



SOAS
University of London

Financial Statements 2019–20

The world's leading institution for the
study of Asia, Africa and the Middle East





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Chair's Foreword

Introduction

SOAS continues to make an impact in the world as a vibrant academic community with a global alumni base; political, academic and social networks across Africa, Asia and the Middle East; and a unique research and teaching mix. And we are proud to highlight our ongoing research, policy and social impact, all detailed in the Statement of Public Benefit.

It is right, however, to focus on the pandemic in 2020. Covid-19 triggered the worst economic crisis in a generation. It created a health and financial emergency in many of the areas we study, and also in universities across the UK. And it left SOAS facing one of the toughest tests in our history.

So, the Board of Trustees' priorities in 2019/20 have been fourfold:

- protecting our students, staff and public;
- recovering and rebuilding our resources to be resilient in the face of the COVID threat;
- laying foundations to enable us to invest for the future – in research, teaching and services;
- enabling a smooth transition to our new Director.

Protecting our community

SOAS is at its best, when we pull together. So, it's right to acknowledge the hard work, sacrifices and commitment during the pandemic of our staff and students. We all had our own personal fears and uncertainties about the danger to each of us, our families and our friends – and the Trustees are proud of how SOAS has responded as a community.

Our first priority during the pandemic has been to protect the health, welfare and safety of our community.

The entire School went online in March, confident that we would be able to deliver all our research, teaching and services remotely and on 18 March 2020 we closed our buildings. Our full course portfolio and year-end assessments moved online so every single finalist could graduate and all other students could progress.

We created an active programme of online events and activities, in addition to the delivery of teaching and services. We moved our Open Days online and ahead of others delivered our successful Summer School in a virtual form for the first time.

We began a phased re-opening of our campus on 6 July 2020, with a fully Covid-secure environment – in line with Government and Public Health England guidelines, and working with our trade unions and students' union. This included click and collect Library services, bookable study spaces and in-person student support services.

Our re-opening Campus task group has overseen a phased return to campus – allowing us to ensure new and returning students have had in-person access to services where necessary and full access to services online, with teaching online and some face-to-face academic activities available, which we are building in for the remainder of the 2020/21 academic year.

Rebuilding our resources

SOAS had plans in train to eliminate our structural deficit and return to surplus by 2021/22, as set out in our 2018/19 Financial Statements.

But Covid-19 blocked this. We modelled a potential drop in income based on a reduction of 50% international students; 25% UK students; and 10% non-returners – a forecast in line with the vast majority of universities. SOAS is a small specialist institution and needed to increase its underlying financial strength to ride this out.

We rose to the challenge through a wholesale review of our curriculum to update and revise what we offer, looking at improvements in the way we deliver all our courses and modules, and putting this in place in rapid measure for September 2020. This enabled us to carry through a major restructure of our academic departments and professional services – which the Trustees agreed to in May 2020.

Our Transformation & Change project has sustained our academic departments and put new professional services directorates in place from 1 October 2020, and SOAS now has a solid platform for the new Director.

We have reviewed our subject and research disciplines, based on vision statements and business plans drawn up by each Head of Department. We have tighter professional services directorates, building on a previous One Professional Service model but integrating services even further.

These Financial Statements show how our cost savings limited our unrestricted operating deficit to £0.9m before restructuring costs in 2019/20 and we are now projecting a small surplus in 2020/21. The Financial Overview section below notes the positive impact of the Transformation and Change process on our resource position, which led to a significant budget reduction in operating expenditure from the 2019/20 baseline.

We have made no compulsory redundancies, although more than 100 employees took voluntary severance. We limited other job losses through tight cost controls including pay restraint, recruitment restrictions and a voluntary reduced hours scheme.

We are not complacent. We expect the numbers of students applying to UK universities to remain volatile and this may leave us exposed given 72% of our income in 2019/20 comes from tuition income. To enable us to move confidently into the future it is clear that we need to diversify our revenue streams and build a wider financial base.

It's right to recognise the contribution this year of our interim Director Professor Graham Upton whose term of office finishes on 31 December 2020. Graham has led the Transformation & Change project. He has communicated very openly with the whole school and, together with our Chief Operating Officer Paula Sanderson, fronted a complex, challenging change project. The entire SOAS community have been briefed and engaged in the transformation and change process, and they have helped us cross very rough terrain.

Investing for the future

We've made tough decisions, so we are no longer running to stand still – and the Trustees believe SOAS' best days are still ahead.

The priority for the Trustees and new Director will be establishing a new vision, objective and strategy for the School. We want to set out a bold, radical and progressive agenda in the next 12 months, working across the whole community so there is buy-in and ownership.

This is a moment for SOAS to step up. Covid-19 has shown, yet again, how deep social, health and economic inequalities are across the world. It shows the scale and pace of the challenges facing us all: the climate change; global recession; and fourth industrial age.

So, it underlines the need to invest strategically in our strongest teaching, research and services. We must generate new income from winning greater market share; fundraising; and new academic partnerships. And above all, we must protect SOAS' mission for future generations, which demands being financially strong.

Adam Habib

We appointed Professor Adam Habib in February 2020 as SOAS's 10th Director – and he will start on 1 January 2021. Adam is currently the Vice-Chancellor of the University of the Witwatersrand, Johannesburg, one of the best universities in Africa. Adam was the outstanding candidate during a recruitment process involving staff and students. He is a superb fit for SOAS given his vision and energy; his leadership record; and his pedigree as an academic, public intellectual and activist. He is never afraid to challenge received wisdom and will be a breath of fresh air in UK higher education.

Adam will be supported by our new Deputy Director and Provost Professor Claire Ozanne, who has joined us from University of Roehampton – part of a newly configured senior management team. Professor Andrea Cornwall continues in that team as our Pro-Director Research and Enterprise. Thanks, must go to Andrea especially for her role in supporting cross-school communication during the transformation and change process.

We wish to thank Professor Steve Hopgood for his invaluable leadership work for SOAS as our Pro-Director International and Interim Deputy Director. We are also indebted to our Pro-Director Learning and Teaching – Professor Deborah Johnston – who was appointed Pro Vice Chancellor at South Bank University in April 2020, and her successor Dr Emilia Onyema whose period as interim ends in January. Steve and Emilia continue their research and teaching work at SOAS.

Valerie Amos

Adam succeeds Valerie Amos whose term ended on 31 August 2020. Valerie joined SOAS in 2015. She oversaw new partnerships and fronted the Questions Worth Asking anniversary campaign in 2016. She strengthened decision making by bringing academic Heads of Department into the Executive Board.

Valerie championed our progressive values by spearheading programmes including Decolonising SOAS and Sanctuary Scholarships and, nationally, a study on closing the BAME student attainment gap for Universities UK. We wish her luck in her new role as Master of University College, Oxford.

The Trustees also want to recognise the contribution of our outgoing President, Mrs Graça Machel, whose term ended on 31 July. There are no more inspiring leaders in African politics. Her graduation speeches have been a genuine highlight for thousands of students and it was brilliant to have her as an ambassador for SOAS during her 8-year term. The Trustees will work with our new Director to appoint our next President.

Conclusion

In these most challenging of times, which have brought new pressures on all our lives, we believe that SOAS has shown great character and resilience to begin reshaping itself for the future. There remains much work to be done to build on the efforts that have been made, but the way forward for us as an institution is clearer now. We are in a position to feel more confident about our future and we look forward to working with the SOAS community and our new Director as we chart that way ahead.



Financial Overview

Summary of income & expenditure	2019/20 Endowment & Restricted £m	2019/20 Unrestricted £m	2019/20 Total £m	2018/19 Endowment & Restricted £m	2018/19 Unrestricted £m	2018/19 Total £m	Change £m
Operating income	1.1	86.9	88.0	1.2	85.1	86.3	1.7
Endowments and donations	1.2	-	1.2	3.0	0.5	3.5	(2.3)
Total income	2.3	86.9	89.2	4.2	85.6	89.8	(0.6)
Operating expenditure	4.3	81.4	85.7	3.7	82.8	86.5	0.8
Depreciation	-	6.1	6.1	-	6.3	6.3	0.2
Interest and other finance costs (excluding pension interest charge)	-	0.3	0.3	-	0.3	0.3	-
Restructuring costs	-	2.3	2.3	-	2.5	2.5	0.2
Surplus / (deficit) before movement on pension provision	(2.0)	(3.2)	(5.2)	0.5	(6.3)	(5.8)	0.6
Movement on pension provision	-	13.3	13.3	-	(17.9)	(17.9)	31.2
(Deficit) / surplus before other gains or losses	(2.0)	10.1	8.1	0.5	(24.2)	(23.7)	31.8
Gain on disposal of fixed assets	-	4.4	4.4	-	0.9	0.9	3.5
Gain on investments	0.2	-	0.2	3.7	-	3.7	(3.5)
Surplus / (deficit) for the year	(1.8)	14.5	12.7	4.2	(23.3)	(19.1)	31.8

SOAS recorded a surplus for the year of £12.7m in 2019-20; this is a significant improvement from the £19.1m deficit reported in 2018-19.

This surplus is broken down into a deficit of £1.8m on our restricted activities and a surplus of £14.5m on our unrestricted activities. It is important to note that the latter includes a positive movement of £13.3m for USS pension liabilities using the March 2018 pension valuation available at the reporting date of 31 July 2020. The March 2018 pension valuation saw the scheme wide USS deficit drop significantly. The pension movement is outside of the institution's control as contribution rates are set at the national level.

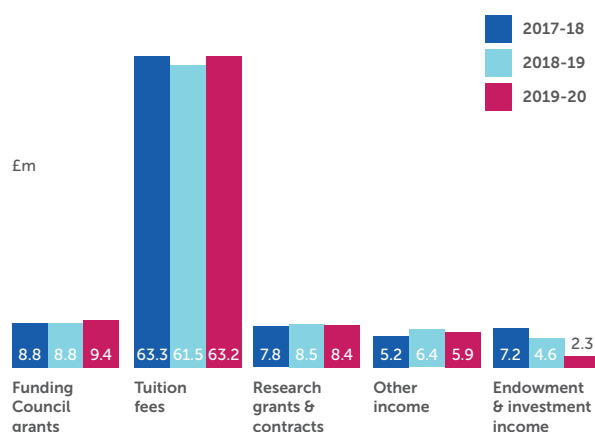
The pension provision is the discounted value of future cash flows, i.e. additional contributions that are required to eliminate SOAS's share of the USS pension liability.

The SOAS Board of Trustees excludes the pension movement in assessing underlying financial performance with a focus instead given to the unrestricted deficit of £3.2m in the table above. This, when adjusted for restructuring costs of £2.3m which are not part of ongoing operating activity, results in an operating deficit of £0.9m. This compares favourably to an operating deficit of £3.8m in 2018-19, being the unrestricted deficit of £6.3m adjusted for restructuring costs in that year of £2.5m.

Income

Before endowments and donations, income grew by £1.7m from 2018-19. Tuition fees remained the largest component, at 72% of income (2018-19: 71%) with an increase to £63.2m net of scholarships and discounts (2018-19: £61.5m). Grant income from our funding bodies remained broadly in line with the previous year.

Income by source – year on year changes

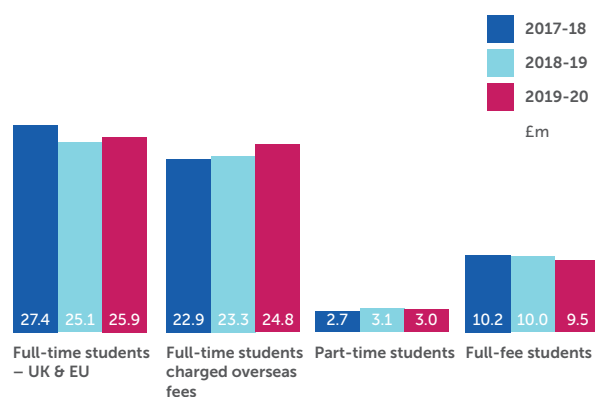


Tuition fee income

Tuition fee income in the financial statements is stated net of the £2.2m fee waivers and scholarships provided to students on both undergraduate and postgraduate courses (2018-19: £2.5m).

