Factors affecting the UK Corporation Tax charge				
The tax assessed for the year is higher than the standard rate of Corporation Tax in the UK. The difference is explained below:				
	Group 2023 £000	City 2023 £000	Group restated (Note 33) 2022 £000	City restated (Note 33) 2022 £000
Deficit before taxation	3,732	3,693	(59,015)	(58,934)
UK Corporation Tax at 19% (2022: 19%)	709	702	(11,213)	(11,197)
Effect of:				
Surplus falling within charitable exemption	(709)	(702)	11,213	11,197
Other differences attributable to subsidiaries	0	0	(7)	0
Total UK tax expense	0	0	(7)	0
Total UK and foreign tax expense	15	15	105	112

13. Group and City's tangible assets

	Freehold land and buildings £000	Assets under construction £000	Leasehold buildings £000	Equipment £000	Total £000
At 1 August 2022	413,239	2,916	13,304	36,300	465,759
Additions	12,831	23,160	0	6,364	42,355
Transfers	0	(939)	0	0	(939)
At 31 July 2023	426,070	25,137	13,304	42,664	507,175
Depreciation					
At 1 August 2022	47,653	0	8,645	21,501	77,799
Charge for year	9,879	0	848	6,598	17,325
At 31 July 2023	57,532	0	9,493	28,099	95,124
Net book value at 31 July 2023	368,538	25,137	3,811	14,565	412,051
Net book value at 31 July 2022	365,586	2,916	4,659	14,799	387,960

14. Group and City's intangible assets

	Goodwill £000	Software under development £000	Total £000
At 1 August 2022	0	0	0
Additions	400	1,809	2,209
Transfer from tangible assets	0	939	939
At 31 July 2023	400	2,748	3,148
Amortisation			
At 1 August 2022	0	0	0
Charge for year	40	0	40
At 31 July 2023	40	0	40
Net book value at 31 July 2023	360	2,748	3,108
Net book value at 31 July 2022	0	0	0

Notes to the financial statements for the year ended 31 July 2023

2022/23 is the first year that City is recognising intangible assets. The goodwill arose from the purchase of the Urdang Academy and the software under development relates to various software projects that are being developed as part of City's Strategic Investments Plan.

City acquired the Urdang Academy in 2022/23 for £11,000k. The purchase comprises the premises occupied (Finsbury Town Hall) which has been recognised within fixed assets at £10,600k and the Academy's programme. The programme does not meet the criteria to be recognised separately as an intangible asset and so the remaining cost of the acquisition (£400k) has been recognised as goodwill. This represents the programme acquired and related knowledge. The goodwill acquired will be amortised over a 10 year period.

15. Non-current investments

	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Investment in subsidiaries (a)	0	910	0	910
Other investments (b)	22,717	22,717	18,895	18,895
	22,717	23,627	18,895	19,805
(a) Investment in subsidiaries				
	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
At cost less impairment:				
At 1 August 2022	0	910	0	910
At 31 July 2023	0	910	0	910
(b) Other investments				
	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
At 1 August 2022	18,895	18,895	18,932	18,932
Additions	3,269	3,269	21	21
Disposals	(262)	(262)	(727)	(727)
(Loss)/gain	(865)	(865)	313	313
Reinvested income	1,680	1,680	374	374
Fair value adjustments	0	0	(18)	(18)
At 31 July 2023	22,717	22,717	18,895	18,895

Details of investments in which the Group and City hold 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	7.6% ownership	Ordinary shares	Kelvin Building Bramah Avenue, East Kilbride, Glasgow, G75 0RD
City Occupational Limited	Manufacture of electronic measuring, testing etc. equipment, not for industrial process control	35% ownership	Ordinary shares	73 Shepherds Hill, London, N6 5RE
CVCP Properties PLC	Letting and operating of own and leased real estate	0.82% ownership	Ordinary shares	Woburn House, 20 Tavistock Square, London, WC1H 9HQ
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
Raven Science Limited	Information technology service activities	5% ownership	Ordinary shares	27 The Pentlands, High Wycombe, United Kingdom, HP13 7PB
Thomson Screening Solutions Limited	Data processing, hosting and related activities and specialists medical practice activities	22.5% ownership	Ordinary shares	20-22 Wenlock Road, London, England, N1 7GU
City Optotech Limited	Research and experimental development on natural sciences and engineering	16% ownership	Ordinary shares	City, University of London, Northampton Square, London, United Kingdom, EC1V 0HB

Notes to the financial statements for the year ended 31 July 2023

16. Pension assets

The pension asset relates to the LPFA pension fund – refer to Notes 23 and 31.

