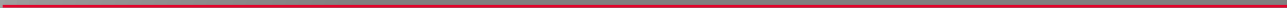


UNIVERSITY





Foreword from the Vice-Chancellor

Dear colleagues and students,



New online degree programmes have been launched in the past year, including a hugely successful MSc in Cyber Security with Royal Holloway, an MSc in Global Environment and Sustainability with Birkbeck and a redeveloped MSc

The University of London is the UK's leading provider of digital and blended distance education internationally, offering programmes to over 40,000 students in 190 countries around the world. Although proudly rooted in London, our community and impact are global.

We are a national leader in the humanities, and we promote their value to society and the economy through knowledge creation and exchange.

We are also a federation of 17 world class higher education institutions, with collaboration at the heart of our ethos. The University of London federation is a collective community of more than 240,000 learners and 50,000 staff, delivering world-leading research across all disciplines.

The University in Numbers

40,000

Students enrolled in the University of London in 2021



7

Universities in the United Kingdom that are members of the University of London



100,000

Students enrolled in the University of London in 2020



120

Students enrolled in the University of London in 2019



3,700

Students enrolled in the University of London in 2018



150

Students enrolled in the University of London in 2017



100

Students enrolled in the University of London in 2016



41

Students enrolled in the University of London in 2015







Financial Review for the Year Ending 31 July 2022

Operating Results

(6)

	1 to 2022	Year ended 31 July 2021	Year ended 31 July 2020	Year ended 31 July 2019	Year ended 31 July 2018	Year ended 31 July 2017
	'000	Consolidated £'000	Consolidated £'000	Consolidated £'000	Consolidated £'000	Consolidated £'000
	1,2	167,295	155,413	175,154	174,699	174,032
Staff costs excluding USS deficit provision	(, 2)	(63,520)	(60,743)	(65,058)	(62,784)	(63,897)
Other expenditure excluding depreciation and amortisation	(11, -)	(106,529)	(105,615)	(106,379)	(105,184)	(108,562)
Total operating costs	1,1, 2	(2,)	(10,)	, 1	, 1	1,
USS deficit provision movement	(2, 01)	5,253	11,418	(18,185)	1,821	3,210
Depreciation and amortisation	(, -)	(8,902)	(8,001)	(7,006)	(6,216)	(5,256)
Gain on disposal of fixed assets	-	8,969	5,701	-	-	-
Gain on investments	-	1	(1)	(1)	-	(385)
(Profit)/Loss before tax	(, 0)	, 1	2,	(,)	, 0	1, 0

Financial Review for the Year Ending 31 July 2022

The Financial Statements comprise the consolidated results of the University and its trading subsidiaries.

The University has experienced a welcome period of recovery since restrictions around the COVID-19 pandemic were loosened, with increases



£182.7 million

£167.3 million

How the University earns its income

- Tuition fees and education contracts **47.5%**
- Property income **27.1%**
- Other income **15%**
- Funding body grants **4.9%**
- Investment income **3.9%**
- Research grants and contracts **1%**
- Donations and endowments **0.7%**

How the University spends its income

- Teaching and research **50.5%**
- Providing halls of residences **20.2%**
- Running the University **16.2%**
-

Total income for the year increased to £182.7 million in 2021–2022 from £167.3 million in 2020–2021. **Tuition fees and income from education contracts** remain the University's largest source of income and saw a 2% increase in the year

During the year the University continued to invest in supporting the growth of distance learning with the launch of seven new programmes in 2021–2022.

The University finished the refurbishment of Dilke House and phases 1 and 2 of 17 Russell Square during 2021–2022.

Total capital expenditure in 2021–2022 was £7.7 million.

The net deficit for the year has reduced net assets at 31 July 2022 to £692.2 million, from £696.3 million at 31 July 2021.

Fixed assets decreased during the year by £3.65 million to £506.3 million. There were three additions to the heritage assets, moving the value from £13.2 million to £13.4 million.

The market value of the University's **property investments** has increased by £16.6 million to £171.7 million, reflecting the recovery of the market for central London properties after the COVID-19 restrictions. The value of the **University's and endowment investment** in the Uni ed Trust Fund increased in the year to £127.2 million as the endowment outperformed the benchmark on a net of fee basis over the year.

The provision for the University's share of the **USS pension deficit** increased from £13.9 million to £43.8 million due to the change in the deficit contributions contractual commitment under the USS's March 2020 valuation in the year.

Trade and other receivables increased significantly by 59%, reflecting the increase in the amount owed by the Uni ed Trust Fund as a result of the agreed increase in the distribution level during 2021–2022. This balance owing is due to be repaid imminently.

Creditors falling due within one year increased by 17%, mainly driven by a £6 million drawdown from the new RCF on 26 July 2022 with a term date of 3 months.

Creditors falling due after more than one year decreased by £26.1 million to £108.7 million, reflecting the repayment of the CLBILS loan and the scheduled repayments of the 2007 Royal Bank of Scotland Fixed Term Loan.

For the year ended 31 July 2022, the University generated a net cash deficit from operating activities of £2.1 million, compared to the previous year's net cash deficit of £1.9 million.

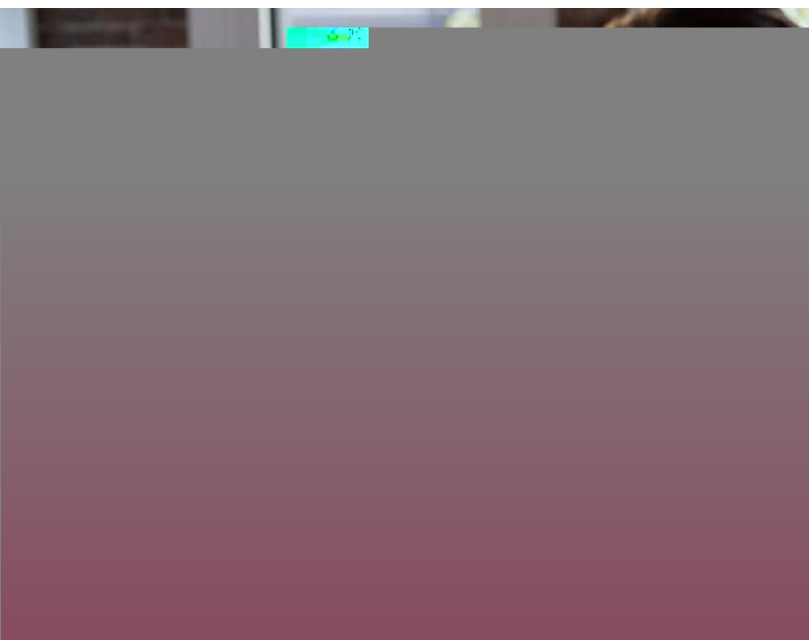
The University put in place a £50 million 5-year RCF in March 2022 to re finance the CLBILS of £25 million and the RCF of £20 million.

The repayment of the CLBILS in March 2022 has influenced the balance sheet in two ways.



The Board of Trustees approves the treasury policy and key

The Board of Trustees approves the treasury policy and key



The Board of Trustees is responsible for managing the risks and opportunities faced by the University. The University maintains a **Strategic Risk Register** which is regularly reviewed and updated by the Executive Group, Audit and Risk Assurance Committee and the Board of Trustees. The Board assesses its **risk appetite** in relation to each of the challenges faced and ensures that mitigating actions are put in place to manage risks to acceptable levels.

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

The Higher Education sector continues to be a target for **ransomware attacks by cyber criminals**, therefore this area remains outside of the University's risk appetite. The University has adopted the specific guidance on risk mitigation issued by the UK's security agencies and remains vigilant in regards to all aspects of cyber risk and now benefits from a 24/7 incident response service.

