



**Annual Report and Financial Statements  
31 July 2020**

Company Limited by Guarantee  
Registration Number  
02953431 (England and Wales)

Charity Registration Number  
1039962

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## Reference and Administrative Information

<b>Current Members of Council</b>	Dr Loyd Grossman CBE (Chairman) Mr N M Bensted-Smith Professor Johanne E Delahunty QC Ms M D Gurney Sheriff C M Hayward Mr A E Hodson Mr R J Long CB Mr G C Matthews Ms D Ounsted CBE The Hon. Timothy Palmer DL Mr J G S Scott JP Deputy Dr G R E Shilson Professor Emeritus Martyn Thomas CBE
<b>Provost</b>	Professor Sir Richard J Evans FBA (until 31 July 2020) Dr Simon J Thurley (appointed 1 August 2020)
<b>Company Secretary</b>	Dr M C Loughlin-Chow
<b>Chief Executive Officer</b>	Dr Wendy Piatt (appointed 1 August 2020)
<b>Registered Office</b>	Barnard's Inn Hall Holborn London EC1N 2HH
<b>Company registration number</b>	02953431 (England and Wales)
<b>Charity registration number</b>	1039962
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Bank of Scotland 33 Broad Street London EC2N 1HZ
<b>Solicitors</b>	Radcliffes LeBrasseur 85 Fleet Street London EC4Y 1AE

## Report of the Council 31 July 2020

The Members of the Council, who are the directors of the charitable company, present their annual report, and the audited financial statements for the year ended 31 July 2020 are also presented.

The financial statements have been prepared in accordance with the accounting policies set out on [pages 19 to 22](#) of the attached financial statements and comply with the charity's Memorandum and Articles, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### Status

Gresham College was founded in 1597 under the will of Sir Thomas Gresham to provide free public lectures. The College was a registered charity until 28 July 1994, when it was incorporated as a charitable company in England and Wales, governed by a Memorandum and Articles of Association. Grants to meet the College's core costs are awarded by the beneficiaries of Sir Thomas' will (the Mercers' Company and the City of London Corporation – the College's core funders).

### Objectives and Activities

The College's principal activity is the provision and administration of its academic programme in a tradition going back more than 400 years. The programme comprises free lectures and panels, delivered by the Gresham Professors and others selected by them through the Academic Board. These activities foster serious intellectual enquiry and make new learning accessible to all; encourage academic consideration of contemporary issues; and challenge those who live and work in the City of London – and now further afield – to engage in in-depth and considered analysis. The Council's further intention that Gresham College should be a centre of international excellence, is achieved today via live streaming, and dissemination of the academic programme online.

In setting the charitable objectives and planning future activities, the Council Members have considered the Charity Commission's guidance on public benefit.

### Achievements and Performance

The 2019-20 academic year was successful and attracted good audiences, as well as considerable media, social media and press interest. The programme ran from 18 September 2019 to 18 June 2020 and scheduled 134 lectures presented by Gresham Professors and visiting professors, and 49 guest lectures.

The COVID-19 pandemic affected the College's provision in the final 3 months of its academic programme (from Monday 16 March 2020 to 18 June 2020). The College responded quickly and decisively to the Government's imposed lockdown, and with in-person attendance no longer possible, Council approved a contingency plan, where the majority of the remaining lectures were delivered online. Speakers filmed remotely,

supported by College technical staff, and the lectures released online at the pre-scheduled (and pre-advertised) time. In the end, of the 44 lectures originally scheduled between 16 March 2020 and 25 June 2020, 28 were given via digital remote delivery, 13 were rescheduled into the 2020-21 academic year, and 3 were cancelled.

Up to the point of lockdown, in-person numbers had shown a significant increase from the same point in 2018-29 (a total of 11,515 and an average of 131 at 12 March 2020 compared to a total of 10,273 and an average of 115 at 12 March 2019).

An increased emphasis on Gresham's digital product during COVID-19 lockdown, including additional paid promotion to schools and the general public, saw online numbers increase – this was also assisted by a special lecture on COVID-19 delivered by the Gresham Professor of Physic (and Chief Medical Officer for England), Dr Chris Whitty. This lecture (aired on 30 April 2020, with 163,369 viewings by 31 July) was an important event for the College, as it provided a real public benefit in educating the audience on the pandemic by providing a substantive and factual account of its progress at the time of transmission. The lecture was re-aired in full on BBC Parliament. In addition to the public benefit, it also increased the visibility of the College to a wide and varied audience. The College's overall online viewing figures thus increased from last year (3,979,872 as compared to 3,239,036 in the previous year), but also maintained a good average watchtime (12.16), which demonstrates a real qualitative engagement of our on-line community.

The online launch of the 2020-21 programme which featured the College's refreshed visual identity, was a great success, with over 1,000 lecture registrations in the first week. The short promotional film for the programme was also extremely well-received.

The 2019-20 academic year saw the introduction of three new professors (astronomy, music and rhetoric). New professors often take some time to establish their audiences, although in these cases, in-person numbers were less affected than in previous analyses. This may be attributed to the fact that two of these professors had previously served as Gresham visiting professors, and so had a pre-existing audience base. The third professor is in a subject (astronomy), which traditionally commands a large and dedicated audience, even when a new professor is in place. The professors and associated visiting professors have settled in well and engaged with audiences and with the production team to produce excellent series and proposals for 2020-21. Over the course of the academic year, the College engaged in recruitment exercises for the professorships of law and geometry, with strong fields and excellent hires for both posts beginning in 2020-21.