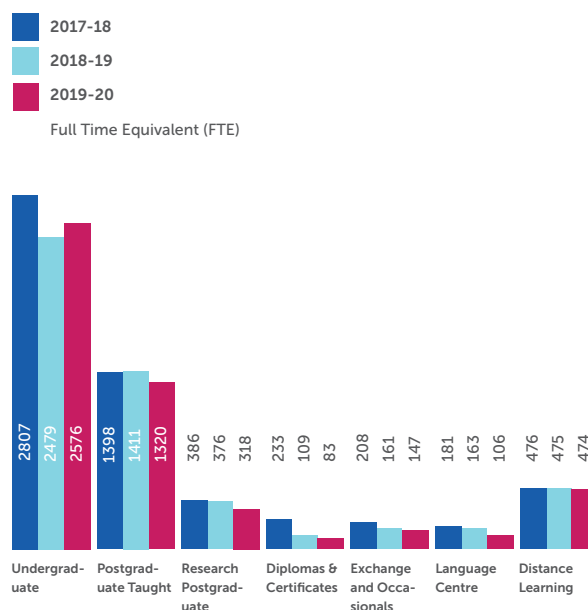
Net fee income increased by £1.7m in 2019-20 with growth in overseas (+£1.5m) and UK/EU student income (+£0.8m). There were reductions in part-time student fee income (-£0.1) and full fee income (-£0.5m). The movements are shown in the chart below.

Fee income – year on year changes



The chart below shows the key changes in student numbers over the past 3 years, with undergraduate numbers increasing by 4% from 2018-19 to 2019-20.

Student FTE – numbers



Funding council grants

Total grant income of £9.4m was provided to us from our two funding bodies for use in 2019-20 (2018-19: £8.8m) including £1.5m from the Office for Students providing teaching (2018-19: £1.7m) and £5.6m from Research England for research (2018-19: £5.7m).

Research grants and contracts

SOAS research applies a global lens to the critical issues of our time, making the connections that others cannot and helping to build bridges in a complex world. SOAS has continued to maintain its research grant and contracts income in 2019-20, recording £8.4m compared with £8.5m in 2018-19. SOAS research has had positive impacts around the world, producing world-renowned journals and books that publish rigorous, cutting-edge research.

Endowment and other income

In addition to income from our core operational activities, SOAS generates income from its commercial and ancillary activities, recording £5.9m in 2019-20 (2018-19: £6.4m).

We are very grateful for all donations received and are pleased to report we received new gifts of £1.2m in 2019-20 (2018-19: £3.5m). Included within this are donations totalling £0.4m to support students through scholarships, bursaries and prizes and £0.2m to support staff posts. Additionally we received a donation of £0.2m from the Mo Ibrahim Foundation which continues to support the Governance for Development in Africa Programme and provides support to students through maintenance grants.

Donations totalling £0.1m were received to enhance language learning through scholarships, research and digitisation.

During the year we adopted a total return investment management policy for our endowments. This approach will protect the real value of the endowments whilst enhancing the amount which can be spent on the charitable objectives of the funds.

Investment income on endowments totalled £1.1m (2018-19: £1.1m), which we have used for the purposes specified by the original donors, including £662k to support endowed posts and £135k on student support.

Expenditure

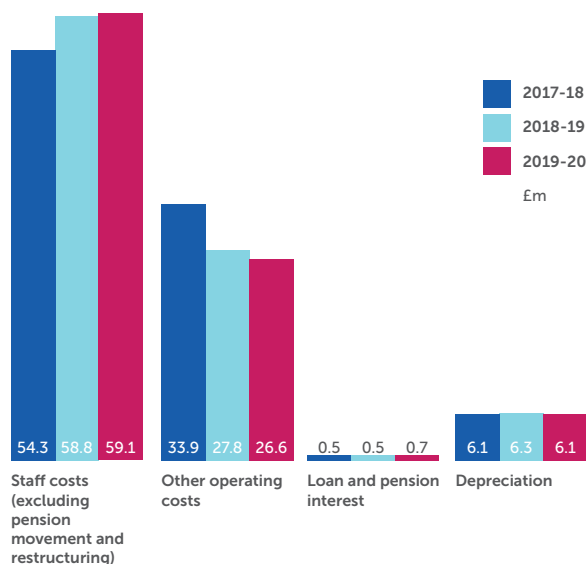
At SOAS, our people are our most important resource. Thus, the cost of staff who teach and provide student support and those who provide professional support for the institution's operations form the largest share of expenditure.

Total staff costs increased from £58.8m to £59.1m. These figures exclude restructuring costs of £2.3m (2018-19: £2.5m) and the decrease of £13.7m in our pension provision (2018-19: increase of £17.7m).

Excluding these two factors from both years, staffing costs in 2019-20 were £0.3m higher than in 2018-19, an increase of 0.5%.

There was a corresponding fall in other operating expenditure which was £1.2m lower than 2018-19, a decrease of 4%. Additionally, depreciation was £0.2m lower than the previous year.

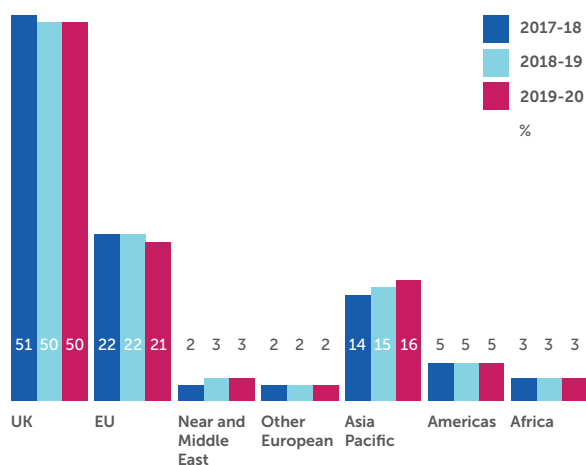
Expenditure – year on year changes



Student support

We continue to be proud of our ability to attract a diverse student body from across the world, and work hard to maintain our international student numbers in the increasingly challenging environment. The origin of our students has remained broadly similar to 2018-19 as shown in the chart below. Asian Pacific student numbers have continued an upward trend, increasing slightly to 16% in 2019-20.

Undergraduate and Postgraduate FTE by origin



At SOAS, we take our commitment to making our education accessible to as many qualified students as possible seriously. Therefore we invest heavily in scholarships and bursaries to provide financial support to those who would otherwise be unable to study at SOAS.

In 2019-20 the School's Access and Participation Plan (APP) committed the school to spend £1.8m on providing assistance to students requiring financial support, the actual spend was higher at £1.9m due to the impacts of the Covid-19 lockdown.

Capital investment

Capital investment of £2.2m was made in the year 2019-20 (2018-19: £6.4m) which included £0.9m expended on the final phase of the School of Languages refurbishment, £0.3m on ICT infrastructure and a further £0.3m on classroom equipment and laptops.

Balance sheet position

Our endowment investments remained steady at £45.3m, with stock market values rebounding towards the end of the financial year following earlier falls due to Covid 19.

Cash and cash equivalents of £11.8m as at 31 July 2020 were £1.9m lower than 2018-19. Our short term revolving credit facility with RBS of £10m was repaid during the year and the School sold its leasehold interest in 21-24 Russell Square for £9.1m. The School's net current liability position of £8.1m at 31 July 2020 had improved £6.5m compared with the previous year.

The School's main long term loan financing is in the form of a variable rate loan with Barclays Bank of £5.1m due to be repaid by July 2031.

The loan is hedged by two interest rate swaps, covering 62% of the current loan balance, providing some protection against adverse movements in LIBOR interest rates.

Future outlook and going concern

Due to the ongoing Covid-19 pandemic, SOAS – along with many other institutions – anticipated a decline in student recruitment in 2020/21. Following the sale of the Russell Square terraces in April 2020 to eliminate any short-term financial risks, the School embarked on a rigorous Transformation & Change project to ensure viability and financial sustainability in the medium term. The plan included a number of actions to mitigate the anticipated reduction of income through cost efficiencies, including a review and streamline of the current programme offering and ensuring the appropriate level of School-wide resources required to deliver.

The plan aims to address the structural deficit in SOAS and return the School to a surplus-generating position. The 2020/21 budget recognises the cost efficiencies to be delivered by the plan and represents a significantly improved bottom line based on previous years.

SOAS is optimistic about its future. After a successful confirmation and clearing process in summer 2020, student recruitment numbers exceeded the Covid-reduced targets that were set. When projecting these numbers forward based on previous retention levels, the School is projecting to generate a surplus on unrestricted activities in 2020/21.

Although the School remains prudent due to the ongoing uncertainty caused by Covid-19, it is confident that the continued implementation of the Transformation & Change plan will ensure significant liquidity over the next 12 months and beyond. Under the new leadership of Adam Habib from January 2021, there will be a focussed drive on achieving positive outcomes, attracting high calibre staff and students and establishing SOAS as a brand that people are proud to be associated with.

The Board of Trustees has made appropriate enquiries, which included the review of proposed budget changes, cash flow forecasts and sensitivities for the period of 12 months from the date the financial statements were signed. The Board of Trustees considers that SOAS has adequate resources to justify preparing the financial statements on a going concern basis.

SOAS and Public Benefit 2019-20

This section highlights how SOAS contributes to society beyond its core work as a higher education institute. Through its public engagement activities, informed by the School's learning, teaching and research, SOAS makes a significant contribution to the advancement of education, one of the charitable purposes set out in the Charities Act 2011. SOAS engages in a wide range of public events and activities which help to inform the policy and initiatives of governments, charities, NGOs and other agencies globally. Over the last year, our researchers made their valuable insights available through a wide range of public forums.

Teaching and Learning

More than 5,500 students in over 100 countries are currently accessing our world-class research and teaching, gaining a range of specialist qualifications.

Global partnerships

SOAS is one of 12 universities and colleges participating in the first phase of the Open Society University Network (OSUN), a global network launched by the billionaire investor and philanthropist George Soros. This is an exciting development and offers opportunities for SOAS to work with OSUN and the other partners to create opportunities for students from diverse backgrounds across the world to benefit from global partnerships in areas of social and environmental concern to us all.

SOAS's Global Engagement Directorate builds partnerships across the world to enhance the School's learning, teaching and research. SOAS enjoys a number of global international teaching partnerships with the University of Washington, US, Nankai University in Tianjin, China, the University of Bergen and the University of Oslo in Norway, the Johns Hopkins School of Advanced International Studies in Bologna, HELP University in Malaysia and Sophie University, Japan.

Baroness Amos led a programme of events in Accra that included a traditional Durbar and a panel discussion at the British Council where she discussed the importance of global educational partnerships and their role in fostering socio-economic growth in Africa.



Widening participation

SOAS has a strong track record in widening participation, aiming to ensure we proactively engage with the local and global community, and students from disadvantaged backgrounds.

In 2019-20, SOAS ensured that its valuable widening participation work continued during the conditions imposed by the pandemic by delivering online summer schools, attainment-raising programmes and resilience workshops. All these activities were designed to support learners in the UK to fulfil their potential, underpinned by theories of change and rigorously evaluated.

For the 2019 undergraduate intake, SOAS distributed financial support bursaries of £1,500 to over 250 of the most socioeconomically disadvantaged home students, including providing additional support to care-leavers.

In 2019, the Margaret Busby New Daughters of Africa Award was also launched. The full scholarship is for a female African student taking an MA in African Studies, Comparative Literature or Translation (in African languages) at SOAS.

SOAS's Crowdfunding platform hosted fundraising pages for the Covid Hardship Fund, the Professor Anthony Dicks Law Bursary, the Helen Kanitkar Library, the Margaret Busby New Daughters of Africa Award, the Gen Z & Beyond project, the Japan Research Centre's 40-40 Fuwaku Fund, the SOAS Languages Project, the 'Stories of Home' refugee creative writing programme, Tamil Studies and the Prakrit Language Campaign. The platform raised £118,000 in 2019-20 for 10 projects, led by both staff and students.

Philanthropic funds were raised this year for scholarships, the SOAS Library and ground-breaking research at SOAS. Donations for student scholarships, bursaries and awards were provided by the Felix Scholarship, the Allan and Nesta Ferguson Charitable Trust and the Mo Ibrahim Foundation, among others. The John Loiello AFSOAS Scholarship entered its sixth year, supported by donations from the American Friends of SOAS. SOAS also welcomed the latest cohort of incoming Alphawood scholars. The SOAS Library received pledges from the Wolfson Foundation and the Foyle Foundation. SOAS research and other projects were supported by the Robert H N Ho Family Foundation, Santander, and other notable individuals and organisations.

International Students House provided 14 rooms, which gave a safe community and food to students from particularly challenging circumstances, often refugees, asylum seekers or those coming alone from abroad who have never left their home country before. Further gifts-in-kind were provided by other individuals and organisations, including Goodenough College.