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

The UK university sector continues to experience **a period of change**, with the impact of rising inflation, the continuing

The increase in the number of students over the last four years has brought with it an **increase in student enquiries**, exacerbated by the current turmoil in parts





Sustainability

The University has continued to be ahead of the emissions targets compared to the 2010 baseline, despite a slowing down in terms of reductions compared to the previous years that were affected by COVID-19.

With staff returning to the academic buildings, as expected, utilities usage has increased – full details will be shared in our Higher Education Statistics Agency (HESA) reporting and in the annual sustainability report. The University continued work on a collaborative project with UCL and SOAS to upgrade the Bloomsbury Heat and Power district heating network, which will see significant reductions in emissions when completed.

Elsewhere, the University has been working with the Greater London Authority as an anchor institution to help decarbonise

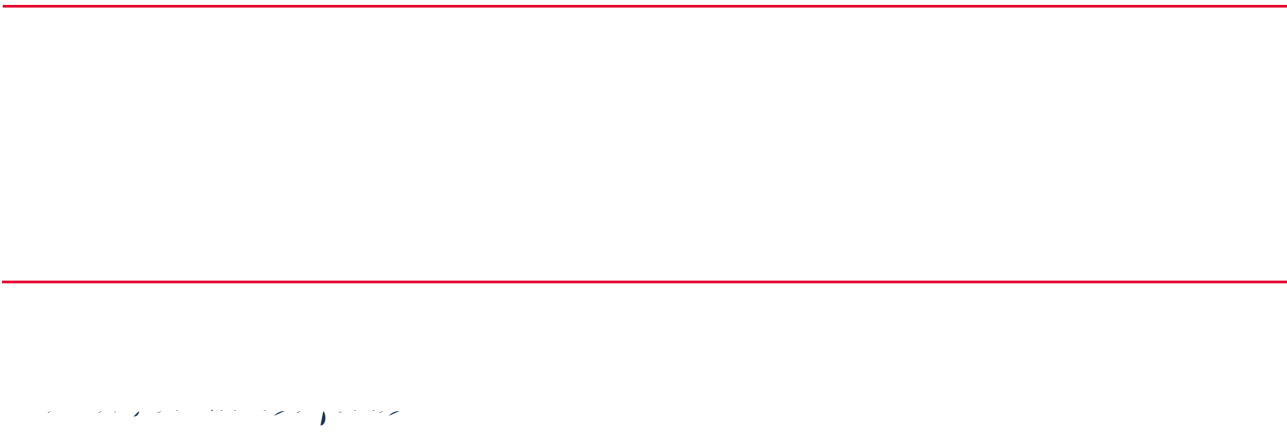


64% 5,447

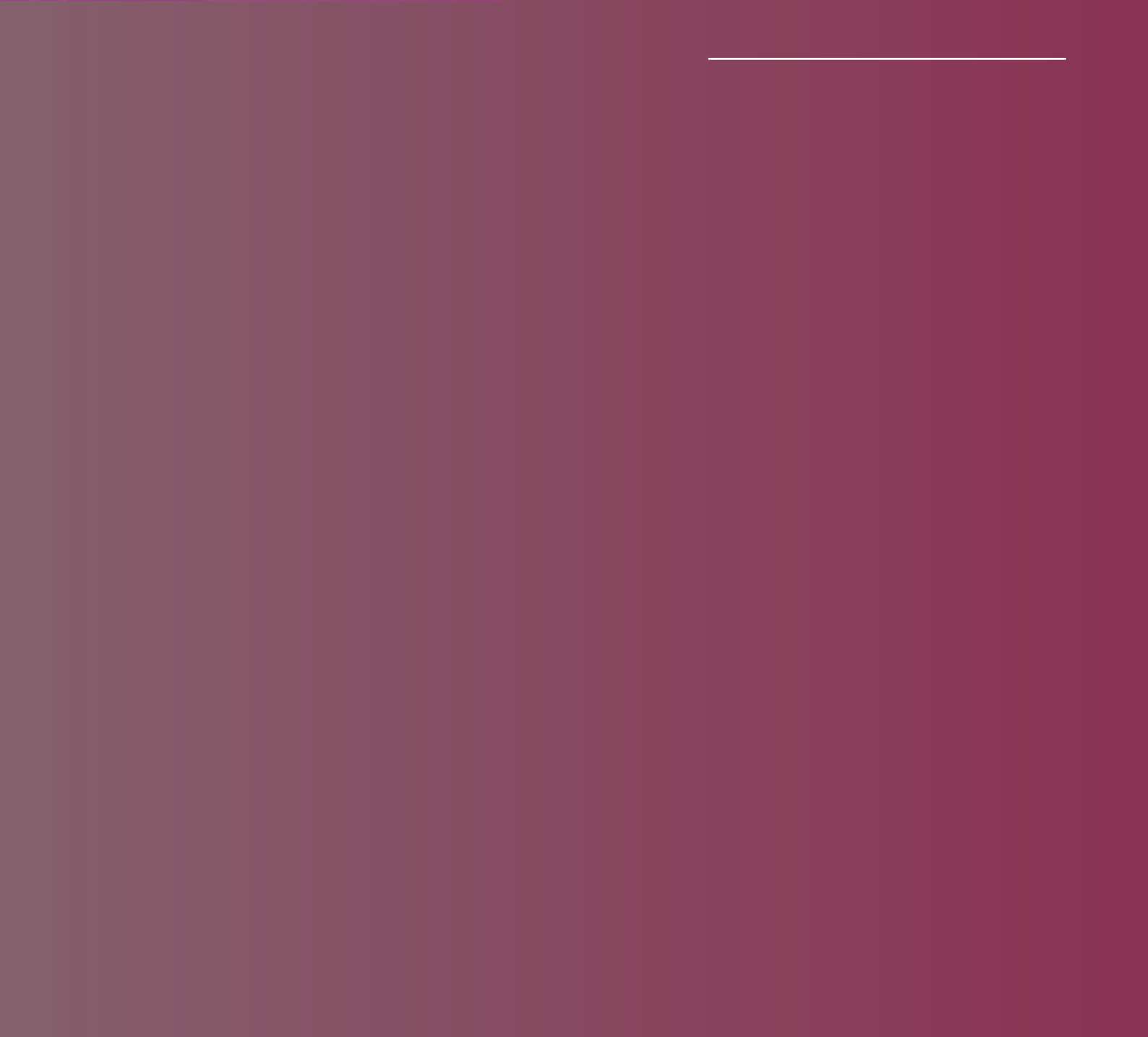
4,182

23









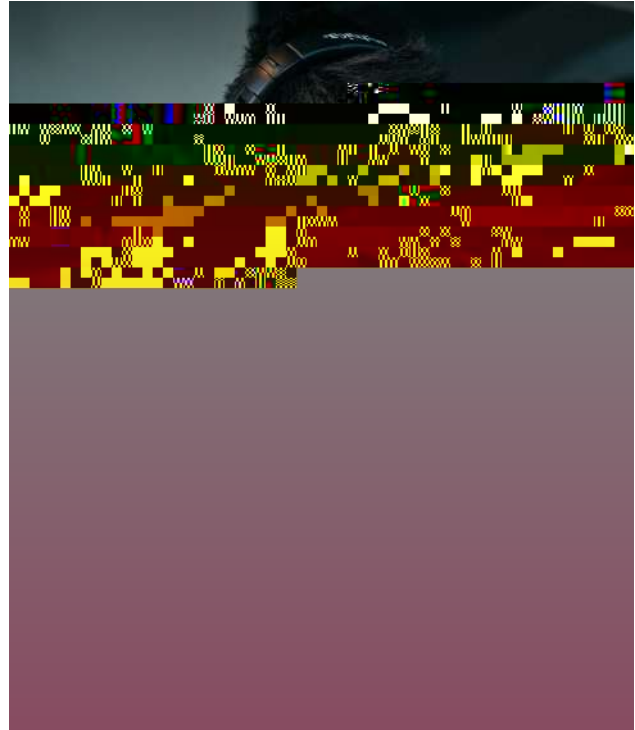
Our Students



This year, the University of London Scholars Programme was launched with the aim of widening access to higher education

The COVID-19 pandemic brought with it a shift to digital education for many, and the demand for flexible modes of delivery remains high. The University of





Assessing our students

With the outbreak of COVID-19, the University was forced to adapt its assessment processes at short notice: written examinations, usually held at examination centres, were replaced by online timed assessments. As an institution specialising in online education, we were uniquely well-placed to make the change, and over the past two years we have refined our processes further.

