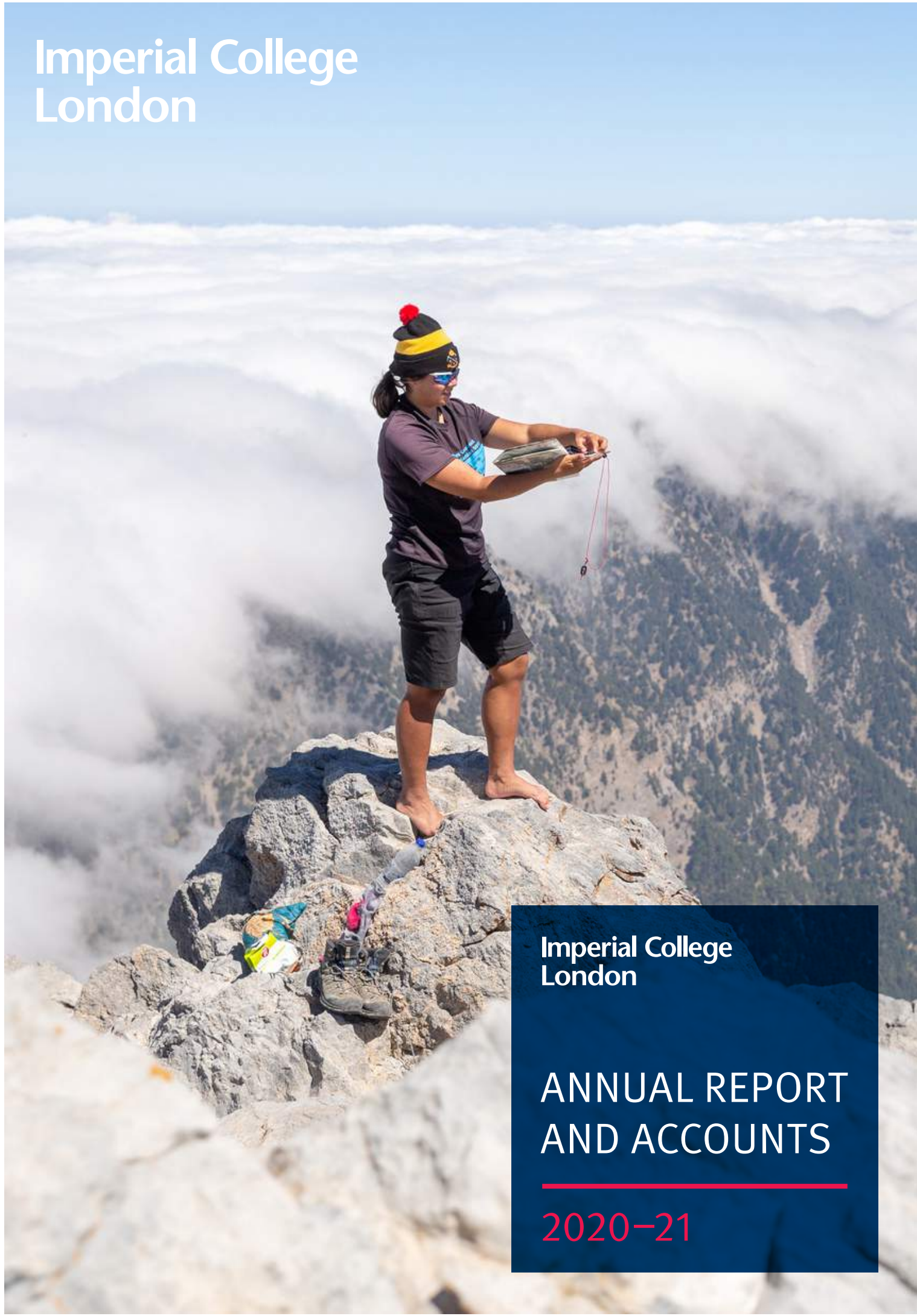


Imperial College
London



Imperial College
London

ANNUAL REPORT
AND ACCOUNTS

2020–21

Our strategy

FOUNDATIONS

- We will continue to specialise in science, engineering, medicine and business. This is the foundation on which we build our future.
- We will maintain world-class core academic disciplines. All research and education must be underpinned by a deep understanding of the fundamentals.
- We will encourage multidisciplinary research. Only by bringing together expertise from different disciplines can we solve today's global challenges.
- We will embed our educational experience in a vibrant, research-led, entrepreneurial environment. By learning alongside researchers who are experts in their fields our students gain the practical, entrepreneurial and intellectual skills to tackle societal problems.

PEOPLE

- We will build a supportive, inclusive and highly motivated staff community across all disciplines, functions and activities. This will help us to attract and retain the talented and diverse staff we need to achieve our mission.
- We will enrich the student experience. Providing a broad range of activities, services and support for our students beyond their studies helps them to develop wider talents and to be successful.
- We will build strong relationships with our alumni and friends. This lifelong exchange of ideas and support benefits all of us.

PARTNERS

- We will strengthen collaboration with business, academia, and non-profit, healthcare and government institutions across the globe. No university can achieve excellence or realise the full benefits of its work by itself.
- We will inform decision-makers to influence policy. Our excellence, breadth of knowledge, connections and London location allow us to bring together and inform key decision-makers in governments and industries for the benefit of society.
- We will share the wonder and importance of what we do. Collaboration with the public, schools and our local communities fosters a shared passion for and understanding of our work.

ENABLERS

- We will strengthen and diversify our revenues. Delivering our mission requires investment in our staff, students and facilities.
- We will provide professional support, consistent processes and appropriate technology for all of our staff and students. The pursuit of excellence in research and education requires excellence in all that we do.
- We will act courageously and innovatively when pursuing new opportunities. We need to take academic and financial risks to sustain excellence in research and education.

On the cover:
MSci Geology and Geophysics student, Carla, at the peak of Mount Gigilos in Crete during an Imperial Expedition.

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IMPERIAL
IN 2020–21

A nurse gives a vaccine in clinical trials for testing candidate vaccines against COVID-19, May 2020.

President's foreword

This has been an unprecedented year of challenges and accomplishments. As the pandemic continued to ravage societies around the world, Imperial people were at the forefront of the fightback.



Professor Alice P. Gast
President of Imperial College London

As COVID-19 jeopardised our academic mission, members of the College community intensified their efforts to benefit society and excelled in education, research, and innovation.

As we publish our financial statements and reflections on the past year, we can be proud of our entire community.

Our research discoveries, innovations and inventions have made a significant difference to the pandemic response, and the world took note. From virologists and epidemiologists tracking new variants to the world's first human challenge trials to critical support for vaccine rollouts – the contributions of Imperial's community have been indispensable. We have all benefitted from the wise expertise Imperial academics freely shared with the world; and you can read about some of our research highlights below.

Our students rose to the challenge of hybrid learning, studying remotely and under unusual new safety requirements in person. They worked thoughtfully, constructively and collaboratively with our staff who focused attention and energy on developing more effective online meetings, discussions and feedback. The clever innovations for this new way of learning – from use of HoloLens technology to labs in a box – helped enrich their experience. These extraordinary educational innovations – alongside the institution's pivotal role in terms of coronavirus response – have gained widespread recognition, including Imperial being named 'University of the Year' in the *Times* and *Sunday Times Good University Guide*.

Throughout the year, we have been exceptionally supported by our many professional staff members who tirelessly provided security, safety, campus services and support for students and staff. Our communications team continues to provide a tremendous service through clear and

informative reporting on the work. I commend our website (imperial.ac.uk/news) and daily news service to all interested in following our exciting discoveries and inventions.

While the pandemic affected schools and admissions processes nationwide, we were pleased to further diversify our student community by attracting broader participation from across the UK. We intend to make an Imperial education a possibility for talented students from all walks of life. We have committed to, and pledged to match, scholarship funding for students from underrepresented groups, and I am pleased that our friends and alumni are stepping up to provide their support. These investments in our future are critical.



This mixed-mode Business School lecture in shows how a blend of online and face-to-face teaching can be used to deliver COVID-safe lectures.

The Times and *Sunday Times Good University Guide* named Imperial College London as University of the Year 2022.

We remain one of the world's most international universities. During the country's first year outside of the European Union, we have deepened our bilateral collaborations and built new connections with institutions from across the world. These include the African Institute of Mathematical Sciences, the Massachusetts Institute of Technology, the Technical University of Munich and Nanyang Technological University. That such longstanding partnerships have continued to grow and flourish says much about the long-term commitment shared by both us and our collaborators to global higher education, research and innovation. As I speak to my counterparts around the world, I find a growing appetite for collaboration in teaching in addition to research. We aim to provide our students with all the best opportunities we can develop through our partnerships.

We value the strong support of our UK and international alumni who help recruit and mentor students. Many also support scholarships for international students. We will now help match their generosity, with a £5 million pledge, and thus ensure that we continue to attract and welcome the best and brightest from around the world.

The energy and buzz in our White City Campus is breathtaking now that people have returned to working on site. It is exciting to see our incredible medics and engineers pursuing their biomedical work in the fabulous new space in the Sir Michael Uren Hub. Our incubator is also bubbling with activity. Many enterprises are growing up in ScaleSpace, our new venture with Blenheim Chalcot, where small companies can grow, create jobs, and drive their innovations to meet societal needs. Our community work through The Invention Rooms has been very important throughout the pandemic and we look forward to welcoming neighbours and students back to in-person maker challenges and activities.



As always, it is our people who make all the difference in what we do. We thank and applaud them for their courage, resilience, intellect and positive outlook. Imperial College London has never been stronger, nor more important for the world.

Professor Alice P. Gast
President of Imperial College London

Imperial’s mission, strategy and vision



Our mission is to achieve enduring excellence in research and education in science, engineering, medicine and business for the benefit of society. Our strong foundations, great people, excellent partners and enablers are the pillars of our success.

- **The foundations** of our work are our world-class core academic disciplines, our focus on transdisciplinary research, delivery of an excellent educational experience and our vibrant, research-led, entrepreneurial environment.

- In our focus on **our people**, we commit to creating an enriching, inclusive environment that supports and motivates staff, students and alumni.

- **Our partnerships** are critical to achieving our goals, and we commit to strengthening collaborations – in both research and education – across the globe. We also inform decision-makers to influence policy and strive to empower society through meaningful engagement.

- **Our enablers** help us to deliver our strategy through strengthening and diversifying our revenue streams, providing professional support, consistent processes and appropriate technology for staff and students, and committing to courageous, innovative pursuit of new opportunities.

Our contribution and impact

The pandemic has shown how indispensable our work and research are to society. We are helping uncover crucial insights into COVID-19 through our groundbreaking research and innovations, the first of their kind in the world.



We have demonstrated the importance of vaccinations through our REACT study, which found that double vaccinated people were three times less likely than unvaccinated people to test positive for the coronavirus. Our self-amplifying RNA vaccine technology may prove to be one of the great scientific advances of the pandemic, accelerating development of a technology that could underpin future vaccines, boosters, and the fight against a variety of infectious diseases. We have demonstrated what we can achieve when we collaborate across disciplines, sectors and nations.

Our brand and profile are stronger than ever, and we are using this moment of influence to grow the societal impact of our research, education and innovation. We are advancing a healthy, sustainable, smart and resilient society – the four cornerstone themes of our Academic Strategy.

This has been a groundbreaking period for our teaching and student experience. As we transitioned to multi-mode teaching, we raised standards and increased student satisfaction. Teams across the College, including the Imperial College Students’ Union, have collaborated to ensure we continued to offer the world-class education our students deserve. We’ve sent

miniaturised lab experiments to students across the world during lockdowns, we’ve recreated field trips in virtual settings, and we’ve carefully delivered innovative on-campus teaching when possible.

We know that a diverse community is key to a vibrant and intellectually stimulating environment, and to attracting and retaining the most creative and capable staff and students from all backgrounds. We are confronting the fact that our institution lacks diversity in some areas – for example, over the reporting period only 235 of our 10,000 undergraduates were Black – and we are taking action to address this. Recently we made a £5 million commitment to scholarships for Black and other underrepresented students, with a view to doubling this through fundraising. We became one of the first universities to join the Black British in STEM University Alliance, and we have submitted our first-ever application for a Race Equality Charter Mark.

We are translating science and technology so that our discoveries can benefit society through partnerships with industry, academia, governments and the public. Last year, the government placed a £161 million order for 5.8 million high-speed DnaNudge COVID-19 tests, an Imperial startup headquartered in our campus in White City and founded by Professor Chris Toumazou. We’ve partnered with the Royal Institution and other organisations to launch a new centre that will put London at the heart of global climate change innovation. It will support green business opportunities and offer an accelerator for cleantech startups, as well as providing public education about the transition to net zero carbon. The White City Incubator provides labs and office spaces for scores of early-stage startups. Scale Space, a new scaleup community at White City launched by Imperial together with Blenheim Chalcot, is nurturing growing businesses across the technology, digital and life sciences sectors.

Foundations



The foundation pillar commits to high-quality transdisciplinary research, a world-class educational experience and a strong emphasis on academic success.

These foundation commitments link directly into the Academic Strategy (launched in 2020) which sets out our ambition to deliver transformative impact for benefit on a global scale, through the four societal themes of health, smart, sustainability and resilience. It also sets out our vision for an improved student experience that will prepare our students to be leaders, to innovate and drive change.

2020–21 in focus

Healthy Society

Our world-leading researchers continue to play a crucial role in tackling local, national and global health issues.

Professor Mireille Toledano, Director of the Mohn Centre for Children’s Health and Wellbeing, is leading a project that focuses on the impact of the COVID-19 pandemic on the mental health and wellbeing of adolescents in the UK.

Funded by UK Research and Innovation (UKRI), and the National Institute for Health Research (NIHR), the study focuses on 15–17-year-olds and explores the complex multifactorial pathways that lead to poor mental health, and those that promote resilience to mental health issues.

Imperial is working in partnership with Google Health, Imperial College Healthcare NHS Trust, St George’s University Hospitals NHS Foundation Trust and the Royal Surrey NHS

Foundation Trust on a project that studies the use of artificial intelligence for breast cancer screenings in NHS hospitals. This partnership secured government funding of £140 million over four years to accelerate the evaluation of artificial intelligence technologies.

A series of reports from the Imperial College COVID-19 Response Team informed the UK government’s ‘roadmap’ out of lockdown for England. The team’s reports modelled a range of scenarios and evaluated the impact of easing restrictions at each step of the roadmap. The team are embedded within Imperial’s MRC Centre for Global Infectious Disease Analysis (MRC GIDA) and the Jameel Institute, both based in the School of Public Health.

Imperial’s new COVID-19 testing lab is part of the London Testing Alliance, brought together by life sciences cluster Medcity.



2020–21 in focus

Smart Society

Mixed-reality teaching in the pandemic with the Microsoft HoloLens.

We have reaped some of the benefits of the data revolution in our research, but we are now realising how it can change our teaching. The COVID-19 pandemic and our rapid move to remote working have given us a taste of how we might be able to enrich the educational experience.

The School of Medicine was awarded the Transformation Award at the Real IT Awards for its use of the Microsoft HoloLens to deliver mixed-reality teaching during the pandemic. The HoloLens allows students to see and hear the same things as their clinician educators during a live patient interaction, with the surroundings supplemented by overlaid digital information, such as drug charts or radiographs.

Professor Amir Sam, Head of the School of Medicine, said: “We are incredibly proud to have been presented this award. It is a testament to the hard work of the dedicated staff involved that our innovation and creativity has been recognised in this way.”

Integrating such innovations with our traditional modes of education reminds us that we can change both who we teach and how we teach. It is incumbent on us to remain alert to opportunities for further innovation.

Sustainable Society

We remain focused on tackling the most pressing challenges of our time, including sustainability.

This year, we launched a new Centre for Climate Change Innovation together with the Royal Institution to drive new technologies, techniques, policies and businesses to deliver a net zero carbon and climate resilient future, while engaging the public’s support for immediate and future innovation. This is financially supported by HSBC.

Our new Global Development Hub was launched by Amina J. Mohammed, Deputy Secretary-General of the United Nations this year. It aims to maximise the impact of Imperial’s world-leading research, education and

innovation to help the world plan for the challenges society will face over the next 50 years to secure a better, more sustainable future for all.

Our researchers have made major contributions to our understanding of climate change and its effects on the human population. A report by Imperial academics this year presented substantial evidence that climate change has a detrimental and multi-faceted impact on mental health, with significant costs to individuals, health systems and economies that are currently unaccounted for in policy and practice.

After the government committed to a target of 2050 for net zero carbon emissions, we established a Sustainability Advisory Group and launched our own Sustainability Strategy in December 2020. The Sustainability Strategy sets out our long-term goal to be a sustainable, net zero carbon institution by 2040.

We are using our influence with policy makers to further our aims. The Forum is our policy engagement programme where our researchers build relationships with policy makers and share the latest research to support evidence-based policy development. Some of our events this year have focused on sustainability initiatives, including a plan for fairly decarbonising how people travel and the role of technology in achieving net zero carbon. Others have considered the lasting impact of the pandemic, emphasising the value of international collaborative science and discussing how scientists can best support policy making in a crisis. We also held a ‘policy hackathon’ on achieving greater algorithmic transparency in the public sector.

Medical students use the Microsoft HoloLens, the world’s first use of mixed-reality technology in undergraduate medicine teaching.



Testing serum samples on lateral flow kits. Imperial is leading REACT, a major programme of home testing to track the progress of COVID-19 across England.

Resilient Society

Our resilient society theme looks at how change evolves, and how we can adapt to it. Part of this involves improving our use of technology and tightening our cybersecurity controls to prepare for advancements in the digital world.

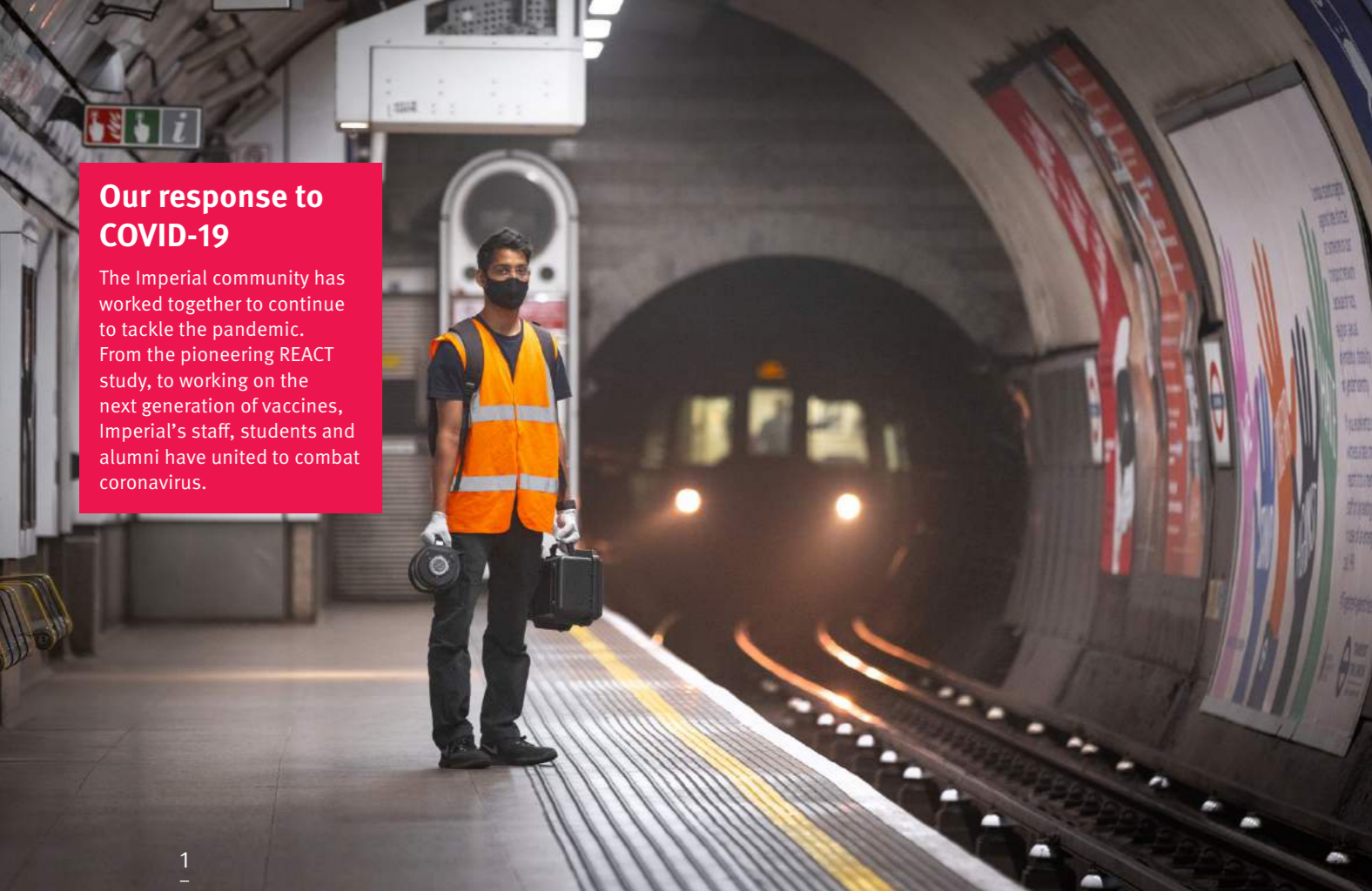
This includes educating the next generation of cybersecurity experts with our new MSc in Security and Resilience: Science and Technology. At our School of Public Health, we are investigating how we can use our research to enable people to live longer, healthier lives, and we are collaborating across the College to find ways to reduce society’s carbon footprint.

Imperial experts helped inform policy makers during the G7 Summit in June 2021. This included work on health and economic resilience, led by Professor Lord Darzi, Paul Hamlyn Chair of Surgery and Co-Director of the Institute of Global Health Innovation, through the Reform for

Resilience Commission. This Commission advises on tackling global coronavirus resurgences in South and East Asia, global vaccine distribution and pandemic preparedness as we work to improve economic and health resilience. An Imperial team led by Professor Francisco Veloso, Dean of the Business School, and Professor Deborah Ashby, Director of the School of Public Health, also provided evidence to the Commission. Professor Alison Holmes advised world leaders on the threat of antimicrobial resistance as they made new commitments on global health security.

Our response to COVID-19

The Imperial community has worked together to continue to tackle the pandemic. From the pioneering REACT study, to working on the next generation of vaccines, Imperial's staff, students and alumni have united to combat coronavirus.



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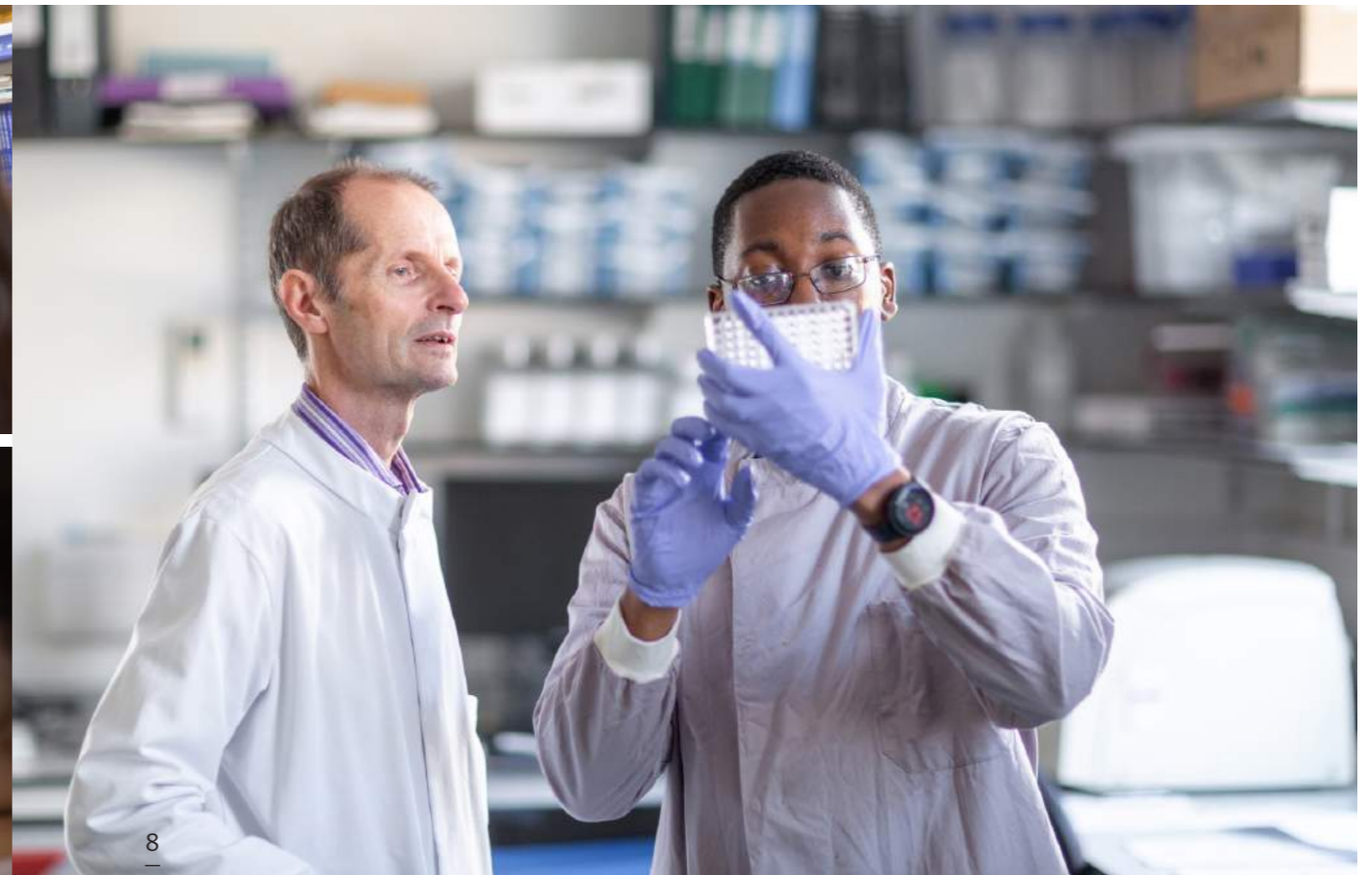
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1 Dr Carl de Souza takes samples for COVID-19 on the London Underground. 2 Volunteers from the Department of Chemical Engineering produced thousands of litres of hand sanitiser for local hospitals.