17. Trade and other receivables

	Group	City	Group	City
	2023	2023	restated (Note 33)	restated (Note 33)
	£000	£000	2022	2022
			£000	£000
Amounts falling due within one year:				
Research grants receivables	3,711	3,711	2,920	2,920
Other trade receivables	7,112	7,112	6,370	6,370
Other receivables	158	158	128	128
Prepayments and accrued income	6,775	6,775	17,559	17,559
	17,756	17,756	26,977	26,977

18. Current investments

	Group	City	Group	City
	2023	2023	2022	2022
	£000	£000	£000	£000
Short-term deposits	6,000	6,000	10,030	10,030
	6,000	6,000	10,030	10,030

19. Cash and cash equivalents

	At 1 August	Cash flows	At 31 July
	2022		2023
	£000	£000	£000
Group:			
Cash at bank	3,908	6,333	10,241
Cash equivalents	73,467	(29,240)	44,227
	77,375	(22,907)	54,468

Cash deposits were 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.

20. Creditors: amounts falling due within one year

	Group	City	Group	City
	2023	2023	2022	2022
	£000	£000	£000	£000
Trade payables	2,651	2,651	1,909	1,909
Social security and other taxation payable	4,047	4,047	3,781	3,781
Deferred income	27,055	27,055	28,800	28,800
Accruals	14,584	14,560	18,703	18,689
Amounts due to subsidiary companies	0	861	0	881
Loan from joint venture repayable on demand (note 15)	900	0	900	0
Other creditors	3,675	3,673	2,702	2,702
	52,912	52,847	56,795	56,762

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	City	Group	City
	2023	2023	2022	2022
	£000	£000	£000	£000
Research grants received on account	5,219	5,219	6,392	6,392
Grant income	2,089	2,089	1,722	1,722
Deferred income	19,747	19,747	20,686	20,686
	27,055	27,055	28,800	28,800

Notes to the financial statements for the year ended 31 July 2023

21. 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.

City's share of the INTO City LLP joint venture is 15 per cent of the entity's profits or losses.

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

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

	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Deferred income - 2-5 years	5,732	5,732	5,575	5,575
Deferred income - more than 5 years	13,953	13,953	13,564	13,564
Unsecured borrowings	60,290	60,290	60,279	60,279
	79,975	79,975	79,418	79,418

	Group 2023 £000	City 2023 £000	Group 2022 £000	City 2022 £000
Unsecured borrowings are repayable as follows:				
Private placement repayable	60,290	60,290	60,279	60,279
	60,290	60,290	60,279	60,279

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 31 July 2023 (31 July 2022: 2.85 per cent). The borrowings are subject to financial covenants which are tested annually. The two covenants are based on the ratio of income to net debt and interest cover. These covenants were met at 31 July 2023 (2022: met).

23. Pension and other provisions

	Obligation to fund deficit on USS pension (note 31) £000	Defined Benefit obligations (note 31) £000	Total pension provisions £000	Other provisions £000	Total provisions £000
Group and City					
At 1 August 2022	92,934	23,579	116,513	3,715	120,228
Financing charge	3,076	758	3,834	0	3,834
Amount recognised in other comprehensive income and expenditure	0	(33,289)	(33,289)	1,794	(31,495)
Other movement charged to the statement of comprehensive income and expenditure	(14,366)	3,286	(11,080)	0	(11,080)
Recognition and transfer of pension asset	0	5,666	5,666	0	5,666
At 31 July 2023	81,644	0	81,644	5,509	87,153

Included within other provisions is an amount of £4.3M relating to the potential employment tax and social security costs associated with City's staff operating internationally.

Refer to Note 31 regarding the LPFA defined benefit obligations.

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 31 March 2020. Refer to Note 31 for more information regarding the provision recognised.