In 2022, all assessments continued to be run online, with students taking them at home. The May/June session saw 29,000 students entered for assessments and over 90,000 examinations taken.

For the first time, students on the Economics, Management, Finance and Social Sciences (EMFSS) and undergraduate Law programmes sat live examinations via the Inspecra Exam

From the academic year 2022–2023, the University is offering an expanded careers service provision for its online and blended distance learning students. This has seen the University of London Careers Service (UoLCS) team grow significantly: a new Engagement Team liaises directly with employers and alumni, while an increased number of careers consultants design and deliver live and synchronous careers education sessions. Small and Specialist College teams have also led on innovative co-creation projects with students, including the first UoLCS/School of Advanced Study National Careers Event: Career Options for English PhDs in March 2022.



The Careers Group's research unit has continued to help address strategic and policy needs for successful careers service delivery across the Federation. Its monthly Employability Digest shares and interprets sector research on student and graduate employability which supports Member Institutions to calibrate their offer. This year the research unit piloted an approach which allocated a certain number of hours of support for bespoke analytics and research projects per Member Institution, alongside our collaborative activities.

In recent months we have been growing and improving the quality of our intercollegiate student accommodation in the Bloomsbury area, at the heart of the University of London community. As part of this, we sold Lillian Penson House in Paddington to help focus future improvement and redevelopment work closer to our campus.

In order to address the shortfall in student bedspaces within Camden, we also decided to incorporate Bonham Carter House and Warwickshire House – previously leased to University College London Hospitals NHS Foundation Trust – into our student accommodation portfolio. Both buildings have been refurbished and have welcomed students for the 2022–2023 academic year.

In Paris, we have added a second contracted supplier of student accommodation as student numbers and housing demand increase.







320
320,000,000



21,000
21,000,000,000



2021 saw the centenary of the Institute of Historical Research (IHR) within the School of Advanced Study. An online global birthday opened the calendar of events on 8 July, starting at 11am in Australia, the Pacific, East Asia and South Asia, with the next panel including historians working in Africa and the Middle East and a final panel representing Europe and the Americas.

There were 24 National Centenary Events running from July 2021 to May 2022, supported and promoted by the IHR with partners from across the UK. On 15 July 2022, the IHR's centenary year closed with the Centenary Festival, which was a celebration of History: Past, Present and Future. Historians of all kinds came together to talk, showcase their research and address critical issues in the discipline today. The Historical Association, Royal Historical Society, Mass Observation Archive, National Archives and University of London Press were among the 22 organisations involved.

In 2022, the Institute of Modern Languages Research (IMLR), one of the eight Institutes within the School of Advanced Study, changed its name to the Institute of Languages, Cultures and Societies (ILCS). The decision was a result of the strong feeling within the disciplinary field that 'modern languages' is not the most appropriate self-description. Those outside the discipline often assume that 'modern languages' is essentially concerned with language acquisition, when in fact the field is centred around the study of culture.

Additionally, in 2021, the Institute of Latin American Studies closed and much of its operation was incorporated into the IMLR as the new Centre for Latin American and Caribbean Studies (CLACS). The term 'modern languages' did not accurately represent the field of study of many of those connected with CLACS; the new name therefore provides a more accurate description of the Institute's work.

Researchers and Senate House Library visitors can now access letters and postcards written by Nelson Mandela from prison to his friends, anti-Apartheid activists Paul and Adelaide Joseph. These materials and 18 photographs of Mandela are a part of the newly donated Paul & Adelaide Joseph collection, which reveals the personal side of Mandela's early years in prison and his friendship with the couple.

The letters and postcards addressed to them date from 1962, when Mandela was arrested, up until 1985. One of the highlights is a birthday card/letter from Nelson Mandela, dated 1 March 1975, in which Mandela talks of looking forward to meeting Tanya and Nadia, the Josephs' other children. Nadia Joseph, born 1966, is an active social justice campaigner who was herself involved in the anti-Apartheid movement.

Below: Birthday card/letter to Adelaide Joseph from Nelson Mandela, 1 March 1975.

Paul Joseph and other anti-Apartheid campaigners leaving Pretoria Central Prison, August 1960.



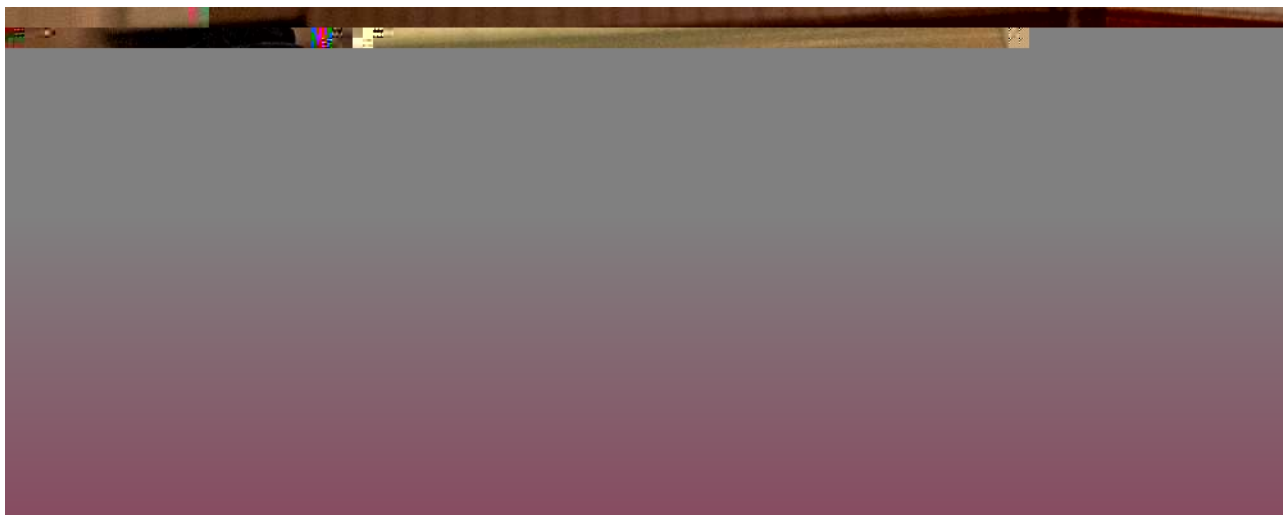




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The Way We Work

University of London
The Way We Work



Notable individuals and events

P a P (1995) actress Joanna David was among four remarkable individuals honoured by the University's Chancellor, Her Royal Highness The Princess Royal, for their contributions to public life at our Foundation Day event in November 2021.

A glittering ceremony held at Senate House in Bloomsbury saw Ms David, international civil servant and diplomat Mary Chinery-Hesse, historian Margaret MacMillan, and George Mpanga – also known as George the Poet – each receive honorary degrees. The event also marked the 185th anniversary of the University of London, which was incorporated by Royal Charter in 1836.