The Academic Summer School moved online for 2020 due to the Covid pandemic. SOAS was one of the first UK institutions to implement this change, with many London-based competitors opting to cancel their summer programmes. SOAS had 277 students from across the globe joined 16 intensive, credit-bearing summer schools in Law, Gender, Conflict, Sustainable Finance, Global Politics and more. Courses were delivered online by an inspiring team of academic colleagues and professional services staff across SOAS, all contributing to a highly enjoyable and memorable online summer experience.

In September 2019, SOAS welcomed its first ever cohort of Foundation Year students. With an initial target of around 20-30 students, the total number of enrolments ended up being over 300 students.

Massive Open Online Courses (MOOCs) have also continued to feature in the online and distance learning suite of programmes offered by SOAS.

Creating an inclusive environment

The SOAS Director Baroness Valerie Amos led a series of initiatives to address BME representation in university leadership positions and to tackle the student attainment gap. Activities in the last year included SOAS hosting the London Higher private roundtable discussion, Tackling Racism in London's HEIs. Baroness Amos was in attendance along with senior members of London Higher's membership. They were also joined by Elizabeth Bowles, Head of Inquiries at the Equality and Human Rights Commission, and the former NUS Vice President for Education Amatey Doku.

Professor Deborah Johnston, Pro Director (Learning and Teaching) was appointed as a commissioner of the newly-formed Disabled Students' Commission, an independent group which will advise and influence higher education providers to improve support for disabled students. The commission will develop and promote approaches which work better for disabled students and provide the independent challenge that is needed to make change happen for disabled students across the English higher education sector.

Public events

SOAS hosts in the region of 1,000 public events each year, which are organised by academic departments, the central events team and the Students' Union, covering issues that range from the political and historical to art and culture. As the UK moved into lockdown from March 2020, all SOAS events moved online.

SOAS hosted its annual Indonesian Kontemporer event in the autumn, which welcomed members of the public to visit exhibitions, watch performances and film screenings, and take part in workshops and crafts. The SOAS History department hosted five Tamasha playwrights on an access-all-areas basis as part of its decolonising history project. The plays were inspired in part by SOAS's role as a training college for officers of the British Empire and played to a live audience at four 'gathered listening' events in theatres and cultural spaces across the UK, starting with a world premiere at SOAS. Other key events included the Centre for Sustainable Finance hosting the Assistant Governor and Head of Economics and Monetary Policy, Danmarks Nationalbank, the Director of Jubilee Caribbean and the Deputy Director of the Fiscal Affairs Department at the IMF at an event in Washington DC on The IMF & Climate Change: Can the Fund Help Countries Avoid a 'Climate Minsky Moment'? The Centre of African Studies hosting Think Like a White Man; Nels Abbey and Channel 4 reporter and Guardian journalist Symeon Brown in conversation, and the Centre for International Studies and Diplomacy co-hosting Culture.trace at the Barbican in central London, which brought together journalists, technologists and academics to explore the possibility of creating a different approach to artificial intelligence.



Public education through art

The Brunei Gallery at SOAS is a remarkable resource for public engagement, hosting contemporary and historical exhibitions from across Asia, Africa and the Middle East.

Through 2019-20, the Gallery saw tens of thousands of visitors to its exhibitions and accompanying events. Despite the lockdown restrictions, the Brunei Gallery maintained digital engagement throughout the year through a its e-newsletter where it presented a 'Brunei Gallery Previously....' Series looking at past exhibitions from the last 24 years and highlighting selected objects from SOAS's own Collections as the exhibitions. Many of the exhibitions which were impacted by the pandemic sought alternative digital routes – through videos and virtual tours – by which to engage the public.

The year began with African Textiles – Karun Thakar Collection – described as 'arguably one of the world's largest private collections of African textiles'. The exhibition was accompanied by several talks by the curators along with Q&A sessions.

A number of exhibitions took place this year which were the product of SOAS research. These were Ancient Vessels: A Visual and Material History of Food and Drink in China – a joint research project between the Museum of East Asian Art, Bath and SOAS – curated by Dr Stacey Pierson. A video was produced of the exhibition to encourage engagement during the lockdown period. The second SOAS-research led exhibition was A Passage Through Passages: On roads in South Asia. This exhibition was part of Roads and the Politics of Thought, a European Research Council funded five-year ethnographic study of road-building in South Asia led by Professor Edward Simpson. The third exhibition was Embodied Liberation: The Textual, Ethnographic and Historical Research of the Hatha Yoga Project (a five-year research project funded by the European Research Council and based at SOAS). Due to the Brunei Gallery closing earlier than planned, this exhibition was relaunched as a virtual exhibition with increased online content and additional films. It also offered the first ever virtual Private View and Curators Q&A session in partnership with the Knowledge Quarter, London.





Covid, local initiatives and SOAS community

A number of SOAS students have initiated projects or schemes to help others during the pandemic.

SOAS Undergraduate Music and World Philosophies student Siân Rees co-founded Refugee Solidarity SE a project started during the pandemic to build solidarity with refugee, asylum-seeking and migrant people in South East London and beyond. This much-needed and rapidly growing organisation is currently supplying essential care packages, financial aid and technical and electrical equipment to people and organisations.

Author, illustrator and MSc Politics of Conflict, Rights and Justice student at SOAS, Helen Patuck, has written and illustrated an emergency children's book titled *My Hero is You*, Storybook for Children on Covid in collaboration with the World Health Organisation (WHO) and the Inter-Agency Standing Committee Reference Group on Mental Health and Psychosocial Support in Emergency Settings (IASC MHPSS RG), to help children across the world cope with the Covid crisis.

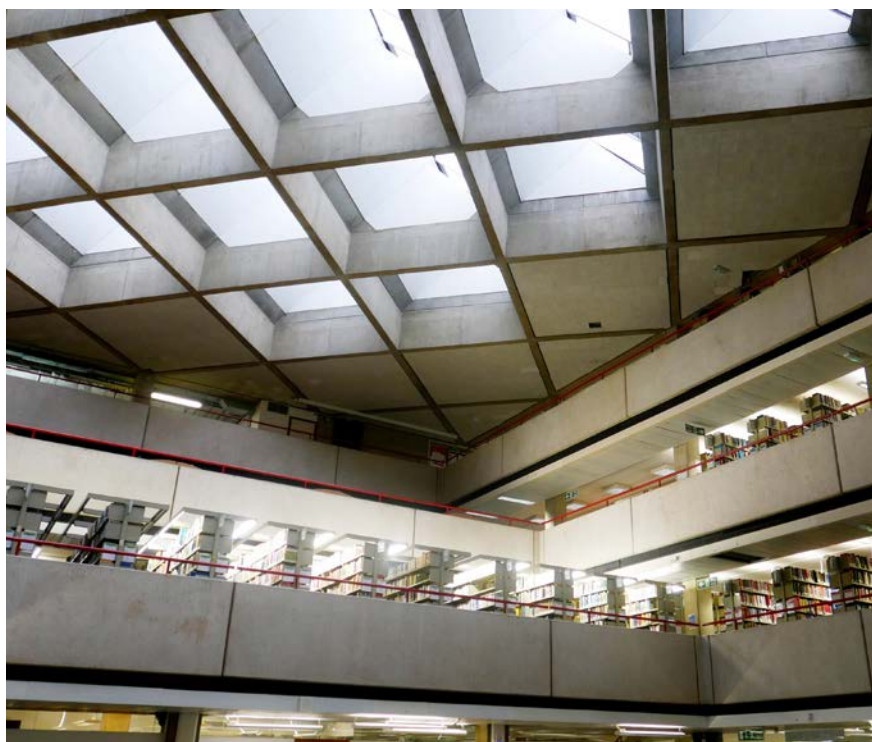
'SOAS Languages for Lockdown' was formed offering the public a free online taster on YouTube of an African, Asian, or Middle Eastern language.

The School of Languages, Cultures and Linguistics continued their partnership with Chatterbox, a social enterprise which trains and employs highly skilled and motivated refugees to teach their languages to students. Following on from successful projects in 2017 and 2018, the current project has been made possible by generous donations to the school's fundraising campaign.

Sustainability

SOAS supports the declaration of a climate emergency and is committed to accelerating measures to respond to the climate crisis, and especially its effect on equalities and lives in the Global South. The School has approved an initial set of actions in support of the declaration of a climate emergency, spearheaded by a newly formed Climate Action Group (CAG). These include working to further reduce our environmental footprint, including developing a meat-free and plastic water bottle-free campus, using Skype for first round interviews to level the playing field for candidates and reduce travel-related emissions, themed events, and integrating sustainability and climate change issues into teaching and training across the School.





A national resource

SOAS contributes to the advancement of education and preservation of cultural heritage through our careful stewardship of the extensive library collections and archives in our care. The SOAS Library is one of the five UK National Research Libraries (the others being Cambridge, LSE, Manchester and Oxford). It is home to more than 1.3 million volumes with a major collection of archives, manuscripts, and rare books, an expanding Digital Library (digital.soas.ac.uk) and a growing network of electronic resources. Audiovisual resources comprise sound and video recordings (c.396m), including music, poetry, folk-tales and vernacular languages on disc, audio tape, LP, CD and DVD.

The Brunei Gallery collections (c.2,500 objects) includes paintings, ceramics, textiles, metalwork, calligraphy, scrolls, woodblock prints, clay tablets, Chinese paper-cuts, and rubbings, in addition to photographs, transparencies, lantern slides and aerial photographs.

SOAS holds c.2,183m of rare books, journals and other printed materials (including lithographs and xylographs), regarded as special because of their age, rarity, fragility, provenance and/or financial value. Dating from the 15th century to the present, these range from books printed on vellum to ephemera and street-literature.

The Library together with the SOAS Centres and Institutes and strong links with the Global Engagement teams are currently developing a series of initiatives to bring the resources into local community centres across the UK through events such as community language days and library materials demonstrations. In the Covid context, these events will be principally virtual; however, the Brunei Gallery started its onsite exhibitions and events series in October 2020.

The SOAS Digital Collections maintains a strong commitment to providing access to underrepresented languages, and the Library is visited remotely by a growing number of researchers and students, with over 179,000 visitors from over 200 countries using our online catalogues between September 2019 and August 2020.

Research

SOAS experts play a major part in informing the public on a range of complex global issues – from conflict resolution and international relations to specific higher education issues such as free speech on UK campuses.

SOAS experts informing policymaking

The SOAS Influencing Corridors of Power (ICoP) project led by Professor Alison Scott Baumann, Professor of Society & Belief, with former students and staff promotes the impact of ongoing university-based research. The project is born out of the five-year AHRC/ESRC funded project, “Representing Islam on Campus”, and the follow-up project, “Voices of Dissent”. The team have supported researchers to produce expert briefings that are produced as podcasts and sent to MPs, Lords and policymakers in Westminster. This has resulted in ICoP informing numerous debates in the Parliament, successfully lobbying for changes to the Coronavirus Act, and advising MPs on writing formal questions for the Government.

A new report by the Drugs & (dis)order research project – a £7 million Global Challenges Research Fund (GCRF) Research Councils UK Collective Fund project, led by Professor Jonathan Goodhand – spotlighted the need to rethink the relationship between drugs, development and violence in countries transitioning from war-to-peace. The report challenged the commonly held assumption that development, peacebuilding, and counter-narcotics policies are mutually reinforcing.

Testimonies in the report show that illicit drug economies can in fact contribute to development, that development may actually push people into illicit economies, and that counter-narcotics efforts may undermine progress towards the Sustainable Development Goals.

Supported by the EU Trust Fund, the Research and Evidence Facility (REF) on migration in the Horn of Africa, led by Professor Laura Hammond, has been created to collate and produce evidence and policy relevant knowledge. In its most recent report the project summarised the key findings and recommendations which considered the implementation of the Comprehensive Refugee Response Framework (CRRF) and the role of the Intergovernmental Authority on Development (IGAD) in Djibouti, Kenya, Somalia and Uganda. The report contains nine key recommendations for local and national governments, policy makers, donors, communities and sectors to work towards durable solutions in the region for refugees.