3 Reports from the Imperial College COVID-19 Response Team, led by Professor Neil Ferguson, informed the UK government's 'roadmap' out of lockdown for England. 4 Imperial's COVID-19 testing lab is part of the London Testing Alliance, brought together by life sciences cluster Medcity.

5 Imperial volunteers make PPE for healthcare workers. 6 COVID-19 precautions in place on campus.

7 Environmental sampling by the Barclay Lab, led by Professor Wendy Barclay, is investigating the transmission of COVID-19. 8 Professor Robin Shattock and his team working on saRNA vaccine technology.

People



We aim to build a supportive, diverse and highly motivated staff community that will help us to retain talent.

Our staff are working towards enhancing our students' experience and fostering a secure, communal environment. Through building strong relationships with our alumni and friends, we maintain a mutually beneficial exchange of ideas and provide extra support for research undertaken by our staff.

Achieving true equality, diversity and inclusion across our staff and student communities is a challenge we continue to face, and we have a way to go. Our drive to achieve this is reflected in activities such as our submission to the Race Equality Charter in summer 2021, and our Shifting the Lens series celebrating diversity at Imperial, as well as new scholarships targeted at further diversifying our student community.



Work by the Shattock Lab is at the forefront of global efforts to protect the world from the COVID-19 coronavirus outbreak.

2020–21 in focus

Student satisfaction at 84%

The most recent National Student Survey results revealed student satisfaction at Imperial is now 84% – an increase of three percentage points on the previous year – and we have moved 80 places up the rankings. We topped the rankings for both London and Russell Group universities, with staff and students successfully collaborating to create a good student experience. Imperial continues to invest in providing the best possible experience for students.



Portable labs for learning

“The pandemic and lockdowns forced us to pivot fast. When students could not attend labs, we mailed hundreds of ‘Lab in a box’ kits to students worldwide.”

Provost Ian Walmsley writing in the *New York Times*

The creativity and ingenuity of our community gave rise to many innovative solutions to bridge the gap between in-person and online learning. Among them, the Department of Physics’ staff and students worked together to create ‘Lab in a box’ portable labs, which were then mailed to students across the world so they could complete experiments remotely. Many other departments tailored their own ‘Lab in a box’ kits and rolled them out to hundreds of students.

Students enjoying the winter sun at the foot of the Queen’s Tower.



The 2021 Alumni Awards

Awards for alumni changemakers Yvette Stevens and Dr Abdullah Dafir Albeyatti.

Our alumni community of game-changers and problem-solvers continue to make a real impact across the globe, as well as at their alma mater. They volunteer their time as mentors, participate in events and support us with donations. The 2021 Alumni Awards recognised the extraordinary achievements of eight winners and two highly commended alumni. The contributions of these extraordinary people – including Ambassador Yvette Stevens and Dr Abdullah Dafir Albeyatti – to science, engineering, medicine, business and society were recognised in three award categories: Distinguished Alumni, Emerging Leader, and Entrepreneur.

“It’s good to be a role model, and show young girls what you’ve achieved, because you’re not standing there telling them to do something you didn’t do yourself. I think that’s really important.”

Ambassador Yvette Stevens is Sierra Leone’s first Permanent Representative to the UN in Geneva and the country’s first female engineer.

Ambassador Yvette Stevens, (MSc Electrical Power Systems and Machines 1974), Winner of the Distinguished Alumni Award 2021

Working Together Task Group

Imperial’s Working Together Task Group is creating a positive working environment.

Imperial’s search for excellence has, at times, been wrongly interpreted as at odds with our values, such as mutual respect. This has manifested in unacceptable behaviours, including during pandemic-era periods of heightened pressure. The Working Together Task Group was established in January 2021 to listen to our community and deliver concrete proposals that will help set the conditions for a positive working environment and culture for our staff and students. This ranges from managing workloads, to how senior leaders act, job security and processes for raising concerns.

The Provost’s and President’s Boards have committed to a series of improvements, including leadership transparency and better two-way communications on issues facing the community, a consultative leadership approach, and building a stronger sense of community and pride, as well as celebrating under-recognised contributions. Imperial as a whole is working to nurture mutual respect in interactions with, and between, different parts of our community, as well as beyond, into the wider world.

Sustainability

Sustainability is a major focus for Imperial and one of the most pressing challenges of our time. We are dedicated to innovation, research and working together to deliver a net zero carbon and climate resilient future.



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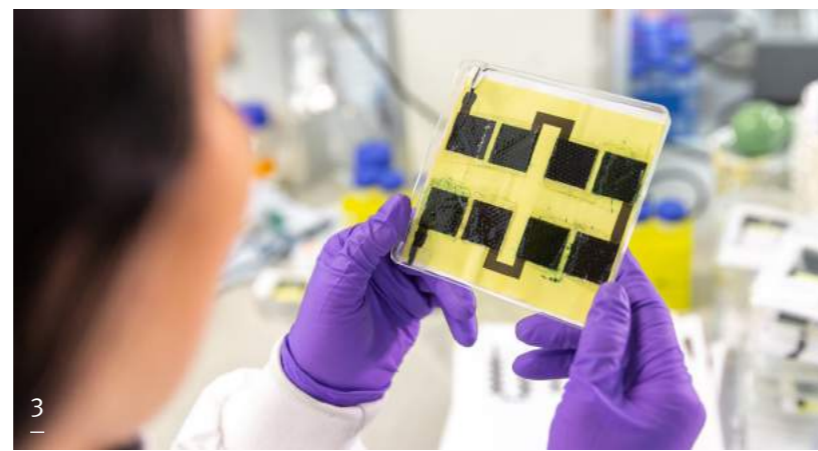
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1 Professor Frank Kelly, leader of the Environmental Research Group (ERG). 2 At the ERG's labs in the School of Public Health.

3 Dr Marin Sawa's solar bio-battery combines design and biotechnology to create a living solar panel on paper. 4 Visitors at the annual Bugs, Birds and Beasts Day, a free family event at the Silwood Park Campus.

5 MP for Kensington, Felicity Buchan visits Imperial in August 2021. 6 Researchers taking part in INHALE, a multidisciplinary research project assessing the impact of air pollution on health in urban environments.

7 Undertaking research at the Energy Futures Lab, South Kensington Campus. 8 Bioink, in which printed cells of cyanobacteria combined with electronic circuitry create a first-of-its-kind biophotovoltaic paper.

Partners



Through its partnerships, Imperial strengthens its research and education collaboration, and helps to inform decision-makers to influence policy.

We also work with industry to translate innovative ideas into real-world benefits, and share the wonder and importance of what we do with the public, schools and local communities.

Despite the pandemic, Imperial sustained and grew its local, national and global connections and collaborations with business, academia and non-profit, healthcare and government institutions. Imperial is one of the world's most international universities. We forged and

maintained links across 192 countries, from joint labs and centres to seed funds and student exchanges. The higher education sector generally finds it difficult to establish partnerships for international collaboration in education. We recognise that our strong record in international

research collaboration is not yet matched by our achievements in international collaboration in education, which is why our International Relations Office is working to forge new education partnerships that reinforce and intersect with those in research and innovation.

2020–21 in focus

10-year-anniversary of the Lee Kong Chian School of Medicine

We celebrated the 10-year anniversary of the Lee Kong Chian School of Medicine, our landmark collaboration with Nanyang Technological University in Singapore. We have established a world-leading modern technology-based medical education and the school, now widely regarded as one of Asia's finest, has a fourth cohort of new doctors graduating in late 2021.



Saturday Science Club at The Invention Rooms, White City Campus.

Our community links

Strengthening community outreach during COVID-19.

Imperial has initiated many local engagement activities for all age groups, especially during the pandemic lockdown. These include STEM education support for children, delivered through activity packs, online workshops and socially distanced live family sessions during the school holidays, and our 'What the Tech?!' phone-based programme to help older residents get online. A key feature of our family engagement activity is the extent to which it engages our researchers in design and delivery.

Imperial is continuing to develop a new government-backed mathematics sixth form school to support underrepresented groups. Imperial College London Mathematics School will open in 2023, offering maths, further maths and a range of other subjects, as the College, in partnership with Woodhouse College in north London, works to attract more female students, those from Black and minority ethnic groups, and disadvantaged and underrepresented communities into STEM opportunities.

"By the time disadvantaged students apply to university, it is often too late. This is crucial in mathematics, where a proven high capability is essential for science, technology and engineering degrees."

President Alice Gast writing in The Economist

A pioneering partnership

A partnership between Imperial, Shell and Diamond Light Source, known as InFUSE, is examining how technologies such as batteries, electric vehicles and chemical production can be improved by understanding and controlling the complex interfaces in these systems. This will enhance sustainability and deliver a pathway to help the UK meet its target of net zero carbon emissions by 2050.



White City
 We are transforming White City into a global beacon for innovation and growth and a leading destination for life sciences, tech and creative businesses, education and research. We are also building relationships with key public and private sector partners to build momentum around the White City Innovation District.

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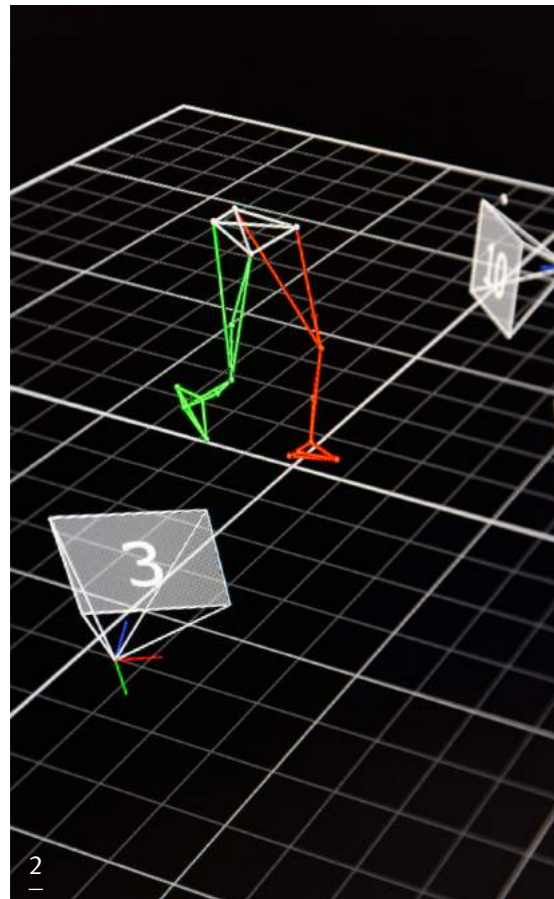
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1 The team at PurAffinity working on smart materials for a sustainable future at the I-HUB.
 2 Gait analysis in use at the Sir Michael Uren Hub.

3 & 4 Saturday Science Club at The Invention Rooms, which engages local families in White City through science-themed activities led by Imperial scientists.

5 Lab testing at PurAffinity in the I-HUB.
 6 The Sir Michael Uren Hub opened in 2020.

7 Paul Scully MP visiting Scale Space, the scaleup community based at the White City Campus. 8 Students working in the virtual reality room in the Sir Michael Uren Hub.

Enablers



Our enablers help us to deliver our strategy.

Our enablers comprise three key elements. The first is diversification of our revenues – a central part of our strategy to achieve financial sustainability. Secondly, we aim to provide professional support, consistent processes and appropriate technology for our staff and students. Thirdly, when pursuing new opportunities, we will engage in outside-the-box thinking, considering possibilities for innovation.

We recognise that we have significant ground to cover in terms of diversifying our revenue. Our reliance on tuition fee income has increased this year following the enrolment of more students than in past years (more on this in the Financial Review, p34). We acknowledge that these higher student numbers are driven by the unusual circumstances of the pandemic and we are actively pursuing new partnerships and exploring possibilities for alternative revenue streams.

We have invested heavily in process-

improvement this year, both in terms of time and money. We are currently upgrading our systems across College, aiming to enhance the efficiency of certain tasks with updated technology.

The White City Campus brings together scientific researchers, corporate partners, entrepreneurs and the local community to co-exist and co-create on an unprecedented scale, and turn cutting-edge scientific research into real-world benefits for society.

This year's accounts show a £13.2 million return to the College through the

sale of TWIG Education to Weld North Education, the USA's largest provider of digital curriculum solutions. TWIG is a digital science education resource for primary school-level learners that has been developed in collaboration with Imperial since 2014, in order to inspire more students around the world to explore STEM-based careers and aspire to university study for the first time. This sale demonstrates both the value of Imperial's brand and expertise, and the impact we can have around the world.

2020–21 in focus

Fast growth for Imperial's deep science startups

Despite the challenges of the past year, three life sciences startups based at the White City Incubator – Imperial's hub for growing deep science startups – are growing fast. They have moved into new office space at the Translation and Innovation Hub (I-HUB) and lab space in the White City district. Affinity Biomarker Labs and SIME Clinical AI have pivoted their technology to a COVID-19 application, while SMART Respiratory Products is developing software to enable smart, remote monitoring of respiratory conditions.

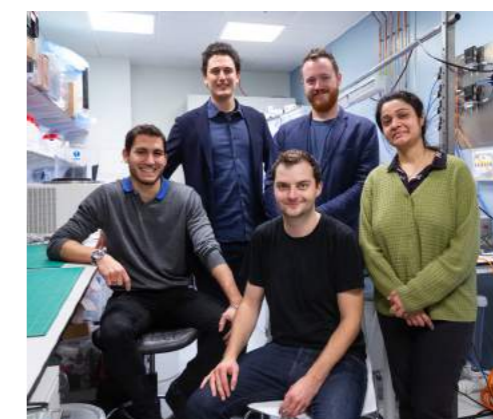
Polymateria, a pioneering startup that alters the properties of plastic to make it biodegradable in nature, at the I-HUB.



A scaleup success

Agri-food tech startup Arborea is also moving on – from White City to Portugal – after securing €3.6 million of investment to scale up its technology.

The team has spent the past five years researching the best way to grow organic, healthy food ingredients with the smallest environmental impact, aiming to feed the world's present and future generations while protecting the planet.



Agri-food tech startup Arborea collaborated with Imperial to develop its pioneering 'BioSolar Leaf' technology, which improves air quality in White City.

Statement of Internal Control

Internal Control Framework

The College’s Internal Control Framework supports the delivery of its strategy and compliance with its regulatory objectives. The objectives are to:

- manage risks which impact the achievement of the College’s objectives;
- safeguard the assets for which Council are responsible;
- ensure that liabilities are recorded and managed effectively;
- prevent and detect corruption, fraud, bribery and other irregularities.

It is designed to manage rather than eliminate the risk of failure to achieve the College’s objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Council is responsible for determining and monitoring the adequacy of the system of internal control. It delegates authority to the Audit and Risk Committee and receives regular updates from them throughout the year. The Audit and Risk Committee meets four times a year to review ‘deep dives’ into different risks and controls conducted by the Internal Audit team and track progress on improvement actions. The role of the Committee is to assure Council that the systems in place are robust and the risk owners are capable.

KPMG, as the College’s internal auditors, judged that significant assurance could be taken on the overall adequacy and effectiveness of the College’s framework of governance, risk management and control for the period 1 August 2020 to 31 July 2021 with only minor

improvements needed. The Council consider there were no significant internal control weaknesses requiring disclosure.

PwC, as the College’s external auditors, also consider internal controls relevant to the preparation of the financial statements. The audit is not designed to identify all internal control deficiencies but will report any significant deficiencies if required. There were no significant control weaknesses identified.

The College’s Risk Management Framework is designed to support the College strategy to deliver its academic mission and comply with all its regulatory obligations. It adopts the three lines of defence model as an integral part of its framework to manage risk.

The Audit and Risk Committee regularly reviews the College’s strategic risk dashboard which summarises the high-level risks the College faces and the likely impact with and without mitigation.

The discussion on the key risks at Audit and Risk Committee and, more generally, at President’s Board and Provosts’ Board, are valuable and thought-provoking. In particular, around questions of what risks have we missed and what are the unintended consequences of the controls we have put in place especially with regard to other risks.

Our response to the COVID-19 pandemic is an excellent example of the value of these conversations. Like most institutions, this was not a risk that we had directly planned for. However, we had spent time reviewing our response to business continuity more generally, including designing a crisis response structure

Line of Defence	Responsibility
1st	The first line of defence lies with the faculties, schools, institutes, departments and process owners whose activities create and manage the risks that can facilitate or prevent the College’s objectives from being achieved. This includes taking the right risks. The first line owns the risk, and the design and execution of the College’s controls to respond to those risks.
2nd	The second line of defence is responsible for the design and maintenance of frameworks, policies, procedures and instructions that support risk and compliance to be managed in the first line. It is also responsible for monitoring and judging how effectively the first line are doing it and is more commonly referred to as functional oversight. The second line is directed by management.
3rd	The third line of defence is independent assurance that management operate an effective framework of controls to manage risk and that governance is appropriate around management of risk. The third line is directed by the Audit and Risk Committee and has organisational independence from management.

and testing this via several table-top exercises. This stood us in good stead when the crisis struck, and we needed to move rapidly online whilst continuing our essential COVID-related research. Our actual response also taught us a great deal about the strengths and weaknesses of our crisis-response structure especially when asked to operate for long periods of time under conditions of great stress. There were lessons learned and change implemented about: frequency and clarity of communication; how to manage the trade-off between inclusive and rapid decision making; the need to rotate crisis leadership to avoid burn-out.

The issue of overlapping and conflicting controls tends to arise mainly when resources are limited. For instance, the need to improve regulatory compliance can lead to additional strain on staff heightening the risk around employee retention. Managing these trade-offs requires careful thought, for instance by designing reporting processes that are quick and easy to use.

Strategic Risk Dashboard

Our current risks in the Strategic Risk Dashboard and our approach to responding to them are described below.

At the May 2021 Audit and Risk Committee meeting, the updated College principal risks were reviewed and approved and subsequently shared with Council.

It is worth noting the absence of two items from this latest version: Brexit and USS Pensions. The impact of the UK leaving the EU is clearly being felt in everything from reduced access to research funds to more complicated supply chains, but now that the risk has materialised the focus has shifted to mitigation and control by function. The recent negotiations around reforms to the USS pension were an example of the difficulties and cost of trying to manage long-term risk. We are pleased that the agreed changes will put USS on a firmer footing for the future and recognise the importance of a reliable pension as part of the College’s total remuneration package.

College Risk	Risk management approach
<p>Financial sustainability</p> <p>We are unable to generate sufficient funds, both short-term and long-term, to maintain our position as a world-class academic institution. This includes both generating sufficient income to fund attractive salaries and sufficient unfettered cash flow to support our capital expenditure programme.</p>	<p>Work had already started prior to the crisis to improve the operating cashflow of the university through both reducing costs and increasing revenue. We remain on track to meet our cash flow targets date despite the impact of COVID-19 due to continued strong demand for our courses.</p> <p>Given the growth in student numbers even during the pandemic the emphasis is now shifting to cost management, in particular ensuring that we get the balance right in how much we invest in staff costs.</p> <p>We continue to lobby relevant external bodies so that they are aware of the impact that changes in our operating environment might have, for example student numbers, tuition fee rates, pension contributions and research funding.</p>
<p>Income diversification</p> <p>We remain over-reliant on the fees generated by international students and postgraduate courses to fund the shortfalls in our research funding and our capital programme.</p>	<p>This remains a key risk for the university. We are still not resilient enough to deal with a major drop in demand from foreign students. Ironically, the College’s strong financial response during pandemic has exacerbated this risk as the rapid growth in student numbers has decreased our other revenue as a percentage of total revenues.</p> <p>The Advancement division is focused on increasing philanthropy through its systematic approach to building relationships with alumni and other potential donors. The Related Ventures portfolio continues to market our commercial real estate, against adverse market conditions, and the Enterprise division our Intellectual Property. Whilst the pandemic has led to a decrease in income in the short-term, this is expected to bounce back as the economy returns to normal.</p>

College Risk	Risk management approach
<p>Infrastructure We fail to optimise financial and resource investment in physical infrastructure, particularly with our commitment to carbon neutrality by 2040.</p>	<p>Capital projects largely continued through the crisis. Our infrastructure has continued to be maintained and our key worker teams and suppliers have continued to work on campuses throughout the series of lockdowns to support maintenance and critical COVID-19 research activities. The sale of the Medical School building at St Mary’s and our commitment to reinvest the proceeds to provide upgraded facilities demonstrate our commitment to the capital programme.</p> <p>To help manage this risk and determine the investment requirement, Council have broadened the remit of the White City Syndicate to that of a Property Committee overseeing the College’s strategy for all of its estate. The College is working with the Property Committee and the Finance Committee on an overall property strategy which is due to be reviewed at a Council Away Day in February 2022.</p>
<p>Education and student experience We fail to innovate and improve the quality of our education.</p> <p>We fail to support our students’ wellbeing and quality of their experience.</p> <p>These could impact our reputation for excellence and ability to recruit the best students, impacting our competitive position and ability to meet our regulatory requirements.</p>	<p>The mixed-mode education model and the need for us to deliver a positive student experience in the context of the pandemic has continued through this academic year, with mixed-mode education extending into the 2021–22 academic year. The crisis has provided an opportunity for us to introduce changes and improvements much more rapidly than in normal years and we were pleased to see our NSS ranking increase to 15th – an improvement of 80 places on the previous year.</p> <p>We have invested significantly in new recording studios at South Kensington to improve the quality of our online teaching and in new flipped classrooms for the Business School in our ScaleSpace joint venture at White City to improve our face-to-face teaching. We have also invested in our academic and learning and teaching staff to support delivery of our mixed-mode education model.</p>
<p>Student recruitment and widening participation We fail to attract a share of the best international students from diverse markets.</p> <p>We fail to increase our pool of home students from disadvantaged or under-represented backgrounds, risking intervention from the Office for Students and reputational damage.</p>	<p>One of our initial actions at the beginning of the pandemic was to establish an Immediate Marketing Group with a remit to adopt a more proactive approach to attracting the best students from around the world.</p> <p>We have created a new Marketing, Recruitment and Admissions team to oversee the development and delivery of our global, integrated programme of marketing, student recruitment and admissions strategies, in collaboration with the faculties. Key priorities will be international diversification, strengthened candidate engagement and technological innovations.</p> <p>We can and will do more about diversity. Current initiatives include outreach activities, mentoring programmes, The Invention Rooms at White City and an assessment of Race Equality at Imperial.</p>

