



**SOAS**  
University of London

# Financial Statements 2018–19

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





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# Chair's Foreword

As Chair of Trustees, I am proud to be part of SOAS's vibrant community and our truly global outlook. Our staff, students and alumni have a strong sense of social purpose and are uniquely placed to inform and shape thinking about the economic, political, cultural, security and religious challenges of our world. We are inspired by SOAS's core values, including our commitment to excellence, diversity and freedom of speech, and our vision is to be a research-driven, innovative and sustainable university that creates change-makers in the world.

As I write this in April 2020, we are at a key transition point in SOAS's leadership, with Professor Adam Habib joining as our new Director in January 2021 after Baroness Valerie Amos steps down as Director in August. In the interim, Professor Graham Upton will be leading during this transitional period including implementing the significant changes required to make SOAS financially sustainable in the complex and changing Higher Education context.

We have responded quickly and effectively to the first phase of Covid-19, temporarily closing our buildings on the campus in Bloomsbury and moving fully to online delivery of teaching and services to students and remote working for staff.

Our Director, Baroness Valerie Amos, has overseen a period of rapid change both in the higher education context and within SOAS itself. In response to our capacities and opportunities, and in line with Board objectives to strengthen our financial position, social sciences have grown significantly at SOAS in recent years while we remain proud to be home to strategically important and vulnerable world languages. We have been decolonising our curriculum, reducing the BAME attainment gap and rising 9 places to be ranked 44th in this year's *Sunday Times Good University Guide*. We have risen in subject league tables too and are now ranked in the World Top 50 for Arts and Humanities in the QS World Rankings by Subject 2020. SOAS has been ranked first in the UK and fifth in the world in the *Times Higher Education* Impact ranking for its contribution the United Nations Sustainable Development Goal of "Peace, Justice and strong institutions".

SOAS's ambitious plans for the future include significant curriculum and structural reform, as we embrace changes to pedagogy, online delivery and blended learning as standard, with every student able to undertake an international placement and enjoying part of their SOAS education in the regions of our research expertise.

In a post-Brexit landscape, SOAS offers students something that cannot be found elsewhere in the UK Higher Education sector - immersion and expertise in all aspects of cultures and societies outside North America and Europe.

Building on our diversity and reach, and the special nature of the SOAS experience to which our students, staff and alumni attest, all these initiatives will create a global SOAS fit for purpose in the rapidly changing, less Western-centric world.

## Vision and strategy

The Board of Trustees set out clear priorities in our SOAS Vision and Strategy 2016–2020 which guide decision making:

- SOAS Teaching and Learning - delivering an exceptional SOAS student experience which challenges traditional thinking and develops graduates who make an impact in the world.
- SOAS Research - focusing on research with real world impact that applies a global lens to the critical issues of our time and creates new intellectual and strategic partnerships.
- SOAS People - attracting, developing and retaining a diverse and successful community of staff who support the School in achieving our shared purpose.
- SOAS Voice - projecting our core values clearly, confidently and consistently, influencing public debate and driving social change.
- SOAS Infrastructure - making best use of the physical, financial and digital resources to achieve our shared purpose.
- SOAS Global Engagement - enhancing our global outreach in teaching, research, student experience and strategic partnerships.

The Global Engagement strategy was developed from 2017 onwards, as the School continues to expand its international links.

These priorities retain and build on the values and ethos that makes SOAS special - our specialist scholarship base; our clear mission and vision; commitment to challenging the status quo; and promoting shared values through our commitment to social justice.

## Our 2018-19 year at SOAS

SOAS has had a strong and positive year in 2018-19, maintaining our reputation for excellence and responding effectively to the challenges facing HE institutions in the UK.