Philanthropic support

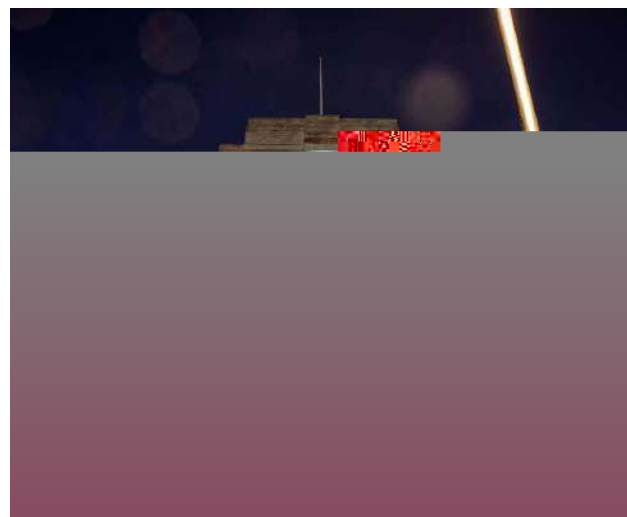
During 2021–2022, the University secured more than £3 million in new philanthropic donations from a number of individuals, charitable trusts and foundations. This included a donation of £150,000 from the Foyle Foundation towards the Warburg Renaissance capital redevelopment campaign, which has now raised a total of £5 million in philanthropic support. Along with the £9.5 million investment by the University, this ensured that work commenced in July 2022.

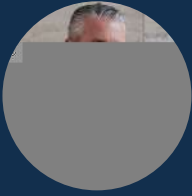
Further major donations included a £250,000 gift towards the University of London Boat Club (ULBC) from a donor who wishes to remain anonymous. This will support strategic priorities of the ULBC. The Warburg Institute received a generous donation from Mark Storey, a former member of the University's Board of Trustees, towards ongoing priority projects within the Institute.

The University also received £95,000 from a foundation that wishes to remain anonymous towards the Refugee Law Clinic, to support its work in providing pro bono legal advice for refugee clients wishing to claim asylum in the UK.

Senate House as a filming location

The University's Senate House building is one of the city's biggest draws as a location for film and television. Best known for being the inspiration for the Ministry of Truth in George Orwell's *1984*, Senate House has been used as a location for heroes from Bond to Batman, as well as playing host to multiple BBC dramas. Most recently, it featured in the official trailer for Marvel Studios' *Shang-Chi and the Legend of the Ten Rings* which will be shown on the streaming service Disney+ in 2023.





Alistair Jarvis CBE

Alistair Jarvis CBE has joined the University as Pro Vice-Chancellor (Partnerships and Governance). Prior to this Alistair was CEO of Universities UK from 2017 to 2022. Leading the representative body for the UK's 140 universities – a registered charity and six subsidiary entities – his role included influencing policy

Women of the World Festival

Athena Swan Award

Women of the World Festival

The University has a long-standing record of proactively promoting inclusion and gender equality within the higher education sector. In August, we received the Athena Swan Bronze Award in recognition of our ongoing efforts to improve representation, career progression and the working environment, and to identify and address any challenges. The award forms part of a framework used by institutions across the sector and is an important step in our journey to further enhance our gender equality practices.

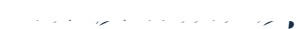
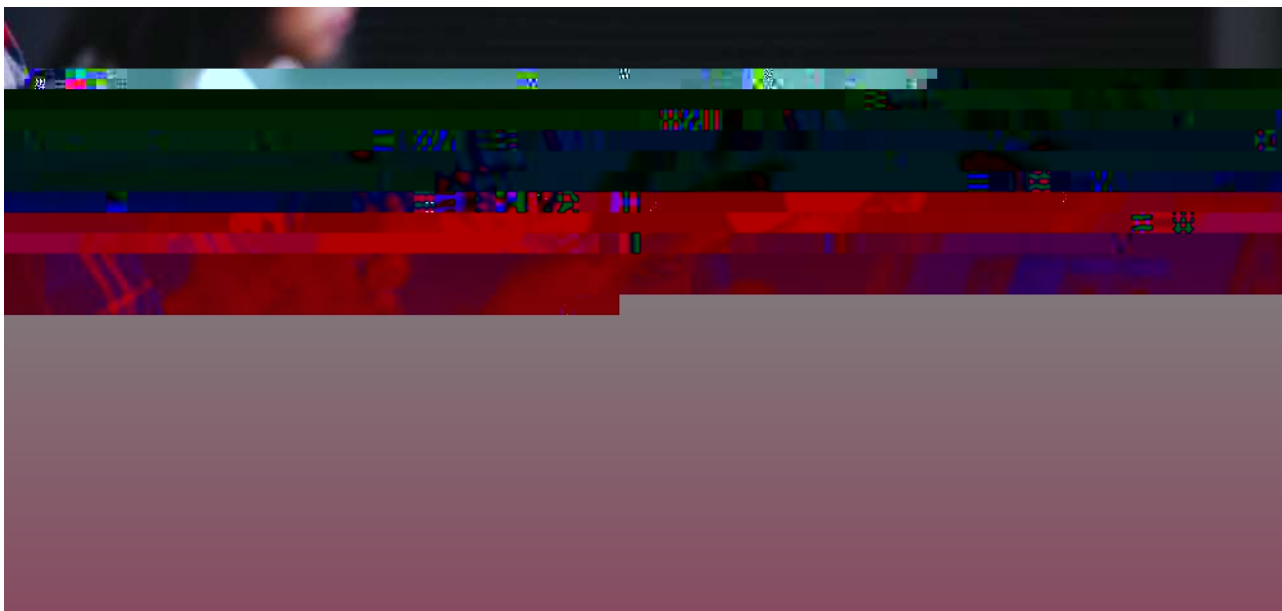
Women of the World Festival

We were proud to take part in the Women of the World Festival, an annual event celebrating the achievements of women and girls globally. A team of dozens of volunteers managed a stall to highlight the University's leading role in enabling access for women to higher education. The event, held at the Southbank Centre, also saw volunteers offer 15-minute mentoring sessions to festivalgoers to inspire them to consider the benefits of higher education. It was also an opportunity to promote our distance learning and School of Advanced Study programmes and Senate House Library.

Pride in London

The University was delighted to join celebrations for Pride in London and mark 50 years since the UK's first parade. Crowds returned to central London in July to celebrate the diversity of LGBTQ+ communities and join the fight for equality. More than 20 students and staff members from the University and several independent Member Institutions marched under a giant inflatable graduation cap bearing the University logo in the colours of the rainbow flag.

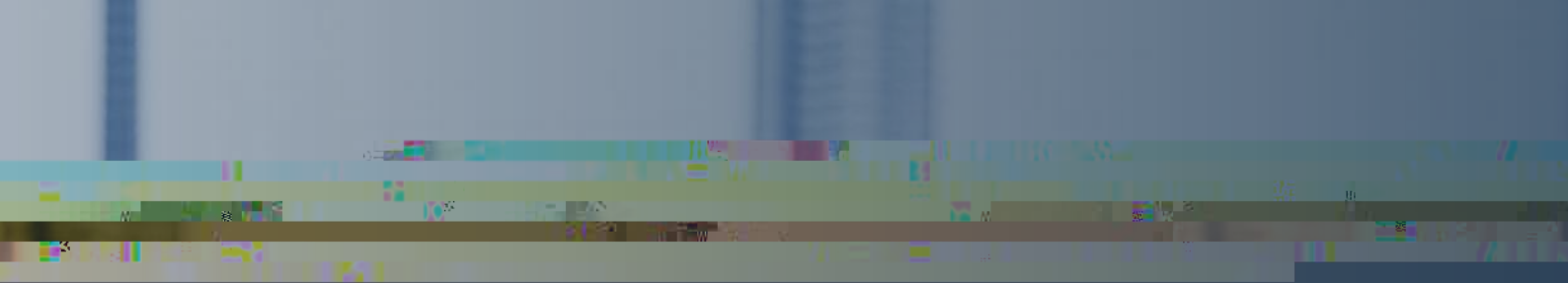




Our Federation of 17 independent Member Institutions produce world-leading research across a range of areas, from science and healthcare to business and the arts and humanities. An independent review by the Research Excellence Framework was published in May 2022 and highlighted many successes, with *H E a* (THE)'s analysis revealing that five of our Member Institutions made the top 10 overall.