College Risk	Risk management approach
<p>Managing our people Our approach to pay and benefits and culture, including addressing diversity and inclusion, reduce our ability to recruit and retain high calibre staff.</p> <p>The pandemic has introduced the additional complexity of staff’s increased desire for flexible working.</p>	<p>We have recently completed a benchmarking exercise of academic pay and have introduced a new set of pay scales for teaching staff. We are rolling out modifications to our approach to ensuring equity in pay and recognition of achievement and are in the midst of reviewing our approach to pay for our Professional, Technical and Operational staff.</p> <p>We have established the ‘Working Together Task Group’ with a specific focus on listening to our community and delivering concrete proposals that will help set the conditions for a positive working environment and culture for our staff and students. The task group aims to complement areas of review already under way.</p> <p>Once national pandemic restrictions were lifted, we implemented our plan for the return to campus, with some staff requesting a move to more flexible working arrangements. The ‘Return to Campus Working Group’ has been chaired by senior leadership with objectives to draft the roadmap for return and provide guidance for managers around work location.</p>
<p>Transition to a new normal We fail to deliver and/or derive targeted benefits and cost savings from strategic and operational transformation in support of the academic mission and cannot deliver the scale of improvements and change needed to improve the effectiveness and efficiency of our operating model.</p>	<p>Our Professional and Academic Services transformation plans are being taken forward and proposals for a future operating model in advanced development.</p> <p>Restructuring of some support services has been completed and building on lessons learnt from previous transformation initiatives is important in shaping our future operating model.</p>
<p>Research Our Research quality, volume and/or impact does not stay at its current level or fails to keep pace with our peer group. A key risk is the impact of the pandemic on businesses and their capacity to engage with us properly in this challenging context.</p>	<p>We ensure we are competitive in hiring excellent academic staff and that we support a vibrant environment to facilitate creative research. Investment in physical infrastructure conducive to discovery and impact, including state-of-the-art laboratories, as well as support for research staff, PhD students and innovation, are key factors. We dedicate resource to building our entrepreneurial ecosystem and relationships with government and corporate partners.</p>
<p>Legal and regulatory compliance We fail to follow our policies and procedures, or to develop policies and processes adequately to comply with legal and regulatory requirements. There will be greater notification requirements from introduction of the National Security & Investment Act later in 2021.</p>	<p>We have established the Scrutiny Committee, which provides increased governance over this broad category of risks, and which provides a specific group to consider how we comply and refine our process to meet these new requirements.</p> <p>We have recently appointed a Regulatory and Compliance Manager, whose role will be to build on the existing regulatory compliance framework adopting recommendations identified by internal audit.</p>

College Risk	Risk management approach
<p>NHS Partnerships Continuing pressure on NHS budgets, staffing and organisational changes leads to substantial weakening in the capability of College’s NHS Partner Trusts with consequent serious impact on the capability of the Faculty of Medicine.</p>	<p>The Imperial College Academic Health Science Centre (AHSC) manages the key relationships between the College and its main acute NHS partners in north-west London. The Dean of the Faculty of Medicine is also a Director of the AHSC.</p> <p>We closely monitor the potential for changes to the composition of NHS Trusts we are associated with, the NHS Bill trailed in the Queen’s Speech, changes to the Chair positions at AHSC and Imperial College Healthcare NHS Trust (ICHT) and other matters related to our relationship with NHS Trusts. The AHSC Partnership Board has been reinvigorated this year. The revised AHSC terms, which incorporated the Follett Principles, is working well and there are no requirements for formal bilateral agreements.</p> <p>We also have arrangements in place to ensure appropriate provision of clinical training placements for our MBBS course with individual NHS Trusts.</p>
<p>Business disruption A serious incident or event causes harm or loss of life to humans/animals or physical damage to College buildings, in addition to severely impacting continuity of our critical operations.</p>	<p>We have continued to develop our expertise in managing the pandemic.</p> <p>The College uses a specialist third party provider to monitor planned events in proximity to campus to respond to possible threats from activist groups.</p>
<p>Digital infrastructure We fail to invest in digital infrastructure to a sufficient level, including its resilience and security, to support the future educational requirements and deliver the academic mission.</p>	<p>Over the past twelve months, the pandemic has forced us to deliver tactical online solutions to address the immediacy of supporting a globally distributed teaching and learning model. The security of our IT systems and services is paramount as education and research services are accessed beyond traditional College boundaries.</p> <p>Our COVID-19 research attracts significant external interest and extra measures have been put in place to protect the security of this valuable work. With cyber security as a key focus, resources allocated to ICT security have been increased more than three-fold as part of the ICT restructure completed in 2020. In addition, our ISO 27001 Security Management certification was renewed in February 2021.</p> <p>Information Security Awareness training for employees has remained a key priority for this year.</p>
<p>Staff and student safety There is disruption to teaching, research and student experience from a further outbreak of COVID-19.</p>	<p>The COVID-19 pandemic changed the health and safety priorities for the year predominantly providing a focus on support to COVID-19 research, remote working and wellbeing, and the faculty plans for returning to campus post-lockdown.</p> <p>Guidance has been developed to clarify health and safety measures required for shared spaces and for ‘hybrid’ areas where control, responsibilities and the provision of services are shared between College departments.</p> <p>The testing and contact tracing team have continued to monitor the spread of COVID-19 and its variants across the College community. This has been a valuable tool to inform the development of the College’s safety roadmap to contain the virus and facilitate a gradual and measured return to normal operations.</p>



Inside the Translation and Innovation Hub at the White City Campus.



FINANCIAL
REVIEW

By creating a network of innovation spaces at White City, Imperial is fostering close partnerships between academia, business and the local community.

Financial Foreword

We entered last financial year amid a global pandemic: preparing to launch multi-mode teaching; continuing to deliver our world-class research; expecting our staff to work remotely where possible. The future was extremely uncertain; the emphasis was all on flexibility. We had to deliver.



Mr Muir Sanderson
Chief Financial Officer

We left the financial year having delivered, so far. At the same time as we enrolled a record number of students; we moved up 80 places in the NSS rankings making us the highest ranked Russell Group university. At the same time as our academics were playing a leading role in helping the world respond to the crisis, our research volumes were returning to pre-pandemic levels. At the same time as our staff were doing an amazing job running a world-class university remotely, we were accelerating the process and IT changes needed for the future.

Our financial results reflect this. Income is back to pre-pandemic levels. Cash from operations is significantly higher than last year. However, removing the pensions provision, our operating surplus is still at a lower level than before the pandemic. The question now is sustainability of financial performance. Can we continue to deliver in the post-pandemic world? This will not be easy.

This financial performance has been driven by a rapid growth in student numbers, we are now at levels we expected to achieve in 2024. We have achieved this simultaneous increase in student numbers and satisfaction by investing. Investing in new technology, investing in teaching support. We have managed to maintain margins and cash flow despite this through deferral of expenditure and increases in research working capital. Neither of these are sustainable in the long-term and we now need to switch our attention to our growing cost base.

We also have to manage the pressures on our capital expenditure. We plan to grow academic numbers. This will all require more space. We have the land at our White City Campus to accommodate the growth, but we do not have the cash flows to fund the construction. Our Sustainability Strategy launched earlier this year to support the government's transition to net zero carbon by 2050 will add initial cost. At the same time, eighteen months of hybrid working means that we think about space utilisation very differently than we used to.

Our staff's resilience and hard work has helped us manage the challenges of this year. This is the reason we gave above sector pay rises both this year and last and why our total remuneration package compares so well against our national competitors. However, we also need to recognise that staff costs are growing as a percentage of our total cost base and we need to keep focused on the slow and steady work to redesign and standardise the way in which our professional and operational staff work.

We should all feel proud of how much Imperial has delivered whilst recognising that difficult choices lie ahead.

Mr Muir Sanderson
Chief Financial Officer

Five-Year Consolidated Summary Of Key Statistics

	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m
Income and expenditure					
Tuition fees and education contracts	384	338	313	296	265
Funding body grants	156	154	156	150	143
Research grants and contracts	363	348	368	364	361
Other income	145	152	152	151	152
Investment income	7	6	7	8	8
Donations and endowments	24	28	77	64	62
Total income	1,079	1,026	1,073	1,033	991
Staff costs	591	567	537	502	483
Pension provision	5	(72)	117	(4)	(2)
Other operating expenses	356	364	376	358	344
Depreciation	85	80	79	68	65
Interest and other finance costs	19	22	20	20	19
Total expenditure	1,056	961	1,129	944	909
Surplus/(deficit) before other gains and share of results of JVs and associates	23	65	(56)	89	82
Gain / (loss) on investments and disposals of non-current assets	128	60	19	(6)	26
Gain on disposal of interest in associates	13	-	0	16	5
Share of results in joint ventures and associates	(2)	(2)	(2)	(19)	6
Surplus/(deficit) for the year	162	123	(39)	80	119
Balance sheet					
Non-current assets / endowment assets	2,419	2,332	2,258	2,188	2,078
Net current assets / (liabilities)	72	14	49	54	105
Long term creditors and provisions	(632)	(649)	(732)	(629)	(649)
Net assets	1,859	1,697	1,575	1,613	1,534
Capital expenditure					
Externally funded	42	34	34	52	50
Internally funded	51	105	145	135	160
Total in-year fixed asset additions	93	139	179	187	210
Liquidity					
Cash, cash equivalents and current asset investments	409	318	293	311	345
Loans	(435)	(447)	(456)	(465)	(471)
Finance leases	(88)	(88)	(89)	(90)	(90)
Net funds	(114)	(217)	(252)	(244)	(216)
Cash flow from operating activities	135	90	78	112	111
Student numbers (headcount)					
Full-time students – undergraduates (UG)	11,279	10,457	10,054	9,767	9,583
Full-time students – postgraduates (PG)	9,169	7,807	7,514	7,287	6,709
Part-time students (PG only)	1,977	1,670	1,603	1,361	1,274
Total	22,425	19,934	19,171	18,415	17,566
Number of full-time equivalent staff	7,967	7,977	7,868	7,608	7,600
Staff costs as a percentage of expenditure	56%	52%	58%	53%	53%
Staff costs as a percentage of expenditure excluding pension provision	56%	55%	53%	53%	53%

Financial Review 2020–21

Income

The College recognised total income of £1,079.3 million in 2020–21, returning to the pre-pandemic level of 2018–19. It represented an increase of 5.2% compared to last year, mostly owing to the expansion of our student population. Our research income also recovered from the dip seen in the previous year as pandemic-related restrictions eased. This was largely offset, however, by falls in our other income, and the level of donations and endowments remaining depressed.

Income from education

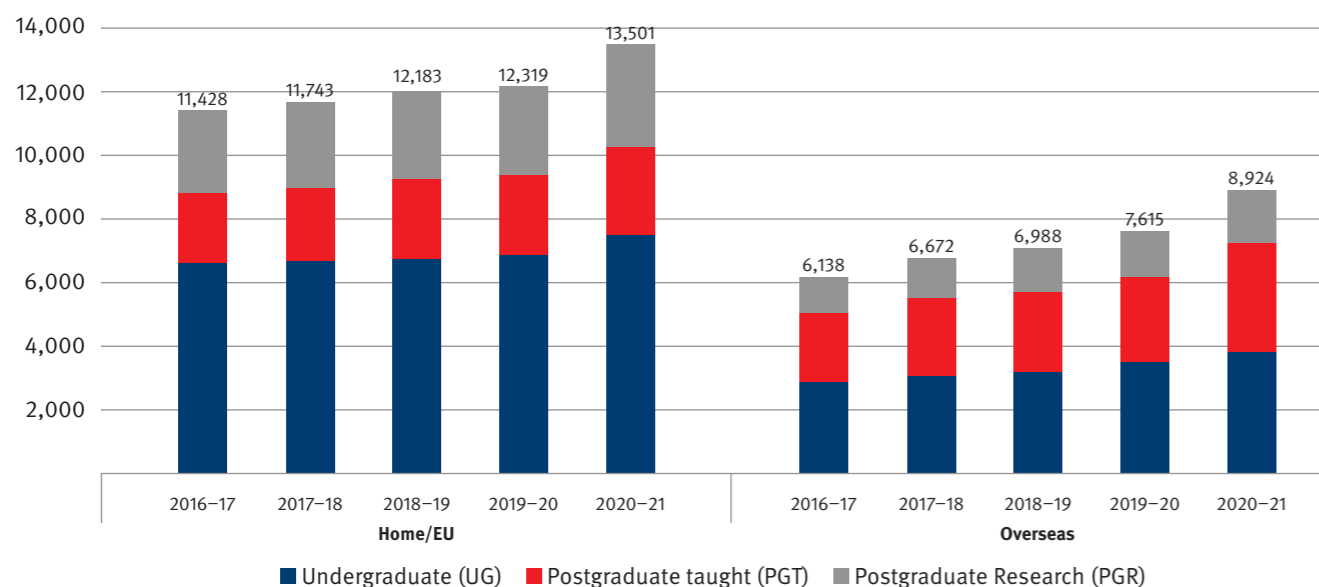
The potential impact of COVID-19 on admission numbers introduced uncertainty for 2020–21. We increased student offers and invested in marketing to mitigate the risk of withdrawals and cancellations due to COVID-19. This proved successful, as we enrolled a record 22,425 students in 2020–21, a 12.5% increase on the previous year and considerably higher than average growth of 4.3% seen over the previous four years. This growth means income from tuition fees and education contracts now constitutes our highest proportion of income (35.7%), surpassing research grants and contracts for the first time.

The UK’s exit from the EU and the consequent increase in tuition fees for EU students has seen a reduction of around 20% in EU applicants for

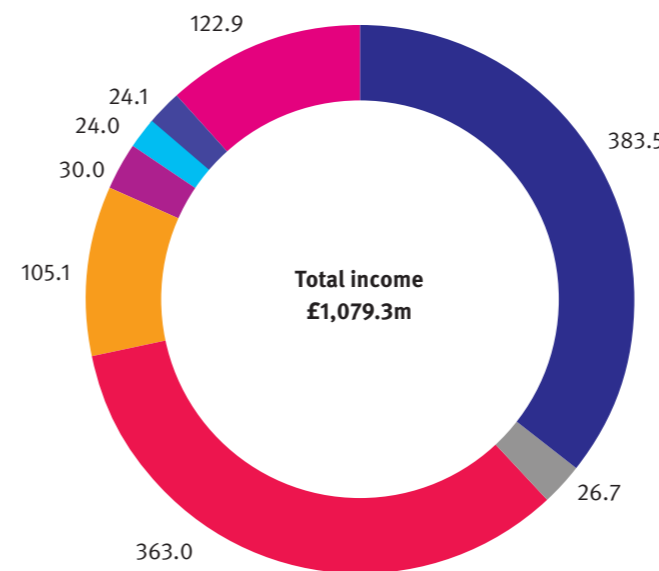
courses starting in Autumn 2021 compared to the prior year, although this was not reflected in enrolments for 2020 courses. Both EU and overseas student populations grew by 17.2% and home student numbers have also increased, though at slower rate of 5.6%.

Student numbers grew in both undergraduate and postgraduate courses, with the growth split one-third and two-thirds respectively. Our postgraduate applications increased by 35% this year, 80% of this increase coming from overseas. The ratio of applications to enrolled for postgraduate students increased to 7.9 in 2021 (6.5 in previous year) and matched that of undergraduate. Although our student population represents over 140 countries, we continue to have a high reliance on the Chinese students. Of the total growth in applications this year, China accounted for half of these and they now make up 19.3% of the student population, up from 17.0% last year. We need to do more to attract students more equitably from across the globe.

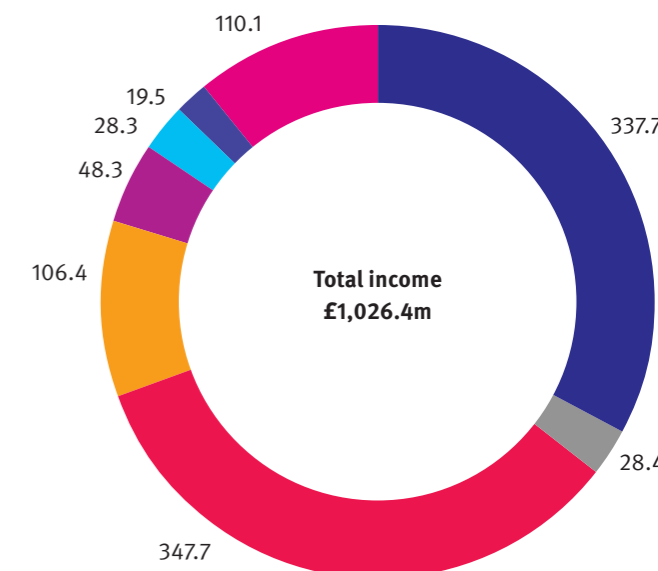
Total student headcount



2020–21 Income by source (£ million)

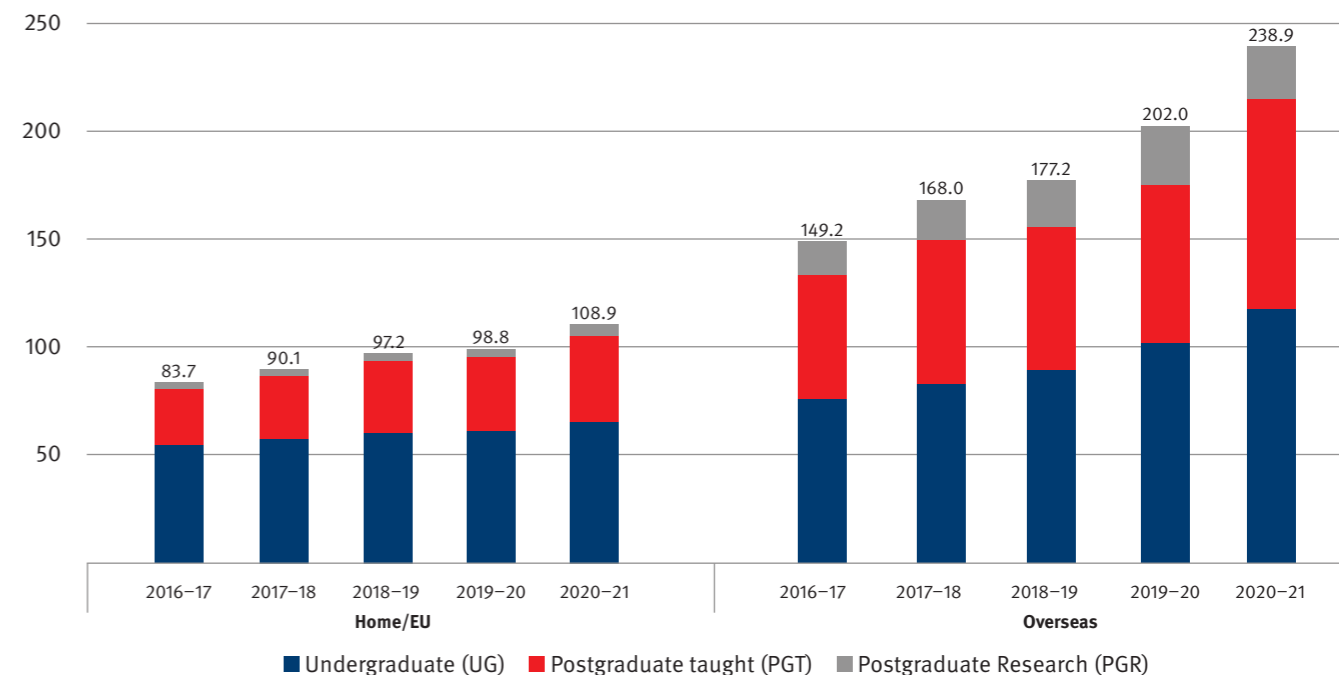


2019–20 Income by source (£ million)

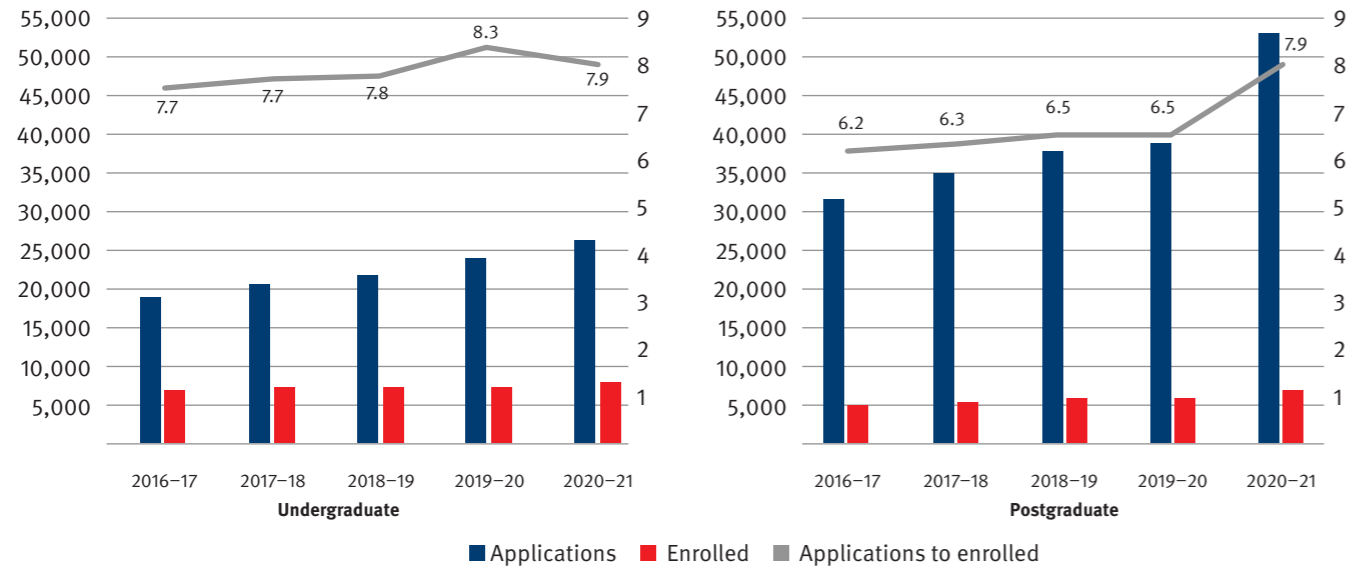


- Tuition fees and education contracts
- Research grants and contracts
- Residences, catering, conferences
- Other Funding body grants
- Funding body grants for teaching
- Funding body grants for research
- Donations and endowments
- Other income (including investment income)

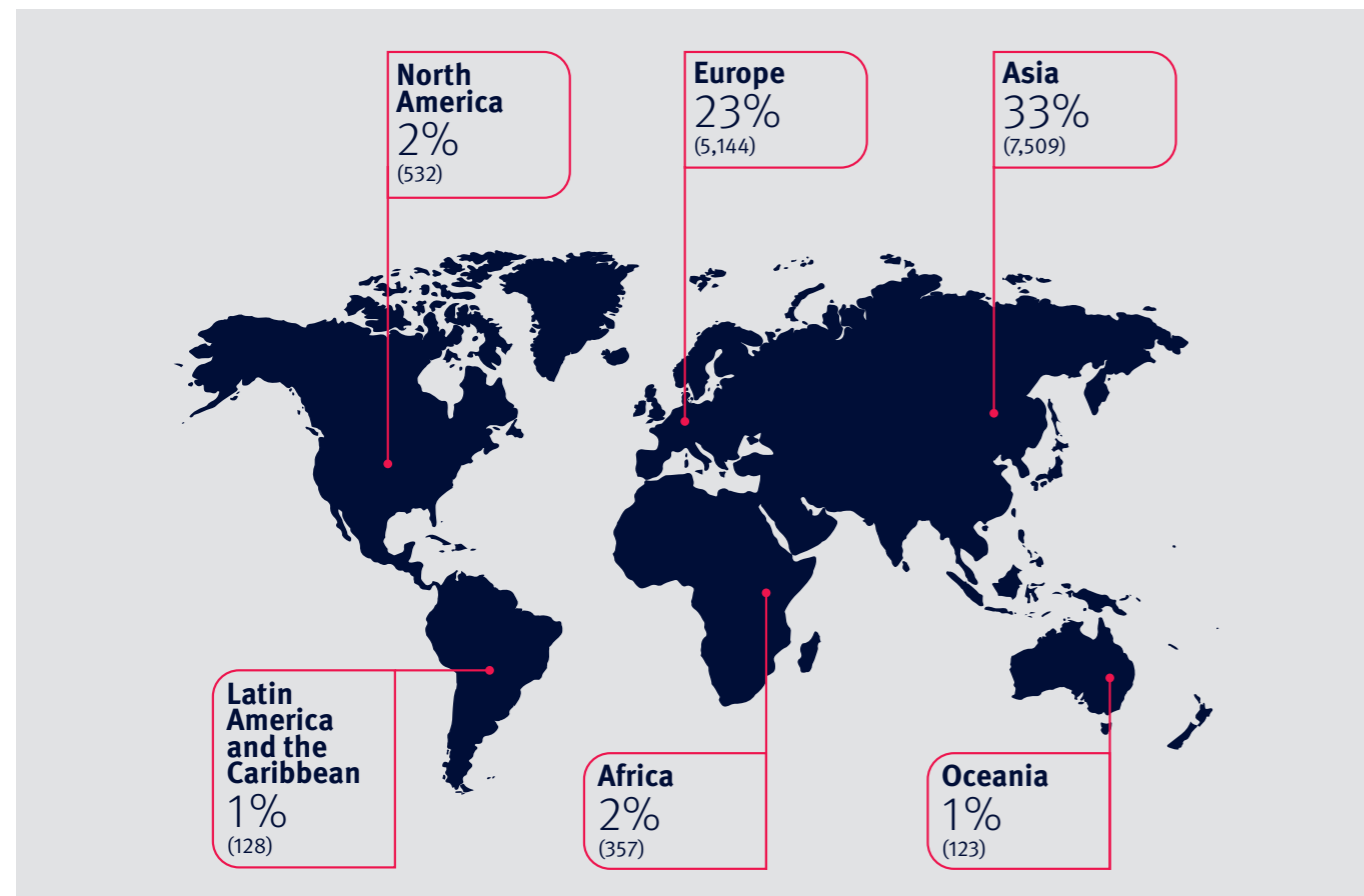
Total tuition fee income (£ million)



Ratio of applications to enrolled student numbers



International students (headcount) studying from 140 different countries (excluding the UK)



Funding body grants

In 2020–21, our funding body (Office for Students and UK Research and Innovation) grant income was £156.0 million, marginally up on last year. We had anticipated a slight fall following the accelerated quality-related research funding in the prior year; however, we were awarded £2.4 million of funding from UKRI’s World Class Laboratories Fund, aimed at helping improve laboratory facilities in universities.