Notes to the financial statements for the year ended 31 July 2023

24. Income and expenditure reserve – endowment reserves

	Restricted permanent endowments	Unrestricted permanent endowments	2023 Total	2022 Total
Group and City	£000	£000	£000	£000
At 1 August				
Capital	6,139	17	6,156	5,617
Accumulated income	1,181	5	1,186	760
Total	7,320	22	7,342	6,377
Investment income	777	1	778	303
Expenditure	(426)	0	(426)	(5)
Other	(283)	0	(283)	481
(Decrease)/increase in market value of investments	(514)	(1)	(515)	186
Total endowment comprehensive income for the year	(446)	0	(446)	965
At 31 July	6,874	22	6,896	7,342
Represented by:				
Capital	5,624	17	5,641	6,156
Accumulated income	1,250	5	1,255	1,186
	6,874	22	6,896	7,342
Analysis by type of purpose:				
Lectureships	1,741	0	1,741	1,705
Scholarships and bursaries	1,052	0	1,052	1,033
Prize funds	892	0	892	874
General	1,510	22	1,532	2,085
Academic chair	1,617	0	1,617	1,584
Other	62	0	62	61
	6,874	22	6,896	7,342
Analysis by asset:				
Current and non-current asset investments			6,896	7,342
			6,896	7,342

25. Income and expenditure reserve – restricted reserves

	Expendable restricted endowments	Donations with restrictions	2023 Total	2022 Total
Group and City	£000	£000	£000	£000
Balance as at 1 August	7,803	4,090	11,893	11,605
New donations	9	2,616	2,625	1,595
Investment income	513	0	513	206
Other income	80	0	80	55
Expenditure	(89)	(1,782)	(1,871)	(1,695)
(Decrease)/increase in market value of investments	(350)	0	(350)	127
Total restricted comprehensive income for the year	163	834	997	288
At 31 July	7,966	4,924	12,890	11,893
Analysis by type of purpose:				
Lectureships			192	177
Scholarships and bursaries			8,976	8,551
Research support			202	77
Prize funds			403	402
General			2,803	2,527
Other			314	159
			12,890	11,893

Notes to the financial statements for the year ended 31 July 2023

26. Consolidated reconciliation of net debt

	2023	
	£000	
Net debt opening balance – 1 August 2022	26,226	
Movement in cash, cash equivalents and short-term deposits	(26,937)	
Other non-cash changes	(11)	
Net debt – 31 July 2023	(722)	
Change in net debt	(26,948)	
Analysis of net debt:	2023	2022
	£000	£000
Current assets		
Cash and cash equivalents	54,468	77,375
Current investments	6,000	10,030
	60,468	87,405
Borrowings: amounts falling due within one year		
Unsecured loans (loan from joint venture repayable on demand (Note 15))	(900)	(900)
	(900)	(900)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(60,290)	(60,279)
	(60,290)	(60,279)
Net debt	(722)	26,226

City has reconsidered which balances are included as part of net debt. It has determined that the share of net liabilities in the joint venture INTO City LLP does not meet the definition of net debt and so is not included in this year's reconciliation of net debt.

27. Financial instruments

	Group	City	Group	City
	2023	2023	2022	2022
	£000	£000	£000	£000
Financial assets				
Financial assets at fair value through statement of comprehensive income and expenditure				
Listed investments	19,558	19,558	18,895	18,895

All financial assets held at fair value are listed investments and the amount recognised is based on their quoted price.

Notes to the financial statements for the year ended 31 July 2023

28. Capital and other commitments - Group and City

	2023 £000	2022 £000
Provision has not been made for the following capital commitments at 31 July:		
Expenditure authorised and contracted for	55,536	177
Expenditure authorised but not contracted for	12,484	63,162
	68,020	63,339

29. Lease obligations - Group and City

Total rentals payable under operating leases:				
	Land and buildings £000	Plant and machinery £000	2023 Total £000	2022 Total £000
Payable during the year	9,607	509	10,116	10,135
Future minimum lease payments due:				
Not later than 1 year	8,397	473	8,870	10,180
Later than 1 year and not later than 5 years	36,509	512	37,021	37,063
Later than 5 years	134,158	0	134,158	143,675
Total lease payments due	179,064	985	180,049	190,918
Total rentals receivable under operating leases:				
	Land and Buildings £000	Plant and Machinery £000	2023 Total £000	2022 Total £000
Receivable during the year	4	0	4	10
Future minimum lease payments due:				
Not later than 1 year	4	0	4	4
Later than 1 year and not later than 5 years	14	0	14	14
Later than 5 years	9	0	9	12
Total lease payments due	27	0	27	30

Notes to the financial statements for the year ended 31 July 2023

30. Related party transactions

Due to the nature of City's operations and the composition of its Council (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All such transactions 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 within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