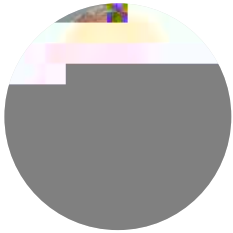
The total average of 4* and 3* on the overall quality of research across panels and disciplines is consistently above 80 per cent across members of the Federation.

In the field of music and the performing arts, University of London Member Institutions fill the top five spaces

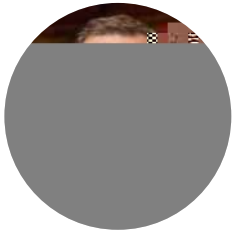


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New Appointments



One of five new members of our Board of Trustees, Josette Bushell-Mingo OBE is an award-winning actor and director whose career has included performances with the Royal Shakespeare Company, the National Theatre and the Manchester Royal Exchange. She is also the principal and CEO of the Royal Central School of Speech and Drama. She was awarded an Order of the British Empire for services to the arts in 2006, while serving as artistic director of the Black-led theatre festival PUSH. She also co-founded the festival's sister organisation in Sweden, TRYCK, and was honoured by His Majesty King Carl XVI Gustaf with The King's Medal 8th size with the ribbon of the Order of the Seraphim.

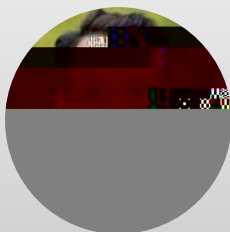


Craig Hassall brings to the Board of Trustees a wealth of experience in arts and culture in both the UK and Australia. Craig has been chief executive of the Royal Albert Hall since 2017. Prior to this, he was CEO of Opera Australia, the country's largest performing arts organisation,





Patrick, who also joins the Board of Trustees, has been chief property, facilities and procurement officer at Sainsbury's plc since 2017, with responsibility for the group's procurement and property portfolio across Sainsbury's, Habitat and Argos. In 2019, he was named 'Supply Leader of the Year' by the Chartered Institute of Procurement, with his team also voted 'Team of the Year'. Patrick was previously global senior vice president and chief property and procurement officer at Walgreens Boots Alliance from 2007 to 2017. He began his career at the Nissan Motor Company, where he played a leading role in Nissan's revival plan and its integration with Renault.



Another addition to our Board of Trustees, Christopher Rossbach is a co-founder, managing partner and chief investment officer of J. Stern & Co., a private investment partnership based in London and Zurich. Chris is also the portfolio manager for the firm's World Stars Global




Corporate Governance Statement

The following statement is given to assist readers of these Financial Statements to obtain an understanding of the governance procedures of the University. It covers the period from 1 August 2021 to 31 July 2022 and up to the date of



The **T** **h** **e** **g** **o** **v** **e** **r** **n** **i** **n** **g** **o** **f** **T** **r** **u** **s** **t** **e** **e** **s** provide that the Board of Trustees shall appoint an Audit and Risk Assurance Committee; and



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

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



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

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

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

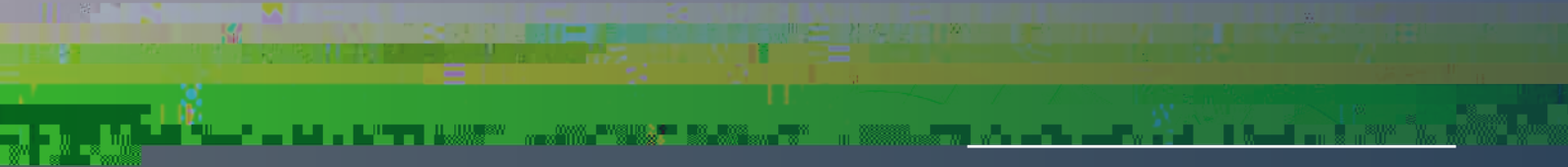
The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2022 and up to the date of approval of the Financial Statements on 23 November 2022, and accords with OfS guidance. No significant internal control weaknesses or failures were identified in the year.

As the governing body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established and carried out during the year ended 31 July 2022:

We meet regularly (usually on six occasions a year) to consider the plans and strategic direction of the University.

We receive periodic reports concerning internal control from the Chair of the Audit and Risk Assurance Committee, and we require regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.





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

We have audited the Financial Statements of University of London ("the University") for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Reserves, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the Financial Statements:

give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and

have been properly prepared in accordance with UK accounting standards, including FRS 102 *Financial Reporting Standard – Small and Medium Entities*.

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

Financial statements

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

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

operations over the going concern period.

Our conclusions based on this work:

we consider that the Board of Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate;

we have not identified, and concur with the Board of Trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

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

Identifying and assessing the risks of material misstatement due to fraud

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

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

Reading Board of Trustees, Audit and Risk Assurance Committee, Estates Committee, Finance Committee and Remuneration Committee meeting minutes.

Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and University management may be in a position to make inappropriate accounting entries; and

- the risk that income from distance learning courses is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries

Statement of the University's Principal Accounting Policies

General Information

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

Accounting Standards

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

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

Financial Reporting

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

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

The University have prepared cash flow forecasts for a period of 12 months from the date of approval of these Financial Statements and these have been approved by the Board of Trustees. After reviewing these forecasts the Board of Trustees is of the opinion that, taking account of

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

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



The Financial Statements are prepared under the historical

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

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

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

Land: indefinite

Buildings: 100 years

Refurbishment costs: 3-20 years

Assets under construction

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

Plant and equipment

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

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

Motor vehicles: 3 years

Computing equipment: 3 years

over the life of the lease. The leased asset remains the University's asset, and depreciation and any other costs associated with the asset are recognised as an expense.

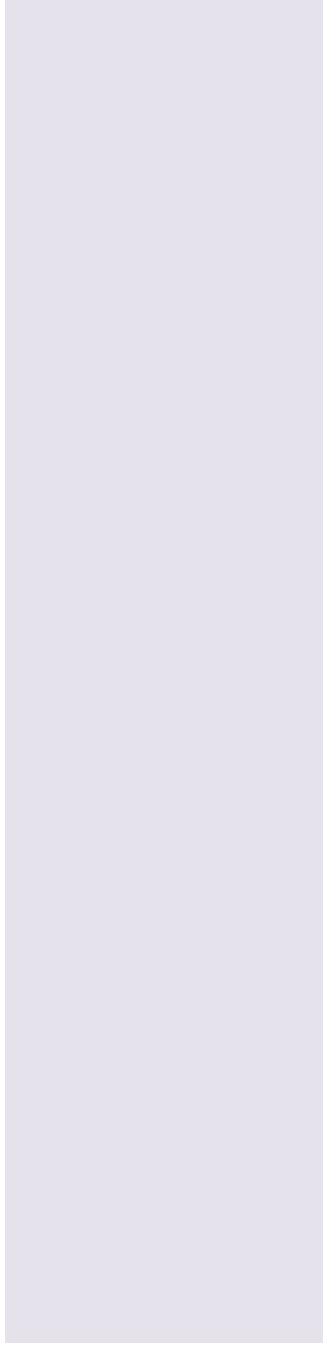
The University has received gifts and bequests of works of art, library collections and other decorative items. The University has also purchased works of art, rare books and manuscripts with funds from specific benefactions and public grants. All of these assets are held and maintained

State Second Pension. The liabilities of both these schemes are valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes.