Over the course of 2019-20, Gresham College engaged in its first Black History Month series, with excellent attendance, and increased diversity of the audience. Ticketing of this series permitted the College to conduct a targeted survey and we look forward to a second series in 2020-21. World events and the Black Lives Matter movement in the second half of 2020 have reinforced the timeliness of this initiative. Other thematic series in 2019-20 included the continuation of the Tudor Festival, completing the College's commemoration of the 500th anniversary of the birth of Sir Thomas Gresham, and a successful Christmas series.

As noted in the previous annual review, Gresham College conducted an in-depth self-assessment exercise over the course of 2018-19, using the expertise of consultants from MB Education to engage in serious analysis of its offer and in strategic planning. A refreshed vision, mission and values were crafted, and a five-year business plan (2020-25) containing aims, objectives, and measures was sent from Council to the sponsors via the Joint Grand Gresham Committee (JGGC) in September 2019. During 2019-20, the College's business plan proceeded through the sponsors' committee structures. Final approval was communicated to the College in May 2020, with a new Memorandum of Understanding outlining the funding arrangements confirmed by the end of the financial year.

While the proposed 5-year business plan for 2020-25 was being considered by the sponsors (see below under [Financial Review](#)), the College used the 2019-20 academic year as a transitional and preparatory year, focusing on diversification of its audience, improvement of its broadcast, reinvigoration of its digital marketing, and the planned refresh of its visual identity. Council also engaged in key recruitment of senior management, with a new Provost and the new position of CEO both being filled from 1 August 2020. Council and College staff managed a complex and important programme of work whilst also adjusting processes to deliver the academic programme during the COVID-19 pandemic for the last quarter of the year.

In the Communications area, live streaming moves from strength to strength, and this was reinforced by the sudden yet seamless transition to digital remote production of lectures during the COVID-19 lockdown. Live streamed videos are accessible as soon as they are streamed, and attract views immediately – this is possible as a result of an increased investment in training for the production team, and its increased expertise. During lockdown, advance filming was required, with post-production work resulting in professional films that were streamed at the pre-advertised times. We had hoped to begin to analyse the possible impact of the growing success of our digital product upon our in-person numbers, but COVID has skewed the results in this regard, although in-person numbers were demonstrating a real upturn across the year pre-lockdown, and it is disappointing not to be able to arrive at more conclusive analysis.

Social media engagement has also expanded, with YouTube subscriptions at 100K at the start of the 2019-20 academic year, and at just under 117K by the end of July 2020. The College has employed a Digital Marketing Manager (start date 1 June 2020) who will work on increasing this engagement and the College's online presence and outreach in line with the priorities of the 5-year plan.

Our outreach to schools increased over 2019-20, and the expansion of last year's school group booking pilot has been very successful, with 728 bookings from 38 schools (compared to 215 bookings from 11 schools in 2018-2019). Increasing interest has been fostered through the expansion of targeted mailings to schools at the start of the year and again at the start of lockdown. The lockdown campaign concentrated on a larger email campaign to 30,000 teachers (and heads), and resulted in the online school mailing list doubling to

around 100 schools, and the online traffic to our dedicated schools' webpages increased tenfold.

Press coverage continued to be strong over the course of the year; from August 2019 to July 2020 the College had 321 press clippings (in 2018-19, 171) reaching approximately 183m (120m circulation in 2018-19). Nearly half this coverage was based on a single press event, the Professor Chris Whitty's COVID-19 lecture (86,680,840 circulation).

Administrative staffing over 20-20 has remained solid and consistent with one staff member resigning and being replaced (Accounts and Facilities Manager) and one new position added (Digital Marketing Manager – see above), which will help to ease some of the burden of evening lecture coverage going forward. In order to accommodate this new member of staff (and two additional new posts due to start in autumn 2020), the offices were reorganised over the summer period, with the main change being that the former Provost's Office has been repurposed as a multi-occupancy office. As a result of this rearrangement, and envisaged future flexibility with working from home arrangements and hotdesking, Barnard's Inn Hall will be able to accommodate College staff for the next few years, although office space does remain a concern. Estates and Facilities have been well-managed, with no major issues to report, apart from the impact of a break-in during lockdown, where while nothing was stolen, some damage was done to the doors of the building. At the point of lockdown, Hall lettings were at levels consistent with previous years, but obviously there was a significant impact from mid-March onwards.

Planning for 2020-21 is based in the aims and objectives of the 5-year business plan (2020-25). The new CEO and Provost will necessarily wish to make adjustments to that plan, but all will proceed within the overall context of the plan and the supporting funding agreement.

### **Fundraising**

During 2019-20 sponsorships for lecture services were received from The Jackson Foundation £11,500 (2019: £11,500) and from The Worshipful Company of Information Technologists £11,500 (2019: £11,500). A donation of £8,000 (2019: nil) was also received in 2019-20 from Bloomberg Philanthropies as funding for the College's academic programme. Donations of venues, facilities and other services were also received. These donated facilities have not been shown as income in the financial statements due to the difficulty in quantifying their value accurately, but details of the estimated value of these donations are given in [note 4](#) to the financial statements.