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

	Income/(expenditure)		Debtor/(creditor) balance	
	2023	2022	2023	2022
	£000	£000	£000	£000
Group investments				
City Occupational Ltd	12	14	7	7
Heliex Power Ltd	(180)	(180)	(44)	136
INTO City LLP	(164)	(268)	(97)	(97)
Thomson Screening Solutions Ltd	0	47	0	47
JECT.AI	3	3	0	0
	Income/(expenditure)		Debtor/(creditor) balance	
	2023	2022	2023	2022
	£000	£000	£000	£000
Relationships with Council members and Co-opted members of Council subcommittees				
Buro Happold LLP	(56)	(298)	4	(1)
City Students' Union	(103)	(14)	(10)	(12)
KPMG	(66)	(485)	(53)	0
London Higher	(35)	0	(1)	0
Nuffield Trust	16	16	0	0
Ordnance Survey	19	0	(15)	0
UK Research and Innovation	29	29	6	40
Universities and Colleges Employers Association	(3)	(12)	2	2
University of Sussex	0	(103)	(31)	(31)
	Income/(expenditure)		Debtor/(creditor) balance	
	2023	2022	2023	2022
	£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	1	(1)	0	1
The London Borough of Hammersmith and Fulham	0	0	(1)	(1)

City Occupational Limited

City Occupational Ltd is a joint venture between City, University London and Visicomp Research Ltd to make available Advanced Vision & Optometric Tests (AVOT) with applications in occupational medicine, public health and applied vision research (www.city-occupational.co.uk). City, University of London holds 35 per cent share ownership in City Occupational Limited.

Heliex Power Limited

Heliex Power helps steam plant owners, from cottage industry artisans to multi-nationals, unlock the potential of their waste heat and steam - enabling their businesses to prosper and do their bit in saving the planet (www.heliexpower.com). City, University of London holds 0.2 per cent share ownership in Heliex Power Limited.

INTO City LLP

INTO City, University of London offers a range of courses that are proven to help international students progress to undergraduate and postgraduate degrees in the UK. The Centre also offers several English language courses for professional or everyday use (www.intostudy.com/en/universities/city-university-london/courses). City, University of London holds 38 per cent share ownership, 50 per cent controlling interest and 15 per cent profit share in the joint venture with INTO City LLP.

Thomson Screening Solutions Limited

Thomson Screening was formed by City, University of London to manage the ongoing development and global implementation of SchoolScreener® software. The company has also developed variants for Occupational Health under the name WorkScreener® (<https://thomsonscreening.com/about-us>). City, University of London holds 22.5 per cent share ownership in Thomson Screening Solutions Limited.

Notes to the financial statements for the year ended 31 July 2023

JECT.AI

The JECT.AI start-up was formed with investment from EIT Digital. Three partners – City, University of London, Digital Catapult and WAN-IFRA – extended the digital product to support journalists to be more creative and inventive at work, and refined the business offering. The product, now called JECT.AI, was rolled out to dozens of newsrooms (<https://ject.ai/about>). City, University of London holds 23.8 per cent share ownership in JECT.AI.

Buro Happold LLP

Buro Happold are an international, integrated consultancy of engineers, consultants and advisers, with a world-class reputation for delivering creative, value-led solutions for an ever challenging world (www.burohappold.com/about). One of City's independent Council members is an independent non-executive director of the company's board.

City Students' Union

City Students' Union is a membership-led organisation, independent of City, University of London, which exists to ensure students have the best overall experience at City both socially and academically (www.citystudents.co.uk/about-us). One of our current Council members is President of the Students' Union and a previous Council member earlier in the year was the predecessor to the current President.

KPMG

KPMG firms operate in 144 countries and territories across the globe, offering Audit, Tax and Advisory services (<https://home.kpmg/xx/en/home/about.html>). A spouse of one of City's independent Council members is a partner of KPMG.

London Higher

London Higher is the membership organisation for universities and higher education colleges across London, set up to support its members by advocating for and on behalf of London HE. (<https://londonhigher.ac.uk/about/>). A previous senior staff member is a board member.

Nuffield Trust

The Nuffield Trust is an independent health think tank, aiming to improve the quality of health care in the UK by providing evidence-based research and policy analysis and informing and generating debate (www.nuffieldtrust.org.uk/about). One of City's independent Council members was a Trustee for the Nuffield Trust until August 2021.

Ordnance Survey

Ordnance Survey creates, maintains and distributes detailed location information for Great Britain. They record and keep 500 million geospatial features in the Ordnance Survey (OS) master map up-to-date. (www.ordnancesurvey.co.uk/about). A previous remuneration committee member is a non-executive director.