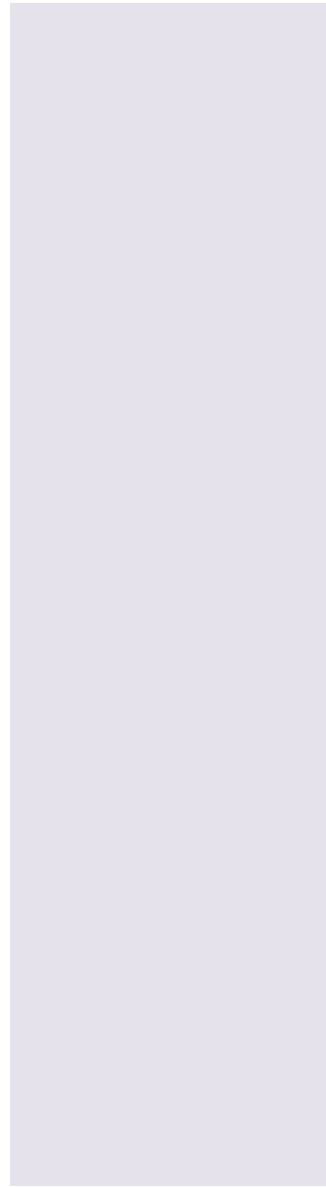
The University complies with FRS 102 28.11. Its defined benefit schemes (USS and SAUL) are all multi-employer schemes and, accordingly, given that it is not possible to identify the University's underlying share of their assets and liabilities, are accounted for as if they were defined contribution schemes.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



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









	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
(Debit) / Surplus for the year before tax		(,0)	9,440
Depreciation	13	,0 0	6,539
Amortisation and impairment of intangibles	12	,0 0	2,363
Loss/(gain) on investments	16	(2 , 10)	(6,918)
Decrease/(increase) in stock	17	11	152
Decrease/(increase) in debtors	18	(,1 1)	12,635
Increase/(decrease) in creditors	19,20	1,0 1	(11,251)
Increase/(decrease) in pension provision	21	2 , 2	(5,113)
Increase/(decrease) in other provisions	21	(. .)	106
Investment income	6	(,0)	(3,472)
Interest payable	9	2,	2,685
(Gain)/loss on the sale of fixed assets		-	(8,969)
Capital grant income	2	()	(82)
		(2,1 -)	(1,885)
Taxation	11	-	1
		(2,1 -)	(1,884)
Proceeds from sales of tangible assets		-	34,980
Capital grants receipts	2		82
Investment income	6	,0	3,472
Payments made to acquire fixed assets	13	(2, 1)	(2,780)
Payments made to acquire intangible assets	12	(1, 1)	(1,974)
New non-current asset investments	16	(, 1)	(152)
		(1, .)	33,628
Interest paid	9	(2,)	(2,685)
New unsecured loans	20	,2 -	511
Repayment of borrowings	19	(2 ,)	(760)
		(2, 2)	(2,934)
		(2 , 1)	2 , 10
Cash and cash equivalents at beginning of the year	25	- ,	36,668
Cash and cash equivalents at end of the year	25	0,00	65,478

Revenue

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
1					
Distance learning students		0	0	82,954	82,954
Full-time home and EU students		-	-	445	445
Full-time overseas students		1	1	471	471
Part-time students		1	1	1,108	1,108
		0	0	84,978	84,978
2					
Research England		1	1	8,629	8,629
Capital grant		-	-	82	82
		1	1	8,711	8,711
Research councils		0	0	533	533
Research charities		2	2	351	351
Government (UK and overseas)		-	-	802	802
Other		12	12	146	146
		1,0	1,0	1,832	1,832
The source of the grant and fee income, included in notes 1 to 3 is as follows:					
Grant income from the OfS		2	2	18	18
Grant income from other bodies		10,2	10,2	10,525	10,525
Fee income for research awards		-	-	652	652
Fee income from non-qualifying courses		-	-	797	797
Fee income for taught awards		20	20	83,529	83,529
		22	22	95,521	95,521
Residences, catering and conferences		1,1	-	26,636	25,418
Estates revenue		2,0	2,0	12,104	12,104
		3,1	2,0	38,740	37,522



	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Revenue					
Member Institutions: Subscriptions and charges		1, 0	1, 0	14,114	14,114
Other revenue grants		2	2	823	823
Job Retention Scheme		-	-	627	611
Other income		12,2	10,2	13,192	11,049
		2, 2	2, 0	28,756	26,597
Investment income					
Investment income on endowments	23	,01	,01	1,807	1,807
Other investment income		2,01	2, 1	1,665	1,715
		,0	,	3,472	3,522
Donations					
Donations with restrictions	23, 24	1,2	1,2	409	409
Unrestricted donations		2	2	397	397
		1, 0	1, 0	806	806
Staff costs					
Salaries		, 0	, 12	46,668	46,321
Social security costs		,12	,0	5,206	5,163
Movement on USS provision		2, 01	2, 01	(5,253)	(5,253)
Movement on SAUL provision		-	-	-	-
Other pension costs		11, 0	11, 2	11,646	11,626
Total		, 2	, 12	58,267	57,857

Included within Salaries is a £2m decrease in relation to employee holiday allowances that have been accrued but not taken.

	2022 No.	2021 No.
University and subsidiaries	.	1,014
	.	1,014



Pay and Remuneration (continued)

The full-time equivalent basic salary of the Vice Chancellor during the year was 7.2 times the median pay of staff. The median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff (2021: 8.2). Basic salary includes basic annual full time equivalent pay only.

The full-time equivalent total remuneration of the Vice-Chancellor during the year was 7.9 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider to its staff (2021: 8.0). Total remuneration includes basic pay, payments in lieu of pension payments, honoraria and employer pension.

The median pay and median total remuneration of staff is based on the full-time equivalent salaries of all staff who are included in the Staff Return submitted to HESA which does not include agency staff, self-employed contractors, honorary contracts where the contract is not deemed to be a contract of employment, staff employed directly by CoSector Limited, contractors paid via a personal

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10

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	2	1	89,458	89,424
Premises	1,331	1,331	16,303	15,397
Residences, catering and conferences	32,082	32,082	32,082	31,831
Administration and central services	2,011	2,011	26,445	26,436
Defined benefit pension deficit movement	2,011	2,011	(5,253)	(5,253)
Research grants and contracts	1,707	1,707	1,707	1,707
Other expenses	11,956	11,956	12,956	10,503
	20,222	20,222	173,698	170,045

Other operating expenses include:

External auditor's remuneration in respect of statutory audit services (inclusive of VAT)	154
External auditor's remuneration in respect of non-statutory audit services (inclusive of VAT)	4
External auditor's remuneration in respect of other services (inclusive of VAT)	57
Operating lease rentals	
Land and buildings	540
Other	131
Stock recognised as an expense	1

	Statutory costs 2022 £'000	Defined benefit pension deficit movement 2022 £'000	Other operating expenses 2022 £'000	Depreciation 2022 £'000	Finance costs 2022 £'000	Total expenditure 2022 £'000	Total expenditure 2021 £'000
Academic and related expenditure	2	-	2,2	2	-	2	89,458
Premises	1,331	-	1,331	1	1	1,331	16,303
Residences, catering and conferences	32,082	-	32,082	1	1,011	32,082	31,831
Administration and central services	2,011	-	2,011	-	-	2,011	26,436
Defined benefit pension deficit movement	-	2,011	-	-	-	2,011	(5,253)
Research grants and contracts	1,707	-	1,707	-	-	1,707	1,707
Other expenses	11,956	-	11,956	1	-	11,956	10,503
	20,222	2,011	11,956	2,011	2,011	20,222	170,045