Overall, there has been little change to the allocation of our funding body grant income compared to last year. Core grant funding has remained steady for the sector, though our share has fallen slightly, but a small increase in capital funding has offset this. It is likely that our teaching grant allocations will fall next year as the Department for Education has removed additional financing for students attending courses in London. These funds will instead be redistributed to high-cost subjects. Whilst we offer many such courses, the overall impact is anticipated to be negative for us.

Research grants and contracts

This year’s research grants and contracts income of £363.0 million represented a 4.4% increase

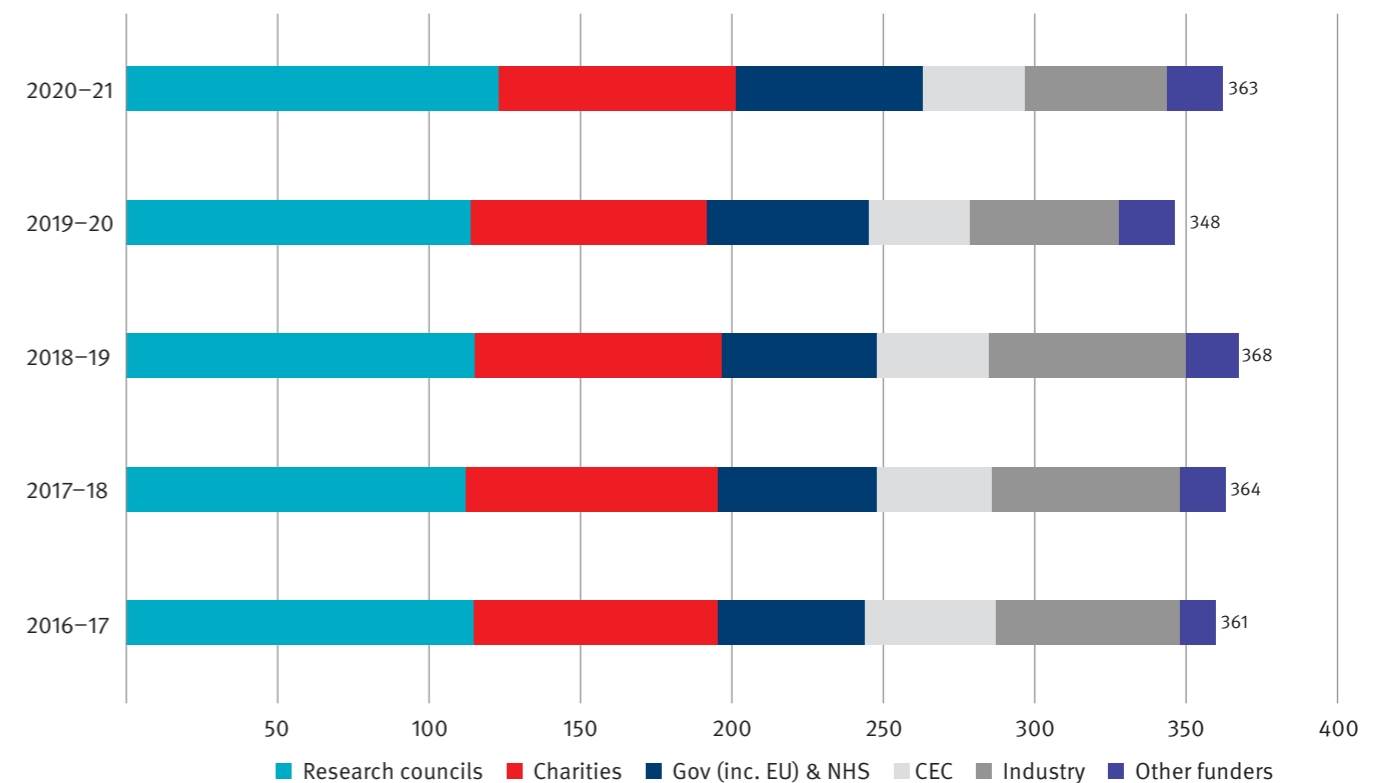
from the prior year, reflecting the easing of restrictions and how we have continued to adapt to work during the pandemic. However, this increase includes more volatile funding sources, such as capital and in-kind income and if we remove these, there was only a 1.0% increase.

Research Councils are our largest funding group, accounting for around one third of our research income. They, along with government funded research, exhibited the largest increase compared to last year at £8.8 million (7.7%).

Government funded research, although historically representing a lower proportion of our research income, also saw a large increase at £8.8 million (16.4%). Almost half of the increase relates to the continued development of a COVID-19 vaccine. Industry funded research income declined compared to the prior year, whilst EU Commission, charity and other funders remained at similar levels. The proportion of industry-funded research income has decreased due to the pandemic and a longer-term reduction in industry funded research. We still have ambition, however, to grow our pool of partners, both nurturing existing and developing new partnerships across a variety of sectors.

We applied for nearly £1.6 billion of research

Sources of research grant income (£ million)



awards in 2020–21, up from an average of £1.3 billion over the previous three years. Most of the increase in applications went to Research Councils, though the only funding group to see a decline was the EU Commission. This is because of the gap between Horizon 2020 ending and Horizon Europe starting (seven-year framework programmes) and delays with the European Parliament agreeing the budget and UK participation.

Last year we won £337 million of awards, down from an average of £398 million over the previous three years. The largest drop in funding was from charities, who continue to be hit very hard by the pandemic, though we should also note that our charity funding was dropping before the pandemic. Industry and government funding reduced slightly from their previous three-year average. There is a lag between applications being submitted and subsequently being awarded, so we are optimistic that last year's increased applications will translate to higher awards in 2021–22. We are mindful, however, that charity sector funding may remain subdued in the current climate.

In most recent years we have secured awards faster than the rate of expenditure so our order book is growing. We anticipate that research activity will increase in 2021–22 if restrictions related to COVID-19 do not return to previous levels.

Other Income, Donations and Endowments

Other income dropped this year by £7.2 million to £145.3 million. Our Residences, Catering and Conferences income was significantly impacted by the varying lockdown restrictions during the year and is £18.3 million lower than the prior year. As lockdown restrictions eased, occupancy levels in our undergraduate student halls increased to over 60% in April compared to levels of 10% in January; our residences income was down a third (£12.7 million) on the prior year. Our campuses have remained at least partially open throughout the pandemic, enabling some catering services to be delivered, albeit with footfall down two-thirds on the prior year on average (equating to £4.4 million of income). Our conferencing income was hit even

harder, down over 80% (£1.0 million).

Our consultancies and scientific services income increased by £6.9 million this year. This is primarily related to the opening of the COVID-testing facility in February 2021, which formed part of the Department of Health and Social Care's partnership with the London Testing Alliance to increase testing capacity. The facility has capacity for 3,000 tests a day. This additional income is entirely offset by its operating expenditure.

Our other departmental income dropped by £10.5 million this year as there was no repeat of the technology transfer spinout sale for £7.8 million in the previous year. This reduction was offset by increases in other revenue grants of £5.7 million which primarily related to the Department for Business, Energy and Industrial Strategy supporting the costs of the proposed manufacture and supply of a saRNA COVID-19 vaccine that was being developed; £2.8 million of these revenue grants were recognised this year.

We also recognised £7.1 million of income associated with the favourable position on the forward purchases we had entered for our electricity and gas supplies. We purchase some of our utilities early to manage the risks which accompany energy price fluctuations. With market prices higher than the value we paid at the 31 July; the difference is reported as income.

Our donations and endowment income for 2020–21 was £24.0 million, 15% lower than in the prior year. The uncertainty created by the pandemic made securing new donations more difficult. New endowments comprise £1.8 million of the total donations and endowment income

for the year, £2.6 million lower than last year.

In April, we had the breaking of ground of our new School of Public Health building. So far, we have secured £57 million since the start of the project, almost three-quarters of which relates to capital spend.

Expenditure

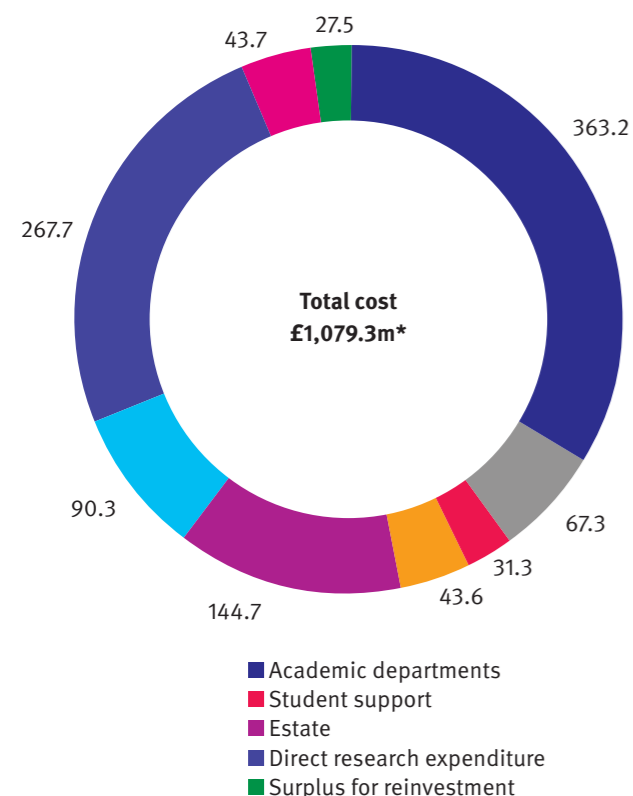
Total expenditure in 2020–21 was £1,056.4 million, almost 9.9% higher than the prior year. Stripping out the volatile pension provision this reduces to 1.8%. Growth in costs this year has been less than the growth in income. The change this year partly reflects our efforts to control our cost-growth during a period of uncertainty combined with costs being deferred to future years as activities, such as overseas field trips and field work, have been curtailed due to restrictions. This is an area we will need to continue to focus on in the coming years.

Staff Costs

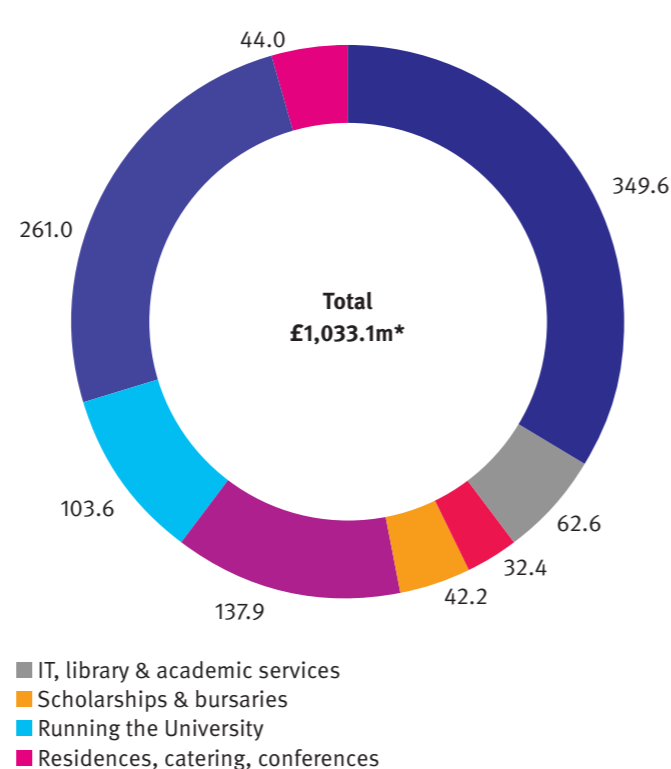
Staff costs were £590.6 million for 2020–21 (excluding pension provision), up 4.1% on the prior year. With staff numbers remaining mostly flat, the increase is mainly due to a rise in salaries. We issued a 1.6% pay award (effective from August 2020) in addition to 60% staff receiving automatic annual increments to their salaries in October. The pay award was above the national level partly in recognition of the tremendous work by our staff throughout the pandemic.

The March 2020 valuation of the USS pension scheme, which almost half our staff are members of, was filed at the start of October

Total cost by category 2020–21 (£ million)

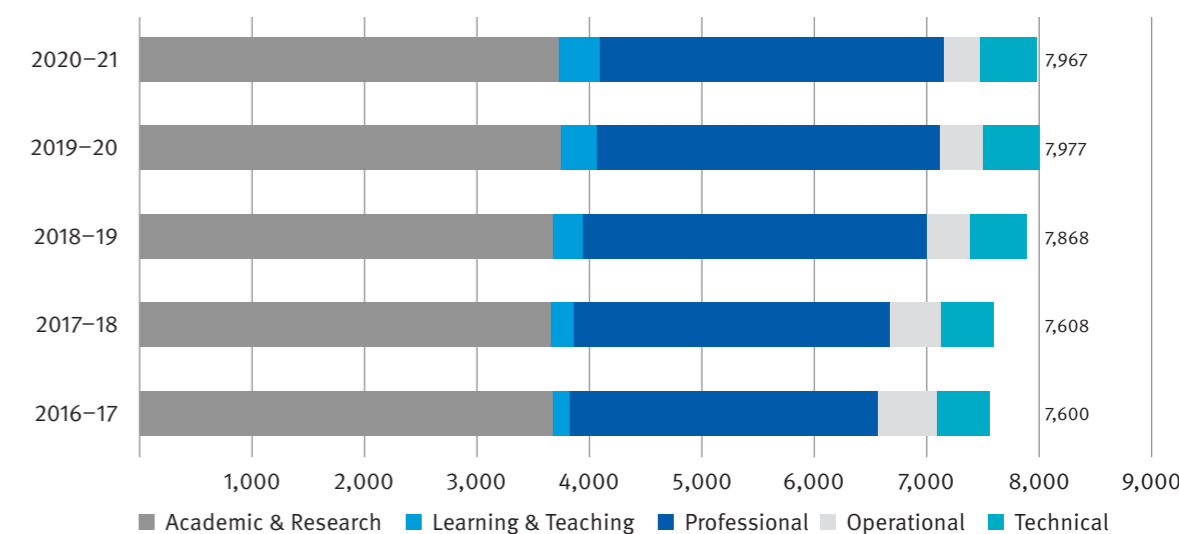


Total cost by category 2019–20 (£ million)



*Excluding the pension provision, including surplus delivered to fund future commitments and the capital programme

Staff FTE at the end of July by Type



2021, three months after the statutory deadline. Employers committed to provide additional covenant support and the Joint Negotiating Committee (JNC) agreed to changes in the member benefits. As a result, the original contribution increases from October that were agreed as part of the previous valuation were avoided; under the new valuation the employer contribution increases 0.5% to 31.2%. A consultation with affected employees (and their representatives) on the JNC proposals is now underway.

Though overall staff FTEs remained broadly unchanged year-on-year, there has been a movement between categories of staff. This year’s high student intake meant additional Learning and Teaching staff were required to be able to continue to deliver our excellent quality of teaching in a multi-mode format. Increases in teaching and teaching support staff have, however, been offset by a reduction in our operational staff due to a prolonged halt to some of our campus activity.

Expenditure on Non-Staff Costs

Other operating expenditure has fallen by £8.2 million compared to last year to £356.1 million. The prior year included a one-off transfer as the Schistosomiasis Control Initiative became a separate charity. Adjusting for this our expenditure has risen by £6.7 million. As with the prior year, the pandemic meant that the levels of campus-based activity varied throughout the year. Despite the easing of restrictions coming later than we had hoped, we have seen a ramp up in activity compared to the prior year. Our spend remains subdued however, as activities like overseas field trips and field work have been temporarily delayed, though we are optimistic that we will be able to increase our activity in the coming year.

Overall, we have been able to conduct more campus-based activity this year than the prior year, contributing to our expenditure on our premises rising by £7.0 million. There has been a 9.9% increase in our utility costs, with a further increase next year likely. Our ambition is to

achieve carbon neutrality by 2040.

As our campuses have become more populated it has been necessary to increase our operational expenditure. Spend on cleaning, security and maintenance has increased to ensure the safety of both our staff and students. Travel restrictions throughout the year though have limited field work and face-to-face collaboration, so spend on these activities has reduced. Despite this, we have seen increased activity across many areas of College and expect this to continue next year.

This year we spent an additional £1.9 million (3.5%) on bursaries and scholarships, including those funded by research grants and contracts, compared to the prior year. Last year’s increase was modest at 1.1%, owing to the uncertainty surrounding the pandemic, so we are pleased to be able to increase our spend in this area. The continued growth in the spend over the last five years despite a period of economic uncertainty demonstrates our commitment to supporting our students.

Other Gains and Losses

In 2020–21, we recognised an overall gain of £138.8 million, mainly driven by market movements on College investments, including endowments and asset sales.

Most of the gains reported this year are unrealised ones. Our external investment managers continue to deliver returns ahead of target, and we also recognised £27.1 million gains on our in-house managed investments, primarily consisting of our remaining holding in IP Group PLC. In line with the diversification strategy from the Endowment Board we sold down around 20 million IP Group shares in the year for total consideration of £23.4 million. Despite this sale, the value of our retained shareholding is almost 9% higher than at the start of the year due to an increase in share price. Our property investment portfolio also increased by £9.7 million on revaluation, primarily led by the valuer’s opinion on increased market interest for these assets.

Two of our properties were sold this year. In October 2020 we completed the sale of Centre

House at White City. This generated a profit on disposal of £37.2 million. Nearly two-thirds of this profit relates to the estimated value of long-term leases for accommodation and commercial units which will be issued in future years on completion. The inherent uncertainty of forecasting future investment market conditions means the current value assigned to these leases could be different at the point they are issued. One month later we sold our sports ground facilities in Heston. The site was outdated and required significant investment to be a suitable long-term sports facility. Having reviewed our long-term sports strategy, we decided to consolidate our facilities at Harlington. This sale yielded a gain on disposal of £2.3 million.

We recognised a £13.2 million gain from the sale of our stake in TWIG, an EdTech company that provides online science content for primary

schools. TWIG will still have a license to use the College brand, and we will receive a percentage of gross revenue for this.

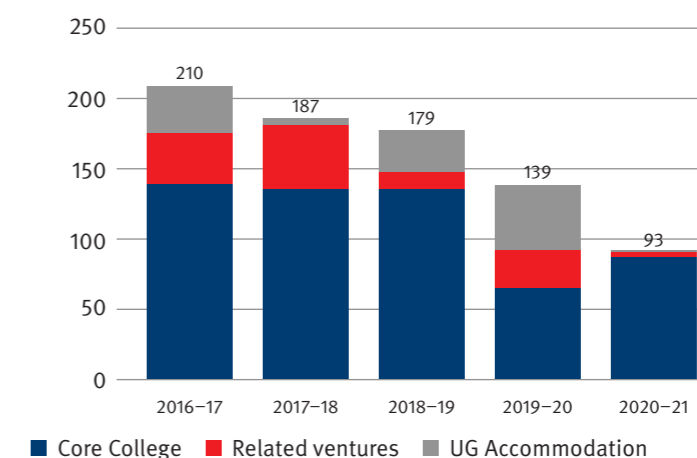
Our £0.3 million share of operating surplus in joint ventures relates to our partnership with ScaleSpace. The joint venture generated its first profit this year with greater occupancy than prior years, despite the challenges of the pandemic.

Capital

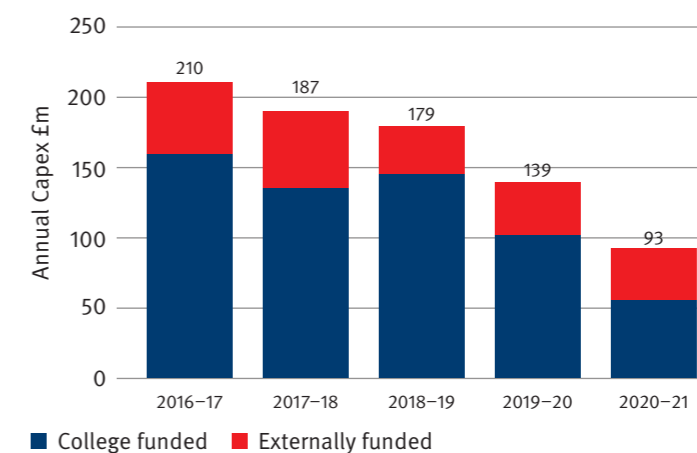
Investment in our infrastructure was the lowest in recent years at £93.1 million, as several major projects completed in the summer of 2020 and we delayed making new major investments until there was more certainty on the student numbers in the autumn.

We continued to invest in our research (£30.4 million) and teaching (£12.2 million) spaces this

Capital expenditure by category 2016–17 to 2020–21



Capital expenditure by funding type 2016–17 to 2020–21



Bursaries and scholarships (£ million)

	2016–17	2017–18	2018–19	2019–20	2020–21
Bursaries and scholarships	38.1	39.1	41.7	42.2	43.6
Research grant funded bursaries and scholarships	9.4	10.0	10.9	11.0	11.5
Total bursaries and scholarships	47.6	49.1	52.6	53.2	55.1

year to ensure they enable our students and staff to thrive. We completed the fit-out of the Sir Michael Uren Hub at White City and repurposed teaching spaces in the Chemistry and Physics buildings at our South Kensington campus.

As part of the Faculty of Medicine’s long-term strategy, the construction of the new School of Public Health building at White City has now started and is due for completion in 2024. Once completed, the multidisciplinary building will comprise over 8,000m² of space and provide collaborative, flexible and interactive spaces for academics, collaborators, students, and the local community. This building will house state-of-the-art facilities and support advances in genomics, data sciences, community engagement, incubators, and educational facilities.

Our expenditure on research funded equipment was boosted this year to £23.2 million (2020: £14.2 million) following increased spend in the Department of Materials. An Engineering and Physical Sciences Research Council (EPSRC) grant was used to fund a unique cryo-microscopy facility (£8.3 million). It will enable the quantitative atomic to micro-scale investigation of light elements that are critical to a host of new technologies associated with a transition to a sustainable, resilient, and healthy future society.

Cash and Cashflow

Cash from operating activities improved by £45.6 million this year to £135.3 million. Additional student fee income more than compensated for the increases in expenditure, albeit with lower other operating expenses than we were expecting due to ongoing restrictions. Half of the cash from operations is driven by favourable working capital movements (£63.6 million), an increase of £26.3 million on the prior year. The boost primarily relates to the net amount of pre-funding we received from research

funders (£36.9 million) and advance payment of student fees (£20.9 million) for the next academic year. The latter has been enabled by our new student administration system delivering a more efficient billing process. Therefore, this level of favourable cash is not expected to be repeated in subsequent years.

Our net outflows of investing activities are higher than the prior year by £18.7 million. Despite capital expenditure of £93.1 million being the lowest we had seen in recent years, the sales proceeds from Centre House, Heston and our stake in TWIG were lower than those of the sale of the Medical School Building in St Mary’s Hospital in 2019–20, resulting in net outflows of £62.4 million.

The net outflows from financing activities increased by £9.4 million to £28.5 million. We reported the lowest level of new endowments in the last five years. This reflects the challenges faced this year in securing this type of external funding. Overall, cash and cash equivalents increased by £42.4 million during the year.

In the autumn of 2020, we entered a revolving credit facility to provide liquidity beyond the closure of the Covid Corporate Financing Facility. We have not needed to use this facility, but it gives us greater flexibility when managing our cash balances should we deem it necessary.

The Queen's Tower at the South Kensington Campus.



Cash movement

	2020–21 (£m)	2019–20 (£m)
Cash and Cash Equivalents at the beginning of the year	317.4	292.3
Cash inflow from operating activities	135.3	89.7
Financing activities	(28.5)	(19.1)
Investing activities	(62.4)	(43.7)
Exchange losses on Cash and Cash Equivalents	(2.0)	(1.8)
Cash and Cash Equivalents at the end of the year	359.8	317.4

CORPORATE GOVERNANCE

The Department of Aeronautics state-of-the-art wind tunnels offer sophisticated core facilities for researchers in experimental aerodynamics and for teaching.