Dr Dan Plesch, Director of the Centre for International Studies and Diplomacy, spoke alongside UN Director-General Tatiana Valovaya on the history of the UN at an exhibition and lecture series launch at the UN Library in Geneva. Four researchers from the SOAS Centre for Sustainable Finance participated in the UN climate conference (COP25) in Madrid. Thomas Tanner, Reader in Environment and Development, chaired a session on exploring gender myths and developing strategies to make gender-responsive climate finance a reality. Dr Ulrich Volz, Director of the SOAS Centre for Sustainable Finance and Reader in Economics, contributed to a COP25 side event on ‘Assessing climate transition risk & scaling up climate investments’ at the European Union Pavilion and Harald Heubaum, Deputy Director of the SOAS Centre for Sustainable Finance and Lecturer in Global Energy and Climate Policy, and Felicia Jackson, Chief Executive of the Sustainable Financial Data Initiative, participated in COP25 discussions on developing standardised and reliable data on climate and sustainable finance. The SOAS Centre for Sustainable Finance became a knowledge partner of the Green Growth Knowledge Partnership (GGKP) – a global network of experts and organisations dedicated to providing the policy, business, and finance communities with cutting edge knowledge, guidance, data, and tools through the Green Growth Knowledge Platform, the Green Industry Platform, and the Green Finance Platform.

People and voice

Director

Baroness Valerie Amos completed her five-year tenure at SOAS in August 2020. During her leadership she was a major thought-leader on a number of key issues such as BME representation among senior staff in higher education, addressing the BME student attainment gap, discussing the role universities should play in helping refugee students and the impact of the government legislation on academic freedom and free speech. In relation to her past experience at the UN – she continued to comment on issues such as the role of multilateralism and topics related to humanitarian crisis relief. Baroness Amos will be succeeded by Professor Adam Habib, currently Vice Chancellor of Wits University in Johannesburg, who will join SOAS in January 2021. Professor Graham Upton joined SOAS from April 2020 as Director Transformation and Change, and then took up his role as Interim Director from 1 August.



Media engagement

In the 2019-20 academic year, SOAS featured in on average 80-100 news clippings each month. These include expert commentary by academics, student success stories, alumni profiles and institutional achievements. SOAS scholars have provided expert insight into many of this year's world events including China-Hong Kong relations, US-Iran relations following the death of Qasem Soleimani, the impact of the Covid-19 pandemic, decolonisation and the ongoing Black Lives Matter protests in the US and globally, China's growing investment in Africa and developments in North Korea.

Professor Steve Tsang, Director of the SOAS China Institute, provided extensive commentary on events in China and Hong Kong throughout the year across global media including on China's foreign policy, China and Hong Kong relations, China's handling of the Covid-19 outbreak and China-US relations. In the autumn term, Laura Hammond, Professor of Development Studies, was interviewed by BBC News on Nobel Peace Prize award to Ethiopian Prime Minister Abiy Ahmed. Paul Basu, Professor of Anthropology, who produced a film, *FACES | VOICES* and *[Re:]Entanglements* project received widespread coverage in November including in *The Guardian*. Many academics provided their expertise on the UK's General Election in December 2019 including Dr Yair Wallach, Senior Lecturer in Israeli Studies, Arshin Adib-Moghaddam, Professor of Global Thought and Comparative Philosophies and the late Professor John Weeks. In January Professor Adib-Moghaddam and Dr Seyed Ali Alavi commented on the ongoing unrest in Iran following the death of Qasem Soleimani with BBC Radio 5 Live, CNN, ABC News and France24. Professor Guy Standing discussed the need for a universal basic income for all in light of the coronavirus pandemic for many media outlets including *The Economist*, BBC World Service, *El Pais* and more. In the spring, SOAS Director Baroness Valerie Amos addressed the killing of George Floyd in the US and racial injustice in the UK where she appeared on BBC Breakfast, Amanpour CNN and wrote a piece for *Research Professional*. Dr Tania Kaiser, Senior Lecturer in Forced Migration Studies, commented on migration routes and the dangers refugees experience seeking asylum for *Redaction Politics*.

SOAS continued its membership of The Conversation, an independent online platform that uses content sourced from the academic and research community, for a fourth year. This has resulted in over 30 published articles by SOAS experts ranging from topics such as colonialism and decolonisation, coronavirus in Brazil, India and the UK, and pieces on African musicians. Dr Michael Jennings, Reader in International Development, wrote about the UK's Department for International Development merging with the Foreign and Commonwealth Office in the publication. This year's most read SOAS article on the platform was by PhD scholar Dariusz Dziewanski on The Cape Town gangsters who use extreme violence to operate solo, gaining 110,319 views. The second most read SOAS article on the platform was by Professor Adib-Moghaddam on the Bani Adam: the 13th-century Persian poem that shows why humanity needs a global response to coronavirus, gaining 34,006 views.





Corporate Governance Statement

SOAS is committed to exhibiting good practice in all aspects of corporate governance. This summary describes the manner in which the School has applied the principles set out in the Office for Students' conditions E1 and E2 of registration. Its purpose is to help the reader of the Financial Statements understand how the principles have been applied. It relates to the period from 1 August 2019, up to and including the date of approval of these Financial Statements.

The School's Board of Trustees is guided by, but not limited by, general principles within the CUC's Higher Education Code of Governance (2018 and re-issued in 2020) and the Public Interest governance principles (as applicable to registered Higher Education providers). The Board of Trustees periodically reviews its effectiveness in line with the Higher Education Code of Governance. The Board of Trustees has adopted a 'Statement of Primary Responsibilities' aligned with the CUC Code of Governance as follows:

- The Proper Conduct of Business
- Strategic Planning, Policies and Strategies
- Monitoring Performance
- Financial Stewardship and Estate Management
- Audit and Risk Management
- Student Issues
- Health and Safety
- Employment
- Legal Matters
- Reputation

The School's principal regulator is the Office for Students (OfS). SOAS aims to exhibit good practice in all its activities to ensure that public funds are used properly and the School offers value for money. The School's practices are consistent with the provisions of the Code and the Board takes the necessary steps to continually review and improve its own governance.

SOAS's Board of Trustees is responsible for the School's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

On behalf of the Board of Trustees, the Audit Committee receives regular reports during the year on risk management, internal control and governance arrangements. The principal results of risk identification, evaluation and management review are reported to the Board of Trustees.

The Director is the Accountable Officer for the School and therefore is responsible to the Board of Trustees for ensuring compliance with the terms and conditions of registration and for providing the OfS with clear assurances about compliance. They may be asked to appear before the Public Accounts Committee. As Accountable Officer, the Director is responsible for the quality and accuracy of the data reported.

Membership of the Board of Trustees

The Board of Trustees comprises lay members, academics, members of professional services and student representatives appointed in accordance with the Charter of the School.

Board appointments are divided into the following categories:

- The Chair (lay member to be appointed by the Board);
- Twelve further lay members (11 appointed by the Board, one appointed by the Secretary of State for Foreign and Commonwealth Affairs);
- The Director of the School (ex officio);
- Four members of the Academic Board (two Pro-Directors and two academic members of staff);
- One professional services member of staff and
- Two student members.

There were 19 members of the Board of Trustees as at 26 November 2020. The Trustees who served during the year, up to and including the approval of the Financial Statements on 26 November 2020, are as follows:

Mr Kofi Adjepong-Boateng [until 14/01/20]
 Baroness Valerie Amos [to 31/07/20]
 Professor Andrew Atherton
 Dr Najat Benchiba-Savenius [from 06/02/20]
 Professor Kersti Börjars
 Professor Michael J Charney
 Professor Andrea Cornwall
 Ms Yasmin Elsouda [from 01/08/20]
 Ms Jenny Greenshields
 Sir Martin Harris (Vice-Chair)
 Professor Deborah Johnston [until 19/04/20]
 Dr Awino Okech

Dr Emilia Onyema
 Ms Helen Pennant
 Mr Andrew Popham
 Ms Valeria Racu [until 31/07/20]
 Ms Sabrina Shah [from 01/08/20]
 Sir Richard Stagg
 Ms Marie Staunton (Chair)
 Ms Maxine Thomas-Asante [until 31/07/20]
 Mr Steve Tinton
 Mr Nizam Uddin
 Professor Graham Upton [from 1 August 2020]
 Mr Oliver Urquhart Irvine

Board and Committee Overview

The **Board of Trustees** is responsible for the ongoing strategic direction of the School, approval of major developments and the receipt of regular reports from executive officers on the day-to-day operations of the School. The full list of powers reserved to the Board are set out in the Standing Orders. During the Covid pandemic in 2020, Board and committee meetings have continued, convened remotely.

The Board of Trustees normally meets four times a year. It is supported by several sub-committees, full details of which can be found on the SOAS website. The Board delegates a number of its responsibilities to the Audit Committee or the Resources and Planning Committee, which advise the Board of Trustees on resourcing, risk and compliance. A range of other committees have primary responsibility for ownership of other areas of the School's operations. These committees are formally constituted with terms of reference set out in their respective Standing Orders.

Members of the academic staff and student representatives are members of the Board of Trustees and the Resources and Planning Committee. In accordance with the School's Articles, the Board of Trustees is required to seek the advice of the Academic Board on certain matters.

The **Resources and Planning Committee** normally meets four times a year and reports directly to the Board of Trustees. It acts on behalf of the Board of Trustees to monitor the finances and use of resources of the School. It proposes the School's annual budgets to the Board of Trustees, examines and (where authorised) approves expenditure proposals, recommends financial forecasts and approves banking and investment arrangements. It provides assurance to the Audit Committee on the Financial Statements for recommendation to the Board of Trustees, and also reviews and recommends any financial reports to regulators which require Board approval.

The **Audit Committee** normally meets four times a year and reports directly to the Board of Trustees. It is chaired by a lay member of the Board and is comprised of lay members only. School officers attend the meetings but are not members. The Committee is responsible for providing assurance to the Board of Trustees on the effectiveness of the arrangements for risk management, value for money, effectiveness and efficiencies, data quality and internal control at SOAS.

The Audit Committee is responsible for recommending the appointment of External Auditors and meeting with them to discuss the nature and scope of the annual audit of the Financial Statements, resultant audit findings and the management letter arising. The Audit Committee is responsible for recommending the Financial Statements to the Board of Trustees including consideration of the External Auditors' formal opinion, the statement of Trustees' responsibilities and the statement of internal control, in accordance with relevant accounts directions.

The Audit Committee approves the annual internal audit plan and considers reports arising from those audits. These reports will highlight any significant internal audit issues, management responses received, and conclusions drawn.

The Audit Committee meets with both the School's Internal Auditors and External Auditors without School management present.

The **Governance & Nominations Committee** advises the Board of Trustees on the appointment and reappointment of individuals as lay members of the Board of Trustees and other committees. In doing so it seeks to maintain an appropriate balance of skills on the Board and ensure that the needs of committees for lay members with specific skills are met. It approves minor amendments to the School's procedures for recruiting Trustees and recommends any major changes to these procedures. It also reviews and recommends changes to the School's committees' terms of reference and standing orders to ensure that they accurately reflect the priorities and work of the School's governance structure.

The **Senior Staff Remuneration Committee** is responsible for deciding the remuneration and terms and conditions of service for the Senior Executive Managers, including the Director, Pro-Directors and Registrar & Secretary. The Committee is also responsible for monitoring pay levels for executive and senior managers, based on gender and ethnicity and to review pay gaps, and for monitoring severance payments for staff earning over

£100K. The Committee has a lay Chair, not the Chair of the Board of Trustees, and includes an external pay expert as a full member of the Committee.

The day-to-day management of the School's affairs is the responsibility of the Director and the executive team, through the Executive Board. The Executive Board is responsible for advising the Director on planning and strategy, and for leading and co-ordinating the strategic planning process. It also considers and prioritises strategic issues, taking account of the resource implications, sets appropriate budgets and approves expenditure, as delegated by the Board of Trustees.

The **Registrar and Secretary** has overall responsibility to the Board of Trustees in ensuring that the School meets its regulatory obligations. This includes oversight of the risk and financial profiles of the School and regular reviews into the effectiveness of the School's governance processes and procedures. The Registrar and Secretary also has responsibility for the supervision of the School's Directors of Professional Services.

The Academic Board is responsible for advising the Board of Trustees on the strategic development and future direction of the School's academic activities, as incorporated in the strategic plan and sub-strategies, and to be accountable to the Board of Trustees for the quality arrangements for learning and teaching.

This includes quality assurance and quality assessment measures employed by the School, and matters affecting the academic scope, academic structure and academic standards of the School.

The other sub-committees of the Board of Trustees are the Honorary Degrees and Fellowships Committee and the Health, Safety and Security Committee. Details of their membership and terms of reference are contained in the Standing Orders.