We have had many successes, as this document sets out, for example:

- Being recognised for the real world impact of our research - eg our World Ranking of 3rd for UN Development Goal 16 and rising to the *Times Higher* World Top 60 for Arts and Humanities.
- Delivering high-quality teaching to thousands of undergraduate and postgraduate students, now including a strong cohort of foundation year students.
- Growing our research income by over 8%.
- Providing a forum for world-leading thinkers and activists, including The Elders major UK conference.
- Strengthening and developing partnerships with world-leading academic bodies, for example with Johns Hopkins University.
- Gaining support from philanthropists and alumni for academic projects.
- Bringing insight and knowledge to bear on public policy and taking part in key national conversations, with our Director spearheading the high-profile UUK/ NUS BAME attainment gap initiative #Closingthegap.

## SOAS Action

Over the last five years SOAS has embarked on a significant programme of change. New management as well as new academic and professional service structures have been introduced. There is a new academic strategy with each department looking at which subjects are taught and how they are taught. Key initiatives have already started both in the UK and internationally to ensure that we further diversify SOAS's income over the coming years.

A new Foundation year in 2019-20 has recruited well. Building on a strong international reputation, we have invested in our summer school as well as a series of strategic partnerships. Measures have been taken to address the cost base for both academic staff and professional services.

We have undertaken a significant modernisation of professional services teams and improved our teaching and learning provision for students, for example through the introduction of an education-focused career path for academics.

We have already seen the positive impact of the action we have taken:

- Holding to the UG tariff entry has started to have a positive impact on our league table position, with a rise by 9 places in the *Sunday Times Good University Guide* for 2020.
- We have also seen interest in SOAS grow, with undergraduate entries up by 15% in 2019-20 across both home and international students.
- Our new Foundation Year has launched in 2019-20 with a large cohort of over 300 students, significantly above expectations and auguring well for future intakes, and flow through into degree programmes.

Within our academic strategy, key initiatives in the coming years which will continue to transform the work of SOAS include:

- Strengthening and developing our finance and management school so that we ensure that the distinctive education we provide can be taken up by more students;
- Building on our strong international position on arts and humanities to show how our humanities departments collectively can deliver appealing and distinctive programmes;
- Developing further our international connections to deliver high quality transnational education – building on the excellent relationships started with institutions in Singapore, Ghana and Malaysia.

Our reach and connections are attested to by the fact that we are one of only fourteen universities and colleges worldwide chosen to set up George Soros's new Open Society University Network to reach students who most need HE and to promote the values of open society.

## Overall financial position

The publication of these accounts was delayed while we made arrangements to increase SOAS's financial resilience for the future but, in common with many other universities, these plans were significantly disrupted by the Covid-19 pandemic. This has made forecasting income levels very uncertain and restricted the available sources of finance for our sector. The new global challenges created by the Covid-19 pandemic, however, intensify our financial pressures significantly. We have responded by disposing of a surplus property to provide short term liquidity and are planning further changes to build long term resilience.

Looking at the 2018-19 financial result, as a Board, we measure our underlying financial performance by focusing on our unrestricted result (excluding any annual movement on our pension provision and restructuring costs). On this measure, we are reporting an operating deficit of £4m as explained further in the Financial Overview on page 8. This is an improvement of £1.6m compared with last year's deficit before restructuring costs. We've taken decisive action to address inefficiencies in our cost base. A restructuring of Professional Service areas alongside a review of non-pay budgets has released close to £3m from future years. These actions are the main reason for the exceptional restructuring costs of £2.5m shown in this year's statements. We are projecting, in our internal forecasts, to reduce this deficit further by continuing to deliver new income streams and proactively manage our cost base.

We note that this deficit position does not take into account the surplus of £4.8m on our endowments because these are funds which are available only to support purposes specified by the donors.

We should also note an additional pension charge of £17.7m. This reflects, for the most part, SOAS's share of the deficit position identified as a result of the 2017 valuation of the national UK Universities Superannuation Scheme (USS) Pension fund.

The March 2018 pension valuation saw the scheme-wide USS deficit drop significantly. Using the more recent valuation, with all other assumptions used unchanged, the current year charge of £17.7m charge would have been £6.2m, an improvement of £11.5m.