UK Research and Innovation

UK Research and Innovation (UKRI) is a non-departmental public body sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), bringing together the seven disciplinary research councils, Research England, which is responsible for supporting research and knowledge exchange at higher education institutions in England, and the UK's innovation agency, Innovate UK (www.ukri.org/about-us/who-we-are). One of our staff Council members was board member for UKRI until September 2021.

Universities and Colleges Employers Association

The Universities and Colleges Employers Association (UCEA) provides its member institutions with timely advice and guidance on all employment and reward matters relevant to the HE sector (www.ucea.ac.uk/about-us). One of City's independent Council members is a Trustee of UCEA.

University of Sussex

The University of Sussex's courses, research, culture and campus aims to stimulate, excite and challenge (www.sussex.ac.uk/about). One of City's independent Council members, who joined on 1 August 2022, was Vice-Chair of Council until July 2022.

The Campaign for Science and Engineering

The Campaign for Science and Engineering (CaSE) is the UK's leading independent advocate for science and engineering, representing scientific organisations including businesses, universities, professional bodies and research charities as well as individual scientists and engineers (www.sciencecampaign.org.uk/about-us.html). One of City's regular Council attendees until 31 December 2021 is a Trustee for CaSE.

The London Borough of Hammersmith and Fulham

The London Borough of Hammersmith and Fulham is one of a number of London's councils (www.lbhf.gov.uk). One of City's regular Council attendees until 31 December 2021 is an elected Cabinet member.

Notes to the financial statements for the year ended 31 July 2023

31. 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 1 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

City participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The 2023 valuation is still ongoing and is expected to show an improved funding position with the scheme moving into surplus. A new schedule of contributions is likely to be approved before July 2024 and is not expected to include deficit recovery contributions. This will lead to the provision being released.

Deficit recovery liability

The total cost charged to the statement of comprehensive income and expenditure is £20.8M (2021/22: £18.5M).

Estimate deficit recovery contributions due within one year for City are £6.5M (2021/22: £5.6M).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date) and was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83 per cent.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

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

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

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

Notes to the financial statements for the year ended 31 July 2023

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2 per cent of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3 per cent. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	3.00% to 6.00%	3.00% to 4.00%
Staff number growth assumption	-2.07% to 4.03%	-1.10% to 5.60%

The employers' contribution rates are as follows:

1 October 2021 to 31 March 2022	21.40%
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

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 July 2023	£000	Approximate impact
0.5% pa decrease in discount rate	2,969	Increase
0.5% pa increase in salary inflation over duration	3,014	Increase
0.5% pa increase in salary inflation year 1 only	393	Increase
0.5% increase in staff changes over duration	2,908	Increase
0.5% increase in staff changes year 1 only	379	Increase

London Pensions Fund Authority scheme

LPFA maintains a contribution rate per institution related to assets and liabilities accruing to each individual institution. There is not a minimum funding level for entities who participate in the LPFA but the contributions are generally set to target a funding level of 100 per cent using the actuarial valuation assumptions and entities are required to contribute in line with the rates and adjustments certificate. In order to comply with the requirements of Financial Reporting Standard 102, the following additional information is disclosed in relation to the LPFA scheme.

Financial assumptions as at	31 July 2023	31 July 2022
	% per annum	% per annum
Discount rate	5.10	3.40
Pension increases	2.80	2.75
Salary increases	3.00	3.75

We have allowed for actual pension increase experience for the period from 2022 to 2023. This assumes that pension increases are in line with the annual pension increases set by the HM Treasury Revaluation Order.

Mortality	Males		Females	
The assumed life expectations from age 65 are:	2023	2022	2023	2022
Current pensioners	19.5 years	20.7 years	23.1 years	23.9 years
Future pensioners	20.9 years	22.5 years	24.6 years	25.7 years

The assets of the LPFA scheme were:

Asset breakdown	Assets at 31 July 2023		Assets at 31 July 2022	
	£000	%	£000	%
Equities	58,774	59	53,344	56
Target return portfolio	17,830	18	20,408	22
Infrastructure	12,496	12	9,890	11
Property	9,465	9	9,230	10
Cash	1,507	2	1,130	1
Total	100,072	100	94,002	100

Net pension asset in the statement of financial position as at	31 July 2023	31 July 2022
	£000	£000
Present value of defined benefit obligation	82,737	117,580
Fair value of fund assets (bid value)	(100,072)	(94,002)
Impact of asset ceiling	11,669	0
Net defined benefit (asset)/liability	(5,666)	23,578