Oversight of Risk Management and Internal Control

In accordance with SOAS's Royal Charter of Incorporation, the Board of Trustees is responsible for the administration and management of the School's affairs, including ensuring an effective system of internal control, and is required to present audited Financial Statements for each financial year.

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and enable it to ensure that the Financial Statements are prepared in accordance with the Royal Charter,

the Statement of Recommended Practice: Accounting for Further and Higher Education and other applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) and the OfS Accounts direction.

The Board of Trustees, through its designated office holder, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the School and of the surplus or deficit and cash flows for that year. In preparing the Financial Statements, the Board of Trustees has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgments and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- the School has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of Financial Statements.

The Board of Trustees has taken reasonable steps to:

- ensure that funds are used only for the purposes for which they have been given and in accordance with OfS Terms and Conditions, including any other conditions which the OfS 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 School and to prevent and detect fraud; and
- secure the economical, efficient and effective management of the School's resources and expenditure.

Financial Statements are published on the School's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which varies from legislation in other jurisdictions. The maintenance and integrity of the School's website is the responsibility of the Board of Trustees. The Board's responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

The Board of Trustees has responsibility for overseeing risk management overall and plays a fundamental role in the management of risk. The Board of Trustees sets the tone and influences the culture of risk management within the School.

The following principles outline the School's approach to risk management:

- A proactive and engaged approach to risks and internal control of those risks has been adopted by the Board of Trustees;
- The Director and members of the Executive Board support, advise and implement policies approved by the Board of Trustees;
- The School makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- Heads of Department and Directors of Professional Services are responsible for encouraging good risk management practice within their department or directorate; and
- Key risk indicators are identified and monitored on a regular basis.

The Board of Trustees' agenda includes a regular item for consideration of risk and control and it receives reports thereon from the Executive Board and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Risk management

The School has a risk management procedure that integrates the risk management process with the School's overarching strategy. The Board of Trustees is satisfied that the procedure enables significant risks to be continually identified, evaluated and managed for the period covered by the Financial Statements.

This process is regularly reviewed and evaluated by the Audit Committee on behalf of the Board of Trustees and accords with the internal control guidance in the UK Corporate Governance Code as deemed appropriate for higher education.

The identification and management of risk, as detailed in the School's risk registers, is linked to the achievement of strategic and institutional objectives.

The approach means that the short term/immediate risks are monitored through 'live' risk registers which are aligned to each component of the strategy. These documents are updated at regular reporting points and drive amendments in activity to ensure KPIs and objectives are achieved. The long-term risks are regularly reviewed to identify whether the likelihood of a risk has increased and therefore would need to be addressed by changes to the School's strategy, policies or procedures.

The most significant risks identified and managed by the School are as follows:

1. Covid-19 may lead to reduced fee income from a fall in student enrolments; a reduction in funding for research and enterprise activity; reduced staff morale, wellbeing and productivity; and could impact the successful delivery of change programmes required to achieve financial sustainability.
2. Lack of staff and student support for change programmes may lead to disruption and industrial action, resulting in additional costs, reputational damage, regulatory sanction and delays to the delivery of change required to achieve financial sustainability.
3. Change in senior leadership may lead to delays in the delivery of change programmes and reduce the ability of the School to capitalise on opportunities created by the significant changes in its operating environment.
4. Additional costs resulting from national HE agreements (for example on pensions, pay and casualisation) could increase SOAS' base costs and reduce financial sustainability.
5. Non-compliance with the OfS' regulatory framework and/or requirements imposed by other regulators (such as CMA, OIA, Home Office, UKRI) may lead to regulatory sanction, fines and reputational damage.

Internal control

The Board of Trustees is responsible for ensuring that a sound system of internal control is maintained and confirms that it has reviewed the effectiveness of these arrangements prior to approving these Financial Statements. This Statement of Internal Control relates to the period from 1 August 2019, up to and including the date of approval of these Financial Statements on 26 November 2020.

The key elements of the School's system of internal control include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updates of forecast outturns;

- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Trustees;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Board of Trustees;
- Policies and procedures to support compliance with legislation and regulation relating to financial malpractice including fraud, money laundering, bribery and corruption and other irregularities;
- Embedding risk management and internal control in ongoing operations;
- An outsourced internal audit function, whose annual programme is approved by the Audit Committee and subsequently endorsed by the Board of Trustees. This function provides the Board of Trustees with a report on internal audit activity within the School and an opinion on the adequacy and effectiveness of the School's system of internal control. Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Audit Committee is required to report to the Board of Trustees on internal controls and alert trustees to any emerging issues. The Audit Committee approves an annual programme of internal audit reviews. Core systems are audited annually while other activities of the School are audited to a programme approved by the Audit Committee following consultation with the Director.

In addition, the Audit Committee oversees internal audit, external audit and management as required in its review of internal controls. The Audit Committee is therefore well placed to provide advice to the Board of Trustees on the effectiveness of the internal control system, including the School's system for the management of risk.

Overall, 'significance assurance with minor improvements required' was given by the Head of Internal Audit based on the overall accuracy and effectiveness of the organisations framework of governance, risk management and control.

Value for money

The Board of Trustees is tasked with ensuring that the School adheres to the OfS conditions of registration for Higher Education Institutions for the use made of the public funds it receives by ensuring the School's resources and expenditure are economical, efficient and effectively managed. The Board has an explicit duty to impose the efficiency, effectiveness and value for money (VfM) principle within the School.

SOAS recognises its responsibility to achieve value for money from all of its activities and is committed to the pursuit of economy (minimising the cost of resources for an activity), efficiency (performing tasks with reasonable effort) and effectiveness (the extent to which objectives are met). The School also has an ethics framework, approved by the Board of Trustees, which it applies to its VfM activities.

The restructuring undertaken during 2019/20 has delivered significant cost reductions across the full range of services, as well as in academic areas. A key task for the coming year will be to enhance and streamline processes and systems so that the cost reductions are sustainable and do not lead to unacceptable deterioration in effectiveness of services. The School is committed to delivering a high quality provision to students and taxpayers that also enables VfM and impactful use of School income.

The Executive Board continually reviews resource plans and expectations, coordinates work and monitors progress towards delivering efficiencies and effectiveness.

Disclosure of information to the auditor

At the date of approving this Annual Review and Financial Statements, the Board of Trustees confirms:

- so far as each Trustee is aware, all relevant information required by the School's auditor to prepare their statement contained within this Annual Review was given to the auditor and no information was withheld; and
- so far as each Trustee was able, all reasonable steps were taken to understand what relevant information was required by the auditor to aid their preparation of their statement contained within this Annual Review and to ensure the auditor was made aware of that relevant information.

Trade union facility time publication: 1 April 2019 – 31 March 2020

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on the 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

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 union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (for example, attending negotiation or consultation meetings with management). There is no entitlement to paid time off for undertaking union activities (for example, internal union administration).

Public sector organisations are required to collate and publish the following facility time data under the 2017 regulations:

- Number of employees who were relevant union officials during the relevant period
- How many employees who were relevant union officials during the relevant period spent a) 0%, b) 1 – 50%, c) 51-99% or d) 100% of their working hours on facility time
- Percentage of the total pay bill spent on facility time
- Time spent on paid trade union activities as a percentage of total paid facility time hours.

The tables below provide a breakdown of the required data for the reporting period 1 April 2019 – 31 March 2020.

Table 1 – Number of employees who were relevant union officials during the relevant period

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
27	26.3

Table 2 – Percentage of time employees who were relevant union officials spent on facility time

Percentage of time	Number of employees
0%	5
1–50%	22
51–99%	0
100%	0

Table 3 – Percentage of the total pay bill spent on facility time

Total cost of facility time	£60,747
Total pay bill	£59,647,713
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.1%

Table 4 – Time spent on paid trade union activities as a percentage of total paid facility time hours

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	28.16%
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Independent Auditor's Report to the Trustees of SOAS

Opinion

We have audited the financial statements of SOAS ("the School") and its subsidiaries ("the Group") for the year ended 31 July 2020 which comprise the Consolidated and School Statement of Comprehensive Income, the Consolidated and School Statement of Changes in Reserves, the Consolidated and School Statement of Financial Position and Consolidated Cash Flow Statement 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 Group's and of the School's affairs as at 31 July 2020 and of the Group's and the School's income and expenditure, gains and losses, changes in reserves and of the Group's and the School's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 Group and School 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 Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the School'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 Board of Trustees are responsible for the other information. 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 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 including the Strategic Report, Statement of Corporate Governance 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.

Opinion on other matters required by the Office for Students ("OfS") and Research England

In our opinion, in all material respects:

- Funds from whatever source administered by the School for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The School's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The School's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the Board of Trustees is 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 Board of Trustees 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 Trustees are responsible for assessing the Group and the School'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 Trustees either intend to liquidate the Group or the School 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. This description forms part of our auditor's report.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the School have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and Research England.

Use of our report

This report is made solely to the School's Board of Trustees, as a body, in accordance with Section 75 of the Higher Education and Research Act 2017. Our audit work has been undertaken so that we might state to the School's Board of Trustees 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 School and the Board of Trustees members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

27 November 2020

Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor Gatwick

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



Consolidated and School Statement of Comprehensive Income Year ended 31 July 2020

Income	Notes	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Tuition fees and education contracts	1	63,157	63,148	61,473	61,473
Funding body grants	2	9,415	9,415	8,793	8,793
Research grants and contracts	3	8,386	8,386	8,534	8,534
Other income	4	5,908	5,908	6,357	6,263
Investment income	5	1,098	1,098	1,122	1,122
Total income before endowments and donations		87,964	87,955	86,279	86,185
Endowments and donations	6	1,198	1,198	3,488	3,488
Total income		89,162	89,153	89,767	89,673
Expenditure					
Staff costs	7	59,115	59,000	58,751	58,706
Pension movement	7, 17	(13,720)	(13,720)	17,672	17,672
Restructuring costs	7	2,302	2,302	2,487	2,487
Other operating expenses	8	26,570	26,512	27,765	27,640
Depreciation	11	6,123	6,123	6,327	6,327
Interest and other finance costs	9	691	691	495	495
Total expenditure	10	81,081	80,908	113,497	113,327
Surplus / (Deficit) before other gains or losses		8,081	8,245	(23,730)	(23,654)
Gain on disposal of fixed assets		4,380	4,380	853	853
Gain on investments	13	160	160	3,717	3,717
Surplus / (Deficit) for the year		12,621	12,785	(19,160)	(19,084)
Other comprehensive income					
Change in fair value of hedging financial instruments		(40)	(40)	(45)	(45)
Total comprehensive expenditure for the year		12,581	12,745	(19,205)	(19,129)
Represented by:					
Endowment comprehensive income for the year		(1,950)	(1,950)	4,251	4,251
Restricted comprehensive income for the year		(7)	-	(11)	-
Unrestricted comprehensive income for the year		14,782	14,939	(23,196)	(23,131)
Revaluation reserve comprehensive income for the year		(204)	(204)	(204)	(204)
Cash flow hedge reserve		(40)	(40)	(45)	(45)
		12,581	12,745	(19,205)	(19,129)

The notes on pages 44 to 63 make up part of the financial statements.
All items of income and expenditure relate to continuing activities.

Consolidated and School Statement of Changes in Reserves Year ended 31 July 2020

Consolidated	Income and expenditure account			Revaluation reserve £'000	Cash flow hedge reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000			
Balance at 1 August 2018	46,988	216	39,131	15,037	(686)	100,686
Surplus/(deficit) from the income and expenditure statement	4,251	(11)	(23,400)	-	-	(19,160)
Other comprehensive income	-	-	-	-	(45)	(45)
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income for the year	4,251	(11)	(23,196)	(204)	(45)	(19,205)
Balance at 1 August 2019	51,239	205	15,935	14,833	(731)	81,481
Surplus/(deficit) from the income and expenditure statement	(1,950)	(7)	14,578	-	-	12,621
Other comprehensive income	-	-	-	-	(40)	(40)
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income for the year	(1,950)	(7)	14,782	(204)	(40)	12,581
Balance at 31 July 2020	49,289	198	30,717	14,629	(771)	94,062

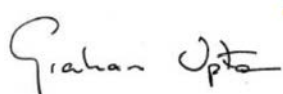
School	Income and expenditure account			Revaluation reserve £'000	Cash flow hedge reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000			
Balance at 1 August 2018	46,988	-	39,131	15,037	(686)	100,470
Surplus/(deficit) from the income and expenditure statement	4,251	-	(23,335)	-	-	(19,084)
Other comprehensive income	-	-	-	-	(45)	(45)
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income for the year	4,251	-	(23,131)	(204)	(45)	(19,129)
Balance at 1 August 2019	51,239	-	16,000	14,833	(731)	81,341
Surplus/(deficit) from the income and expenditure statement	(1,950)	-	14,735	-	-	12,785
Other comprehensive income	-	-	-	-	(40)	(40)
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income for the year	(1,950)	-	14,939	(204)	(40)	12,745
Balance at 31 July 2020	49,289	-	30,939	14,629	(771)	94,086

The notes on pages 44 to 63 make up part of the financial statements.