All UK universities that are part of the USS will have similar significant accounting adjustments to make in their financial statements. This adjustment is charged to the Income and Expenditure account and is reflected in the reserves on the balance sheet. There is no immediate impact on SOAS's financial position and we budget each year to pay the contributions required by the USS to fund the deficit.

## Conclusion

We currently face significant uncertainty as a result of the Covid-19 pandemic and the trends in our sector. We are developing plans to address these difficulties and to ensure SOAS's resilience for the longer term.

SOAS's ambitious plans for the future include a complete overhaul of our on-campus and online curriculum to provide flexible and intensive teaching experiences for all our students, with every student undertaking an international placement and enjoying part of their SOAS education in the regions of our research expertise: Asia, Africa and the Middle East. This global experience for all our students will be anchored on high quality, strong partnerships with universities and education providers in-region.

We believe we have an exciting future as a strong independent institution with close partnerships with other institutions across the world.

SOAS is a unique university with a global reach in a world of increasing conformity and corporate uniformity. Building on one of the most diverse student and staff bodies in the UK, and committed to decolonising our curriculum and living our values of equality on the basis of race, gender and sexual orientation, all of these initiatives will create a Global SOAS fit for purpose in the rapidly changing, less Western-centric world.



**Marie Staunton CBE**

Chair of the Board of Trustees, SOAS  
May 2020

nsz: Resistance is Duty



# Financial Overview

Summary of income & expenditure	2018/19 Endowment & Restricted £m	2018/19 Unrestricted £m	2018/19 Total £m	2017/18 Endowment & Restricted £m	2017/18 Unrestricted £m	2017/18 Total £m	Change £m
Operating income	1.2	85.1	86.3	1.0	85.1	86.1	0.2
Endowments and donations	3.0	0.5	3.5	5.8	0.4	6.2	(2.7)
<b>Total income</b>	<b>4.2</b>	<b>85.6</b>	<b>89.8</b>	<b>6.8</b>	<b>85.5</b>	<b>92.3</b>	<b>(2.5)</b>
Operating expenditure	3.7	82.8	86.5	3.5	84.5	88.0	1.5
Depreciation	-	6.3	6.3	-	6.1	6.1	(0.2)
Interest and other finance costs	-	0.5	0.5	-	0.5	0.5	-
Restructuring costs	-	2.5	2.5	-	1.5	1.5	(1.0)
<b>Surplus / (deficit) before movement on pension provision</b>	<b>0.5</b>	<b>(6.5)</b>	<b>(6.0)</b>	<b>3.3</b>	<b>(7.1)</b>	<b>(3.8)</b>	<b>(2.2)</b>
Movement on pension provision	-	(17.7)	(17.7)	-	1.2	1.2	(18.9)
<b>Surplus / (deficit) before other gains or losses</b>	<b>0.5</b>	<b>(24.2)</b>	<b>(23.7)</b>	<b>3.3</b>	<b>(5.9)</b>	<b>(2.6)</b>	<b>(21.1)</b>
Gain on disposal of fixed assets	-	0.9	0.9	-	-	-	0.9
Gain on investments	3.7	-	3.7	1.4	-	1.4	2.3
<b>Surplus / (deficit) for the year</b>	<b>4.2</b>	<b>(23.3)</b>	<b>(19.1)</b>	<b>4.7</b>	<b>(5.9)</b>	<b>(1.2)</b>	<b>(17.9)</b>

SOAS recorded a deficit of £19.1m in 2018-19, above the £1.2m deficit reported in 2017-18.

This deficit is broken down into a surplus of £4.2m on our endowments and a deficit of £23.3m on our unrestricted activities. It is important to note that the latter includes a negative movement of £17.7m for USS pension liabilities using the March 2017 pension valuation available at the reporting date of 31 July 2019. The pension deficit is outside of the institution's control as contribution rates are set at the national level. The March 2018 pension valuation saw the scheme wide USS deficit drop significantly. Using the more recent valuation, with all other assumptions used unchanged, the current year charge of £17.7m charge would have been £6.2m, a reduction of £11.5m. 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.