11

תוצאות המיסוי

	2022 Consolidated £'000	2021 Consolidated £'000
הוצאות מיסוי		
Current tax expense	-	-
Foreign tax surcharged in current year	-	(1)
Adjustment in respect of previous years	-	-
Research and development tax credits	-	-
Current tax expense	-	(1)
הוצאות מיסוי		
Origination and reversal of timing differences	-	-
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
הוצאות מיסוי	-	-
הוצאות מיסוי	-	(1)

12

תוצאות המיסוי

	Course development £'000	Assets in the course of construction £'000	Website development £'000	Software £'000	Total £'000
Opening balance at 1 August 2021	4,032	966	258	2,057	7,313
Additions in the year	-	1,635	-	-	1,635
Transfers	1,364	(2,151)	-	787	-
Disposals	-	(16)	-	-	(16)
Amortisation charge and impairment					
for the year	(1,908)	-	(148)	(974)	(3,030)
Closing balance at 31 July 2022	2,428	1,485	110	1,083	5,106

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



Property, plant and equipment

1

	Freehold land £'000	Freehold buildings £'000	Leasehold land and buildings £'000	Assets in the course of construction £'000	Plant and equipment £'000	Heritage assets £'000	Total £'000
At 1 August 2021	149,769	356,707	28,589	3,764	10,917	13,200	562,946
Additions	-	-	62	3,350	-	226	3,638
Transfers	-	676	-	(676)	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassification of property	-	-	-	(967)	-	-	(967)
1 July 2022	149,769	357,383	28,651	3,111	10,917	13,200	562,946
At 1 August 2021	-	(26,345)	(4,438)	-	(9,068)	-	(39,851)
Charge for the year	-	(5,061)	(581)	-	(448)	-	(6,090)
Disposals	-	-	-	-	-	-	-
Reclassification of property	-	-	-	-	-	-	-
1 July 2022	-	(31,406)	(5,019)	-	(9,516)	-	(45,941)
1 July 2022	149,769	325,977	23,632	3,111	1,401	13,200	519,676
At 31 July 2021	149,769	330,362	24,151	3,764	1,849	13,200	523,095
At 1 August 2021	149,769	356,707	28,589	3,764	10,467	13,200	562,496
Additions	-	-	62	3,350	-	226	3,638
Transfers	-	676	-	(676)	-	-	-
Disposals	-	-	-	-	-	-	-
Reclassification of property	-	-	-	(967)	-	-	(967)
1 July 2022	149,769	357,383	28,651	3,111	10,467	13,200	562,496
At 1 August 2021	-	(26,345)	(4,438)	-	(8,627)	-	(39,410)
Charge for the year	-	(5,061)	(581)	-	(439)	-	(6,081)
Disposals	-	-	-	-	-	-	-
Reclassification of property	-	-	-	-	-	-	-
1 July 2022	-	(31,406)	(5,019)	-	(9,066)	-	(45,491)
1 July 2022	149,769	325,977	23,632	3,111	1,401	13,200	519,676

519,676



1

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



1. Intangible assets

1.1. Intangible assets

	Subsidiary companies £'000	Freehold investment properties £'000	Other non-current investments £'000	University investment in Uni ed Trust Fund £'000	Endowments' investment in Uni ed Trust Fund £'000	Total £'000
At 1 August 2021		151,565	8,357	13,483	102,955	276,360
Additions		3,540	432	-	-	4,272
Property reclassification		-	-	-	-	-
Transfers from cash		-	-	-	343	343
Revaluation		16,625	-	477	4,128	21,230
1 July 2022		171,730	8,789	13,960	107,406	302,885
Short-term deposits and cash					5,831	5,831
		171,730	8,789	13,960	113,237	302,885

1.2. Intangible assets

At 1 August 2021	611	151,565	8,357	13,483	102,955	276,971
Additions	-	3,540	432	-	-	4,272
Property reclassification	-	-	-	-	-	-
Transfers from cash	-	-	-	-	343	343
Revaluation	-	16,625	-	477	4,128	21,230
Subsidiaries' net assets movement	11	-	-	-	-	11
1 July 2022	622	171,730	8,789	13,960	113,237	302,885
Short-term deposits and cash					5,831	5,831
	622	171,730	8,789	13,960	119,068	302,885

Other non-current investments consist of:

	Consolidated and University £'000
UPP Cartwright Gardens (Holdings) Limited share capital and premium	211
UPP Cartwright Gardens (Holdings) Limited loan	5,903
UPP Duncan House (Holdings) Limited share capital and premium	157
UPP Duncan House (Holdings) Limited loan	2,518
	8,819

1. Subsidiaries (continued)

CoSector Limited (Company No. 09589872)

CoSector Limited is a company registered in England and has an issued share capital of 6,000 £1 ordinary shares, with the University of London as its sole shareholder. The company number is 09589872. The principal activity of the company during the year was the provision of operational services to the University of London and third parties. At 31 July 2022 CoSector Limited had net assets of £555,000 and accordingly, in the Balance Sheet of the University at this date, the value of investments, including the subsidiary, is increased by this amount.

Senate House Services One Limited is a company registered in England and has an issued share capital of one £1 ordinary share, with the University of London as its sole shareholder. The company number is 10236705. The principal activity of the company is the provision of operational services to third parties. At 31 July 2022 Senate House Services One Limited had net assets of nil, so there is no impact on the Balance Sheet of the University.

Senate House Worldwide Limited is a company registered in England and has an issued share capital of one £1 ordinary share, with the University of London as its sole shareholder. The company number is 10756718. The principal activity of the company is the provision of operational services to the University of London. At 31 July 2022 Senate House Worldwide Limited had net assets of £66,000 and accordingly, in the Balance Sheet of the University at this date, the value of investments, including the subsidiary, is increased by this amount.

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

Investment properties

The investment properties (all freehold) were valued at 31 July 2021 by CBRE Ltd, Chartered Surveyors. In the year ended 31 July 2021 and 31 July 2022, the valuation methodology for 52-60 Gower Street is on a development basis. The remaining properties continue to be valued by capitalising both the term at passing rent and the reversionary interest at market rent. Appropriate yields have been applied to the term and reversion respectively in order to provide an investment value of the University's interest in the land and buildings after making allowance for purchaser's costs.

United Trust Fund

The holdings in the United Trust Fund are held at market value.

1. Assets

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Finished goods	2	2	246	246
	2	2	246	246



21

	Obligation to fund de cit on USS pension £'000	Obligation to fund de cit on SAUL pension £'000	Total pensions provisions £'000	Other provisions £'000	Total provisions £'000
At 1 August 2021	13,926	-	1, 2	724	1, 0
Additions	29,825	-	2, 2	285	0,110
Utilised	-	-	-	-	-

22

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

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

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

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

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
USS	0	8,161
SAUL	1	3,385
Other pension schemes		100
	11, 0	11,646

(c) Total cost charged to the Consolidated Statement of Comprehensive Income

The total cost charged to the Consolidated Statement of Comprehensive Income is £8,074k (2021: £8,161k).

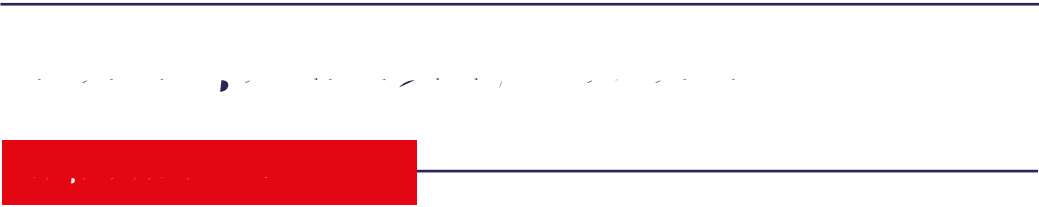
The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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

The 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%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the 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.