The College has not in the past actively solicited donations from individuals. It has not been registered with the Fundraising Regulator, nor has it subscribed to any fundraising codes of practice. This will change over the course of the 2020-21 academic year, as one of the priorities of the 5-year business plan is the generation of income and fundraising in addition to the core funds provided by our two main sponsors, the City of London Corporation and the Worshipful Company of Mercers (see above under [Status](#)). A planned additional hire in the coming year is a Head of Development for the College, who will assist the CEO in

devising and implementing an income generation strategy. During 2019-20, the College received no complaints about its fundraising activities.

## **Financial Review**

The financial results of the College's operations are shown on [page 16](#). Total income (all unrestricted) was £981,356 (2019: £1,009,738, of which £10,000 was restricted). Total expenditure (all unrestricted) was £971,365 (2019: £965,272 of which £10,000 was restricted). The surplus of income over expenditure was £9,991 (2019: £44,466).

The College's core income from its main sponsors of £921,526 in 2018-19 was increased to £937,972 in 2019-20. This was supplemented by donations of £31,679 (2019: £23,382) and income from other trading activities of £11,665 (2019: £20,942).

Overall, the College continues to maintain good cost control and to keep year on year expenditure broadly in line with the income available from its main sponsors and other sources. The College has settled arrangements in place for its lecture premises both at Barnard's Inn Hall (7 years of the lease term remaining) and the Museum of London (rolling agreement).

## **Reserves policy and financial position**

Council policy is that the College should hold four months' operational and academic support costs as a minimum reserve; the interim funding arrangement for 2019-20 and the new Memorandum of Understanding effective from 2020-21 both endorse this requirement. The minimum requirement is now £282,237 (2019: £274,273) and the College held this level of reserves at 31 July 2020. In addition, the College held other designated reserves of £15,065 (2019: nil) and free reserves of £36,073 (2019: £49,111).

The Members of Council have reviewed the level of reserves held, taking into account the impact of the COVID-19 crisis, and are satisfied that the current level is adequate but not excessive.

## **Future Academic Programme**

As well as continuing to appoint Gresham Professors in the Foundation subjects and provide lectures of the highest academic standard (whilst still aimed at public audiences), the vision of Sir Thomas in terms of supporting innovation and new learning will be promoted. New learning in science and the arts (such as advances in technology, robotics, IT, AI, new literature, new music, new art, new scientific discoveries and developments in subjects like mathematics, medicine, commerce and environmental science) will be delivered, at the same time as stimulating ideas and discussion on areas such as human rights and philosophical debate.

The programme for 2020-21 is varied with many interesting lectures already attracting attention. Lectures to be given in 2020-21 include a timely series by the new Gresham Professor of Law, Leslie Thomas QC, on "Death, the State, and Human Rights", a series by the first female Gresham Professor of Geometry, Dr Sarah Hart, on "Mathematics in Music



and Writing”, and a series by the Gresham Professor of Physic, Dr Chris Whitty, on “Major Debates in Public Health”, which includes lectures on vaccination and obesity.

### **Risk management**

The College regularly examines risk, including health and safety, fire, public liability and risk to reputation, and procedures are in place to manage risk. A risk register is presented annually to Finance Committee and to Council, with mitigating actions taken as appropriate.

Members of Council consider staffing, IT, financial, governance, legal and statutory compliance, and premises as the principal risks to the College. Staffing is an operational risk, and controls and standard HR procedures such as staff development programmes, cross-training, process documentation, and regular appraisals are in place to manage this.

IT also represents a standard operational risk, monitored and managed carefully by the College. The College is GDPR compliant, and it has strict cyber-security policies and processes in place, in line with guidelines established by the National Cyber Security Centre (their additional advice and support in the wake of COVID-19). The Head of Communications Technology regularly reports to Council.

The premises of the College also represent an operational/resources risk, primarily due to an increase in staff numbers and the upkeep required of an historic building. Office reorganisation has mitigated the former, and the College monitors and manages the latter under the terms of its lease. Gresham continues to review alternative lecture venues and alternative plans relevant to its longer-term growth.

The College maintains a Social Welfare Combined Insurance Policy, with buildings insurance covered by our landlord. Over the course of 2019-20, the College’s insurance provision was reviewed by an independent specialist, and the College has responded to his recommendations with an increase in provision in several areas.

COVID-19 has resulted in adjustment and further development of the College’s risk management strategy with regard to external factors. As noted above, the College developed a contingency plan in early March 2020, and this was approved by Council and has been continuously updated in line with government guidance. Public Health England and HSE guidance have been consulted in relation to the reopening of the College offices, and a return-to-work plan has been formulated. The autumn 2020 term’s lectures will be transmitted entirely on-line, with no in-person audiences. The College anticipates a possible reintroduction of socially-distanced in-person audiences in the spring 2021 term, but this will be subject to government guidance in the light of the developing situation.

### **Structure, Governance and Management**

#### *Members of the Company*

The Charitable Company is a Company limited by guarantee.

Following a special resolution passed on 31 August 2004, the members of the company are the City of London Corporation and the Mercers' Company.