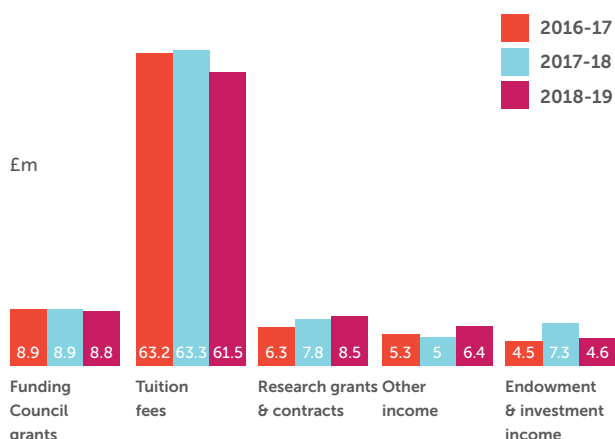
The SOAS Board of Trustees excludes the pension movement in assessing underlying financial performance with a focus instead given to the unrestricted deficit of £6.5m in the table above. This, when adjusted for restructuring costs of £2.5m, which are not part of ongoing operating activity, results in an operating deficit of £4.0m. This is in line with forecast. This compares to an operating deficit of £5.6m in 2017-18 being the unrestricted deficit of £7.1m adjusted for restructuring costs in that year of £1.5m.



## Income

Before endowments and donations, income grew by £0.2m from 2017-18. Tuition fees remained the largest component, at 71% of income (2017-18: 73%) with a slight decrease at £61.5m net of scholarships and discounts (2017-18: £63.3m). Grant income from our funding bodies remained broadly flat.

Income by source – year on year changes

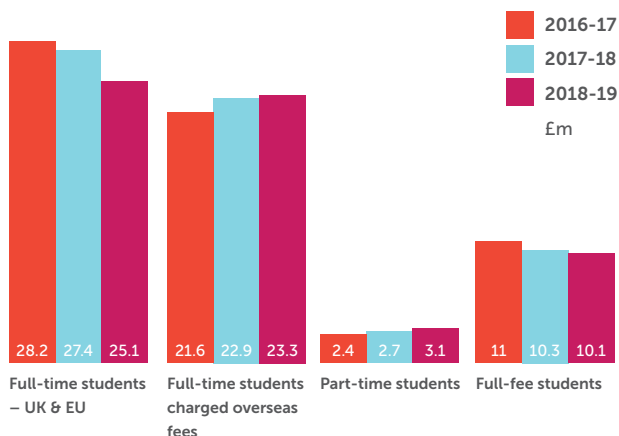


## Tuition fee income

Tuition fee income in the financial statements is stated net of the £2.5m (2017-18: £2.4m) fee waivers and scholarships provided to students on both undergraduate and postgraduate courses.

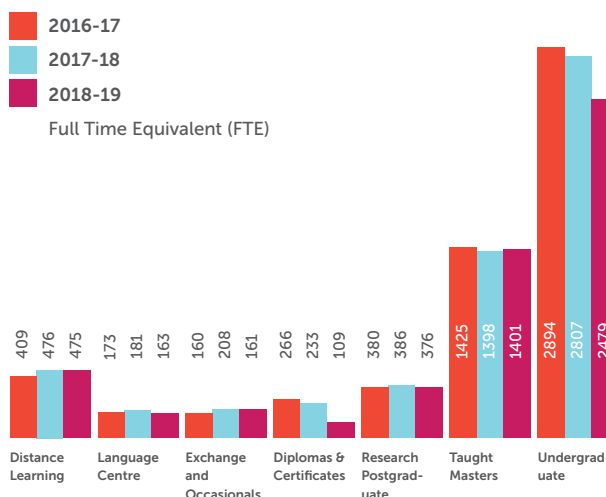
Net fee income decreased by £1.8m in 2018-19 with growth in overseas (+£0.4m) and part-time student fee income (+£0.4m). There was also a reduction in UK/EU student income (-£2.4m) and full fee income (-£0.2m). The movements are shown in the chart below.