Notes to the financial statements for the year ended 31 July 2023

Revenue account costs

The amounts recognised in the statement of comprehensive income	31 July 2023	31 July 2022
	£000	£000
Service cost	5,833	9,685
Net Interest on the defined liability	758	1,369
Total loss	6,591	11,054

Actuarial gain in respect of pension schemes in other comprehensive income	31 July 2023	31 July 2022
	£000	£000
Administration expenses	(46)	(112)
Return on fund assets (below)/in excess of interest	(407)	5,604
Other actuarial gains/(losses) on assets	2,088	0
Change in financial assumptions	43,858	77,736
Change in demographic assumptions	6,989	0
Experience (loss)/gain on defined benefit obligation	(7,524)	(11,275)
Changes in effect of asset ceiling	(11,669)	0
Actuarial gain in respect of pension schemes	33,289	71,953

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	31 July 2023	31 July 2022
	£000	£000
Opening defined benefit obligation	117,580	172,881
Current service cost	5,833	9,685
Interest cost	3,975	2,756
Changes in financial assumptions	(43,858)	(77,736)
Changes in demographic assumptions	(6,989)	0
Experience loss/(gain) on defined benefit obligation	7,524	11,275
Estimated benefits paid net of transfers in	(2,528)	(2,264)
Contributions by scheme participants and other employers	1,200	983
Closing defined benefit obligation	82,737	117,580

Reconciliation of opening and closing balances of the fair value of fund assets	31 July 2023	31 July 2022
	£000	£000
Opening fair value of fund assets	94,002	86,298
Interest on assets	3,217	1,387
Return on assets less interest	(407)	5,604
Other actuarial gains/(losses)	2,088	0
Administration expenses	(47)	(112)
Contributions by City	2,547	2,106
Contributions by scheme participants and other employers	1,200	983
Estimated benefits paid plus unfunded net of transfers in	(2,528)	(2,264)
Closing fair value of fund assets	100,072	94,002

Reconciliation of asset ceiling	31 July 2023	31 July 2022
	£000	£000
Recognition of asset ceiling	11,669	0
Closing impact of asset ceiling	11,669	0

Sensitivity analysis

	£000	£000	£000
Adjustment to discount rate	+0.5%	+0.1%	-0.0%
Present value of total obligation	75,079	81,110	82,737
Projected service cost	2,064	2,492	2,610

	£000	£000	£000
Adjustment to long term salary increase	+0.5%	+0.1%	-0.0%
Present value of total obligation	83,012	82,791	82,737
Projected service cost	2,619	2,612	2,610

Notes to the financial statements for the year ended 31 July 2023

	£000	£000	£000
Adjustment to pension increases and deferred revaluation	+0.5%	+0.1%	-0.0%
Present value of total obligation	91,575	84,398	82,737
Projected service cost	3,292	2,735	2,610

	£000	£000	£000
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligation	85,642	82,737	79,950
Projected service cost	2,705	2,610	2,518

Projected pension expense

	Year to 31 July 2024
	£000
Service cost	2,610
Net interest of the defined liability	(352)
Administration expenses	50
Total loss	2,308

These projections are based on the assumptions as at 31 July 2023. The figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 July 2023.

32. Contingent liability

City is liable for the accommodation void costs of any unused rooms that are not taken up by its students during the year with its student accommodation providers. As it is not probable that this liability will be triggered and a cost actually materialising, this is classified as a contingent liability and is therefore disclosed within this note.

33. Prior year adjustment

The financial statements have been restated for the following three matters:

- **Property Adjustment** - City recognised £4.4m of income relating to a property transaction in its 2021/22 financial statements. This was unpaid at 31 July 2022 and so accrued income was recorded. City has reconsidered the accounting for this transaction and concluded that income should only be recognised once the £4.4m is received. As such, the 2021/22 Consolidated and City statement of comprehensive income and expenditure, Consolidated and City statement of changes in reserves, Consolidated and City statement of financial position and Consolidated statement of cash flows have been restated.
- **Urdang adjustment** - The payment made to purchase Urdang was made in 2021/22 and so should have been shown as an investing cash outflow in the 2021/22 financial statements. As a result, the consolidated statement of cash flows has been restated. The net cash inflow from operating activities has increased by £11.0M as the cash outflow from debtors should have been £5.5M as opposed to the £16.5M previously presented and the net cash outflow from investing activities has increased by £11.0M.
- **Other reserve adjustments** - The prior period financial statements showed a reserves reduction of c. £1.1M which arose in respect of items that should have been recognised in the statement of comprehensive income and expenditure. This related, predominantly, to the gain on the sale of the Myddelton Square property recognised in 2021/22. The gain recognised was overstated by £1.1M and so the gain on disposal of fixed assets and total comprehensive income reported in the Consolidated and City statements of comprehensive income and expenditure have been restated. Also restated is the transfer between the revaluation reserve and the unrestricted income and expenditure reserve in respect of Myddelton Square as this was found to be understated by £1.9M.