The nominee of the Mercers' Company during this period was Mr Daniel Hodson. The nominee of the City of London Corporation during this period was Mr Giles Shilson.

### *Members of Council*

Members of Council comprise up to four appointees each of the City of London Corporation and the Mercers' Company, together with up to four co-opted members, two Gresham Professors and the Provost.

Members of Council are Directors of the Charitable Company for the purposes of the Companies Act 2006. They are also Trustees of the Charitable Company within the Charities Act 2011. Insurance cover was maintained for Members of Council against liabilities arising from their duties, at a cost of £2,004 (2018 - £1,746) and provides cover of up to a maximum of £1 million (2019 - £1 million).

The Members of Council who served during the financial year 1 August 2019 to 31 July 2020 and up to the date of approval of this report were as follows:

#### **Provost**

Professor Sir Richard J Evans FBA  
Dr Simon J Thurley

1 August 2014 to 31 July 2020  
Appointed 1 August 2020

#### **Appointed by City of London Corporation**

Deputy Mr T D D Hoffman MBE  
Mr J G S Scott JP  
Deputy Dr G R E Shilson  
Mr N M Bensted-Smith  
Sheriff Christopher M Hayward

21 July 2009 to 1 May 2020  
Appointed 1 August 2016  
Appointed 7 March 2014  
Appointed 1 September 2017  
Appointed 1 August 2020

#### **Appointed by the Mercers' Company**

Professor Emeritus D H Hodson (Vice Chairman)  
Mr A E Hodson  
The Hon. Timothy Palmer DL  
Ms D Ounsted CBE (Chair of Nominations Committee)  
Geoffrey C Matthews

13 March 2009 to 31 July 2020  
Appointed 1 December 2018  
Appointed 1 August 2013  
Appointed 1 March 2016  
Appointed 1 August 2020

#### **Co-opted**

Professor G Brock  
Dr Loyd Grossman CBE (Chairman of Council)  
Mr R J Long CB (Chairman of Finance  
and Remuneration Committee)  
Alderman & Sheriff Professor M R Mainelli  
Michelle D Gurney

15 March 2012 to 31 July 2020  
Appointed 1 August 2019  
  
Appointed 1 August 2018  
24 Nov 2009 to 31 July 2020  
Appointed 1 August 2020

## Gresham Professors

Professor Johanne E Delahunty QC  
Professor Emeritus Martyn Thomas CBE

Appointed 7 November 2019  
Appointed 1 March 2017

### *Procedures adopted for the induction and training of Members of Council*

Upon appointment, Members of Council are provided with an information pack which includes the following documents:

1. Charity Commission. *The Essential Trustee: What you need to know* (May 2018)
2. Gresham College Handbook (now in 9th edition, 2020), incorporating:
  - a. The Articles of Association of Gresham College
  - b. Historical Background (including the Will of Sir Thomas Gresham)
  - c. Governance Arrangements
  - d. Committee structure and Terms of Reference for all Committees
  - e. Definition of roles and appointments
  - f. Information on the Academic Programme
  - g. Quality Assurance and Monitoring arrangements
  - h. Collaborative activities
  - i. Fees and Honoraria
3. Minutes and papers the previous Council meeting
4. Dates of future meetings

Members are also invited to direct any queries to the Academic Registrar, who acts as Company Secretary.

### *Decision making*

The Charitable Company has two voting Members: the Mercers' Company and the Corporation of the City of London. The Members of Council are charity trustees and directors under the Companies Act.

The Council has two Committees: a Finance and Remuneration Committee and a Nominations Committee, which make recommendations to Council on an advisory basis. The Finance and Remuneration Committee reviews the financial statements and proposed budget and recommends the policy for the remuneration of staff. The Nominations Committee determines and agrees with the Council the framework and nominations relating to the appointment of new Members of Council (other than those nominated by the core funders). It also determines the appointments process for new Professorial appointments. Proposals regarding the academic programme, including costs, are first discussed by the Academic Board, and then recommended to the Council for approval.

### *Management Arrangements*

For the period 2019-20, the Members of Council, including the Provost, considered that they together with the Academic Registrar (Dr M C Loughlin-Chow) comprised the key management of the College in charge of directing and controlling, running and operating the College on a day to day basis. The Council decided to implement a new management structure beginning 1<sup>st</sup> August 2020, a key feature of which was the appointment of a Chief Executive Officer of the College.

Arrangements for setting the pay and remuneration of Gresham College's key management personnel are determined by linking them to the University of Cambridge pay spines or equivalent positions (<http://www.hr.admin.cam.ac.uk/Salaries/242>). This provides a most appropriate benchmark.

Members of Council are not remunerated for their services to the College as trustees/directors. The Provost is remunerated for his services as the College's Provost. One member (one of the representatives of Academic Board) also received a professorial stipend in their capacity as a Gresham College Professor at the agreed rate.

### *Assessment of going concern*

The Members of Council have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. They have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Members of Council have concluded that, despite the ongoing uncertainty in relation to COVID-19, there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the College to continue as a going concern. They are of the opinion that the College will have sufficient resources to meet its liabilities as they fall due.