Fee income – year on year changes



The underlying student numbers show a reduction in undergraduate student numbers to 2,483 FTE (2017-18: 2,807) largely as a consequence of applying higher intake tariffs in an increasingly competitive market and an increase in taught postgraduate students to 1,410 FTE (2017-18: 1,398).

Student FTE – numbers



## Funding council grants

Total grant income of £8.8m was provided to us from our two funding bodies for use in 2018-19 (2017-18: £8.8m) including £1.7m from the Office for Students providing teaching (2017-18: £1.8m) and £5.7m from Research England for research (2017-18: £5.6m).

## Research grants and contracts

SOAS has continued to grow its research grant and contracts income in 2018-19. Now at £8.5m, the research income is 8% higher than the previous year at £7.9m, and 79% higher than five years ago.

We have seen a significant increase in income from the UKRI (UK Research and Innovation) research councils (ESRC and AHRC), earning £3.5m in 2018-19 against £2.6m in 2017-18, a 34% uplift. We continue to secure funding from the European Commission.

We are currently engaged with eight European Research Council projects, a 33% increase from six projects in 2017-18. The UKRI remains our largest funder at 41% of total income, while the European Commission is the second largest funding source at 24%.

## Endowment and other income

In addition to income from our core operational activities, SOAS generates income from its commercial and ancillary activities, which increased to £6.4m (2017-18: £5.2m).

We are very grateful for all donations received and are pleased to report we received new gifts of £3.5m in 2018-19 (2017-18: £6.2m). Included within this are donations totalling £1.5m which will continue to support the SOAS Shapoorji Pallonji Institute of Zoroastrian Studies. The Institute is dedicated to enhancing research, learning and teaching in the field of one of the world's oldest religions.

Additionally, we received an unrestricted donation of £0.5m from the estate of a SOAS alumna.

Donations providing support to students through scholarships and maintenance grants, including £0.1m from the Government of West Bengal and £0.1m from the Mo Ibrahim Foundation.

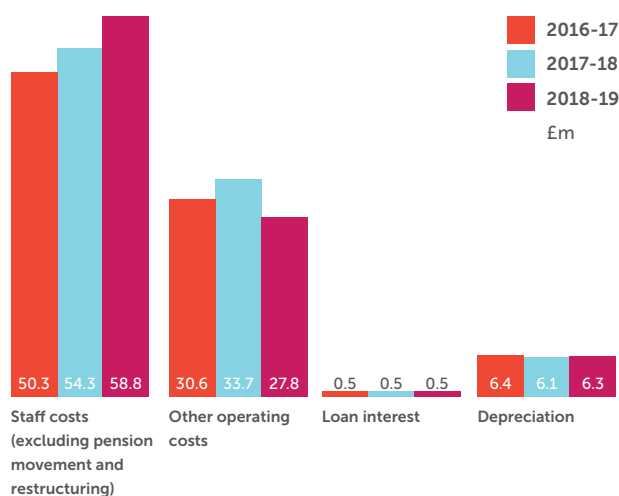
Investment income on endowments totalled £1.1m (2017-18: £1.0m), which we have used for the purposes of the original donors, including £725k to support endowed posts and £145k on student support.

## 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 £54.3m to £58.8m. These figures exclude restructuring costs of £2.5m (2017-18: £1.5m) and the increase of £17.7m in our pension provision (2017-18: decrease of £1.2m). Excluding these two factors from both years, staffing costs in 2018-19 were £4.5m higher than in 2017-18, an increase of 8%. This can be attributed primarily to the decision to self-deliver facilities management services with cleaning and security staff now employed directly by SOAS. There was a corresponding fall in other operating expenditure which was £6.0m lower than 2017-18, a decrease of 18%. Additionally, depreciation was £0.2m higher than the previous year.