The impact of these changes is explained below:

Notes to the financial statements for the year ended 31 July 2023

Consolidated and City statement of comprehensive income and expenditure* - Extract

	As presented group	Property adjustment	Other reserve adjustments	Restated group	As presented City	Property adjustment	Other reserve adjustments	Restated City
	2022			2022	2022			2022
	£000	£000	£000	£000	£000	£000	£000	£000
Other income	14,762	(4,400)	49	10,411	14,761	(4,400)	0	10,361
Total income before endowments and donations	260,344	(4,400)	49	255,993	260,328	(4,400)	0	255,928
Total income	262,148	(4,400)	49	257,797	262,132	(4,400)	0	257,732
Other operating expenses	84,003	0	14	84,017	83,992	0	0	83,992
Total expenditure	328,182	0	14	328,196	328,171	0	0	328,171
(Deficit) before other losses and share of operating surplus of joint venture	(66,034)	(4,400)	35	(70,399)	(66,039)	(4,400)	0	(70,439)
Gain on sale of fixed assets	11,192	0	(1,077)	10,115	11,192	0	(1,077)	10,115
(Deficit) before tax for the year	(54,615)	(4,400)	(1,042)	(60,057)	(54,534)	(4,400)	(1,077)	(60,011)
(Deficit) for the year	(54,720)	(4,400)	(1,042)	(60,162)	(54,646)	(4,400)	(1,077)	(60,123)
<i>Unrestricted surplus/(deficit) for the year (as disclosed in the statement of changes in reserves)</i>	<i>(57,192)</i>	<i>(4,400)</i>	<i>(1,043)</i>	<i>(62,635)</i>	<i>(57,118)</i>	<i>(4,400)</i>	<i>(1,078)</i>	<i>(62,596)</i>
Unrestricted comprehensive income for the year	15,695	(4,400)	(1,042)	10,253	15,769	(4,400)	(1,077)	10,292
Total comprehensive income/(expense) for the year	16,948	(4,400)	(1,042)	11,506	17,022	(4,400)	(1,077)	11,545

* Also included in this table is the impact on the Consolidated and City statement of changes in reserves.

Consolidated and City statement of financial position - Extract

	As presented group	Property adjustment	Other reserve adjustments	Restated group	As presented City	Property adjustment	Other reserve adjustments	Restated City
	2022			2022	2022			2022
	£000	£000	£000	£000	£000	£000	£000	£000
Prepayments and accrued income	21,959	(4,400)	0	17,559	21,959	(4,400)	0	17,559
Trade and other receivables (as shown in Note 17)	31,377	(4,400)	0	26,977	31,377	(4,400)	0	26,977
Total current assets	118,798	(4,400)	0	114,398	118,798	(4,400)	0	114,398
Total assets less current liabilities	467,147	(4,399)	0	462,748	469,801	(4,400)	0	465,401
Total net assets	267,501	(4,399)	0	263,102	270,155	(4,400)	0	265,755
Unrestricted reserves income and expenditure reserve unrestricted	46,450	(4,400)	1,940	43,990	49,104	(4,401)	1,940	46,643
Revaluation reserve	201,817	0	(1,940)	199,877	201,817	0	(1,940)	199,877
Total reserve	267,501	(4,399)	0	263,102	270,155	(4,400)	0	265,755

These changes have no impact on the opening reserves at 1 August 2021.