### *Statement of Members of Council's responsibilities*

The Members of Council (who are the directors of Gresham College for the purposes of company law and trustees for the purposes of charity law) are responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Members of Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the income and expenditure of the College for that period.

In preparing these financial statements, the Members of Council are required to:

1. select suitable accounting policies and then apply them consistently;
2. observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

3. make judgements and estimates that are reasonable and prudent;
4. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
5. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Members of Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Members of Council confirms that:

1. so far as the Member is aware, there is no relevant audit information of which the charity's auditor is unaware; and
2. the Member has taken all the steps that they ought to have taken as a Member in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

The Members of Council are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Members of Council on 4 January 2021



Dr Loyd Grossman CBE

Registered Office  
Barnard's Inn Hall  
Holborn  
London  
EC1N 2HH

## **Independent auditor's report to the members of Gresham College**

### **Opinion**

We have audited the financial statements of Gresham College (the College) for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements: #

- give a true and fair view of the state of the College's affairs as at 31 July 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members of Councils' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members of Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Members of Council are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the council, which constitutes the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the council, which constitutes the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the council.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Members of Councils' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Members of Council were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report of the council and from the requirement to prepare a strategic report.

### **Responsibilities of Members of Council**

As explained more fully in the statement of Members of Council's responsibilities, the Members of Council, who are the directors for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of Council 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 Members of Council are responsible for assessing the 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 Members of Council either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 auditor's 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the College's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members as a body, for our audit work, for this report, or for the opinions we have formed.



20 January 2021

Shachi Blakemore (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL



## Statement of Financial Activities Year to 31 July 2020 (including income and expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Unrestricted funds £	Restricted funds £	Total funds 2019 £
<b>Income and expenditure</b>							
<b>Income from:</b>							
Donations	3	31,679	—	31,679	23,382	—	23,382
Other trading activities	4	11,665	—	11,665	20,942	10,000	30,942
Interest receivable		40	—	40	95	—	95
Charitable activities							
. Provision of lectures, panels	5	937,972	—	937,972	955,319	—	955,319
<b>Total income</b>		<b>981,356</b>	<b>—</b>	<b>981,356</b>	<b>999,738</b>	<b>10,000</b>	<b>1,009,738</b>
<b>Expenditure</b>							
Charitable activities							
. Provision of lectures, seminars and conferences	6	971,365	—	971,365	955,272	—	955,272
. Production of Biography	7	—	—	—	—	10,000	10,000
<b>Total expenditure</b>		<b>971,365</b>	<b>—</b>	<b>971,365</b>	<b>955,272</b>	<b>10,000</b>	<b>965,272</b>
<b>Net income and net movement in funds</b>	10	<b>9,991</b>	<b>—</b>	<b>9,991</b>	<b>44,466</b>	<b>—</b>	<b>44,466</b>
<b>Reconciliation of funds</b>							
Balance brought forward at 1 August		323,384	—	323,384	278,918	—	278,918
Balance carried forward at 31 July		333,375	—	333,375	323,384	—	323,384

There is no difference between the net movement in funds stated above and the historical cost equivalent.

All of the charitable company's activities were derived from continuing operations during the above two financial periods.

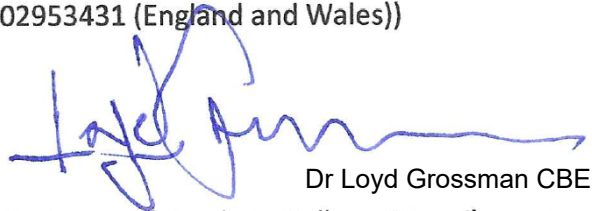
All recognised gains and losses are included in the above statement of financial activities.

## Balance Sheet 31 July 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	12	8,764	8,861
<b>Current assets</b>			
Debtors	13	47,212	87,021
Cash at bank and in hand		510,997	315,123
		558,209	402,144
Creditors: amounts falling due within one year	14	(233,598)	(87,621)
Net current assets		324,611	314,523
Total net assets		333,375	323,384
<b>The funds of the charity:</b>			
Unrestricted funds			
. Designated funds		297,301	274,273
. General fund		36,074	49,111
	15	333,375	323,384

The notes on [pages 19 to 30](#) form an integral part of these financial statements.

Signed on behalf of the Council of Gresham College (Company registration number 02953431 (England and Wales)) on 4 January 2021

  
Dr Loyd Grossman CBE  
Chairman of Gresham College Council

  
Sheriff C M Hayward  
Vice-Chairman of Council

## Statement of Cash Flows Year to 31 July 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>207,102</b>	(55,987)
<b>Cash flows from investing activities:</b>			
Interest received		<b>40</b>	95
Purchase of tangible fixed assets		<b>(11,268)</b>	-
<b>Net cash provided by investing activities</b>		<b>(11,228)</b>	95
<b>Change in cash and cash equivalents in the year</b>		<b>195,874</b>	(55,892)
<b>Cash and cash equivalents at 1 August</b>	B	<b>315,123</b>	371,015
<b>Cash and cash equivalents at 31 July</b>	B	<b>510,997</b>	315,123