Corporate Governance



We are regulated by the Office for Students, an organisation independent of Government and higher education establishments.

Its objectives are for all students from all backgrounds who have the ability and desire to undertake higher education and:

- 1 Are supported to access, succeed in, and progress from, higher education
- 2 Receive a high-quality academic experience
- 3 Can progress into employment or further study
- 4 Receive value for money

Status as an Exempt Charity

The College is an exempt charity under the laws of England and Wales, by virtue of the Exempt Charities Order 1962 and the Third Schedule to the Charities Act 2011. Each of the College's purposes must be for the public benefit. The Office for Students regulates universities as charities on behalf of the Charity Commission. The Council, as the College's Trustee, sets and reviews its objects and activities. The Charity Commission's guidance on the reporting of public benefit is used as a framework, particularly in relation to the advancement of education and fee charging.

Our Governance Structure

The College's Council is responsible for overseeing Imperial College London's strategic direction, functions, and activities. They are supported in this by the President and by the Provost, who have direct responsibility for the delivery of the College's core mission in education and research.

Principles

The College is committed to exhibiting best practice in all aspects of corporate governance. It conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). It also follows the guidance to universities from the Committee of University Chairmen in its Higher Education Code of Governance published in September 2020.

Legal Status

The College is an independent institution whose legal status derives from a Royal Charter granted under Letters Patent in 1907. Its objects, powers and framework of governance are set out in its Charter and Statutes, which were granted by Her Majesty the Queen in 1998. On 4 April 2007 a Supplemental Charter and Statutes were granted by Her Majesty. This Supplemental Charter, which came into force on the date of the College's Centenary, 8 July 2007, established the College as a university with the name and style of "The Imperial College of Science, Technology and Medicine".

Governance

The Charter and Statutes require the College to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities as follows: The **Council** is the governing and executive body

of the College, and is responsible for managing the finance, property, investments, general business, and for setting College's general strategic direction. There are up to 23 members of the Council, the majority of which are external members, including the Chair and Deputy Chair. Also included in its membership are representatives of the staff of the College and of the student body. None of the external members receive any payment, apart from the reimbursement of expenses, for the work they do for the College. The Council meets at least four times a year.

The **Court** brings together alumni and neighbourhood organisations as key stakeholders, to help the College further the implementation of its strategy. Alumni members are drawn from those who are actively engaged with the College. Local members come from those organisations with a close link to College life. Its membership also includes representatives from the Council and from the College's senior management. The Court currently has 29 members. Changes to the College's Charter require the approval of the Court before they can be submitted to the Privy Council. The Court normally meets once a year.

The **Senate** is the academic authority of the College and its membership is entirely comprised of staff and students. Its role is to direct and regulate the teaching work of the College. The Senate meets five times during the academic year.

The principal academic and administrative officer of the College is the President, who has responsibility to the Council for maintaining and promoting the efficiency and good order of the College. Under the terms of the Office for Students' Regulatory Framework for Higher Education in England, the President is the designated 'accountable officer' as Head of the Institution. In that capacity she can be summoned to appear before the Public Accounts Committee of the House of Commons. The financial management of the College is prescribed in the Financial Ordinance approved by the Council and conducted in accordance with the terms of registration with the Office for Students, as set out in the Regulatory Framework for Higher Education in England.

The President has ultimate responsibility for all College functions and activities, with greatest emphasis on overseeing Imperial's external

relationships, development and fundraising. The President is supported in this by the Provost, who has direct responsibility for the delivery of the College's core academic mission. The Provost reports directly to the President and together they have responsibility for the strategic direction of the College.

The Council has six standing committees which report directly into it: the Audit and Risk Committee, the Endowment Board, the Finance Committee, the Property Committee (formerly the Imperial White City Syndicate), the Nominations Committee and the Remuneration Committee. These are formally constituted as committees of the Council with written terms of reference and specified membership, including a significant proportion of external members. All are chaired by external members of the Council.

The **Audit and Risk Committee** meets four times a year with the College's internal and external auditors in attendance. It considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Office for Students as they affect the College's business and monitors adherence to regulatory requirements. It reviews the College's Risk Register each year and devotes time to the in-depth consideration of the College's long-term strategic risks. The Committee has the authority to call for any information from the College officers, from internal and external auditors and from others whom it considers necessary to consult to discharge its responsibilities effectively. Whilst senior officers attend meetings of the Committee, they are not members of it. At least once a year the Committee meets separately with the internal and external auditors on their own for independent discussions. The Audit and Risk Committee receives regular reports from Internal Audit, as well as commissioning reports from senior management. Its role in this area is confined to a high-level review of the arrangements for internal control, value for money, risk management and the arrangements for the management and quality assurance of data submitted to formal funding bodies at the College. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

The **Endowment Board** manages College assets that are not essential to the core academic mission of the College and are purely investment focused. Its Terms of Reference include an obligation to maintain a diversified portfolio of investments, to have regard to the suitability of the investments within this portfolio and to manage them in a way that is appropriate to achieve the Investment Objective set by the Council. The Investment Objective necessitates growth in value of the non-core assets in line with a margin above inflation within its investment guidelines, whilst also providing a regular distribution for the core academic mission of the College. Within these restrictions, the Endowment Board is authorised to make such investments as it sees fit. The Endowment Board meets at least four times a year.

The **Finance Committee** is responsible for providing the Council with a strategic overview of the College's finances, with a focus on the longer-term financial plan and the actions taken to achieve it. It also monitors financial risks related to liquidity, debt, resource allocation and financial contingencies, and reviews various financial measures at each meeting. The Finance Committee is responsible for approving capital projects with a value of between £10 million and £30 million. Its membership includes one member with cross membership of the Audit and Risk Committee. The Finance Committee meets at least three times a year.

The **Property Committee** was established on 11 February 2021 to replace the Imperial White City Syndicate. The Property Committee provides strategic oversight to the academic, undergraduate and investment property portfolios held by the College. It also leads the development of the strategy to allocate land between the College's property portfolios.

The **Nominations Committee** considers nominations for membership of the Court and Council and for the latter's Committees.

The **Remuneration Committee** meets at least twice a year to review and approve the remuneration of the President and the Provost, their senior staff direct reports and members of the Provost's and President's Boards. The list of post holders within the remit of the Remuneration Committee as of 31 July 2021 was:

- Professor Neil Alford, Associate Provost (Academic Planning)
- Professor Nigel Brandon, Dean, Faculty of Engineering
- Mr Harbhajan Brar, Director of HR
- Professor Richard Craster, Dean, Faculty of Natural Sciences
- Professor Stephen Curry, Associate Provost (Equality, Diversity and Inclusion)
- Professor Maggie Dallman, Vice-President (International) and Associate Provost (Academic Partnerships)
- Professor Alice P. Gast, President
- Dr Simon Hepworth, Director of Enterprise
- Professor Nick Jennings, Vice-Provost (Research and Enterprise)
- Dr Tony Lawrence, Director of Finance
- Professor Emma McCoy, Vice-Provost (Education and Student Experience)
- Mr Michael T. Murphy, Vice-President (Advancement)
- Ms Jane Neary, Director of Campus Services
- Mr John Neilson, College Secretary
- Mr Nicholas Roalfe, Director of Estates Operations
- Mr Muir Sanderson, Chief Financial Officer
- Mr Andrew Scheuber, Acting Director of Communications
- Professor Francisco Veloso, Dean, Imperial College Business School
- Mr Juan Villamil, Chief Information Officer
- Professor Ian Walmsley, Provost
- Professor Jonathan Weber, Dean, Faculty of Medicine

The Remuneration Committee reviews the College's overall reward strategy to ensure that its remuneration practices are being managed in a fair and equitable way. The Provost and President are invited to participate in discussions on specified agenda items, including recommendations relating to salary reviews of their direct reports. However, they are not members of the Committee and are not present for the discussion of their own salary. The Remuneration Committee is normally chaired by the Chair of the Council, except for proceedings addressing the President's remuneration, which are chaired by the Deputy Chair of the Council.

The Committee met in November 2020 to receive information on the College's remuneration Strategy, pay and pension benefits, and to review and approve the salary and emoluments for members of the President's and Provost's Boards.

An increase has been made to the number of staff covered by the Remuneration Committee remit; this now includes the Chief Financial Officer's direct reports. All members of staff whose pay is considered by the Remuneration Committee declined the local pay award of a 1.6% increase. The Committee also undertook a senior staff pay review. Following the review, there were four recommendations for further adjustments to pay for staff members of Council based on the exceptional contribution of the individual and the external market benchmark; one of these was declined.

Members discussed the change to the classification of the President's and Provost's accommodation by HMRC and agreed for work to be undertaken with KPMG to better understand the change. The Remuneration Committee's review of the President's salary considered the President's remuneration as a multiple of the median pay for all other employees; the President once again requested no increase in pay and the committee concurred. Further details of the President's remuneration are included in Note 8 to the Financial Statements. At the July 2021 Remuneration Committee meeting, attendance was extended to the Deans of Faculties and the Business School to review and discuss their action plans, objectives, targets, and activities to address the College gender and ethnicity pay gaps.

During the year, the College Retention of Income from External Interests policy, was reviewed by the Remuneration Committee. This will be evaluated annually, or as required by external regulators. The policy encourages a close relationship between staff and industry, professional bodies, commerce, charities, and government departments.

The policy allows staff, subject to prior approval, to be engaged in general paid and unpaid activities. All staff must disclose the number of days that will be committed to the work, and those who are senior staff must also disclose any personal remuneration that will be received. In reviewing requests, we consider whether the activity could compromise the full performance of the staff duties and how it could serve the interest of the College. Staff engaging in external activities such as directorships is integral to the delivery of our mission, as it enhances collaboration with partners and creates opportunities to influence and inform policy.



Imperial's new campus at White City, a global beacon for innovation and growth.

In keeping with the College policy on external activities, the President was granted permission to serve on the Board of Directors of Chevron Corporation, as agreed upon in her acceptance of the offer to serve as Imperial College London President. The President's annual compensation from Chevron, which is deferred until retirement from the board, was \$375,000 in the year ended 31 December 2020, comprising \$225,000 in Chevron stock and \$150,000 cash. She receives \$10,000 a year for her work with the Singapore Academic Research Council to cover incidental expenses.

The terms of reference of the Remuneration Committee are as follows:

- To review and approve the application of the College's pay relativity criteria for the President and the Provost, their senior staff direct reports and members of the Provost's and President's Boards
- To agree, in advance, remuneration packages outside the norm and to consider and decide any severance payments proposed for the staff specified above
- To review the application of the College's reward strategy on an annual basis to ensure that remuneration practices are being managed in a fair and equitable way. This review is to be informed by the following supporting data:
 - Details of the across the board local pay award and any variation to benefits for all staff
 - Summary information on the application of discretionary pay adjustments for all staff
 - The annual equal pay audit
 - The annual gender pay audit (and other specific protected pay audits as published)
 - Pay ratios and relevant comparator information
 - Information on numbers of staff earning a total salary of more than £100,000, with trend data on average increases for the previous five years compared to average increases for all staff over five years
 - Detail of the individuals earning over £150,000 and the justification for any variation to pay (above the College across-the-board increase) reported on an individual basis and with reference to the College's pay relativity criteria applied to all staff.

In 2020–21 the Council established three further committees. A Search Committee was established in March 2021 to identify the next President of the College, who will begin their term of office in August 2022 when the current President, Professor Alice Gast, completes her second term. On 7 September 2021 Council announced that Hugh Brady would become the President of the College, with effect from 1 August 2022.

In May 2021, Council approved the terms of reference and membership for the Strategy Review Committee. The Committee will oversee the implementation of the College Strategy and sub strategies.

In 2020, Imperial published the actions it took in response to an independent investigation into allegations of bullying by senior staff and an alleged dysfunctional culture. Imperial's Chair of Council had immediately appointed an independent QC to investigate those allegations. A Disciplinary Committee was convened as required in the Ordinances to consider the findings of the independent QC's investigation, and appropriate actions were taken.

The independent investigation led to a series of recommendations, which the College and its leadership accepted and have since been enacted, including ongoing work to improve the College's culture. The Office for Students asked for further details on Imperial's governance and the disciplinary process, which the College provided.

The College maintains a Register of Interests of members of the Council and of Senior Officers which may be consulted by arrangement with the Clerk to the Court and Council. The College Secretary is the Clerk to the Court and Council. Any enquiries about the constitution and governance of the College should be addressed to them.

Responsibilities of the Council



The Council has adopted the Higher Education Code of Governance published by the Committee of University Chairmen, and accordingly has approved the following Statement of Primary Responsibilities:

- 1 To approve the mission and strategic vision of the College, its long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of the College’s stakeholders.
- 2 To safeguard the good name and values of the College.
- 3 To appoint the President as the College’s chief executive, and to put in place suitable arrangements for monitoring his/her performance.
- 4 To appoint other executive members of the Council as specified in the Statutes.
- 5 To delegate authority to the President, as chief executive, as advised by the President’s Board, for the academic, corporate, financial, estate and human resource management of the College. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the President.
- 6 To assess risk to the College and to position its management and mitigation.
- 7 To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
- 8 To ensure that processes are in place for regular monitoring and evaluation of the performance and effectiveness of the College against its approved plans and key performance indicators, and that where possible and appropriate, these are benchmarked against other comparable institutions.
- 9 To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- 10 To be the principal financial and business authority of the College, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the College’s assets, property and estate.
- 11 To be the College’s legal authority and, as such, to ensure that systems are in place for meeting all the College’s legal obligations, including those arising from contracts and other legal commitments made in the College’s name.
- 12 In accordance with the College’s Charter and Statutes, to act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the College.
- 13 To ensure that the College’s Charter and Statutes are adhered to at all times, with



An aerial shot of the White City Campus in west London, at the heart of the White City Opportunity Area.

appropriate advice available to enable this to happen.

- 14 To be the employing authority for all staff in the institution and to be responsible for establishing the College’s human resources strategy.
- 15 To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.
- 16 To appoint a Clerk to the Council and ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.

The Council, as set out in the College’s Charter and Statutes, also has responsibility for the efficient management and good conduct of all aspects of the affairs of the College (including its finances and property). It is required to present audited financial statements for each financial year. As such it is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the Charter of Incorporation, the Statement of Recommended Practice (SORP) on Accounting in Higher Education Institutions and other relevant accounting standards. In addition, and in accordance with the Office for Students’ Regulatory Framework for Higher Education

in England, the Council is required to ensure that the College complies with the Office for Students’ conditions of registration, and with its accounts direction.

With the preparation of the financial statements, the Council has ensured:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- the SORP, applicable accounting standards, and the Office for Students’ accounts direction has been followed, subject to any material departures being disclosed and explained in the financial statements;
- the College has adequate resources to continue in operation for the foreseeable future and
- for this reason the financial statements are prepared on a going concern basis.

The Council has taken reasonable steps to:

- ensure that funds from the Office for Students are used only for the purposes for which they have been given and in accordance with any other conditions which the Office for Students may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud; secure the economical, efficient and effective management of the College’s resources and expenditure.

Council and Council Committees

The members of the Council are the charity trustees of the College and are listed for the period from 1 August 2020 to 26 November 2021, the date that the Annual Report and Accounts have been approved.

The Council

Chair:

Mr J. Allan CBE

Co-opted External Members:

Professor Sir Leszek Borysiewicz
(from 1 August 2021)
Mr C.D. Brinsmead CBE
(until 30 September 2021)
Mr T. Courtauld
Mr J. Cullen (Deputy Chair and,
from 14 May 2021, Senior
Independent Director)
Mr R. Kalifa OBE
Mr D. Khanna
(from 1 October 2021)
Sir Jonathan Michael
Ms S.E. Murray OBE
Dr M. Safa (BME champion)
Professor J.K.M. Sanders CBE
FRS
Mr S. Saxena
(from 1 October 2021)
Mr C.G. Williams

Ex-Officio:

President: Professor A. P. Gast
Provost: Professor I.A. Walmsley
FRS
Chief Financial Officer:
Mr M. Sanderson

Senior Staff Representatives:

Professor N. Brandon
Professor R. Craster
Professor F. Veloso
Professor J.N. Weber

Elected Staff Member:

Professor T.D. Tetley
(to 31 July 2021)
Professor J. Mestel
(from 1 August 2021)

President, Imperial College Union:

Mr A. Sood (to 31 July 2021)
Mr L. James (from 1 August 2021)

Clerk to the Court and Council:

Mr J.S. Neilson (to 31 July 2021)
Mr M. Edwards (Interim clerk
from 1 August 2021)

Audit and Risk Committee

Chair:

Mr J. Cullen

Membership:

Sir Jonathan Michael
Professor J.K.M. Sanders
Mr C. Williams

Secretary:

Mrs R. Knight

Endowment Board

Chair:

Mr C. Williams

Membership:

Professor A.P. Gast
Ms L. Patel
Ms A. Rudebeck
Mr M. Sanderson
Ms A. Shiach
Mr F. Varoqui

Secretary:

Ms J. Soulieux

Finance Committee

Chair:

Mr C.D. Brinsmead
(to 30 September 2021)

Membership:

Professor A.P. Gast
Mr R. Kalifa
Ms A. Rudebeck
Dr M. Safa
(Chair from 1 October 2021)
Mr M. Sanderson
Professor I. Walmsley
Mr C. Williams

Secretary:

Mr T. Galer
(to 31 December 2020)
Ms P. Gargaro
(from 1 January 2021)

Nominations Committee

Chair:

Mr J. Allan

Membership:

Mr C. Brinsmead
Mr J. Cullen
Professor A.P. Gast
Dr M. Safa
Mr M. Sanderson
Professor I.A. Walmsley

Secretary:

Mr J.S. Neilson (to 31 July 2021)
Mr M. Edwards (Interim clerk
from 1 August 2021)

Property Committee

Chair:

Mr T. Courtauld

Membership:

Professor N. Alford
Sir John Armitt
Professor A.P. Gast
Mr R. Lewis (from 14 May 2021)
Dame Alison Nimmo
Mr M. Sanderson
Professor I. Walmsley

Secretary:

Mr D. West

Remuneration Committee

Chair:

Mr J. Allan

Membership:

Mr C.D. Brinsmead
Mr J. Cullen
Dr M. Safa

Secretary:

Mr H. Brar

Search Committee

Chair:

Mr J. Allan

Membership:

Professor N. Brandon
Mr J. Cullen
Professor M. Dougherty
Ms L. Guerra
Professor E. McCoy
Professor P. Openshaw
Dr M. Safa
Professor J.K.M. Sanders

Secretary:

Mr J.S. Neilson

Strategy Review Committee

Chair:

Mr J. Cullen

Membership:

Professor E. McCoy
Professor N. Jennings
(to 31 August 2021)
Professor A.P. Gast
Professor M. Ryan (from
1 September 2021)
Professor I. Walmsley
Mr R. Kalifa
Dr M. Safa

Secretary:

Mr J.S. Neilson (to 31 July 2021)
Mr M. Edwards (Interim clerk
from 1 August 2021)

The Energy Futures Lab promotes energy innovation and advancing systemic solutions for a sustainable energy future.

Translation & Innovation Hub

INDEPENDENT AUDITORS' REPORT

The Translation & Innovation Hub is one of the flagship buildings at the White City Campus and a focal point for White City's deep-science and tech ecosystem.

Independent auditors' report

Year ended 31 July 2021

Independent auditors' report to the Council of Imperial College of Science, Technology and Medicine ("Imperial College London" or the "College")

Report on the audit of the financial statements

Opinion

In our opinion, Imperial College London's group financial statements and College financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the College's affairs as at 31 July 2021 and of the group's and of the College'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 Accounts (the "Annual Report"), which comprise the consolidated and College Statements of financial position as at 31 July 2021; the consolidated and College Statements of comprehensive income and expenditure, the consolidated and College Statements of changes in reserves, and the Consolidated statement of cash flows for the year then ended; the Statement of principle 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 College'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 College'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 Responsibilities of the Council, 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 College's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group and College 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 use of journals to manipulate financial performance, management bias in accounting estimates and judgements. Audit procedures performed included:

- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations;
- challenging assumptions and judgements made by management in determining significant accounting estimates (because of the risk of management bias), in particular in relation to the valuation of investment properties, the gain recognised on the disposal of Centre House Building at White City, the calculation of the USS pension provision; and
- discussions with management, internal audit and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

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 11 of the Charters and Statutes of the College - 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 the College 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) 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:

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

We have no matters to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London
26 November 2021



FINANCIAL
STATEMENTS

Dr Maria Lopes Pires is a Research Associate working in the Vascular Biology section of the National Heart and Lung Institute.

Statement of comprehensive income and expenditure

Year ended 31 July 2021

	Notes	Consolidated		College	
		Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Income					
Tuition fees and education contracts	1	383.5	337.7	383.5	337.7
Funding body grants	2	156.0	154.3	156.0	154.3
Research grants and contracts	3	363.0	347.7	363.0	347.7
Other income	5	145.3	152.5	138.0	156.7
Investment income	6	7.5	5.9	7.5	5.9
Donations and endowments	7	24.0	28.3	24.0	28.3
Total income		1,079.3	1,026.4	1,072.0	1,030.6
Expenditure					
Staff costs	8, 10	590.6	567.4	587.6	564.6
Pension provisions	8, 10	4.6	(71.5)	4.6	(71.5)
Other operating expenses	10	356.1	364.3	352.1	373.6
Depreciation	10, 12	85.5	79.7	85.0	78.7
Interest and other finance costs	9, 10	19.6	21.7	19.6	21.8
Total expenditure		1,056.4	961.6	1,048.9	967.2
Surplus before other gains/(losses) and share of operating results of joint ventures and associates		22.9	64.8	23.1	63.4
Gain on disposal of fixed assets		39.6	70.8	39.6	70.8
Gain/(loss) on disposal of non-current investments		1.9	(1.5)	8.3	(1.5)
Gain/(loss) on investments	13	86.6	(9.0)	86.6	(9.0)
Gain on disposal of interest in associates	15	13.2	-	-	-
Share of operating surplus/(deficit) in joint ventures		0.3	(1.0)	-	-
Share of operating deficit in associates		(2.8)	(1.2)	-	-
Surplus before tax		161.7	122.9	157.6	123.7
Taxation		-	-	-	-
Surplus for the year		161.7	122.9	157.6	123.7
Total comprehensive income for the year		161.7	122.9	157.6	123.7
Represented by:					
Endowment comprehensive income/(expenditure) for the year		26.1	(2.1)	26.1	(2.1)
Restricted comprehensive (expenditure)/income for the year		(0.8)	(16.0)	1.5	(13.9)
Unrestricted comprehensive income for the year		136.4	141.0	130.0	139.7
		161.7	122.9	157.6	123.7

All items of income and expenditure relate to continuing activities. There are no additional items recognised in other comprehensive income.