Consolidated statement of cash flows - Extract

	As presented group	Property adjustment	Other reserve adjustments	Urdang adjustment	Restated group
	2022			2022	2022
	£000	£000	£000	£000	£000
Cash flows from operating activities					
Surplus/(deficit) for the year before tax	(54,615)	(4,400)	(1,042)	0	(60,057)
(Decrease)/increase in debtors	(16,577)	4,400	(35)	11,000	(1,212)
Gain on the sale of tangible assets	(11,192)	0	1,077	0	(10,115)
Cash flows from operating activities	6,227	0	0	11,000	17,227
Net cash inflow from operating activities	6,122	0	0	11,000	17,122
Cash flows from investing activities					
Purchase of the Urdang Academy	0	0	0	(11,000)	(11,000)
Net cash outflow from investing activities	(5,544)	0	0	(11,001)	(16,545)

34. 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 31 July 2023

Primary reserve ratio

FS page	Expendable net assets		Year ended 31 July 2023	Year ended 31 July 2022 restated (Note 33)
Page 32	Consolidated and City statement of financial position Unrestricted reserves	Net assets without donor restrictions	280,321	243,867
Page 32	Consolidated and City statement of financial position Restricted reserves	Net assets with donor restrictions	19,786	19,235
Page 47	Notes to the financial statements Note 30 Related party transactions - all debit balances under debtor column as at 31 July 2023	Secured and Unsecured related party receivable	19	233
Page 47	Notes to the financial statements Note 30 Related party transactions - all debit balances under debtor column as at 31 July 2023	Unsecured related party receivable	19	233
Page 40	Consolidated and City statement of financial position - Fixed assets	Property, plant and equipment, net (includes Construction in progress)	412,051	387,960
	PPE Breakdown below	Property, plant and equipment - pre-implementation	370,635	372,547
	PPE Breakdown below	Property, plant and equipment - post-implementation without outstanding debt for original purchase	16,279	13,170
Page 40	Group and City's tangible assets - Assets under construction	Construction in progress	25,137	2,916
Page 40	Statement of Financial Position - Intangible assets	Intangible assets	3,108	0
Page 32	Consolidated and City statement of financial position - Pension provisions	Post-employment and pension liabilities	87,153	116,514
Page 43	Note to the financial statements - Note 22 Creditors amounts falling due after more than one year - Unsecured borrowings	Long-term debt - for long term purposes	60,290	60,279
Page 42	Note to the financial statements - Note 20 Creditors amounts falling due after more than one year - Unsecured borrowings	Long-term debt - for long term purposes pre-implementation	60,290	60,279
Page 44	Consolidated and City statement of financial position - Income and expenditure reserve - endowment reserve	Net assets with donor restrictions: restricted in perpetuity	6,896	7,320
Page 32	Consolidated and City statement of income and expenditure - Total expenditure less restricted permanent endowment expenditure (note 24) and total restricted expenditure (note 25)	Total expenses without donor restrictions - taken directly from Statement of Activities	269,903	326,482
Page 32	Consolidated and City statement of income and expenditure - Taxation	Non-Operating and Net Investment (loss)	15	-191

Equity ratio

FS page	Modified Net Assets		Year ended 31 July 2023	Year ended 31 July 2022 restated (Note 33)
Page 32	Consolidated and City statement of financial position Unrestricted reserve	Net assets without donor restrictions	280,321	243,867
Page 32	Consolidated and City statement of financial position Restricted reserve	Net assets with donor restrictions	19,786	19,235
Page 40	Statement of Financial Position - Intangible assets	Intangible assets	3,108	0
Page 47	Note 30 - all debit balances under debtor column as at 31 July 2023	Secured and Unsecured related party receivable	19	233
page 47	Note 30 - all debit balances under debtor column as at 31 July 2023	Unsecured related party receivable	19	233
	Modified Assets			
Page 32	Consolidated and City statement of financial position - Total Asset	Total Assets	516,121	521,253
Page 40	Statement of Financial Position - Intangible assets	Intangible assets	3,108	0
Page 47	Note 30 - all debit balances under debtor column as at 31 July 2023	Secured and Unsecured related party receivable	19	233
Page 47	Note 30 - all debit balances under debtor column as at 31 July 2023	Unsecured related party receivable	19	233

Net income ratio

FS page			Year ended 31 July 2023	Year ended 31 July 2022 restated (Note 33)
Page 30	Consolidated and City statement of income and expenditure Unrestricted comprehensive (expense) /Income for the year	Change in Net Assets Without Donor Restrictions	36,455	11,296
Page 30	Consolidated and City statement of income and expenditure - Total income, (Loss)/gain on investments and Share of operating surplus/(deficit) in joint venture less restricted income and losses (Notes 24 and 25)	Total Revenue and Gains	306,169	340,921

Property, plant and equipment breakdown

	2023	2022
Pre implementation property plant and equipment as at 31 July 2019	370,635	372,547
Construction in progress	25,137	2,243
Post implementation property plant and equipment with no outstanding debt	16,279	13,170
Total	412,051	387,960

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