### Notes to the statement of cash flows for the year to 31 July:

#### A Reconciliation of net income to net cash used in operating activities

	2020 £	2019 £
<b>Net income (as per the statement of financial activities)</b>	<b>9,991</b>	44,466
<b>Adjustments for:</b>		
Depreciation charge	<b>11,364</b>	8,860
Interest receivable	<b>(40)</b>	(95)
Decrease (increase) in debtors	<b>39,810</b>	(1,141)
Increase (decrease) in creditors	<b>145,977</b>	(108,077)
<b>Net cash provided by (used in) operating activities</b>	<b>207,101</b>	(55,987)

#### B Analysis of movement in net debt

	2020 £	2019 £
Cash at bank and in hand	<b>510,997</b>	315,123
<b>Total cash and cash equivalents</b>	<b>510,997</b>	315,123

## Notes to the financial statements 31 July 2020

### 1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### *Basis of preparation:*

These financial statements have been prepared for the year to 31 July 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the remaining notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

#### *Critical accounting estimates and areas of judgement:*

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge; and
- the assumptions adopted by the Members of Council and management in determining the value of any designations required from the charity's general unrestricted funds.

#### *Assessment of going concern*

The Members of Council have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. They have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Members of Council have concluded that, despite the ongoing uncertainty in relation to COVID-19, there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the College to continue as a going concern. They are of the opinion that the College will have sufficient resources to meet its liabilities as they fall due.

### *Income*

Income is recognised in the period in which the College is entitled to receipt and the amount can be measured with reasonable certainty and it is probable that the income will be received. Income is deferred only when the College has to fulfil certain conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations receivable, bank interest and income from charitable activities, principally the grants receivable from The City of London Corporation and The Mercers Company Charitable Foundation, and other charitable grants.

### *Expenditure*

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the College to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

All expenses are allocated to the applicable expenditure headings. The majority of expenditure is directly attributable and any apportionment between headings is negligible. Expenditure on charitable activities comprises expenditure on the charity's primary charitable purposes as described in the Report of the Council. Such costs include, academic expenses, professors' stipends and technology costs associated with the delivery of the College lectures, grants payable towards research and other support costs associated with the furtherance of the College's objectives.

Governance costs, which comprise the costs involving the public accountability of the College (including audit costs) and costs in respect to its compliance with regulation and good practice, are allocated in full to the cost of the College's principal charitable activity.

### *Tangible fixed assets:*

All assets costing more than £5,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated future lives:

- Furniture and general office equipment      33 ⅓ % per annum based on cost
- Computer and similar equipment              33 ⅓ % per annum based on cost

### *Debtors:*

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

#### *Cash at bank and in hand:*

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

#### *Creditors and provisions:*

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the College anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

#### *Financial instruments*

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

#### *Fund accounting:*

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the College's charitable objects.

#### *Leased assets:*

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain within the lessor, are charged to the statement of financial activities in equal amounts over the lease terms.

### *Pension costs:*

Gresham College participates in Superannuation Arrangements of the University of London ("SAUL") which is a centralised defined benefit scheme and is contracted-out of the Second State Pension. SAUL is a "last man standing" scheme so that in the event of the insolvency of any participating employers in SAUL, the amount of pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. A formal valuation of SAUL is carried out every three years by professionally qualified and independent actuaries using Projected Unit method. Informal reviews of SAUL's position are carried out between formal valuations.

It is not possible to identify the College's share of the underlying assets and liabilities of the scheme, therefore contributions are accounted for as if the scheme were a defined contribution scheme and pension costs are based on the amounts actually paid. Further details on the scheme are given in [note 17](#).

The College continues to be fully compliant with the Government's auto-enrolment scheme for pensions (for which the staging date was 1 February 2016).

## **2. Administration**

The Charitable Company is governed by its Memorandum and Articles of Association dated 28 July 1994, which were subsequently amended on 31 August 2004, and again in November 2007 (with a minor amendment to Article 23 in 2013). On 1 January 1995 it took over the assets, liabilities and undertakings of Gresham College Trust, a registered charity number 283467. On behalf of the Mercers' Company, the City of London Corporation and the Mercers' School Memorial Trust the College discharges their liability for the payment of stipends to the eight Gresham Professors. Under these arrangements, the financial statements of the Charitable Company reflect in all respects a continuation of the activities of the predecessor body.

## **3. Income from donations and legacies**

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations	31,679	—	<b>31,679</b>	23,382
<b>Total funds</b>	<b>31,679</b>	<b>—</b>	<b>31,679</b>	23,382

During the year the College received donations from the Jackson Foundation £11,500 (2019: £16,300), The Worshipful Company of Information Technologists £11,500 (2019: £16,300) and Bloomberg Philanthropies 8,000 (2019: Nil).