Statement of financial position

Year ended 31 July 2021

	Notes	Consolidated		College	
		Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Non-current assets					
Fixed assets	12	1,626.7	1,635.5	1,616.3	1,632.9
Investments	13	786.5	685.5	829.2	721.2
Investments in joint ventures	14	6.2	5.7	-	-
Investments in associates	15	-	5.1	-	9.2
		2,419.4	2,331.8	2,445.5	2,363.3
Current assets					
Stock		0.1	0.1	0.1	0.1
Trade and other receivables	17	303.4	261.8	305.8	264.3
Investments	18	49.4	0.9	49.4	0.9
Cash and cash equivalents		359.8	317.4	338.5	294.8
		712.7	580.2	693.8	560.1
Creditors: amounts falling due within one year	19	(641.1)	(566.3)	(628.2)	(553.5)
Net current assets		71.6	13.9	65.6	6.6
Total assets less current liabilities		2,491.0	2,345.7	2,511.1	2,369.9
Creditors: amounts falling due after more than one year	20	(522.3)	(533.8)	(522.3)	(533.8)
Provisions					
Pension provisions	22	(107.9)	(107.4)	(107.9)	(107.4)
Other provisions	22	(2.1)	(7.5)	(2.1)	(7.5)
Total net assets		1,858.7	1,697.0	1,878.8	1,721.2
Restricted Reserves					
Endowment income and expenditure reserve	23	202.1	176.0	202.1	176.0
Restricted income and expenditure reserve	24	84.5	85.3	95.0	93.5
Unrestricted Reserves					
Unrestricted income and expenditure reserve		1,572.1	1,435.7	1,581.7	1,451.7
Total Reserves		1,858.7	1,697.0	1,878.8	1,721.2

The financial statements were approved by the Council on 26 November 2021 and were signed on its behalf on that date by:

Mr John Allan CBE, Chair of Council

Professor Alice Gast, President

Mr Muir Sanderson, Chief Financial Officer

Statement of changes in reserves

Year ended 31 July 2021

	Income and expenditure account			Total
	Endowment £m	Restricted £m	Unrestricted £m	£m
Consolidated				
Balance at 1 August 2019	178.1	101.3	1,294.7	1,574.1
(Deficit)/surplus from the income and expenditure statement	(2.1)	3.6	121.4	122.9
Release of restricted funds spent in year	-	(19.6)	19.6	-
Total comprehensive income for the year ended 31 July 20	(2.1)	(16.0)	141.0	122.9
Balance at 31 July 2020	176.0	85.3	1,435.7	1,697.0
Surplus from the income and expenditure statement	26.1	13.8	121.8	161.7
Release of restricted funds spent in year	-	(14.6)	14.6	-
Total comprehensive income for the year ended 31 July 21	26.1	(0.8)	136.4	161.7
Balance at 31 July 2021	202.1	84.5	1,572.1	1,858.7
College				
Balance at 1 August 2019	178.1	107.4	1,312.0	1,597.5
(Deficit)/surplus from the income and expenditure statement	(2.1)	5.7	120.1	123.7
Release of restricted funds spent in year	-	(19.6)	19.6	-
Total comprehensive income for the year ended 31 July 20	(2.1)	(13.9)	139.7	123.7
Balance at 31 July 2020	176.0	93.5	1,451.7	1,721.2
Surplus from the income and expenditure statement	26.1	16.1	115.4	157.6
Release of restricted funds spent in year	-	(14.6)	14.6	-
Total comprehensive income for the year ended 1 July 21	26.1	1.5	130.0	157.6
Balance at 31 July 2021	202.1	95.0	1,581.7	1,878.8

Consolidated statement of cash flows

Year ended 31 July 2021

	Note	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Cash flow from operating activities			
Surplus for the year before taxation		161.7	122.9
Taxation		-	-
Surplus for the year after taxation		161.7	122.9
Adjustment for non-cash items			
Depreciation	12	85.5	79.7
(Gain)/loss on investments	13	(86.6)	9.0
Gain on disposal of interest in an associate		(13.2)	-
Decrease in stock		-	0.1
(Increase)/decrease in debtors		(13.1)	6.6
Increase in creditors		76.7	30.7
Decrease in pension provisions		(0.3)	(75.4)
(Decrease)/increase in other provisions		(5.5)	2.2
Share of operating (surplus)/deficit in joint venture		(0.3)	1.0
Share of operating deficit in associate		2.8	1.2
Unrealised foreign currency losses		2.0	1.8
Other non-cash items		1.0	(1.8)
Adjustment for investing or financing activities			
Investment income	6	(7.5)	(5.9)
Interest payable	9	19.6	21.7
Endowment income		(1.8)	(4.4)
Profit on the sale of non-current assets		(41.5)	(69.3)
Capital grant income		(44.2)	(30.4)
		135.3	89.7
Cash flow from investing activities			
Capital grants receipts		49.2	37.8
Proceeds from sales of fixed assets		18.5	84.0
Proceeds from sales of investment property		0.9	16.3
Disposal of other non-current investments		53.9	16.1
Investment income		0.8	1.3
Payments made to acquire fixed assets		(93.2)	(119.6)
Payments to acquire joint venture share capital		(0.2)	(4.3)
New non-current investments		(43.8)	(75.0)
Movement in current asset investments		(48.5)	(0.3)
		(62.4)	(43.7)
Cash flow from financing activities			
Interest paid		(14.0)	(14.0)
Interest element of finance lease payments		(4.7)	(4.7)
New endowments		3.1	9.4
Repayments of amounts borrowed		(12.1)	(9.0)
Capital element of finance lease payments		(0.8)	(0.8)
		(28.5)	(19.1)
Increase in cash and cash equivalents in the year		44.4	26.9
Cash and cash equivalents at beginning of the year		317.4	292.3
Increase in cash and cash equivalents in the year		44.4	26.9
Exchange losses on cash and cash equivalents		(2.0)	(1.8)
Cash and cash equivalents at end of the year		359.8	317.4

Statement of principal accounting policies

1. Basis of preparation

These financial statements have been prepared in accordance with the 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), the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and the OfS Accounts Direction (OfS 2019.41).

The College is a public benefit entity and therefore has applied the relevant public benefit requirements of the United Kingdom Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention (modified by the revaluation of endowment and listed non-current asset investments and investment properties). The accounting policies have been applied consistently year on year.

The College’s and consolidated forecasts and projections, taking account of reasonably possible changes in performance, show that the College should be able to operate within the level of its current facilities. In arriving at its assessment, Council have considered a period of 18 months from the balance sheet date in assessing the use of the going concern assumption. In developing this assessment, Council have noted that College successfully enrolled a record number of students whilst research income returned to pre-pandemic levels. Council have also noted that the College has significant investment balances that could be liquidated if required to address any liquidity shortfall. The forecasts and projections, including a plausible worst-case scenario in which the College’s multi-mode teaching is disrupted by further COVID-19 restrictions leading to less revenue from hall and tuition fees as students interrupt studies or withdraw, show that the downside risk to cashflow is manageable and the risk of breaching covenants imposed by lenders is considered low. Any potential breach would be identified well in advance of the point subject to covenant testing and appropriate action could be taken. Additionally, the College has sufficient resources available to prepay the relevant loan and avoid a breach of this covenant or to take other actions. The experience of the prior year has shown that the College student fee income stream continues to be robust and that students are accepting of the multi-mode teaching methodology. Therefore, Council have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future.

The College therefore continues to adopt the going concern basis in preparing its financial statements.

2. Basis of consolidation

The consolidated financial statements include the College and all its subsidiaries for the financial year to 31 July. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income and expenditure from the date of acquisition, or up to the date of disposal. Intra-group transactions are eliminated on consolidation. In preparing its own financial statements, the College has applied the exemptions available under FRS 102 to disclose neither a cash flow statement, nor related party transactions with wholly owned subsidiaries. Similarly, an exemption has been taken from disclosing details of the College’s financial instruments as the consolidated position is presented in these financial statements.

Associated companies and joint ventures are accounted for using the equity method in the consolidated financial statements. Associated companies are those in which the College has a significant, but not dominant, influence over their commercial and financial policy decisions. Joint ventures represent entities over which the College has joint control with a third party.

3. Income recognition

Income from the sale of goods or services is credited to the consolidated statement of comprehensive income and expenditure when the goods or services are supplied 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 consolidated statement of comprehensive income and expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Government grants are credited to the consolidated statement of comprehensive income and expenditure when the College is entitled to the income and any performance related conditions have been met. Where multiple performance conditions exist, the amount of income recognised reflects the income due for performance conditions met.

Income from research grants and contracts is credited to the consolidated statement of comprehensive income and expenditure when the College is entitled to the income and any performance related conditions have been met. Income received before performance related conditions have been met is deferred on the statement of financial position and released to the consolidated statement of comprehensive income and expenditure in line with such conditions being met.

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

Donations and endowments (a form of charitable trust retained for the benefit of the College) with donor-imposed restrictions are credited to the consolidated statement of comprehensive income and expenditure when the College is entitled to the income. This income is retained within the restricted reserve, with additional disclosures provided within the notes to the financial statements, 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. There are four main types of donations and endowments identified within reserves:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.
3. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
4. Expendable endowments – the donor has specified a particular objective and the College has the power to use the capital.

Donations with no restrictions are recognised in the consolidated statement of comprehensive income and expenditure when the College is entitled to the income.

All investment income from deposits and endowments is recorded in income in the period in which it is earned and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund. Investment income from endowments not expended

in accordance with the restrictions of the endowment is held within the temporarily or permanently restricted reserve as appropriate until such time that it is utilised in line with such restrictions.

4. Pension schemes

The College participates in three active pension schemes, the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and the NHS Pension Scheme. The College also participates in the legacy Federated Pension Scheme 1634 (FPS) on behalf of retired members.

The USS, SAUL and NHS schemes are multi-employer schemes, two being defined benefit and one hybrid. Given the mutual nature of the schemes, it is not possible to identify the College’s share of the underlying assets and liabilities. Consequently, the College cannot apply defined benefit accounting and, according to section 28 FRS 102, the schemes are accounted for as defined contribution schemes. The FPS scheme is a defined benefit scheme and accounted for as such. Each scheme is valued every three years, apart from the NHS scheme which is valued every four years, by professionally qualified independent actuaries.

The College has entered into an agreement with regards to the USS scheme that determines how each employer within the scheme will fund the overall deficit of the scheme. The College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised in the consolidated statement of comprehensive income and expenditure.

5. Short-term employment benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits, such as holiday entitlements earned not taken at the reporting date, are recognised as a liability by the College at the undiscounted additional amount the College would expect to pay as a result. Termination benefits are recognised as an expense in the consolidated statement of comprehensive income and expenditure when incurred.

Statement of principal accounting policies *(continued)*

6. Foreign currencies

Transactions denominated in foreign currencies are translated to the respective functional currencies of Group entities at the rate of exchange ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate at the reporting date.

The resulting exchange differences are recognised in the consolidated statement of comprehensive income and expenditure.

7. Finance leases

Leases which transfer substantially all of the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired under finance leases, together with the related lease liability, are recorded in the consolidated statement of financial position at the inception of the lease at the lower of their fair value and the present value of the minimum lease payments.

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

Assets leased from the College under finance leases are removed from the consolidated statement of financial position and replaced with a receivable at an amount equal to the present value of the sum of the minimum lease payments due and any residual value at the end of the lease term.

8. Operating leases

Leases which do not transfer substantially all of the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease costs and income are recognised in the consolidated statement of comprehensive income and expenditure on a straight-line basis over the relevant lease term. Any lease premiums or incentives are spread over the minimum lease term.

9. Land and buildings

Initially, purchased land and purchased or constructed buildings are stated at cost. Subsequently, freehold land is not depreciated as it is considered to have an indefinite useful life. Leasehold land is depreciated over the life of the lease. Buildings, including service plant, are

depreciated over their expected useful lives as follows:

Building works	50 years
Service plant	20 years
Building infrastructure	20 years
IT infrastructure	10 years

Costs incurred in relation to buildings after their initial acquisition or construction are capitalised only to the extent that they increase the expected future benefits beyond the previously assessed standard of performance. The cost of such works are depreciated over 20 years.

Assets under construction are capitalised at cost and not depreciated until they are available for use.

10. Fixtures, fittings and equipment

Fixtures, fittings and equipment, including computers and software, costing less than £50,000 per individual item or group of related items are written off in the year of acquisition. All other items are capitalised. Costs capitalised include those that are required to bring the asset to the location and condition necessary for it to operate in the manner intended.

Capitalised equipment is stated at cost and, once in service, depreciated over their useful economic lives as follows:

Fixture, fittings and infrastructure	20 years
Equipment and IT	5 years

Equipment acquired for specific research projects is depreciated over its expected useful economic life which ordinarily equates to the remaining life of the project (generally three years up to a maximum of five years).

Where fixtures, fittings and equipment are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grant is recognised in income on entitlement.

11. Reserves

The reserves reflect the accumulated net comprehensive income of the College. This accumulated net comprehensive income is classified as either restricted or unrestricted depending on whether restrictions were placed on how it was to be spent. Income with such restrictions remains in the restricted reserves until it is spent in line with the restriction, at which point

it is transferred to the unrestricted reserve via a reserve transfer.

Endowment funds are a form of charitable trust retained for the benefit of the College. Where the donor prohibits the conversion of the capital into income, these funds are held in a permanent restricted reserve. Otherwise these are held temporarily in restricted reserves.

12. Investment properties

Investment properties are those land and building assets which are held for either their rental income, capital appreciation or both. Investment properties are initially recognised at cost in the statement of financial position and subsequently at their fair value on the basis of an independent valuation at each statement of financial position date. Changes in the fair value of investment properties are recognised within the consolidated statement of comprehensive income and expenditure.

Property held primarily for the provision of social benefit is not classified as investment property (for example student accommodation), in accordance with FRS 102.

13. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another. Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial instruments are basic financial instruments other than the derivatives held.

The non-current investment assets held by the College are not expected to realise their value within the next twelve months from the date of the consolidated statement of financial position. These assets, together with their corresponding treatments, are as follows:

- Listed equity are financial instruments that are traded on a recognised stock exchange. They are held at fair value.
- Non-listed investment are shares that are not traded on a recognised stock exchange. They are held at fair value when regular, reliable valuations are available, for example private equity funds. They are held at cost less any provision for impairment when regular, reliable valuations are not available, including equity holdings in private companies.

The current investment assets held by the College are deposits with banks and building societies with maturity between three and twelve months at the date of acquisition. These are held at their cost less any provision for impairment in their value.

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within twenty-four hours without penalty. Cash equivalents are highly liquid investments due within three months, that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

Unsecured loans are liabilities with fixed or determinable payments that are not secured against specific assets. These are held at amortised cost. They are apportioned between 'Creditors: amounts falling due within one year' and 'Creditors: amounts falling due after more than one year'.

Derivatives are contracts whose value is dependent on the value of an underlying asset, such as a commodity or currency. The College has not taken up the option to apply hedge accounting to its derivatives and, instead, recognises the fair value of the outstanding derivatives in the consolidated statement of financial position.

Trade receivables and trade payables are recognised at their transaction price in the statements of consolidated financial position and subsequently measured at amortised cost. A provision for bad debts is estimated on the basis that as debts become older, a higher percentage become irrecoverable.

Investments in joint ventures, associated companies and subsidiaries are recognised at cost less any provision for impairment in the College's individual statement of financial position.

Amortised cost is a method used to measure the value of certain financial assets and liabilities after they have been initially recognised. The amortised cost of a financial instrument is the net of the amount the instrument was initially recognised at, less any repayment of the principal, plus or minus the cumulative amortisation of any difference between the amount at initial recognition and the maturity amount, minus – in the case of financial assets – any reduction for impairment or uncollectability.

Any changes in market value, fair value or resulting from impairment are recognised immediately in the consolidated statement of comprehensive income and expenditure.

Statement of principal accounting policies *(continued)*

14. Taxation status

The College is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax (VAT).

The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation. The charge for taxation is based on the profit or loss for the year after charging the cost of any Gift Aid payment payable to the College. The charge for taxation also takes into account taxation deferred because of timing differences in the treatment of certain items for taxation and accounting purposes.

15. Heritage assets

Heritage assets are tangible and intangible assets with historic, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. Assets are held at cost where this is known or can be obtained from historic records, less accumulated impairment losses. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

16. Provisions and contingent liabilities

Provisions are liabilities of either uncertain timing or amount.

Provisions are recognised in the consolidated statement of financial position when:

- (a) the College has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

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

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the College. 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. Contingent liabilities are not recognised in the consolidated statement of financial position as a liability, however disclosure is made unless the possibility of an outflow of resources is remote.

17. Accounting judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are below:

Critical accounting judgements

There are no critical accounting judgements in these financial statements.

Key sources of estimation uncertainty

Investment property – The valuation of the College's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the College places on its investment property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market. The investment property valuation contains a number of assumptions upon which the College's independent professional valuer has based its valuation of the portfolio. The assumptions on which the property valuation reports have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions. The valuation basis therefore is driven by the unique circumstances of each property. For one property both a rental income valuation (£86.3 million) and a market valuation

approach (£93.9 million) was taken. The higher value has been used since the asset could be sold although the valuation has been adjusted to reflect the time it would take to sell. A 5% change in the estimated rental value across the portfolio would lead to a £14.1 million change in portfolio value, ranging from £267.9 million to £296.1 million. These assumptions are market standard and accord with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2020 and the national standards and guidance set out in the UK national supplement 2018.

USS pensions provision – A provision is recognised in the financial statements for future contributions payable to the USS pension scheme that relate to the deficit in the scheme. It arises from the agreement with scheme employers as to how the deficit is funded. The carrying amount of this liability on 31 July 2021 is £107.9 million (see Note 22). Assumptions used in the calculation represent a key source of estimation uncertainty. These assumptions and an analysis of the sensitivity of the provision to changes in these assumptions are also included in Note 22.

Annual holiday accrual – An accrual is recognised in the financial statements for holiday leave that has been accrued for by employees but not yet taken as at 31 July 2021. The carrying amount of this liability is £16.8 million (2020: £15.0 million) and this is calculated based on extrapolating the leave records of a sample of the staff population.

The average number of days owed this year as at 31 July 2021 was 9.8 days (2020: 9.2 days). The value of the accrual is based on extrapolating the records of the staff who recorded their leave in the College's system for recording leave taken by 31 July 2021, (64%) across the staff population. Of the staff who did not record any leave, if they were assumed to have taken no leave this would have increased the provision to £22.6 million. If they had taken half of their allowance this would reduce the provision to £9.9 million.

Notes to the financial statements

For the year ended 31 July 2021

1. Tuition fees and education contracts

	Registered student numbers		Consolidated		College	
	31 December 2020	31 December 2019	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Full-time home and EU students						
Undergraduate	7,407	6,915	66.1	60.9	66.1	60.9
Postgraduate	4,714	4,136	34.1	29.5	34.1	29.5
Full-time international students						
Undergraduate	3,872	3,542	118.5	103.2	118.5	103.2
Postgraduate	4,455	3,671	111.4	93.0	111.4	93.0
Part-time home and EU students	1,380	1,268	8.7	8.4	8.7	8.4
Part-time international students	597	402	9.0	5.7	9.0	5.7
Research Training Support Grants			29.8	29.2	29.8	29.2
Short course fees			5.9	7.8	5.9	7.8
			383.5	337.7	383.5	337.7

Fee income is shown net of discounts and fees remitted.

Research training support grants include £4.6 million (2020: £4.8 million) of tuition fees paid in respect of full-time home and European Union students. The remainder represents grants made by Research Councils and other bodies in support of training research students.

Total numbers of full-time and part-time students are 22,425 in 2021 and 19,934 in 2020 (excluding those on research training support grants and short courses).

2. Funding body grants

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Grants from OfS				
Recurrent – teaching	26.7	28.4	26.7	28.4
Capital	1.6	0.8	1.6	0.8
Other	0.1	-	0.1	-
Grants from Research England				
Recurrent – research	105.1	106.4	105.1	106.4
Capital	14.9	13.5	14.9	13.5
Higher Education Innovation Fund	4.8	4.4	4.8	4.4
Other	2.8	0.8	2.8	0.8
	156.0	154.3	156.0	154.3

3. Research grants and contracts

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Research Councils	122.6	113.8	122.6	113.8
Charities	78.7	78.4	78.7	78.4
Government (UK & EU) and health authorities	62.6	53.8	62.6	53.8
European Commission	33.8	33.6	33.8	33.6
Industry and commerce	47.3	50.5	47.3	50.5
Other	18.0	17.6	18.0	17.6
	363.0	347.7	363.0	347.7

Research grants and contracts income includes £23.2 million (2020: £14.2 million) in respect of capital funding.

UK Government grants and contracts include a grant from the Department for International Development (DFID) to fund key strategic issues around agricultural transformation, growth, and food and nutrition security. The total amount of funding awarded for this project in 2018 was £1.2 million, with £0.9 million spent to date and £0.2 million recognised in the year.

4. Grant and fee income

	Note	Consolidated		College	
		Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Grant income from the OfS	2	28.4	29.2	28.4	29.2
Grant income from Research England	2	127.6	125.1	127.6	125.1
Grant income from other bodies	3	219.0	201.2	219.0	201.2
Fee income for taught awards		319.7	276.0	319.7	276.0
Fee income for research awards		28.1	24.7	28.1	24.7
Fee income from non-qualifying courses		35.7	37.0	35.7	37.0
		758.5	693.2	758.5	693.2

Grant income from other bodies comprises research awards from Research Councils, government and health authorities, and European Commission (Note 3).

Fee income for taught awards represents fee income for higher education courses and includes undergraduate and postgraduate taught awards. Fee income for research awards represents postgraduate research awards excluding grants made by Research Councils and other bodies in support of the training of research students. Fee income from non-qualifying courses represents fees for non-credit-bearing courses and research training support.

Notes to the financial statements

For the year ended 31 July 2021

5. Other income

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Residences, catering and conferences	30.0	48.3	30.0	48.3
Consultancies and scientific services	26.5	19.6	4.9	4.7
Health and hospital authorities	25.7	24.1	25.7	24.1
Rents receivable from commercial property	17.1	15.0	12.4	10.3
Other revenue grants	11.5	5.8	13.2	6.1
Other departmental income	13.5	24.0	23.4	32.2
Other income	21.0	15.7	28.4	31.0
	145.3	152.5	138.0	156.7

Health and hospital authorities income relates to recharges for staff employed by the College where some of their salaries are reimbursed by the NHS for their work at NHS Trusts. Other departmental income includes sundry income related to activities undertaken by academic departments. In 2019–20 £7.8 million royalty income was realised on sale of technology transfer spinout Process System Enterprise. Other income is received by non-academic departments for a range of services and facilities they provide, for example sport, car parking and Early Years Education Centre. Material movements between the income recognised in each of the past two financial years are referenced in the financial review.

6. Investment income

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Interest and investment income on endowments	1.2	1.3	1.2	1.3
Other investment income	3.2	3.0	3.2	3.0
Interest on cash, cash equivalents and current investments	3.1	1.6	3.1	1.6
	7.5	5.9	7.5	5.9

Around half of the sale proceeds from a property sale are deferred and will be received between 2024–25 and 2027–28. This arrangement constitutes a financing transaction. For this reason, we are required to adjust these future receipts to reflect the prices at the point of the transaction. The difference between the actual future receipts and the adjusted receipts is recognised as interest proportionally each year until the proceeds are received (£1.6 million this year).

7. Donations and endowments

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
New endowments	1.8	4.4	1.8	4.4
Donations with performance related conditions	3.4	0.9	3.4	0.9
Research donations	7.6	16.0	7.6	16.0
Capital donations	5.0	1.1	5.0	1.1
Other donations with restrictions	3.7	3.3	3.7	3.3
Unrestricted donations	2.5	2.6	2.5	2.6
	24.0	28.3	24.0	28.3

Where the College has a pledge supported either by a legal deed or a letter, the income is recognised on pledge, apart from donations with performance related conditions where income is only recognised on fulfilment of conditions specified in the gift agreements.

8. Staff costs

	Note	Consolidated		College	
		Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Staff costs					
Salaries		468.4	451.2	465.4	448.4
Social security costs		51.3	48.8	51.3	48.8
Other pension costs	31	69.0	65.9	69.0	65.9
Restructuring costs		1.9	1.5	1.9	1.5
		590.6	567.4	587.6	564.6
Pension provisions					
USS	22	4.6	(71.5)	4.6	(71.5)
		4.6	(71.5)	4.6	(71.5)
		595.2	495.9	592.2	493.1

	Full-time equivalent (FTE)		Headcount	
	31 July 2021	31 July 2020	31 July 2021	31 July 2020
Staff numbers by major category				
Academic and Research	3,739	3,742	4,030	4,041
Professional services	3,050	3,039	3,230	3,295
Technical services	508	488	523	507
Operational services	312	391	344	456
Learning & Teaching	358	317	487	376
	7,967	7,977	8,614	8,675

The FTE number is based on the headcount but adjusted to include only the pro rata element of part-time staff. The numbers include staff employed by the subsidiary companies.

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Remuneration of the President		
Basic salary	358.7	358.6
Voluntary salary reduction	(17.9)	(17.8)
Payments in lieu of pension contributions	46.6	46.6
Pension contributions to USS	7.2	7.2
Taxable benefits – Provision of living accommodation	54.0	20.5
Total remuneration excluding non-taxable benefits	448.6	415.1
Non-taxable benefits – Provision of living accommodation	70.0	112.3
Total	518.6	527.4

Notes to the financial statements

For the year ended 31 July 2021

8. Staff costs (continued)

From April 2018 the President has, in accordance with College policy, elected to cease the accrual of pension benefits in USS but maintains life assurance and incapacity coverage in the scheme. In order to maintain the same overall remuneration, the President's salary was increased to compensate for the reduction in employer pension contributions. This was at no additional cost to the College.

In recognition of the impact of the COVID-19 pandemic, the President took a voluntary 20% reduction in her pay for six months from 1 May 2020. The Provost did the same, with other members of the President's Board also volunteering for a pay reduction over the same period. The monies saved were allocated to hardship funds to provide one-off payments to staff and students experiencing extreme financial hardship due to the COVID-19 pandemic.

The non-taxable benefit for accommodation of £66,000 for the first eight months of the year is calculated utilising the estimated market rent of the official residence. This is adjusted for official use of the residence based on the floor space attributable to areas of the residence that are customarily used for College business and are maintained in this manner. The full year rental figure would have been £98,000 (2020: £109,000). Other non-taxable benefits represent additional costs the College incurred as a landlord of £3,566 (2020: £3,250) maintaining the property; this amount varies year-by-year based on the level of repairs required.

The benefit the President receives from her official residence has been reclassified as taxable from the 5 April 2021. This follows the removal of the "representative occupier" concession at the start of the 2021–22 tax year. The new taxable benefit in respect of the accommodation for the last four months of the year is £40,000, derived from the market value of the accommodation provided at the point of occupation and adjusted to account for the official use. The additional taxable benefits of £13,894 (2020: £20,500) comprise utilities, cleaning, maintenance and furnishings in respect of the President's official residence.