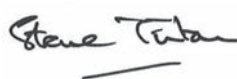
Consolidated and School Statement of Financial Position as at 31 July 2020

	Notes	As at 31 July 2020 Consolidated £'000	As at 31 July 2020 School £'000	As at 31 July 2019 Consolidated £'000	As at 31 July 2019 School £'000
Non-current assets					
Fixed assets	11	86,956	86,956	95,590	95,590
Heritage assets	11/12	467	467	467	467
Investments	13/18	45,338	45,338	45,325	45,325
Total		132,761	132,761	141,382	141,382
Current assets					
Stock		-	-	11	11
Trade and other receivables	14	7,855	8,127	10,131	10,215
Cash and cash equivalents	20	11,778	11,501	13,686	13,413
Total		19,633	19,628	23,828	23,639
Less: Creditors: amounts falling due within one year	15	(27,686)	(27,657)	(38,340)	(38,291)
Net current liabilities		(8,053)	(8,029)	(14,512)	(14,652)
Total assets less current liabilities		124,708	124,732	126,870	126,730
Creditors: amounts falling due after more than one year	16	(16,388)	(16,388)	(17,846)	(17,846)
Provisions					
Pension liabilities	17	(14,258)	(14,258)	(27,543)	(27,543)
Total net assets		94,062	94,086	81,481	81,341
Restricted reserves					
Income and expenditure reserve – endowment reserve	18	49,289	49,289	51,239	51,239
Income and expenditure reserve – restricted reserve	19	198	-	205	-
Unrestricted reserves					
Income and expenditure reserve – unrestricted		30,717	30,939	15,935	16,000
Revaluation reserve		14,629	14,629	14,833	14,833
Cash flow hedge reserve		(771)	(771)	(731)	(731)
Total reserves		94,062	94,086	81,481	81,341

The notes on pages 44 to 63 make up part of the financial statements. The financial statements were authorised and approved by the Board of Trustees on 26 November 2020 and were signed on its behalf on that date by:



Professor Graham Upton, Director



Mr Steve Tinton, Honorary Treasurer

Consolidated Statement of Cash Flows

Year ended 31 July 2020

	Notes	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Cash flow from operating activities			
Surplus / (deficit) for the year		12,621	(19,160)
Adjustment for non-cash items			
Depreciation	11	6,123	6,327
Gain on investments	13/18	(160)	(3,717)
Stock movements		11	(11)
Decrease / (increase) in debtors	14	2,276	(1,743)
(Decrease) / increase in creditors	15	(416)	2,378
(Decrease) / increase in pension liabilities	17	(13,285)	17,881
Adjustment for investing or financing activities			
Investment income	5	(1,098)	(1,122)
Interest payable	9	256	286
Endowment income	18	(1,059)	(2,798)
Gain on the sale of tangible assets		(4,380)	(853)
Deferred capital grants released to income		(1,480)	(773)
Net cash (outflow) from operating activities		(591)	(3,305)
Cash flows from investing activities			
Proceeds from sales of tangible assets		9,074	1,213
Capital grant receipts		468	5,517
Investment income		1,098	1,122
Payments made to acquire fixed assets		(2,335)	(6,282)
Receipts from / (payments to acquire) investments	13	147	(1,150)
Net cash inflow from investing activities		8,452	420
Cash flows from financing activities			
Interest paid	9	(253)	(280)
Interest element of finance lease	9	(3)	(6)
Endowment cash received	18	1,059	2,798
Repayments of amounts borrowed		(10,462)	(462)
Capital element of finance lease		(110)	(107)
Net cash (outflow) / inflow from financing activities		(9,769)	1,943
(Decrease) in cash and cash equivalents in the year		(1,908)	(942)
Cash and cash equivalents at beginning of the year	20	13,686	14,628
Cash and cash equivalents at end of the year	20	11,778	13,686



Statement of Accounting Policies

For the year ended 31 July 2020

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

1. General information

SOAS University of London is registered with the Office for Students in the United Kingdom. The address of the registered office is 10 Thornhaugh Street, Russell Square, London, WC1H 0XG.

2. Statement of compliance

The Consolidated and School financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the Royal Charter and the Accounts Direction issued by the Office for Students (OfS). The Group and the School have applied FRS 102 (March 2018) in these financial statements.

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

3. Basis of preparation

The Consolidated and School financial statements have been prepared under the historical cost convention (modified by the revaluation of investments and financial derivatives at fair value). The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Going concern

The School's activities, together with the factors likely to affect its future development, performance and position, are set out in the Financial Overview which forms part of the Board of Trustees' Report. The Board of Trustees' Report also describes the financial position of the School, its cash flows, liquidity position and borrowing facilities. After a successful confirmation and clearing process in summer 2020, student recruitment numbers exceeded the Covid-reduced targets that were set. When projecting these numbers forward based on previous retention levels, the School is projecting to generate a surplus on unrestricted activities in 2020/21. The Trustees are satisfied that the continued implementation of the Transformation & Change project will ensure sufficient liquidity over the next 12 months and beyond.

The Board of Trustees has made appropriate enquiries, which included the review of proposed budget changes, cash flow forecasts and sensitivities for the period of 12 months from the date of approval of the financial statements. The main areas of uncertainty include potential reduction in tuition fee income, failure to achieve the planned sale of property and failure to achieve fully the School's restructuring plan. Having considered these sensitivities, the Board of Trustees considers that whilst there is uncertainty in the forecasts, these do not constitute material uncertainty and therefore SOAS can prepare the financial statements on a going concern basis.

4. Exemptions under FRS 102

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

5. Basis of consolidation

SOAS has three subsidiary companies:

- SOAS owns 100% of the share capital of SOAS University of London Asia Pte. Ltd (UEN 201826330H) incorporated in Singapore 2 August 2018
- SOAS owns 100% of the share capital of SOAS International Ltd (company number 02796535) a dormant subsidiary
- SOAS exercises control over the London Middle East Institute by virtue of majority Board membership (LMEI, charity registration number 1103017, company number 4758915).

The consolidated financial statements include the financial statements of the School and all its subsidiaries. Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the School's share is eliminated.

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

6. Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

On Campus fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Distance and Online Learning tuition fees are deferred at year end based on the variable cost element of providing modules in future years with the balance of income recognised in the year of receipt. Where the amount of the tuition fee is reduced, by a fee waiver or discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income on a receivable basis.

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

Grant funding

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

Grants (including research grants) from non government sources are recognised in income when SOAS is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Endowments and donations

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

Donations with no restrictions are recognised in income when SOAS is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of restriction applied to the individual endowment fund. Investment income and gains on permanent endowments are accounted for on a total return basis.

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. 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 SOAS.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and SOAS has the power to use the capital.
4. 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.

Capital grants

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

7. Accounting for retirement benefits

Universities Superannuation Scheme (USS)

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

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

Superannuation Arrangements of the University of London (SAUL)

SOAS is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017. It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. SOAS accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102. As there was a technical provisions surplus at 31 March 2017 there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by SOAS.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to SOAS. Any unused benefits are accrued and measured as the additional amount SOAS expects to pay as a result of the unused entitlement.

9. Finance leases

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

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

10. Foreign currency

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

The assets and liabilities of foreign operations are translated to the group's presentational currency, sterling, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

11. Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2014 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Land and buildings

Costs incurred in relation to land and buildings, after initial purchase or production, are capitalised to the extent that they increase the expected future benefits to SOAS from the existing land and buildings beyond their previously assessed standard of performance; the cost of any such enhancements are added to the gross carrying amount of the land and buildings concerned.

Freehold land is not depreciated. Freehold Buildings are depreciated at 2 percent per annum. Leasehold buildings are depreciated over the life of the lease or life of the building if shorter. Building refurbishments are depreciated at 5 or 10 percent per annum depending upon estimates of their useful economic life. Where material, a depreciable asset's anticipated useful economic life is reviewed annually and the accumulated and future depreciation adjusted. No depreciation is charged on assets in the course of construction.

Repairs and maintenance expenditure to ensure that land and buildings maintain their previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred. SOAS has a planned maintenance programme, which is reviewed on an annual basis.

Fixtures, Fittings and Equipment

Equipment costing less than £20,000 is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic life as follows:

Computer equipment and furniture – five years;
Capital projects – five to twenty years.

Borrowing costs

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

12. Heritage assets

A heritage asset is a tangible or intangible asset with historic, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. Heritage assets held at SOAS include valuable publications and works of art. Heritage assets are excluded from fixed assets if it would not be practicable to obtain an accurate valuation at the date of acquisition and the cost of doing so would be disproportionate to the benefits of establishing accurate valuations. Where insurance valuations are available and can be reliably related to the value of the underlying asset at acquisition, these are included within fixed assets at their insurance value at acquisition.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

13. Investments

Investments are held at fair value with movements recognised in the Statement of Comprehensive Income.

Acquisitions and disposals of individual share holdings within the fund held by our investment managers are reported net as they do not represent additions to or disposals from the overall portfolio.

14. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand, overdrafts and cash held at third parties on behalf of SOAS. Deposits are repayable on demand if they are in practice available within 24 hours.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value, typically with a term of 3 months or less.

15. Financial assets and liabilities

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

16. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) SOAS 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 SOAS a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of SOAS. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

17. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, SOAS is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 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.

SOAS receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

18. Derivatives

SOAS has entered into fixed rate interest swaps to manage a proportion of its exposure to interest rate cash flow risk on its variable rate debt (see note 16). These derivatives are measured at fair value at each reporting date. To the extent that the hedge is effective movements in fair value are recognised in Other Comprehensive Income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in the surplus/(loss) for the year.

19. Reserves

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

Other restricted reserves include balances where the donor has designated a specific purpose and therefore SOAS is restricted in the use of these funds.

20. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Board of Trustees have made the following judgements:

Determination of whether leases entered into by SOAS either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determination of whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Assessment of the assumptions used in the recognition of donation and endowment income reported in the financial year, including interpretation of contract and gift agreement wording.

Other key sources of estimation uncertainty include:

Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Property owned by the School that is leased to a third party is assessed to determine whether the primary purpose is one of supporting education and where that is the case, the property is accounted for as a tangible fixed asset and not an investment property.

Trade and donation debtors (see note 14)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. Outstanding pledged donations are treated as recoverable where there is a signed gift agreement, a history of payments and ongoing communication with the donor. A provision is made where there is uncertainty regarding a donor's ability to pay.

Creditors: amounts falling due after more than one year (see note 16)

The assessment of the fair value of interest rate swap agreements performed by JCRA utilises various assumptions including the market's projection of LIBOR over the remaining life of the agreements.

Pension liabilities – consolidated and institution (see note 17)

The underlying assumptions in relation to the estimate of the present value of the obligation in respect of the funding deficit plan for the USS pension scheme such as the salary inflation over the period of the funding deficit plan and the discount rate to be used.

Cash and cash equivalents – consolidated and institution (see note 20)

As noted above, cash includes cash held at third parties on behalf of SOAS. At 31 July 2020, SOAS' solicitor held cash on behalf of SOAS arising from the sale of property which was completed on that day. The School has treated this as a cash balance at the period end as it has been concluded that it meets the definition of a cash equivalent – 'short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value'.