	Unrestricted funds £	Restricted funds £	Total 2019 £
Donations	23,382	—	23,382
<b>Total funds</b>	<b>23,382</b>	<b>—</b>	<b>23,382</b>

#### 4. Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from lettings	9,001	—	<b>9,001</b>	17,915
Publication sales and royalties	281	—	<b>281</b>	11,513
Marketing income	2,384	—	<b>2,384</b>	1,514
<b>Total funds</b>	<b>11,665</b>	<b>—</b>	<b>11,665</b>	30,942

	Unrestricted funds £	Restricted funds £	Total 2019 £
Income from lettings	17,915	—	17,915
Publication sales and royalties	1,513	10,000	11,513
Marketing income	1,514	—	1,514
<b>Total funds</b>	<b>20,942</b>	<b>10,000</b>	<b>30,942</b>

#### *Donated facilities, venues and other services:*

During the year the College received sponsorship in kind in the form of donations of venues, facilities and other services. The value of these donations of venues, facilities and other services is not of sufficient reliability to be included in the statutory financial statements, but an approximation is as below:

	2020 £
<b>Sponsored events and donation of speaker fees:</b>	
Clara Schuman (Mercers' Hall) -- donation of venue hire and reception costs	<b>4,800</b>
The Lord Mayor's Lecture (Guildhall) -- donation of venue hire	<b>12,705</b>
The Mayflower Lecture (Dutch Church) -- donation of venue hire ( <i>note: the reception accompanying this lecture was cancelled due to COVID-19, but the lecture was filmed in the Church, free-of-charge</i> )	<b>3,000</b>
Gray's Inn Lecture fee waived	<b>800</b>
Lord Mayor's Lecture fee waived	<b>800</b>
<b>Total donated facilities, venues and other services for the year</b>	<b>22,105</b>



## 5. Income from charitable activities: Provision of lectures, seminars and conferences

	Unrestricted Funds					
	Professors' stipends	General grant	Total 2020	Professors' stipends	General grant	Total 2019
	£	£	£	£	£	£
<b>Core funding</b>						
The Mercers' Company Charitable Foundation	28,000	433,986	<b>461,986</b>	28,000	425,763	<b>453,763</b>
The City of London Corporation	35,000	433,986	<b>468,986</b>	35,000	425,763	<b>460,763</b>
Mercers' School Memorial Trust	7,000	—	<b>7,000</b>	7,000	—	<b>7,000</b>
<b>Additional funding</b>						
The Mercers' Company Charitable Foundation	—	—	—	—	33,793	<b>33,793</b>
	<b>70,000</b>	<b>867,972</b>	<b>937,972</b>	<b>70,000</b>	<b>885,319</b>	<b>955,319</b>

## 6. Expenditure on charitable activities: Provision of lectures, seminars and conferences

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Staff costs (note 9)	495,008	—	<b>495,008</b>	434,483
Operating costs	307,521	—	<b>307,521</b>	344,346
Sundry Fees and lecture expenses	4,123	—	<b>4,123</b>	4,189
Academic expenses	45,531	—	<b>45,531</b>	58,264
Professors' stipends	75,000	—	<b>75,000</b>	70,000
Governance costs (note 8)	44,182	—	<b>44,182</b>	43,990
<b>Total funds</b>	<b>971,365</b>	<b>—</b>	<b>971,365</b>	<b>955,272</b>

	Unrestricted funds	Restricted funds	Total 2019
	£	£	£
Staff costs	434,483	—	434,483
Operating costs	344,346	—	344,346
Sundry Fees and lecture expenses	4,189	—	4,189
Academic expenses	58,264	—	58,264
Professors' stipends	70,000	—	70,000
Governance costs	43,990	—	43,990
<b>Total funds</b>	<b>955,272</b>	<b>—</b>	<b>955,272</b>

## 7. Expenditure on charitable activities: Production of Biography

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Development costs	—	—	—	10,000
<b>Total funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,000</b>

## 8. Governance costs

	2020 £	2019 £
Legal and professional	7,220	5,005
Audit fees	7,812	7,686
Council Secretarial Services	1,098	104
Council and Academic Board	2,402	8,656
Professional indemnity insurance	2,008	1,746
Appointment of professors	23,642	20,793
	<b>44,182</b>	<b>43,990</b>

## 9. Staff costs and remuneration of key management personnel

The average number of persons employed during the year was 8 (2019 - 8).

	2020 £	2019 £
The total remuneration was as follows:		
Gross salaries	371,773	343,503
Social security costs	35,656	33,169
Pension contributions	52,588	51,164
	<b>460,017</b>	<b>427,836</b>
Temporary staff	—	600
Other costs	34,991	6,047
	<b>495,008</b>	<b>434,483</b>

One employee earned between £70,000 and £80,000 in 2019-20 (2018-19: one). Employer pension contributions totalling £12,875 (2018-19: £10,888) were payable in respect of this employee.

The Members of Council, including the Provost, consider that they together with the Provost and the Academic Registrar comprise the key management of the College in charge of directing and controlling, running and operating the College on a day to day basis. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £131,987 (2018-19: £115,279)

None of the members of Council are remunerated for their services as trustees of the College. The Provost is remunerated for his services as the College's Provost. His remuneration for 2019-20 was £37,616 (2018-19: £36,951).