The College is committed to offering all staff, including the President, a total remuneration package that is equitable, fair and appropriately reflects the College's standing. Imperial is one of the world's top 10 academic institutions, competing and collaborating globally whilst also operating in the increasingly challenging and competitive global higher education environment. The President is the College's most senior executive with ultimate responsibility for the performance, reputation and success of the organisation. A prerequisite of the role is senior leadership experience in similar world-class organisations, a strong academic record and extensive experience in fundraising. To find candidates of this calibre we need to look internationally and not just restrict ourselves to the UK market. Prior to appointment, the total remuneration offered is set with reference to this global marketplace and is then benchmarked against peers. At the meeting in November 2020 of the Remuneration Committee, the President once again requested no increase in pay and the committee concurred.

	Year ended 31 July 2021	Year ended 31 July 2020
President's remuneration as multiple of the median pay for all other employees (on a FTE basis)		
Multiple based on basic salary	8.07	8.52
Multiple based on total remuneration	11.01	11.55

Compensation for loss of office

Payments in respect of loss of office comprise termination payments paid directly to individuals in respect of loss of office, plus contributions made towards legal expenses. All compensation in respect of loss of office has been internally funded by the College.

	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Compensation payable recorded within staff costs	2.8	1.1

Payments for compensation for loss of office were payable to 364 employees in 2021 (2020: 217). Of this, a total £194,173 (2020: £49,050) was paid in severance payments to staff that earned in excess of £100,000 per annum (4 in 2021, 1 in 2020). The majority of the increase in 2021 relates to the restructures in ICT and Campus Services.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and the Group. Staff costs include compensation paid to key management personnel.

Key management personnel comprises members of the President's Board and the Provost's Board. The increase in compensation in 2020–21 reflects changes in the composition of the Boards with combined membership for the year ended 31 July 2021 standing at 22 FTE (2020: 17 FTE).

	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Group and College key management personnel compensation	6.1	5.0

Trade Union (Facility Time Publication Requirements) Regulations

Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake Trade Union duties and activities as a Trade Union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties.

The number of College employees who were Trade Union officials during the period 1 April 2020 to 31 March 2021 was 14 (2020: 17); these were all full-time College employees. The percentage of time spent by them on Facility Time fell in the 1–50% band. The cost of this activity amounts to £123,606 (2020: £120,166) representing 0.02% (2020: 0.02%) of the total pay bill in the relevant period. Of the total paid Facility Time, the proportion of hours spent on paid Trade Union activities was 2.62% (2020: 9.1%).

Notes to the financial statements

For the year ended 31 July 2021

8. Staff costs (continued)

	Year ended 31 July 2021 Headcount	Year ended 31 July 2020 Headcount	Year ended 31 July 2021 FTE	Year ended 31 July 2020 FTE
Remuneration of higher paid staff:				
£100,000-£104,999	78	85	72.8	74.8
£105,000-£109,999	59	87	50.0	71.1
£110,000-£114,999	69	41	58.2	35.9
£115,000-£119,999	41	26	35.4	22.3
£120,000-£124,999	28	31	24.6	27.7
£125,000-£129,999	31	27	24.3	21.2
£130,000-£134,999	27	21	23.3	17.6
£135,000-£139,999	12	15	11.2	14.0
£140,000-£144,999	15	13	14.5	12.1
£145,000-£149,999	14	12	12.3	11.6
£150,000-£154,999	14	9	11.1	6.5
£155,000-£159,999	6	10	4.5	8.1
£160,000-£164,999	13	8	11.6	6.4
£165,000-£169,999	2	3	1.3	3.0
£170,000-£174,999	5	2	4.5	1.2
£175,000-£179,999	3	5	2.2	5.0
£180,000-£184,999	5	6	5.0	5.2
£185,000-£189,999	6	3	4.7	3.0
£190,000-£194,999	3	6	3.0	6.0
£195,000-£199,999	5	5	5.0	4.5
£200,000-£204,999	6	2	5.6	2.0
£205,000-£209,999	2	1	2.0	1.0
£210,000-£214,999	3	-	3.0	-
£215,000-£219,999	1	2	1.0	2.0
£220,000-£224,999	2	1	1.3	1.0
£225,000-£229,999	1	2	0.2	1.6
£235,000-£239,999	1	3	1.0	2.5
£240,000-£244,999	2	2	2.0	2.0
£245,000-£249,999	2	3	2.0	2.3
£250,000-£254,999	4	-	1.5	-
£255,000-£259,999	1	-	1.0	-
£260,000-£264,999	-	1	-	0.2
£265,000-£269,999	1	-	0.2	-
£275,000-£279,999	1	2	1.0	2.0
£280,000-£284,999	1	-	1.0	-
£285,000-£289,999	2	1	2.0	1.0
£290,000-£294,999	-	1	-	0.6
£305,000-£309,999	-	1	-	0.5
£315,000-£319,999	-	1	-	1.0
£320,000-£324,999	2	1	1.5	1.0
£330,000-£334,999	1	-	1.0	-
£340,000-£344,999	1	1	1.0	1.0
£345,000-£349,999	1	1	1.0	1.0
£365,000-£369,999	-	1	-	0.1
£370,000-£374,999	1	-	0.1	-
£400,000-£404,999	-	1	-	1.0
£405,000-£409,999	1	-	1.0	-
£430,000-£434,999	1	1	0.1	0.1
	474	444	410.0	381.1

Remuneration of higher paid staff is the full-time equivalent basic annual salary prior to any adjustment for salary sacrifice. The number of staff is calculated on a full-time equivalent basis. Staff who joined or left part-way through a year but who would have received salary in these bands in a full year are not included unless the salary that they received for the portion of the year they were employed by the College exceeded £100,000, in which case they are included in the pay band corresponding to what they received. Where a proportion of the salary is reimbursed by the NHS, only the portion paid by the College is disclosed. Remuneration is shown after a voluntary salary reduction which some staff took as a result of COVID-19. The monies saved were allocated to hardship funds to provide one-off payments to staff and students experiencing extreme financial hardship due to the COVID-19 pandemic.

9. Interest and other finance costs

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Loan interest	13.8	14.0	13.8	14.1
Finance lease interest	4.7	4.7	4.7	4.7
Other financing costs	1.1	3.0	1.1	3.0
	19.6	21.7	19.6	21.8

Other financing costs include the unwinding of the USS pension provision. The reduction from £2.8 million in 2020 to £0.8 million in 2021 was due to the £72.4 million fall in required pension provision (see Note 22).

10. Analysis of total expenditure by activity

	Staff costs £m	Depreciation £m	Other operating expenses £m	Interest £m	Consolidated	College
					Total £m	Total £m
2021						
Academic departments	287.8	2.6	72.6	0.2	363.2	363.3
Research grants and contracts	173.5	10.4	83.8	-	267.7	268.2
Academic services	38.1	0.1	29.1	-	67.3	65.1
Bursaries and scholarships	-	-	43.6	-	43.6	43.6
Administration and central services	56.8	2.5	30.2	-	89.5	89.5
Premises	16.6	56.4	71.7	-	144.7	138.3
Residences, catering and conferences	7.3	13.5	18.2	4.7	43.7	43.8
Other expenditure	15.1	-	6.9	14.7	36.7	37.1
Total	595.2	85.5	356.1	19.6	1,056.4	1,048.9
2020						
Academic departments	266.6	2.7	80.1	0.2	349.6	350.2
Research grants and contracts	166.3	9.2	85.5	-	261.0	261.3
Academic services	35.4	0.1	27.1	-	62.6	60.6
Bursaries and scholarships	-	-	42.2	-	42.2	42.2
Administration and central services	58.3	1.5	34.7	-	94.5	94.4
Premises	16.7	55.9	65.1	-	137.7	131.8
Residences, catering and conferences	9.2	10.3	19.7	4.8	44.0	44.0
Other expenditure	(56.6)	-	9.9	16.7	(30.0)	(17.3)
Total	495.9	79.7	364.3	21.7	961.6	967.2

Other staff costs expenditure includes movement in USS pension provision of £4.6 million debit in 2021 (2020: £71.5 million credit) as disclosed in notes 8 and 22.

Notes to the financial statements

For the year ended 31 July 2021

10. Analysis of total expenditure by activity (continued)

	Year ended 31 July 2021 £000	Year ended 31 July 2020 £000
Other operating expenses include:		
External auditors remuneration in respect of audit services	340.1	275.0
External auditors remuneration in respect of prior year audit services	52.0	26.1
External auditors remuneration in respect of non-audit services	90.1	145.7

11. Access and Participation expenditure

Consolidated and College

	Year ended 31 July 2021			Year ended 31 July 2020		
	Staff Costs £m	Other operating expenses £m	Total £m	Staff Costs £m	Other operating expenses £m	Total £m
Access investment	1.3	0.3	1.6	1.2	0.6	1.8
Financial support	0.1	8.0	8.1	0.1	6.8	6.9
Disability support	0.8	0.5	1.3	0.8	0.2	1.0
Research and evaluation	0.2	-	0.2	0.1	-	0.1
	2.4	8.8	11.2	2.2	7.6	9.8

All universities wishing to charge full fees to domestic undergraduate students have to produce Access and Participation Plans which set out how they will improve equality of opportunity for underrepresented groups to access, succeed in and progress from higher education. These must be approved by the Director for Fair Access and Participation at the Office for Students. The access and participation expenditure stated above includes that related to the delivery of the College's approved plans. Support for disabled students includes expenditure delivered through targeted College activities and services only, such as the Disability Advisory Service, which supports all students at all levels of study. Disabled students also receive support through other College services not included here as it is not possible to disaggregate these.

Staff costs above are already included in the overall staff costs figures reported in these financial statements (see Note 8).

The College's Access and Participation plan is published on the College's website:
www.imperial.ac.uk/about/governance/academic-governance/academic-policy/admissions.

12. Fixed assets

	Freehold land and buildings £m	Leasehold land and buildings £m	Fixtures, fittings and equipment £m	Assets in the course of construction £m	Total £m
Consolidated					
Cost					
At 1 August 2020	1,145.4	860.1	359.1	137.5	2,502.1
Additions	0.7	(0.2)	25.2	67.4	93.1
Transfer to investment property	(2.8)	-	-	(0.1)	(2.9)
Transfers between classes	104.6	21.6	13.8	(140.0)	-
Disposals	(18.9)	-	(14.8)	-	(33.7)
At 31 July 2021	1,229.0	881.5	383.3	64.8	2,558.6
Accumulated depreciation					
At 1 August 2020	221.8	366.1	278.7	-	866.6
Charge for the period	30.6	31.4	23.5	-	85.5
Transfer to investment property	(0.5)	-	-	-	(0.5)
Disposals	(4.9)	-	(14.8)	-	(19.7)
At 31 July 2021	247.0	397.5	287.4	-	931.9
Net book value					
At 31 July 2021	982.0	484.0	95.9	64.8	1,626.7
At 31 July 2020	923.6	494.0	80.4	137.5	1,635.5
College					
Cost					
At 1 August 2020	1,144.7	844.7	359.1	145.7	2,494.2
Additions	0.7	0.2	25.1	58.8	84.8
Transfer to investment property	(2.8)	-	-	(0.1)	(2.9)
Transfers between classes	104.6	21.2	13.9	(139.7)	-
Disposals	(18.9)	-	(14.8)	-	(33.7)
At 31 July 2021	1,228.3	866.1	383.3	64.7	2,542.4
Accumulated depreciation					
At 1 August 2020	221.1	361.3	278.9	-	861.3
Charge for the period	30.6	30.9	23.5	-	85.0
Transfer to investment property	(0.5)	-	-	-	(0.5)
Disposals	(4.9)	-	(14.8)	-	(19.7)
At 31 July 2021	246.3	392.2	287.6	-	926.1
Net book value					
At 31 July 2021	982.0	473.9	95.7	64.7	1,616.3
At 31 July 2020	923.6	483.4	80.2	145.7	1,632.9

At 31 July 2021, freehold land and buildings included £199.2 million (2020: £207.4 million) in respect of freehold land which is not depreciated.

During the year the College disposed of the Centre House building at White City and Heston Sports Ground, included above at a cost of £17.1 million and accumulated depreciation of £3.2 million, recognising a gain in the year of £39.5 million.

Transfers to investment property include Shinfield Street apartments that are used for private residential and key worker accommodation.

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For the year ended 31 July 2021

12. Fixed assets (continued)

Griffon Studios, the 566 postgraduate student apartment block, is held under a 45 year finance lease following its sale to and leaseback from Legal and General Pensions Ltd in 2012. Included in land and buildings under finance leases is also the land belonging to the Trustees of the Charitable Funds for the Charing Cross, Hammersmith and Queen Charlotte's Hospitals. The Trustees have leased the land to Imperial College on a 125 year lease which is held at a value of £1.7 million.

Consolidated and College leasehold land and buildings include assets held under finance leases as follows:

	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Cost	95.6	95.6
Accumulated depreciation	(18.3)	(16.2)
Charge for year	(2.1)	(2.1)
Net book value	75.2	77.3

Included at cost within land and buildings for the College and Group as at 31 July 2021 is a heritage asset, being the nineteenth-century built Queen's Tower. It has negligible carrying value and is currently insured at a value of £15.4 million (2020: £15.0 million). The College owns other works of art, with negligible cost when acquired and insured at a value of £0.5 million, which are not included above.

13. Non-current investments

Consolidated	Marketable investments £m	Investment property £m	Non-listed investments £m	Subsidiary companies	Total £m
At 1 August 2020	350.2	271.0	64.3	-	685.5
Additions	40.3	(0.1)	9.2	-	49.4
Transfer from other assets	-	2.4	-	-	2.4
Disposals	(34.8)	(1.0)	(0.8)	-	(36.6)
Gain on market movements	76.4	9.7	0.5	-	86.6
Impairment	-	-	(0.8)	-	(0.8)
At 31 July 2021	432.1	282.0	72.4	-	786.5
College					
At 1 August 2020	350.2	271.0	64.3	35.7	721.2
Additions	40.3	(0.1)	11.7	4.5	56.4
Transfer from other assets	-	2.4	-	-	2.4
Disposals	(34.8)	(1.0)	(0.8)	-	(36.6)
Gain on market movements	76.4	9.7	0.5	-	86.6
Impairment	-	-	(0.8)	-	(0.8)
At 31 July 2021	432.1	282.0	74.9	40.2	829.2

Marketable investments as at 31 July 2021 comprise £375.1 million listed equity (2020: 285.8 million), £40.4 million cash and bonds (2020: £49.8 million), and £16.6 million of listed alternative investments (2020: £14.6 million). Cash and bonds comprise cash held by external fund managers to cover distributions and to take advantage of new investment opportunities, and bonds.

Non-listed investments as at 31 July 2021 comprise £38.7 million unlisted equity (2020: £38.5 million), of which £36 million is in The Francis Crick Institute Ltd, and £33.7 million in private loans, including £29 million due from Scale Space LLP (see Note 14).

14. Investments in joint ventures

Imperial College Thinkspace Limited has invested £0.2 million this year (2020: £4.3 million) in Scale Space LLP (50%), a joint venture partnership with Accelerate Property Feeder Ltd (a subsidiary of Blenheim Chalcot LTF Limited), with up to a further £1.2 million committed. The joint venture is constructing business innovation space at our White City Campus. The College has also provided a £27.0 million arm's length loan to the joint venture (2020: £21.8 million), with up to a further £4.3 million committed. Further £2 million interest on the loan provided has been capitalised. Scale Space LLP is accounted for on the equity basis with the College's share of net assets of £6.2 million as at 31 July 2021 (2020: £5.7 million) and a share of profits relating to ongoing operations of £0.3 million (2020: loss £1.0 million).

15. Investments in associates

Associates are consolidated using the equity method.

During the year, the College sold its 25% (2020: 39%) interest in TWIG Rights Limited, the holding company of a trading entity which creates digital educational resources. Prior to the sale, the College had capitalised the £1.0 million loan it had granted TWIG and this was accounted for as part of the gain on sale of the associate calculation. At time of sale, the College held the investment at £10.2 million (2020: £9.2m) and the carrying amount of this associate was £3.4 million (31 July 2020: £5.1 million).

16. Subsidiary undertakings

As at 31 July the subsidiary companies, all of which are registered in England and are wholly-owned by the College, were as follows:

Company	Principal activity	Holding %
Burlington Danes Construction Ltd	Construction and property services	100
I C Consultants Ltd	Consultancy and scientific services	100
Imperial Activities Ltd	Commercial property services	100
Imperial College Developments Ltd	Development of building projects	100
Imperial College Innovations Ltd	Commercialising & supporting spin-out companies	100
Imperial College London Ltd	Dormant	100
Imperial College Projects Ltd	Provision of scientific services	100
Imperial College ThinkSpace Ltd	Provision of facilities to spin-out companies	100
Imperial MBA Ltd	Dormant	100
Wye Foundation Trust	Charitable Trust	100

All of the subsidiary companies noted above have their registered address at the Faculty Building, Imperial College London, London, SW7 2AZ.

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For the year ended 31 July 2021

17. Trade and other receivables

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Research grants and contracts - receivables	25.2	36.7	25.2	36.7
Research grants and contracts - work in progress	75.5	66.7	75.5	66.7
Other trade receivables	104.6	88.7	97.7	81.4
Prepayments, accrued income and other receivables	91.0	68.7	87.2	66.4
Derivatives	7.1	-	7.1	-
Amounts due from subsidiary companies	-	-	13.1	12.1
Amounts due from associate companies and joint ventures	-	1.0	-	1.0
	303.4	261.8	305.8	264.3
Amounts due after more than one year included above	46.9	18.4	48.4	19.9

The derivatives relate to forward contracts for gas and electricity entered into to mitigate the effect of adverse market energy prices. These are held at fair value using quoted market energy rates as at the year-end. There were no such forward contracts as at 31 July 2020.

Included within Other trade receivables are invoices totalling £84.3 million (2020: £66.3 million) in respect of tuition fees for courses starting in the next financial year with the income deferred on the balance sheet until the start of the course.

18. Current investments

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Deposits	49.4	0.9	49.4	0.9

Deposits included here are those held with banks and building societies with more than three months' maturity at the balance sheet date.

At 31 July 2021 the weighted average interest rate of these fixed rate deposits was 0.34% per annum. The fair value of these deposits was not materially different from their book value.

19. Creditors : amounts falling due within one year

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Unsecured loans	10.2	12.1	10.2	12.1
Obligations under finance leases	0.9	0.8	0.9	0.8
Deferred lease premiums	0.3	0.3	0.3	0.3
Research payments received on account	283.6	255.8	283.6	255.8
Trade payables	27.1	30.9	23.0	23.7
Social security and other taxation payable	15.1	14.7	15.9	15.1
Accruals, deferred income and other creditors	303.9	251.4	289.6	239.4
Amounts due to subsidiary companies	-	-	4.7	6.0
Derivatives	-	0.3	-	0.3
	641.1	566.3	628.2	553.5

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred.

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Income with performance related conditions	42.5	37.5	42.5	37.5
Tuition fee income in respect of courses starting in the next financial year	130.2	91.2	130.2	91.2
Other income	32.1	30.7	27.4	26.2
	204.8	159.4	200.1	154.9

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For the year ended 31 July 2021

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

	Consolidated		College	
	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m	Year ended 31 July 2021 £m	Year ended 31 July 2020 £m
Obligations under finance lease	86.8	87.7	86.8	87.7
Deferred lease premiums	10.7	11.1	10.7	11.1
Unsecured loans	424.8	435.0	424.8	435.0
	522.3	533.8	522.3	533.8

The maturity profile of the carrying amount of the Group's and College's liabilities at 31 July was as follows:

	Lease premiums £m	Bank loans £m	Finance leases £m	2021 £m	2020 £m
Due within one year or on demand (Note 19)	0.3	10.2	0.9	11.4	13.2
In more than one year but no more than two years	0.3	10.2	0.9	11.4	11.4
In more than two years but no more than five years	1.0	19.1	3.2	23.3	26.9
In more than five years	9.4	395.5	82.7	487.6	495.5
Total unsecured loans and finance lease obligations	11.0	435.0	87.7	533.7	547.0
Less than one year	(0.3)	(10.2)	(0.9)	(11.4)	(13.2)
Due after more than one year	10.7	424.8	86.8	522.3	533.8

The bank loans comprise the following unsecured sterling borrowing facilities:

	Outstanding amount drawn £m	Original amount £m	Interest rate %	Date drawn	Term Years
Lender					
Private Placement	50.0	50.0	5.39	Mar-03	30
Private Placement	50.0	50.0	4.84	Jul-06	50
EIB	7.7	50.0	floating	May-08	15
EIB	60.5	70.0	2.87	Dec-14	25
EIB	66.8	70.0	2.50	Nov-16	25
Private Placement	30.0	30.0	2.47	Jan-17	33
Private Placement	71.0	71.0	2.47	Jan-17	35
Private Placement	99.0	99.0	2.44	Jan-17	40
	435.0	490.0			

21. Reconciliation of net debt

	Consolidated			
	1 August 2020 £m	Cash flows £m	Non-cash changes £m	31 July 2021 £m
Cash in hand	317.4	44.4	(2.0)	359.8
Current investments	0.9	48.5	-	49.4
Debt due within one year	(12.1)	12.1	(10.2)	(10.2)
Debt due after one year	(435.0)	-	10.2	(424.8)
Finance leases due within one year	(0.8)	0.8	(0.9)	(0.9)
Finance leases due after one year	(87.7)	-	0.9	(86.8)
Net debt	(217.3)	105.8	(2.0)	(113.5)

22. Provisions for liabilities

	Obligation to fund deficit on USS pension £m	Corporate £m	Decommissioning of Engineering facility £m	Total other £m
Consolidated and College				
At 1 August 2020	107.4	3.6	3.9	7.5
Utilised in period	(4.9)	(1.8)	(3.0)	(4.8)
Movement in period	5.4	0.7	(0.4)	0.3
Unused amounts reversed in period	-	(0.9)	-	(0.9)
At 31 July 2021	107.9	1.6	0.5	2.1

USS deficit

The obligation to fund the past deficit on the USS pension scheme arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. A new deficit recovery plan was put in place as part of the 2018 valuation, which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate increased to 6% through to the end of the period at 31 March 2028.

There has been a £0.5m increase in the value of the deficit recovery provision from last year, which is driven by the increase in projected salary costs (assumed long term increase 2.97% compared to 2.73% in 2020) which impacts the present value of expected contributions and the unwind of the discount factor. These increases were partially offset by the pension deficit contributions paid. Key assumptions are set out below.

The major assumptions used to calculate the obligation are:

	2021	2020
Discount rate	0.87%	0.73%
Salary growth	2.9% - 3.0%	2.4% - 3.0%
	2.97% long term rate	2.73% long term rate
USS membership growth	Nil	Nil

The methodology for the USS membership growth assumption looks at both historic College USS membership trends and expected future growth of USS eligible staff. Membership has been stable this year. Acknowledging the ambiguity around contributions rates and the uncertainty of the future economic environment, the College has decided to maintain a year-on-year growth of 0% for the duration of the deficit recovery period.

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For the year ended 31 July 2021

22. Provisions for liabilities (continued)

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 2021	Approximate impact
0.5% pa decrease in discount rate	+£2.2m
0.5% pa increase/(decrease) in salary inflation in each year of the deficit recovery period (eight years)	+/-£2.8m
0.5% increase/(decrease) in scheme membership each year of the deficit recovery plan (eight years)	+/-£2.2m
1% increase in deficit contributions from October 2021 (in addition to 4% increase already expected)	+£17.8m
One year increase in deficit recovery period	+£17.8m

Other

The decommissioning provision fell as work recommenced in June 2020 and this is expected to be completed in the year to July 2022 if no further delays materialise. The Corporate provision previously relating to potential tax liabilities for overseas employees has been released in the year due to continuing uncertainties as to the amount of provision required. Also included in the Corporate provision are the remedial cladding works related to one of our student halls which was increased by £0.5 million to cover irrecoverable VAT. Overall this provision has reduced as these remedial cladding works move closer to completion. There are further cladding remedial works due to be undertaken next year that appear on the contingent liability register and have not been provided for as there is no current legal requirement to undertake them although we have committed to undertake this work.