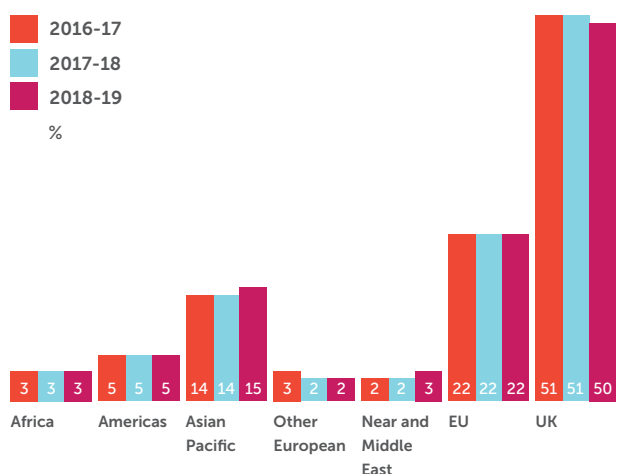
Expenditure – year on year changes



## Student support

We are proud to continue to attract a diverse student body from across the world, and are working to maintain our international student numbers in the current challenging environment. The origin of our students has changed little from 2017-18. EU/UK student numbers have decreased slightly to 72% from 73% in 2017-18.

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 2018-19 we provided bursaries and fee remittances worth £0.9m to low income students under our OfS agreement (2017-18: £1.0m) as well as school funded maintenance and fee waivers worth £2.5m (2017-18: £2.4m).

## Capital investment

Capital investment of £6.4m was made in the year 2018-19 (2017-18: £3.7m) which included £4.2m expended on the estates project to refurbish our Brunei Gallery Building which was completed in March 2019.

## Balance sheet position

Our endowment investments grew by £4.9m in 2018-19 to £45.3m as a result of £3.7m gain in the market value of underlying investments and a net inflow of £1.2m in donated funds.

Cash and cash equivalents of £13.7m as at 31 July 2019 were £1.0m lower than 2017-18.

Financing of £10m as at 31 July 2019 via our short-term revolving credit facility with RBS, rather than a longer term loan facility, largely explains our net current liability position of £14.5m.

Other loan financing includes a variable rate loan with Barclays Bank. The outstanding loan balance of £5.5m will be repaid in quarterly instalments over the remaining 12 year term.

The loan is hedged by two interest rate swaps, covering 59% of the current loan balance, providing some protection against adverse movements in LIBOR interest rates.

## Future outlook and going concern

SOAS has experienced financial challenges and a decline in financial operating performance alongside other HE institutions. SOAS has actively responded to this situation since 2018-19 and further actions are anticipated in the current and future years with the continued implementation of a turnaround programme, aimed at ensuring financial sustainability for the School.

In order to eliminate any short-term financial risks due to potential cash flow volatility, SOAS decided in April 2020 to sell its Russell Square terraces, which were surplus to requirements. The sale of the terraces has no impact on the delivery of teaching and services provided but significantly improves our financial resilience.

The 2019-20 budget and medium term financial plan recognised income improvement initiatives and robust cost control measures in order to forecast reducing deficits on unrestricted funds and a return to surplus in 2021-22.

This forecast was prior to the Covid-19 pandemic and the consequent uncertainty in future student recruitment which affects our whole sector. SOAS has revisited its turnaround plan based on reductions in new and returning students in the 2020-21 academic year. We need to ensure our cost base is appropriate and to achieve further income generation. When implemented, these actions are expected to result in SOAS being able to maintain sufficient liquidity for the next twelve months. However, the unpredictable duration and impact of Covid-19 and the risks associated with a further round of cost saving introduce material uncertainty into our forecasting.

After making appropriate enquiries, which include the review of revised budgets and sensitivities, the consideration of the nature and extent of the material uncertainties identified above, and the restructuring plans that must be implemented, 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

Since it was established in 1916, SOAS has made a unique contribution to intellectual scholarship in its specialist subject areas of Asia, Africa and the Middle East. SOAS also plays a major part in enhancing public benefit through its services to society.