## 10. Net income (expenditure) and net movement in funds

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	11,364	8,860
Operating lease charges		
. Land and buildings	39,420	39,420
. Plant and machinery	—	2,688
Auditors' remuneration		
. Current year audit fee	7,812	7,620
. Non-audit services	3,350	2,912

## 11. Taxation

As a registered charity, Gresham College is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 12. Tangible fixed assets

	IT Equipment £	Total £
Cost at 1 August 2019	26,582	26,582
Additions	11,268	11,268
At 31 July 2020	37,850	37,850
Depreciation at 1 August 2019	17,722	17,722
Charge for the year	11,364	11,364
At 31 July 2020	29,086	29,086
<b>At 31 July 2020</b>	<b>8,764</b>	<b>8,764</b>
At 31 July 2019	8,861	8,861

## 13. Debtors

	2020 £	2019 £
Other debtors	848	2,823
Prepayments	46,364	84,198
	47,212	87,021

#### 14. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	173,706	62,337
Taxation and social security	14,448	10,321
Other creditors	45,444	14,963
	<b>233,598</b>	<b>87,621</b>
<b>Movements on deferred income (included above)</b>		
Balance brought forward at 1 August	83,293	83,293
Income deferred in current reporting period	165,452	34,658
Amounts released to income from prior reporting period	(83,293)	(82,293)
Balance carried forward at 31 July	<b>165,452</b>	<b>34,658</b>

Deferred income relates to part grant payment made by The Mercers' Company in advance for the academic year 2020/21.

## 15. Total Funds

	At 1 August 2019 £	Incoming resources £	Resources expended £	New designations/ released £	At 31 July 2020 £
<b>General fund</b>	49,111	981,356	(971,365)	(23,028)	<b>36,074</b>
<b>Designated funds:</b>					
Minimum reserves	274,273	—	—	7,964	<b>282,237</b>
Fixed assets fund	—	—	—	8,764	<b>8,764</b>
Rescheduled lecture fund	—	—	—	6,300	<b>6,300</b>
<b>Total designated funds</b>	<b>274,273</b>	<b>—</b>	<b>—</b>	<b>23,028</b>	<b>297,301</b>
<b>Total funds</b>	<b>323,384</b>	<b>981,356</b>	<b>(971,365)</b>	<b>—</b>	<b>333,375</b>

	At 1 August 2018 £	Incoming resources £	Resources expended £	New designations/ released £	At 31 July 2019 £
<b>General fund</b>	13,708	999,738	(955,272)	(9,063)	49,111
<b>Designated funds:</b>					
Minimum reserves	265,210	—	—	9,063	274,273
<b>Total designated funds</b>	<b>265,210</b>	<b>—</b>	<b>—</b>	<b>9,063</b>	<b>274,273</b>
<b>Restricted funds:</b>					
Biography Fund	—	10,000	(10,000)	—	—
<b>Total restricted funds</b>	<b>—</b>	<b>10,000</b>	<b>(10,000)</b>	<b>—</b>	<b>—</b>
<b>Total funds</b>	<b>278,918</b>	<b>1,009,738</b>	<b>(965,272)</b>	<b>—</b>	<b>323,384</b>

Designated funds include the minimum reserves required by Council equating to 4 months operational and academic support costs –as per the reserves policy noted in the Report of the Council. The other designated funds relate to the net book value of the College's fixed assets and funds designated towards the costs of rescheduled lectures.

Restricted funds include the biography fund. This relates to funding received from The City of London Corporation and The Mercers' Company Charitable Foundation to be applied towards the production of a biography of Sir Thomas Gresham. This fund is now fully utilised.

## 16. Operating lease commitments

At 31 July the College had total future commitments under non-cancellable operating leases as follows:

	Land and buildings		Plant and machinery	
	2020	2019	2020	2019
	£	£	£	£
Within one year	<b>39,420</b>	39,420	<b>3,608</b>	3,608
Between one and five years	<b>78,840</b>	118,260	<b>1,607</b>	5,215
	<b>118,260</b>	157,680	<b>5,215</b>	8,823

## 17. Pension commitments

Gresham College participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

Gresham College is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2017 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The main assumptions used to assess the technical provisions were:

	31 March 2017
Discount rate	
– pre-retirement	4.06%
– post-retirement	1.96%
General Salary Increases	3.49%
Retail Prices Index inflation ("RPI")	3.39%
Consumer Price Index Inflation ("CPI")	2.49%
Pension Increases in payment (excess over GMP)	2.49%
Mortality – base table	S2PA year of birth tables weighted 100% for males and 94% females
Mortality – future improvements	CMI 2016 projections with a long-term improvement rate of 1.75 p.a.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. 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 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE Salaries.

Pension contributions charged to the statement of financial activities during the year amounted to £49,102 (2019 - £52,528).

## **18. Related party transactions**

City of London Corporation and The Mercers' Company Charitable Foundation are the College's principal funders. Both parties are able to appoint up to four Members of Council each and together up to four co-opted members, two Gresham Professors and the Provost. Details of the funding received from the City of London Corporation and The Mercers' Company Charitable Foundation are provided in [note 5](#) to the financial statements.

Professor Sir Richard Evans is a Member of Council and received remuneration totalling £37,616 (2019 - £36,951) for his services as Provost.

None of the remaining Members of Council received remuneration in respect of their services as members of the Council during the year.

Two members of the Council (2019 - three) were reimbursed expenses of £130 (2018 - £189) for travel to lectures, accommodation and sundry expenses, and attendance at Council, Academic Board meeting and interviews for new Professor appointments during the year.

The registered office of Gresham College: Barnard's Inn Hall, EC1N 2HH is owned by The Mercers' Company Charitable Foundation. The office is occupied under an operating lease,

during the year rental payments totalling £39,420 (2019 - £39,420) were made under the terms of the lease.