23. Endowment reserves

Consolidated and College restricted net assets relating to endowments are as follows:

					2021	2020
	Restricted permanent endowments	Unrestricted permanent endowments	Total permanent endowments	Expendable endowments	Total endowments	Total endowments
	£m	£m	£m	£m	£m	£m
Balances at 1 August						
Capital	106.6	13.7	120.3	85.8	206.1	205.4
Accumulated income	(4.6)	(0.1)	(4.7)	(25.4)	(30.1)	(27.3)
	102.0	13.6	115.6	60.4	176.0	178.1
New endowments	-	0.1	0.1	1.7	1.8	4.4
Investment income	1.3	0.1	1.4	0.7	2.1	2.8
Expenditure	(2.1)	(0.1)	(2.2)	(2.2)	(4.4)	(5.6)
	(0.8)	-	(0.8)	(1.5)	(2.3)	(2.8)
Realised gain/(loss) on sale of investments	0.3	-	0.3	0.2	0.5	(0.5)
Increase/(decrease) in market value of investments	16.4	1.8	18.2	7.9	26.1	(3.2)
At 31 July	117.9	15.5	133.4	68.7	202.1	176.0
Represented by:						
Capital	123.3	15.6	138.9	95.6	234.5	206.1
Accumulated income	(5.4)	(0.1)	(5.5)	(26.9)	(32.4)	(30.1)
	117.9	15.5	133.4	68.7	202.1	176.0

23. Endowment reserves (continued)

	2021	2020
	Total £m	Total £m
Analysis by asset		
Non-current investments	130.6	105.4
Investment property	39.7	37.3
Accrued income	0.2	1.6
Current liabilities	(0.2)	(0.1)
Cash & cash equivalents	31.8	31.8
	202.1	176.0

Included within endowments are a number of permanent funds with a deficit of accumulated income as at 31 July 2021. Within unrestricted permanent endowments there are 3 funds with a combined deficit balance of £0.1 million (2020: 3 funds with a deficit totalling £0.1 million). Within restricted permanent endowments there are 87 individual funds with a total combined deficit of £8.3 million (2020: 82 funds with a total combined deficit of £7.3 million).

24. Restricted reserves

Reserves with restrictions are as follows:

	Capital	Research	Other	2021	2020
	£m	£m	£m	Total £m	Total £m
Consolidated					
Balances at 1 August	23.1	47.8	14.4	85.3	101.3
New Funding body grants	16.5	-	-	16.5	14.4
New income / donations	6.0	9.7	6.0	21.7	23.5
Expenditure	(19.2)	(11.1)	(8.7)	(39.0)	(53.9)
	3.3	(1.4)	(2.7)	(0.8)	(16.0)
At 31 July	26.4	46.4	11.7	84.5	85.3
College					
Balances at 1 August	23.1	47.8	22.6	93.5	107.4
New Funding body grants	16.5	-	-	16.5	14.4
New income / donations	6.0	9.7	8.3	24.0	25.6
Expenditure	(19.2)	(11.1)	(8.7)	(39.0)	(53.9)
	3.3	(1.4)	(0.4)	1.5	(13.9)
At 31 July	26.4	46.4	22.2	95.0	93.5

Notes to the financial statements

For the year ended 31 July 2021

25. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July:

	Consolidated		College	
	2021 £m	2020 £m	2021 £m	2020 £m
Capital commitments for major building projects contracted for at 31 July	29.5	30.7	29.0	30.7

26. Contingent liabilities

The College is subject to a number of overage clauses and other matters for which the outcomes are uncertain and the likelihood of occurrence is considered remote or the potential outflows are not material to the College and Group.

27. Lease payables

	Consolidated		College	
	2021 £m	2020 £m	2021 £m	2020 £m
Total rentals payable under operating leases:				
Future minimum lease payments due:				
Not later than one year	7.3	7.5	7.3	7.4
Later than one year and not later than five years	27.7	27.9	27.1	27.4
Later than five years	118.8	125.2	116.9	123.2
Total lease payments due	153.8	160.6	151.3	158.0

Lease payments recognised as an expense in the year totalled £7.5 million (2020: £6.1 million).

28. Lease receivables

	Consolidated		College	
	2021 £m	2020 £m	2021 £m	2020 £m
Total rentals receivable under operating leases:				
Future minimum lease payments due:				
Not later than one year	15.5	13.1	10.8	9.0
Later than one year and not later than five years	39.1	39.1	24.7	24.4
Later than five years	52.0	56.5	43.3	48.8
Total lease payments due	106.6	108.7	78.8	82.2

29. Related party transactions

The College maintains a Register of Interests of all Council members, academic and professional services staff. Policies incorporated within the College's Financial Ordinances require an individual to declare an interest and withdraw from any commercial discussions should a conflict of interest potentially arise. Written assurances have been obtained from Council members and senior officers of the College in respect of themselves and their close family that for the year to 31 July 2021 they have not unduly influenced any transaction between the College and a related party, as defined by FRS 102.

Commercial relationships with companies or other organisations that might be regarded as related parties have been reviewed. Transactions of a similar nature are aggregated unless, in the opinion of the College, separate disclosure is necessary to understand the effect of the transactions on the financial statements. The College has taken advantage of the exemption given by FRS 102, Related Party Disclosures, from disclosing transactions with its wholly owned subsidiaries. During the year, the College purchased goods and services amounting to £3.4 million and invoiced receivables amounting to £3.8 million from related parties. At the year end £0.06 million was outstanding and included in debtors. Purchases of £2.9 million and invoiced receivables of £1.2 million relate to the transactions with companies in which the key management personnel declared interest.

A number of College employees hold positions in the Imperial College Healthcare NHS Trust. In common with many universities, senior members of the College sit on Research Councils, other NHS Trust boards and other grant awarding bodies which have their own internal procedures to avoid potential conflicts of interest. Transactions with these entities are not included in the aggregate numbers above but are included in notes 3 and 5.

The College has close relationships with a number of West London NHS Trusts with whom the College shares sites and facilities. College staff work closely with those Trusts particularly in the clinical service areas.

No Council member, who are trustees for the purpose of charity law, has received any remuneration or waived payments from the College during the year in respect of their services as a trustee (2020: Nil).

The total expenses paid to or on behalf of three trustees were £995 (2020: £2,131 to three trustees). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and charity events in their official capacity.

30. Connected charitable institutions

A number of charitable institutions are administered by, or on behalf of, the College and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission. The College has no connected charities with income of £100,000 and above to disclose. Aggregate figures for connected charities with income below this threshold are disclosed below.

	Opening reserves £000	Income and donations received £000	Expenditure and outgoing resources £000	Capital growth/ diminution £000	Closing reserves £000
Funds where individual income for the year was under £100,000					
Consolidated					
Prize Funds (two funds)	381	-	-	61	442
Research support (two funds)	2,366	-	-	401	2,767
Student support (one fund)	3,570	5	(428)	564	3,711
	6,317	5	(428)	1,026	6,920

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31. Pension schemes

The College participates in four separate, independently managed, defined benefit occupational pension schemes, which were contracted out of the State Second Pension (S2P) until 31 March 2016. Each is valued triennially by professionally qualified and independent actuaries, except the NHS Scheme which is valued quadrennially. The Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and NHS pension schemes are multi-employer schemes and it is not possible to identify the College's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. Hence, as required by Section 28 of FRS 102, contributions to the schemes are accounted for as if they were defined contribution schemes. This means the amounts charged to the statement of comprehensive income and expenditure represent the contributions payable to the schemes in respect of the accounting period. For both USS and SAUL, in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer may be spread across the remaining participant employers and reflected in the next actuarial valuation. The College also participates in the Federated Pension Scheme (FPS).

USS

Staff paid on academic and academic-related scales (who are otherwise eligible), can acquire pension rights through USS, which is a national scheme administered centrally for UK universities. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits, above a threshold amount of salary. The assets of the scheme are held in a separate fund administered by the Trustee.

The total cost for the College for the year ended 31 July 2021 was £51.8 million (2020: £49.0 million). Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole. The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion, indicating a shortfall of £3.6 billion. The assets were therefore sufficient to cover 95% of the benefits which had accrued to members, after allowing for expected future increases in earnings.

The overall position of the scheme, calculated on a basis consistent with the requirements of FRS 102, is presented below. The defined benefit liability numbers for the scheme have been produced using the following assumptions:

	31 March 2021	31 March 2020
Life expectancy:		
Males (females) currently aged 65 (years)	24.7 (26.1)	24.4 (25.9)
Males (females) currently aged 45 (years)	26.7 (27.9)	26.3 (27.7)
Existing scheme's benefits:		
Scheme assets	£80.6bn	£66.5bn
FRS 102 liabilities	£95.5bn	£79.7bn
FRS 102 deficit	£14.9bn	£13.2bn
FRS 102 funding level	84%	83%

Note that the FRS 102 funding level is based on accounting rules. This is not the driver for the benefit and contribution decisions for the scheme.

SAUL

The College participates in SAUL, which is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and will be reviewed at SAUL's next formal valuation in 2023. At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, positive market movements were experienced following the valuation date and the Trustee and the Employers agreed to allow for post valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that time, no deficit contributions were required. However, the Trustee and the employers have agreed that the ongoing employer's contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

NHS

Staff who have pension rights in the NHS Pension Scheme, on taking up a post within the College, may remain in membership of that scheme which is the nationally administered scheme for the NHS. The NHS Pension Scheme is an unfunded defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State in England and Wales.

The Scheme is subject to a full valuation every four years. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2016. A valuation of the scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership and financial data and are accepted as providing suitably robust figures for financial reporting purposes. The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

Current employer contributions are set at 14.38%, with member contributions ranging between 5.0% and 14.5% depending on salary. The results of the latest actuarial valuation completed as at 31 March 2016 set the employer contribution rate payable from April 2019. The Department of Health and Social Care (DHSC) laid Scheme Regulations confirming that the employer contribution rate increased to 20.6% of pensionable pay from this date. Under transitional arrangements, the College will be required to pay additional 1.8% (2020: 1.8%) contributions for period from April 2020 in 2020-21, with the remaining 4.5% (2020: 4.5%) being settled by DHSC and NHS making central payments directly to the scheme. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders. Given that none of the contributions relate to funding a deficit in the scheme, no provision is recognised for future contributions to the scheme.

The 2020 actuarial valuation is ongoing.

Federated Pension Scheme (FPS)

FPS is the scheme of St Mary's Hospital Medical School, operated for non-academic staff prior to 1 August 1988 when it was closed to new entrants. Two thirds of the membership elected to transfer into SAUL at that time and there are now no contributing members. A full actuarial valuation was carried out as at 31 March 2019 by a qualified independent actuary.

The liabilities set out in this note have been calculated based on the results of the full Scheme Funding Assessment as at 31 March 2019. The present value of the defined benefit obligation was measured using the projected unit credit method. Imperial College London has agreed a funding plan with the Trustee body following the 31 March 2019 funding assessment, whereby it was expected that no contributions would be required for the five year period commencing 1 July 2020. The disclosures set out below are based on calculations carried out as at 31 July 2021 by an independent qualified actuary.

The figures for 2020 have been restated by the actuary, following confirmation from the scheme's Trustees that certain members'

Notes to the financial statements

For the year ended 31 July 2021

31. Pension schemes (continued)

deferred and immediate annuities have been written in the names of the Trustees and not as previously advised in the name of the member. These were previously shown as a net liability. However, the correct position should have been to report assets and liabilities separately and this presentation has been adopted for this and the prior year.

The results of the calculations and the assumptions adopted are shown below:

	2021	2020
	£m	£m Restated
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	(5.2)	(5.1)
Interest cost on obligation	(0.1)	(0.1)
Administration costs	(0.1)	(0.1)
Remeasurement gains and (losses) – Actuarial losses	(0.2)	(0.4)
Benefits paid including expenses	0.4	0.5
Closing defined benefit obligation	(5.2)	(5.2)
Changes in the fair value of scheme assets		
Opening fair value of assets	7.2	7.4
Interest income	0.1	0.1
Remeasurement gains and (losses) – Return on scheme assets excluding interest income	(0.1)	0.1
Benefits paid including expenses	(0.4)	(0.4)
Closing fair value of scheme assets	6.8	7.2
Total expense recognised in income and expenditure		
Administration expenses	0.1	0.1
Major categories of scheme assets as a percentage of total scheme assets		
	2021	2020 Restated
Gilts	64.0%	62.3%
Corporate bonds	15.5%	15.8%
Insured annuity contracts	9.0%	8.8%
Cash	11.5%	13.1%
Total	100.0%	100.0%

The pension scheme has not invested in any of Imperial College London's own financial instruments, nor in properties or other assets used by Imperial College London. The assets are all quoted in an active market with the exception of the insured annuity contracts.

	2021	2020
	£m	£m Restated
Reconciliation of the present value of scheme liabilities and fair value of assets to the asset recognised in the balance sheet		
Fair value of assets	6.8	7.2
Value of liabilities	(5.2)	(5.1)
Funded status	1.6	2.1
Unrecognised pension asset	1.6	2.1

	2021	2020
	£m	£m Restated
Total amounts recognised in other comprehensive income		
Actual return on scheme assets – gains and (losses)	-	0.2
less: amounts included in net interest on the net defined benefit liability	(0.1)	(0.1)
Remeasurement gains and (losses) – Return on scheme assets excluding interest income	(0.1)	0.1
Remeasurement gains and (losses) – Actuarial losses	(0.2)	(0.4)
Surplus restriction	0.3	0.3
Other comprehensive income gains/(losses)	-	-

	2021	2020 Restated
Assumptions		
Discount rate	1.5%	1.4%
Aggregate long-term expected rate of return on assets (net of expenses)	1.5%	1.4%
Retail Prices Index (RPI) Inflation	3.4%	2.8%
Consumer Prices Index (CPI) Inflation	2.6%	2.0%
Future statutory revaluation of pensions in deferment	2.6%	2.0%
Pensions in payment, increasing by CPI capped at 5% p.a.	2.6%	2.1%
Post retirement mortality assumption	S3PXA	S3PXA

	2021	2020
	£m	£m
Scheme contributions		
The pension costs for the College and its subsidiaries under FRS 102 were:		
Contributions to USS	51.8	49.0
Contributions to SAUL	17.5	16.4
Contributions to NHS	4.6	4.3
Total contributions payable	73.9	69.7
Contributions towards USS deficit	22	(3.8)
Total contributions recognised in staff costs	69.0	65.9

Notes to the financial statements

For the year ended 31 July 2021

32. Financial instruments

The Group holds the following financial instruments at fair value:

		2021	2020
Financial assets measured at fair value through income and expenditure	Note	£m	£m
Marketable non-current investments	13	432.1	350.2
Investment property	17	7.1	-
		439.2	350.2
Financial liabilities measured at fair value through income and expenditure			
Derivatives	19	-	(0.3)
		-	(0.3)

33. Events after the reporting period

In respect of the USS pension scheme, a new Schedule of Contributions has been signed and filed with The Pensions Regulator based on the 2020 Valuation with an effective date of 1 October 2021. As the effective date occurred after 31 July 2021 but before the financial statements are signed this constitutes a non-adjusting balance sheet event.

The USS Trustee board has agreed the future contribution rates effective from 1 October 2021, with employer contributions at 21.4% and member contributions at 9.8%. This replaces the employer and member contributions in place to 30 September 2021 of 21.1% and 9.6% respectively.

The 2020 Valuation came into effect with a dual rate Schedule of Contributions. Leg 1 includes a small increase in contribution rates from the 2018 valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC); subject to member consultation. Leg 2 includes more significant increases in contribution rates and a shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022. Any potential changes will be introduced following a period of consultation which is due to end in January 2022. If either of these Schedule of Contributions had been in effect at the year end, the reported deficit provision at 31 July 2021 would have been £310.0 million and £494.8 million under leg 1 and leg 2 respectively.

34. Financial Responsibility US Supplemental Schedule

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

The amounts presented within the schedule 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 schedule sets 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.

Primary Reserve Ratio

Statement / Note	Line item / related disclosure		Year ended	Year ended	Year ended	Year ended
			31 July 2021	31 July 2021	31 July 2020	31 July 2020
			£m	£m	£m	£m
Expendable Net Assets						
SOPF	Statement of financial position – Unrestricted income and expenditure reserve	Net assets without donor restrictions		1,572.1		1,435.7
SOPF	Statement of financial position – Endowment income and expenditure reserve plus Restricted income and expenditure reserve	Net assets with donor restrictions		286.6		261.3
14, 17, 29	Notes to the financial statements – Note 14: Investments in joint venture (amount disclosed as “arm’s length loan to the joint venture”) plus Note 17: Amounts due from associate companies and joint ventures plus Note 29: Related party transactions (amount disclosed as outstanding at year-end within debtors)	Secured and Unsecured related party receivable	27.1		28.7	
14, 17, 29	Notes to the financial statements – Note 14: Investments in joint venture (amount disclosed as “arm’s length loan to the joint venture”) plus Note 17: Amounts due from associate companies and joint ventures plus Note 29: Related party transactions (amount disclosed as outstanding at year-end within debtors)	Unsecured related party receivable		27.1		28.7
12, 13	Notes to the financial statements – Note 12: Fixed assets (Consolidated total net book value) less Note 12: Fixed assets (Net book value of Consolidated and College leasehold land and buildings include assets held under finance leases)	Property, plant and equipment, net (includes Construction in progress)	1,551.5		1,558.2	
n/a	Schedule analysing property, plant and equipment and long-term debt for long term purposes (see below)	Property, plant and equipment - pre-implementation		1,101.0		1,199.3
n/a	Schedule analysing property, plant and equipment and long-term debt for long term purposes (see below)	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-		
n/a	Schedule analysing property, plant and equipment and long-term debt for long term purposes (see below)	Property, plant and equipment - post-implementation without outstanding debt for original purchase		385.7		221.4

Statement / Note	Line item / related disclosure		Year ended	Year ended	Year ended	Year ended
			31 July 2021	31 July 2021	31 July 2020	31 July 2020
			£m	£m	£m	£m
		Expendable Net Assets				
12	Notes to the financial statements – Note 12: Fixed assets (Consolidated asset under construction net book value)	Construction in progress		64.8		137.5
12	Notes to the financial statements – Note 12: Fixed assets (Net book value of Consolidated and College leasehold land and buildings include assets held under finance leases)	Lease right-of-use asset, net	75.2		77.3	
12	Notes to the financial statements – Note 12: Fixed assets (Net book value of Consolidated and College leasehold land and buildings include assets held under finance leases)	Lease right-of-use asset pre-implementation		75.2		77.3
n/a	n/a	Lease right-of-use asset post-implementation		-		-
n/a	n/a	Intangible assets		-		-
22	Notes to the financial statements – Note 22: Provisions for liabilities (Obligation to fund deficit on USS pension)	Post-employment and pension liabilities		107.9		107.4
19, 20	Notes to the financial statements – Note 19: Creditors : amounts falling due within one year (Unsecured loans) plus Note 20: Creditors : amounts falling due after more than one year (Unsecured loans)	Long-term debt - for long term purposes	435.0		447.1	
n/a	Schedule analysing property, plant and equipment and long-term debt for long term purposes (see below)	Long-term debt - for long term purposes pre-implementation		435.0		447.1
n/a	Schedule analysing property, plant and equipment and long-term debt for long term purposes (see below)	Long-term debt - for long term purposes post-implementation		-		-
n/a	n/a	Line of Credit for Construction in process		-		-
19, 20	Notes to the financial statements – Note 19: Creditors : amounts falling due within one year (Obligations under finance leases) plus Note 20: Creditors : amounts falling due after more than one year (Obligations under finance lease)	Lease right-of-use asset liability	87.7		88.5	

Statement / Note	Line item / related disclosure		Year ended	Year ended	Year ended	Year ended
			31 July 2021	31 July 2021	31 July 2020	31 July 2020
			£m	£m	£m	£m
		Expendable Net Assets				
19, 20	Notes to the financial statements – Note 19: Creditors : amounts falling due within one year (Obligations under finance leases) plus Note 20: Creditors : amounts falling due after more than one year (Obligations under finance lease)	Pre-implementation right-of-use leases		87.7		88.5
n/a	n/a	Post-implementation right-of-use leases		-		-
n/a	n/a	Annuities with donor restrictions		-		-
n/a	n/a	Term endowments with donor restrictions		-		-
n/a	n/a	Life income funds with donor restrictions		-		-
23	Notes to the financial statements – Note 23: Endowment reserves (Total permanent endowments)	Net assets with donor restrictions: restricted in perpetuity		133.4		115.6
		Total Expenses and Losses				
SOCIE 23, 24	Statement of comprehensive income and expenditure: Total expenditure less gain on pension provision, less Notes to the financial statements – Note 23: Endowment reserves (Expenditure) less – Note 24: Restricted reserves (Expenditure)	Total expenses without donor restrictions - taken directly from Statement of Activities		1,013.0		973.6
SOCIE	Statement of comprehensive income and expenditure: Investment income plus (Loss)/gain on disposal of non-current investments plus Share of operating deficit in joint ventures plus Share of operating deficit in associates plus (Loss)/gain on investments	Non-Operating and Net Investment (loss)		-		6.8
SOCIE	Statement of comprehensive income and expenditure: Investment income plus (Loss)/gain on disposal of non-current investments plus (Loss)/gain on investments	Net investment losses		-		4.6
n/a	n/a	Pension-related changes other than net periodic costs		-		-

Equity Ratio		Year ended 31 July 2021	Year ended 31 July 2021	Year ended 31 July 2020	Year ended 31 July 2020
Statement / Note	Line item / related disclosure	£m	£m	£m	£m
Modified Net Assets					
SOPF	Statement of financial position – Unrestricted income and expenditure reserve		1,572.1		1,435.7
SOPF	Statement of financial position – Endowment income and expenditure reserve plus Restricted income and expenditure reserve		286.6		261.3
n/a	n/a		-		-
14, 17, 29	Notes to the financial statements – Note 14: Investments in joint venture (amount disclosed as “arm’s length loan to the joint venture”) plus Note 17: Amounts due from associate companies and joint ventures plus Note 29: Related party transactions (amount disclosed as outstanding at year-end within debtors)	27.1		28.7	
14, 17, 29	Notes to the financial statements – Note 14: Investments in joint venture (amount disclosed as “arm’s length loan to the joint venture”) plus Note 17: Amounts due from associate companies and joint ventures plus Note 29: Related party transactions (amount disclosed as outstanding at year-end within debtors)		27.1		28.7
Modified Assets					
SOPF	Statement of financial position: Total of Non-current assets plus Total of Current assets		3,132.1		2,912.0
12	Notes to the financial statements – Note 12: Fixed assets (Net book value of Consolidated and College leasehold land and buildings include assets held under finance leases)		75.2		77.3
19, 20	Notes to the financial statements – Note 19: Creditors : amounts falling due within one year (Obligations under finance leases) plus Note 20: Creditors : amounts falling due after more than one year (Obligations under finance lease)		87.7		88.5
n/a	n/a		-		-

Equity Ratio		Year ended 31 July 2021	Year ended 31 July 2021	Year ended 31 July 2020	Year ended 31 July 2020
Statement / Note	Line item / related disclosure	£m	£m	£m	£m
Modified Net Assets					
14, 17, 29	Notes to the financial statements – Note 14: Investments in joint venture (amount disclosed as “arm’s length loan to the joint venture”) plus Note 17: Amounts due from associate companies and joint ventures plus Note 29: Related party transactions (amount disclosed as outstanding at year-end within debtors)	27.1		28.7	
14, 17, 29	Notes to the financial statements – Note 14: Investments in joint venture (amount disclosed as “arm’s length loan to the joint venture”) plus Note 17: Amounts due from associate companies and joint ventures plus Note 29: Related party transactions (amount disclosed as outstanding at year-end within debtors)		27.1		28.7
Net Income Ratio					
SOCIE	Statement of comprehensive income and expenditure: Unrestricted comprehensive income/(expenditure) for the year		136.4		141.0
SOCIE 23, 24	Statement of comprehensive income and expenditure: Total income plus decrease in Pension provisions plus Non-Operating and Net Investment gains less Notes to the financial statements – Note 23: Endowment reserves (New endowments) less Note 23: Endowment reserves (Investment income) less Note 24: Restricted reserves (New Funding Council grants) less Note 24: Restricted reserves (New income / donations) less Note 24: Restricted reserves (New income / donations)		1,175.9		1,123.6

The implementation date for determining pre-/post-implementation amounts for Property, plant and equipment, net and Long-term debt - for long term purposes is 31 July 2019. All finance lease (capital lease) have been disclosed separately as lease right-of-use lease balances and are treated as pre-implementation as the entity has not and is not required to adopt ASU 2016-02.

	Year ended 31 July 2021	Year ended 31 July 2020
Schedule analysing property, plant and equipment and long-term debt for long term purposes	£m	£m
Property, plant and equipment – pre-implementation	1,101.0	1,199.3
Property, plant and equipment – post-implementation with outstanding debt for original purchase	-	-
Property, plant and equipment-post implementation without outstanding debt for original purchase	385.7	221.4
Construction in process	64.8	137.5
Property, plant and equipment, net (includes Construction in progress)	1,551.5	1,558.2
Long-term debt for long term purposes – pre-implementation	435.0	447.1
Long-term debt for long term purposes – post-implementation	-	-
Long-term debt – for long term purposes	435.0	447.1