SOAS President Graça Machel speaks on human rights leadership, at a SOAS event with the Elders group

Through its teaching, research and other activities, 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.

SOAS's contribution to teaching and to research is reflected in a number of activities, through academia itself, and beyond.

## The SOAS community

The significant contribution of the SOAS community, to research, public discourse and wider society, continues to be recognised.

In the 2019 *Times Higher Education* University Impact Rankings ranked SOAS third in the world for the United Nations Sustainable Development Goal "Peace, Justice and Strong Institutions".

Professor Deborah Johnston, Pro-Director (Learning and Teaching), was made a Principal Fellow of the Higher Education Academy (HEA), in recognition of her sustained contribution to learning and teaching, as well as significant work on stammering and inclusion within higher education.

Professor Laixiang Sun has been shortlisted for the 2019 Newton Prize, an award that celebrates outstanding international research partnerships, for his work alongside the National Climate Centre and Shanghai Climate Centre of China Meteorological Administration on the Yangtze River Delta region.

Professor Irina Nikolaeva, Professor of Linguistics at SOAS University of London, was made a British Academy Fellow for the humanities and social sciences, while Professor of Global Finance, Victor Murinde, was elected a Fellow of the Academy of Social Sciences.

SOAS consortium project, Leveraging Agriculture for Nutrition in South Asia (LANSA), received a high DFID rating upon conclusion. The DFID-funded research project, which concluded in January 2019, received an A+ rating at evaluation. LANSA looked at the design and implementation of agriculture and agri-food programs and policies in South Asia (Afghanistan, Bangladesh, India and Pakistan), informing and inspiring action to maximise nutritional outcomes, with a strong focus on gender, children and vulnerable rural groups.

## Graduates who make an impact: alumni achievements 2018-19

SOAS alum Maya Terro - co-founder and executive director of hunger relief initiative, FoodBlessed - was chosen as one of the top 24 female humanitarians around the world by the UN Office for the Coordination of Humanitarian Affairs.

Noha Aboueldahab was awarded the British Council UK Alumni Award for Professional Achievement for her work on transitional justice and human rights in the Arab region.

Councillor Maryam Eslamdoust, a campaigner on race, gender and disability issues, was appointed the Mayor of Camden.

Alys Tomlinson won the Sony World Photography Awards, Photographer of the Year 2018.

Marissa Conway, co-founder of the Centre for Feminist Foreign Policy (CFFP), featured in the Forbes 30 Under 30 list.

Ramla Ali, who became the first female Muslim to become British Boxing Champion, was named one of 15 all-female 'forces of change', appearing on the September 2019 *Vogue* cover, which was guest-edited by the The Duchess of Sussex, Meghan Markle.

Baroness Amos with Margaret Busby at the launch of the New Daughters of Africa Award





## Creating an inclusive culture

Led by SOAS Director Baroness Valerie Amos and the NUS, Universities UK and the NUS worked with universities and students to tackle the disparity between the proportion of 'top degrees' (first or a 2:1 degree) achieved by white and BAME students. The outcome of the project was published in a significant 2019 report.

SOAS hosted its fourth 'Queer' Asia in 2019, featuring an art exhibition at SOAS and the British Museum, and film festival. The event – a platform for collaboration and research on LGBTQI+ issues in Asia – brought together activists, artists, academics, film makers and performers from across Asia.

Dr Meera Sabaratnam met with The Duchess of Sussex, Patron of the Association of Commonwealth Universities (ACU), to discuss the role of higher education institutions in addressing colonial legacies, diversifying leadership and empowering learning and teaching.

## Excellence in research: SOAS experts informing policy

SOAS experts play a major role in informing both policy and the general public on a wide range of complex and pressing global challenges – from peace and reconciliation, to climate and economic issues and inclusion and diversity.

SOAS was awarded research grant funding amounting to over £11.3m in 2018-19.