22 *Demographic Assumptions (continued)*

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

	2020
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 and an additional 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:

	2022	2021
Males currently aged 65 (years)	2 .	



2. Charitable trusts (continued)

The Charity Commission approved a new scheme

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

• The Warburg Institute

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

• The Warburg Institute Lectureships

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

• The Warburg Institute Anatomical Trust

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

• The Warburg Institute Pharmacy Lectureships

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

• The Warburg Institute Astronomy

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

• The Warburg Institute Ophthalmology

This trust is to support an academic Chair in Ophthalmology.

• The Warburg Institute Warburg Institute

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



2

Financial Statement

31 July 2022
£'000

Net debt 1 August 2021	8,569
Movement in cash and cash equivalents	(25,471)
Other non-cash changes	31,534
Changes in market value and exchange rates	(106)
Net debt 31 July 2022	14,526

Financial Statement

31 July 2022
£'000

31 July 2021
£'000

Cash and cash equivalents	0,00	65,478
Unsecured loans	6,861	780
Unsecured loans	47,672	73,267
	1,2	

2

Financial Statement

Year ended 31 July 2022

Year ended 31 July 2021

Consolidated
£'000

University
£'000

Consolidated
£'000

University
£'000

Financial Statement

Cash and cash equivalents	0,00	,0	65,478	60,789
Other debtors	22,2	2, -	13,670	17,305

Financial Statement

Loans	,	,	74,047	74,047
Trade creditors	,	,	1,825	1,807
Other creditors	2, 10	2, 11	28,123	28,001



1

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

Trustees are not entitled to and did not receive any remuneration for their services. Three Trustees received a total of £1,799 (2020-21: two Trustees £1,918) representing the reimbursement of travel and subsistence expenses incurred in attending Board of Trustees and Committee meetings and events in their official capacity.

2

Estimates used to calculate pension deficit liability

The pension provision includes key assumptions on discount rates, salary inflation and staff numbers in the future. The USS pensions liability has been calculated using a discount rate of 3.33%, an average salary increase rate of 2% per year and staff growth rate of 2% per year. The changes in salary costs and staff numbers have been assessed using the forecast impact of the University's strategic plans on the number of staff employed, and known statutory and other increases to pay. The discount rate used is considered to be the equivalent of that of a high quality corporate bond.

Treatment of pension schemes

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as those provided by USS and SAUL. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised through the profit or loss account in accordance with section 28 of FRS 102. The University is satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the Financial Statements.

For the year ended 31 July 2021 and 31 July 2022, 52-60 Gower Street has been valued on a development basis. The remaining properties continue to be valued by capitalising both the term at passing rent and the reversionary interest at market rent. Appropriate yields have been applied to the term and reversion respectively in order to provide an investment value of the University's interest in the land and buildings after making allowance for purchaser's costs.

On 31 August 2022, the University completed on the sale of Lillian Penson Hall, Talbot Square. The net book value of the property as at 31 July 2022 was £20.8 million.

On 1st September 2022, the University changed the use of its property Bonham Carter and Warwickshire House to student accommodation, transferring its classification from an investment property to an operational property for the year ending 31 July 2023.

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS 102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS 102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and asset values will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

Annex to Financial Statements

Remuneration Committee Annual Statement

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

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

Constitution

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

- At least three independent members of the Board of Trustees one of whom would act as Chair.

- The Chair of the Board of Trustees.

- One Head of Member Institution on the Board of Trustees.

- 3 The remuneration of the Vice-Chancellor and the University's most senior staff, currently defined as those reporting directly to the Vice-Chancellor, is determined in the context of:
- 3.1 The ambition set out in the new University Strategy 2020–2025.
 - 3.2 The continued impact of the COVID-19 pandemic on the University's finances and operations.
 - 3.3 The University's role as a services provider across and beyond the higher education (HE) sector.
 - 3.4 The University's significant property portfolio, which provides *inter alia*, academic teaching space, student halls and conferencing facilities; and
 - 3.5 The University's central London location and regional, national and global role.
- 4 The Committee's decisions on individual remuneration were informed by:
- 4.1 The UCEA (Universities and Colleges Employers Association) Senior Staff Remuneration Survey 2019 – with reference to relevant benchmarks (e.g. institution type, location, size and job function); and
 - 4.2 (For the Vice-Chancellor) (i) remuneration of the Heads of Member Institutions of the University extracted from published Financial Statements
- 5 The Committee noted that:
- 5.1 With the exception of the Vice-Chancellor, the small number of senior staff who had voluntarily accepted a 10% reduction in their remuneration for the period 1 August 2020 to 31 July 2021, had had their remuneration restored to 100% with effect from 1 August 2021.
 - 5.2 Professor Paul Layzell was content to continue to perform the role of Deputy Vice-Chancellor unremunerated.
 - 5.3 The Vice-Chancellor had conducted appraisals with each of her direct reports (the University's most senior staff).
 - 5.4 With one exception, the University's most senior staff had not expressed any expectation that their remuneration would be adjusted upwards.
 - 5.5 All staff, save for those whose remuneration is determined by the Committee, received the nationally negotiated pay award in 2021, this being 1.5%.
 - 5.6 All staff whose remuneration is determined by the Committee are eligible for membership of the Universities Superannuation Scheme.
 - 5.7 The Schedule of Contributions for the Universities Superannuation Scheme that came into effect on 1 October 2021 had a significant impact on the non-superannuable cash payment made to those electing the enhanced opt-out.

2021, 2022

- 6 The decisions of the Committee on the remuneration of the Vice-Chancellor, Deputy Vice-Chancellor and most senior staff are recorded in the confidential minutes of the meeting of 15 December 2021. The Board is specifically asked to note:
- 6.1 The salary of the Vice-Chancellor will be restored to 100% with effect from 1 August 2021.
 - 6.2 The Vice-Chancellor will continue to be engaged on a full-time basis for the remainder of her term of office.
 - 6.3 The Deputy Vice-Chancellor would continue unremunerated.
 - 6.4 Those staff whose remuneration is decided by the Committee would have their pay uplifted by 1.5% from 1 August 2021.
 - 6.5 One member of the most senior staff group would have their pay further uplifted from 1 January 2022 in recognition of the significant additional duties assumed following the departure of the Pro Vice-Chancellor (Strategy, Planning and Partnerships). The individual's title would also be amended to reflect their broader role.
 - 6.6 Those electing the enhanced opt-out from the Universities Superannuation Scheme would receive a non-superannuable cash payment equivalent to 12.2% of salary with effect from 1 October 2021. The calculation of the non-superannuable cash payment to be reviewed in the event of future changes to the Universities Superannuation Scheme Schedule of Contributions.



7

The Committee welcomed the Vice-Chancellor's confirmation that she was in the process of agreeing new objectives with this group and that these would be shared with the Committee and the Board in due course.

8

The Committee welcomed the University's intention to progress the work to develop the evidential evaluation of this group's performance.

9 The Committee noted that (i) The nationally negotiated pay award of 1.5% had been applied to the salaries of this group, which comprises Directors, Professors employed by the University, and the administrative and other staff employed by the University on Level 10. (ii) A very small number had seen adjustments to their remuneration because of changes to their role. (iii) No members of this group had received a one-off payment based on performance.

10

The Committee was informed that the revised Higher Education Senior Staff Remuneration Code did not require any amendments to its current Terms of Reference or mode of operation.