Notes to the Accounts

For the year ended 31 July 2020

1. Tuition fees and education contracts

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Full-time students – UK and European Union	25,856	25,856	25,064	25,064
Full-time students charged overseas fees	24,831	24,822	23,338	23,338
Part-time students	2,961	2,961	3,057	3,057
Full fee students	9,509	9,509	10,014	10,014
Tuition fees net of scholarships, bursaries and awards	63,157	63,148	61,473	61,473
Scholarships, bursaries and awards	2,179	2,179	2,482	2,482
Tuition fees inclusive of scholarships, bursaries and awards	65,336	65,327	63,955	63,955

2. Funding body grants

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Recurrent grant				
Office for Students	1,467	1,467	1,679	1,679
Research England	5,647	5,647	5,654	5,654
Specific grants				
Higher Education Innovation Fund	522	522	475	475
Global Challenges Research Fund	247	247	212	212
Strategic Priorities Fund	52	52	-	-
Deferred capital grants released to income	1,480	1,480	773	773
Total	9,415	9,415	8,793	8,793

3. Research grants and contracts

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Research councils	3,184	3,184	3,530	3,530
UK based charities	1,032	1,032	1,238	1,238
European Commission	2,635	2,635	2,188	2,188
Other grants and contracts	1,535	1,535	1,578	1,578
Total	8,386	8,386	8,534	8,534

4. Other income

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Rent receivable	990	990	1,004	1,004
Room lettings	31	31	19	19
Library fees	48	48	103	103
Accommodation, catering and conferences	533	533	652	652
Resales and reimbursements	342	342	372	372
Grant income	1,418	1,418	864	864
Enterprise income	947	947	1,580	1,580
University of London International Programme	640	640	632	632
Other income	959	959	1,131	1,037
Total	5,908	5,908	6,357	6,263

Included in rent receivable above is rental income receivable from the Courtauld Institute of Art in respect of the Vernon Square site of £830k. The lease agreement is for a maximum of 5 years from 3rd August 2018. Courtauld has a break clause on 1 November 2021 and SOAS has a break clause on 30 September 2022. The first 5 months of the agreement was for a peppercorn rent and then a base rent of £958k per annum. The minimum rent rises to £977k on 3 August 2021 and then £997k on 3 August 2022.

5. Investment income

	Notes	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Investment income on endowments	18	1,079	1,079	1,103	1,103
Other investment income		19	19	19	19
Total		1,098	1,098	1,122	1,122

6. Endowments and donations

	Notes	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
New endowments	18	1,059	1,059	2,798	2,798
Donations with restrictions	19	114	114	162	162
Donations with no restrictions		25	25	528	528
Total		1,198	1,198	3,488	3,488

Note: The source of grant and fee income received is as follows:

Grant and Fee income	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Grant income from the OfS	1,603	1,603	6,919	6,919
Grant income from other bodies	18,084	18,084	16,789	16,789
Fee income for research awards (exclusive of VAT)	2,763	2,763	3,799	3,799
Fee income from non-qualifying courses (exclusive of VAT)	2,308	2,308	2,409	2,409
Fee income for taught awards (exclusive of VAT)	58,086	58,077	55,265	55,265
Total	82,844	82,835	85,181	85,181

7. Staff costs

		Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Salaries		46,085	45,970	46,588	46,548
Social security costs		4,528	4,528	4,619	4,617
Other pension costs		8,104	8,104	7,253	7,250
Movement in holiday pay accrual		398	398	291	291
Total		59,115	59,000	58,751	58,706
Movement on USS and SAUL provision	17	(13,720)	(13,720)	17,672	17,672
Restructuring costs – compensation for loss of office		2,302	2,302	2,487	2,487
Total		47,697	47,582	78,910	78,865

Compensation for loss of office across the whole provider was payable to 110 people, the majority leaving in September and October 2020 [2018-19: 51]. Average full time equivalent staff numbers by category:

	Consolidated Number	School Number	Consolidated Number	School Number
Academic	432	432	436	435
Support	535	534	537	537
Total	967	966	973	972

Emoluments of the Director	Year ended 31 July 2020 £	Year ended 31 July 2019 £
Basic salary – Baroness Valerie Amos	243,291	238,989
Pension contributions to USS – Baroness Valerie Amos	18,078	16,499
Residence provided	54,321	54,200
Total	315,690	309,688

The School Director has been appointed in accordance with the Schools' Standing Orders. The appointment reflected the School's need to secure and retain a leader of exceptional calibre who has the skills, experience and personal qualities to assume the responsibilities of School Director and to undertake these fully and well. The remuneration package for the School Director has been agreed by the Senior Staff Remuneration Committee and the Board of Trustees.

Remuneration is based on the School's Senior Remuneration Framework, which has regard to the Higher Education Senior Staff Remuneration Code. In particular, full and proper consideration is given to:

- The responsibilities, scale and complexity of the role of School Director, and the need to ensure that pay and remuneration are sufficient to attract, retain, and motivate talented individuals of sufficient calibre to lead the institution.
- Market comparators from within the HE sector and where appropriate outside of the Sector.
- The impact on the School's pay multiple and wider published pay multiples across the Sector.
- The impact on equality pay gaps and wider published pay gaps across the Sector.

The Senior Staff Remuneration Committee, whose role is described in the Corporate Governance Statement above, believe the current package for the School's Director is fair and proportionate taking into account market comparators, pay ratios and equality pay considerations. As the world's leading institution for the study of Asia, Africa and the Middle East. SOAS recruits from an international market. A benchmarking exercise commissioned by the Senior Staff Remuneration Committee puts the Director's salary at slightly below the median for the role. The Director's salary has not been increased since appointment, other than for the application of cost of living increases, in line with other staff across the School. The Director's performance is reviewed annually by the Chair of Trustees against agreed objectives linked to the strategic priorities of the School. The Chair reports the outcome of that review to the Senior Staff Remuneration Committee. Over the past year the Director has led the senior team and Executive Board in managing the School through a challenging external environment for higher education and has continued to raise the profile of the School globally including through the pursuit of international partnerships in Singapore, Ghana and Thailand. She has also led the School's engagement in the U.K. on a number of important policy areas for the School including on freedom of speech, the important role of the humanities in U.K. higher education, and the reduction of the BAME attainment gap, as well as facilitating the School's active engagement on a global research agenda to increase the School's research income. In addition the Director and senior team have continued to implement decisions focused on securing the School's long term sustainability including holding the UG tariff which resulted in SOAS' improved league table, introduction of a new Foundation Year, with numbers significantly over target increasing income and SOAS's demographic reach and investing in improvements to the School's estate to improve the student experience.

The Director receives the same terms and conditions governing executive and senior managers employed by the School, save that it is currently a requirement of employment that in order for the proper performance of their duties as SOAS Director they occupy the accommodation provided for them by SOAS.

Residence at the accommodation provided includes official entertaining, meetings, overnight stays and call out as deemed appropriate. The rental value of the whole residence provided is £54,321 (2018-19: £54,200). The employer contributions to the pensions scheme arise as a consequence of the Director's membership of the scheme. No other remuneration was given to the Director.

The pay ratio of the Director's basic salary to the median basic salary is 5.9, the same as in 2018-19, and slightly lower than 6.0 in 2017-18. The pay ratio of the Director's total remuneration to the median total remuneration is 6.5 (2018-19: 6.1). This is a result of a reduction in the number of senior posts. Median pay is calculated on a full-time equivalent basis for the salaries and total remuneration paid by SOAS to its staff. Total remuneration includes basic salary, allowances, overtime payments, employer's pension and provided accommodation. The median basic salary is calculated with reference to permanent and fixed term employees from both academic and professional services teams included in the School's real time reporting to HMRC.

	Consolidated number	School number	Consolidated number	School number
£100,000 to £104,999	2	2	-	-
£105,000 to £109,999	-	-	2	2
£115,000 to £119,999	-	-	5	5
£120,000 to £124,999	4	4	1	1
£135,000 to £139,999	1	1	-	-
Total	7	7	8	8

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of SOAS. Staff costs includes compensation paid to key management personnel which were paid in line with the School Framework for Decisions Relating to Severance Payments and with regard to the Guidance on Decisions Taken About Severance Payments in Higher Education Institutions.

Year ended 31 July 2020		Year ended 31 July 2019	
Full time equivalent members	Staff Costs £'000	Full time equivalent members	Staff Costs £'000
19	1,814	19	1,827

The staff costs disclosed above relate to the members of Executive Board.

8. Other operating expenses

	Notes	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Research grants and contracts		2,161	2,161	2,547	2,547
Non-contract staff		2,904	2,904	2,911	2,911
Course development		183	183	193	193
Examinations		19	19	54	54
Year abroad and study tours		407	407	425	425
Intercollegiate teaching		20	20	121	121
Fellowships, scholarships and other fees		3,241	3,241	3,363	3,363
Published materials		1,654	1,654	2,092	2,092
Information technology		1,392	1,392	1,347	1,347
Marketing and student recruitment costs		1,308	1,308	1,309	1,309
Student related costs		430	430	633	633
Grant to SOAS Students' Union		258	258	262	262
Accommodation, catering and conferences		231	231	716	716
Consumables		145	145	131	131
Furniture and equipment		126	126	208	208
Hire of plant and equipment		69	69	77	77
Repairs and maintenance		568	568	968	968
Rent, rates and insurance		762	762	760	760
Heat, water and power		780	780	681	681
Security, caretaking and cleaning		403	403	645	645
Telecommunications and postage		195	195	250	250
Staff recruitment, development and travel		893	893	1,191	1,191
Student recruitment commission		819	819	703	703
University of London Fee		596	596	556	556
Subscriptions		807	807	730	730
Professional fees		2,376	2,376	1,408	1,408
Auditor's remuneration – internal audit fee		64	64	41	41
Auditor's remuneration – external audit fee		57	57	46	46
Auditor's remuneration – other		3	3	3	3
Legal fees		237	237	231	231
Enterprise contracts		395	395	1,180	1,180
Provision for donation*		1,500	1,500	-	-
Other expenses		1,567	1,509	1,983	1,858
Total		26,570	26,512	27,765	27,640

* The School has made a provision for non-payment of a pledged donation of £1.5m (2018-19: Nil) as there is uncertainty whether the gift will be paid due to the impact of Covid on the donor's finances.

9. Interest and other finance costs

	Notes	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Loan interest		253	253	280	280
Finance lease interest		3	3	6	6
Net charge on pension scheme	17	435	435	209	209
Total		691	691	495	495

10. Analysis of total expenditure by activity

	Notes	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Academic departments		36,386	36,386	39,946	39,776
Academic services		13,543	13,543	12,321	12,321
Central administration and services		11,679	11,506	10,758	10,758
General education expenditure		7,220	7,220	7,499	7,499
Staff and student facilities		2,554	2,554	2,075	2,075
Repairs and maintenance		4,081	4,081	4,757	4,757
Premises other expenditure		7,124	7,124	7,019	7,019
Residences, catering and conferences		839	839	832	832
Research grants and contracts		6,368	6,368	6,441	6,441
Restructuring		2,302	2,302	2,487	2,487
Pension movement (see note 17)		(13,285)	(13,285)	17,881	17,881
Other expenditure		2,270	2,270	1,481	1,481
Total		81,081	80,908	113,497	113,327

Access and Participation expenditure		Staff costs £'000	Other Expenditure £'000	Year Ended 31 July 2020 Consolidated and School Total£'000
Access Investment		273	62	335
Financial Support (including Student Success and Progression)		384	1,146	1,530
Disability Support		-	25	25
Research and Evaluation		-	9	9
Total		657	1,242	1,899

The School's Access and Participation Plan (APP) can be downloaded from www.soas.ac.uk/widening-participation. Page 17 of the APP committed the School to spend £1,822k, the actual spend recorded was £77k higher at £1,899k due to assistance provided to students requiring financial support due to the Covid-19 lockdown.

11. Fixed Assets – Consolidated and School

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Heritage assets £'000	Total £'000
Cost and valuation						
At 1 August 2019	11,624	116,577	19,241	1,486	467	149,395
Additions	-	1,284	817	82	-	2,183
Transfers	-	-	-	-	-	-
Disposals	-	(7,171)	(62)	-	-	(7,233)
At 31 July 2020	11,624	110,690	19,996	1,568	467	144,345
Consisting of valuation as at 31 July 2020						
Valuation	-	24,250	-	-	-	24,250
Cost	11,624	86,440	19,996	1,568	467	120,095
Total	11,624	110,690	19,996	1,568	467	144,345
Depreciation						
At 1 August 2019	1,935	37,708	13,695	-	-	53,338
Charge for the year	109	3,931	2,083	-	-	6,123
Disposals	-	(2,477)	(62)	-	-	(2,539)
At 31 July 2020	2,044	39,162	15,716	-	-	56,922
Net book value						
At 31 July 2020	9,580	71,528	4,280	1,568	467	87,423
At 31 July 2019	9,689	78,869	5,546	1,486	467	96,057

At 31 July 2020, freehold land and buildings included £6.1m (2019 – £6.1m) in respect of freehold land and is not depreciated. During the year, the School sold its leasehold interest in 21-24 Russell Square for £9.1m.

Leased assets included above: Net Book Value

At 31 July 2020	-	-	27	-	-	27
At 31 July 2019	-	-	134	-	-	134

Fixtures, fittings and equipment include assets held under finance leases as follows:

	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Cost	322	322
Additions	-	-
Disposals	-	-
Accumulated depreciation	(188)	(81)
Charge for year	(107)	(107)
Net book value	27	134

12. Heritage assets – Consolidated and School

SOAS holds various valuable publications and works of art originating from or relating to Africa and Asia. Heritage assets at SOAS comprise of two main categories:

- Brunei Gallery artwork, artefacts and books on display.
- The SOAS library rare books collection.

There have been four significant additions to heritage assets within the last fifteen years as shown below.

Description	Financial year	Insurance valuation £'000
Mali Art of Hassan Musa	2017/18	137
Persian Maps	2012/13	80
Ovussi paintings and archive material	2010/11	150
Benjamin Haines artwork	2006/07	100
Total		467

These individual insurance valuations were assessed internally in discussion with the insurance providers. The remaining items within heritage assets are excluded from fixed assets as it would not be practicable to obtain an accurate valuation of the Schools's historic heritage assets at the date of acquisition as the cost would be disproportionate to the benefits of establishing accurate valuations. These heritage assets are insured for £28m.

Heritage assets include a copy of the Anvar-i Suhayli, a 16th century Mughal text, the Library Special collection and a map used by David Livingstone during his exploration of the African interior.

13. Non-Current Investments

	Year Ended 31 July 2020 Consolidated and School £'000	Year Ended 31 July 2019 Consolidated and School £'000
At 1 August	45,325	40,458
(Receipts from) / payments to acquire investments	(147)	1,150
Increase in market value of investments	160	3,717
At 31 July	45,338	45,325

Non-current investments have been valued at market value.

14. Trade and other receivables: Amounts falling due within one year

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
General debtors less provision for bad debts	3,437	3,429	3,068	3,019
Research grants receivables	1,884	1,884	3,227	3,227
Prepayments and accrued income	2,466	2,466	3,678	3,678
Amounts due from group undertakings	-	280	-	133
Staff loans	68	68	158	158
Total	7,855	8,127	10,131	10,215

15. Creditors: Amounts falling due within one year

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Unsecured loans	462	462	10,462	10,462
Obligations under finance leases	28	28	110	110
Trade payables and accruals	8,913	8,884	7,662	7,613
Provision for facilities management contract*	-	-	640	640
Provision for voluntary severance agreements**	2,095	2,095	577	577
Other creditors	2,266	2,266	1,796	1,796
Social security and other taxation payable	2,603	2,603	1,540	1,540
Derivatives	136	136	138	138
Research grants and contracts in advance	6,212	6,212	8,975	8,975
Deferred income	4,971	4,971	6,440	6,440
Total	27,686	27,657	38,340	38,291

*SOAS resolved in August 2017 to self-deliver facilities management services from September 2018 and a provision for the cost of the renegotiated facilities management contract is shown above. The provision was paid to the contractor in equal monthly amounts up to 31 July 2020.

**Provision has been made for voluntary severance agreements communicated by 31 July of each financial year.

Deferred income

Included within deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Tuition fees	3,280	3,280	5,225	5,225
Grant income	947	947	343	343
Enterprise income	631	631	756	756
Conferences	-	-	110	110
Other	113	113	6	6
Total	4,971	4,971	6,440	6,440

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

		Year Ended 31 July 2020 Consolidated and School £'000	Year Ended 31 July 2019 Consolidated and School £'000
Unsecured loans		4,616	5,077
Deferred income		11,137	12,148
Obligations under finance lease		-	28
Derivatives		635	593
Total		16,388	17,846
Analysis of unsecured loans			
Due within one year or on demand	15	462	10,462
Due between one and two years		462	462
Due between two and five years		1,386	1,386
Due in five years or more		2,768	3,229
Due after more than one year		4,616	5,077
Total unsecured loans		5,078	15,539
Included in loans are the following:			
RBS Bank revolving credit facility at LIBOR plus 0.5% – expired 16 February 2020		-	10,000
Barclays Bank unsecured loan at LIBOR plus 0.22% (variable interest rate) repayable by July 2031		5,078	5,539
		5,078	15,539
Less due within one year		(462)	(10,462)
		4,616	5,077

Deferred Income

Deferred income shown above relates to government capital grants which are recognised in income over the expected useful life of the asset purchased with the grant.

Derivatives

A swap contract was signed with Barclays Bank on 19 October 2001 in order to reduce the School's exposure to interest rate fluctuations on the Barclays Bank loan. The effective start date of the contract was 28 June 2002, the termination date is 30 June 2027. At year end the swap covered £1,120,000 (2019: £1,280,000) of borrowing, amortising in line with the loan repayments. The swap rate is 5.38%. This is compared to the three month LIBOR rate and the difference is payable to / by Barclays Bank. £57,000 (2019: £62,000) of interest expense in the accounts relates to interest paid on the swap contract.

A second swap contract was signed with Lloyds Bank on 2 November 2006. This swap contract further reduces the School's exposure to interest rate fluctuations on the Barclays Bank loan. The effective start date of the swap contract is 2 November 2006, the termination date is 30 September 2026. The underlying principle of the swap contract is £2,000,000 for the life of the swap. The swap rate is 4.65%. This is compared to the three month LIBOR rate and the difference is payable to / by Lloyds Bank. £79,000 (2019: £76,000) of interest expense in the accounts relates to interest paid on the swap contract.

17. Pension liabilities – Consolidated and School

	Obligation to fund deficit on USS Pension £'000
At 1 August 2019	27,543
Unwinding of discount factor	435
Deficit contributions paid	(580)
Change in expected contributions	(13,140)
At 31 July 2020	14,258

The change in expected contributions (£13,140k) less the total of deficit contributions paid (£580k) above of £13,720k is shown as a reduction in staff costs in note 7. The change in expected contributions arose due to the scheme's deficit decreasing based on the latest valuation – see note 24.

18. Endowment Reserves – Consolidated and School

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2020 total £'000	2019 total £'000 Restated
Balances at 1 August				
Capital	32,987	4,779	37,766	35,618
Unapplied total return	12,593	880	13,473	11,370
Total	45,580	5,659	51,239	46,988
New endowments	30	1,029	1,059	2,798
Investment income	959	120	1,079	1,103
Expenditure	(2,286)	(1,786)	(4,072)	(3,367)
Investment management fees	(171)	(5)	(176)	(169)
Increase in market value of investments	156	4	160	3,886
Total endowment comprehensive income for the year	(1,312)	(638)	(1,950)	4,251
At 31 July	44,268	5,021	49,289	51,239
Represented by:				
Capital	31,673	4,021	35,694	37,766
Unapplied total return	12,595	1,000	13,595	13,473
Total	44,268	5,021	49,289	51,239
Analysis by type of purpose				
Staff posts	32,936	550	33,486	34,040
Scholarships and bursaries	6,762	1,883	8,645	9,947
Academic support	3,115	2,273	5,388	5,520
Research support	163	14	177	162
Prize funds	495	34	529	511
Lectures	673	-	673	664
Library	124	248	372	373
Events	-	19	19	22
Totals	44,268	5,021	49,289	51,239
Analysis by asset				
Non-current asset investments	43,306	1,812	45,118	45,325
Cash & cash equivalents	962	3,209	4,171	4,414
Other current assets	-	-	-	1,500
Totals	44,268	5,021	49,289	51,239

During the year the School changed its approach to investment management, adopting a total return approach for all permanent endowments. The endowment reserves have therefore been restated to recognise the proportion of the total investment return that has been applied to the permanent funds. The Trustees adopted a policy to use the inflation adjusted value of the original gift as the amount available for investment in order to preserve the real value of the capital. The difference between the market value of each permanent endowment and the amount of the trust available for investment, together with any accumulated revenue, was taken as the unapplied total return. The analysis was performed at 31 July 2018, 31 July 2019 and 31 July 2020 with the inflation-adjusted value of the original gifts based on finance records held. The impact of this restatement is summarised below.

	Total permanent endowments		
	2019 as previously reported £000	Impact of total returns adjustment £000	2019 as restated £000
Balance at 1 August 2018			
Permanent endowments			
Capital	39,769	(9,704)	30,065
Accumulated income	918	(918)	-
Unapplied total return	-	10,622	10,622
	40,687	-	40,687
Expendable endowments			
Capital	5,553	-	5,553
Accumulated income	748	(748)	-
Unapplied total return	-	748	748
	6,301	-	6,301
Total endowments			
Capital	45,322	(9,704)	35,618
Accumulated income	1,666	(1,666)	-
Unapplied total return	-	11,370	11,370
	46,988	-	46,988

19. Restricted Reserves

Reserves with restrictions are as follows:

	2020 Total Consolidated £'000	2020 Total School £'000	2019 Total Consolidated £'000	2019 Total School £'000
Balances at 1 August	205	-	216	-
New donations	114	114	162	162
Other income	-	-	94	-
Staff costs	-	-	(23)	-
Other expenditure	(121)	(114)	(244)	(162)
Total restricted comprehensive income for the year	(7)	-	(11)	-
At 31 July	198	-	205	-

Analysis of restricted donations by type of purpose:	2020 Total Consolidated and School £'000	2019 Total Consolidated and School £'000
Scholarships and bursaries	9	80
Staff posts	99	50
Department specific funding	-	32
Events	6	-
Total	114	162

20. Consolidated cash and cash equivalents

	At 1 August 2019 £'000	Cash Flows £'000	At 31 July 2020 £'000
Cash and cash equivalents	13,686	(1,908)	11,778
	13,686	(1,908)	11,778

21. Consolidated reconciliation of net debt

	Note	1 August 2019 £'000	Cash flows £'000	Other Non-Cash Changes £'000	31 July 2020 £'000
Cash and cash equivalents	20	13,686	(1,908)	-	11,778
Unsecured loans	15, 16	(15,539)	10,461	-	(5,078)
Obligations under finance leases	15, 16	(138)	110	-	(28)
Derivatives	15, 16	(731)	-	(40)	(771)
Totals		(2,722)	8,663	(40)	5,901

Derivatives related to interest rate swaps and the non-cash movement represents the change in the fair value of the derivative.

22. Capital and other commitments

Provision has not been made for the following capital expenditure commitments at 31 July 2020:

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Commitments contracted for	158	158	683	683
	158	158	683	683

23. Financial Instruments

The institute's financial instruments may be analysed as follows:

	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000
Financial assets				
Financial assets measured at fair value through Surplus or Deficit	45,338	45,338	45,325	45,325
Financial liabilities				
Derivative financial instruments designated as hedges of variable interest rate risk	(771)	(771)	(731)	(731)

Financial assets measured at a fair value through Other Comprehensive Income relate to non-current asset investments in a trading portfolio of listed company shares and bonds.

Derivative financial instruments designated as hedges of variable interest rate risk comprise interest rate swaps (see note 16).

24. Pension Schemes – Consolidated and School

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

- Universities' Superannuation Scheme (USS)
- Superannuation of University of London (SAUL)

(i) The Universities Superannuation Scheme

SOAS participates in USS which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

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

Pension increases (CPI)

- Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Discount rate (forward rates)

- Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%
- Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
- Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table (2018 Valuation)

- Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
- Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females

Future improvements to mortality

CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2018 valuation	2017 valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan.

The liability figures have been produced using the following discount rate assumption:

	2020	2019
Discount rate	0.73%	1.58%

(ii) Superannuation Arrangements of University of London (SAUL)

SOAS 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.

SOAS 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.

Funding Policy

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.

25. Related party transactions

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2020, are detailed below.

Students' Union

The consolidated financial statements do not include the Students' Union as the School does not exert control or dominant influence over policy decisions. Maxine Thomas-Asante and Valeria Racu served as Trustees of SOAS and representatives of the SOAS Students' Union during 2019-20. During the year SOAS paid a grant of £258,000 (2018-19: £262,000) to SOAS Students' Union which is a registered charity. At 31 July 2020, SOAS owed the Students' Union £21,770 (2019: SOAS owed the Students' Union £96,093)

Trustees

Three trustees were reimbursed £748 of expenses during 19-20 (Two trustees were reimbursed £1,821 of expenses during 18-19).

No payments were made to Trustees for serving as a trustee during the year (2018-19: Nil). There were no waivers of such payments during the year (2018-19: Nil).


No payments to Trustees were made for services, other than under a contract of employment, during the year (2018-19: Nil).

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