Among the awards were three consolidator grants from the European Research Council (ERC) totalling nearly €6 million for projects on decolonising Film and Screen Studies, pre-modern Chinese court theatre and African philosophy.

Thames River Cruise Boat Party, one of the social events on the Academic Summer School programme

Elsewhere, the Department of Anthropology and Sociology's Professor Emma Crewe was awarded an ERC Advanced Grant of €2.5 million for a five-year project exploring the crises of representation and communication between politicians and people. The project, led by Professor Crewe with Professor Cristina Leston-Bandeira (Leeds) as Co-Investigator, aims to reshape the study of parliament globally, and will look at six democratic states (Brazil, Ethiopia, Fiji, India, the UK and the US).

It was announced that SOAS's Bhavani Shankar, Professor of International Food, Agriculture and Health, will play a leading role in a major new international research hub that aims to further understanding of the causes of stunting. Up to one million children could benefit from the £19.76m hub, led by the London International Development Centre (LIDC) and the London School of Hygiene & Tropical Medicine (LSHTM).

SOAS is also set to play a key role in a £20 million global research hub – funded through UKRI's Global Challenges Research Fund (GCRF) and led by Coventry University's Centre for Trust, Peace and Social Relations (CTPSR). The UKRI GCRF South-South Migration, Inequality and Development Hub will see SOAS join forces with universities and organisations from across the world to explore how the movement of people in the Global South is affecting inequality and development in less developed regions. The initiative is thought to be the largest study into global migration undertaken anywhere in the world.

A new report led by SOAS's Dr Carlos Oya focussed on Chinese firms and employment dynamics in Africa. Findings from the four-year Industrial Development, Construction and Employment in Africa (IDCEA) project were widely published, and challenged commonly held perceptions of labour practices in Africa by Chinese firms.

The Centre of International Studies and Diplomacy's Dr J Simon Rofe plays an overarching role in the team awarded a £300,000 Bloomsbury SET Science, Economics and Technology Award for work addressing the role of wildlife in antimicrobial resistance and ecosystem contamination. The aim of this project is to enable public health practitioners and policymakers in Sri Lanka to better meet the challenges of its growing antimicrobial resistance (AMR) problem.

Dr Alena Rettová, Reader in Swahili Literature and African Philosophy, was awarded €2.0m for a project which pioneers a multilingual approach to African philosophy.

Dr Mandy Sadan, in collaboration with Yunnan Minzu University, was awarded £0.3m from the British Academy Sustainable Development Programme for two-year project 'Sustainable Lives in Scarred Landscapes: Heritage, Environment, and Violence in the China-Myanmar Jade Trade'.

Additionally, SOAS delivered a project for the Ministry of Housing, Communities and Local Government, to scope out a framework for working with Muslim communities (as well as universities and government) to identify how Islamic seminary students can achieve Higher Education accreditation or recognition of the available traditional qualifications - giving them the opportunity to seek roles in community leadership and other professions.

SOAS academics have worked with government departments, (including the UK's Foreign and Commonwealth Office, the Irish Department of Foreign Affairs, and the Swedish Ministry of Foreign Affairs and

Dr Meera Sabaratnam met with HRH The Duchess of Sussex, Patron of the Association of Commonwealth Universities (ACU), at an event to discuss the role of higher education institutions in addressing colonial legacies, diversifying leadership and empowering learning and teaching



NGOs including UNICEF and Médecins Sans Frontières to help their staff develop a deeper understanding of the regions in which they work.

SOAS academics worked with the World Bank Group to articulate a multi-disciplinary and multi-stakeholder approach for pursuing reconstruction programming in MENA countries, to enable a shift toward greater security, sustainable growth and equity.

SOAS's Gregor Semieniuk collaborated on a project looking at Electricity Market Reform for the Department for Business, Energy and Industrial Strategy, to establish how key mechanisms can contribute to both lowering the cost of low carbon electricity generation and result in environmental benefit.

Professor of World Politics, Stephen Chan, was called on by the International Development Committee to give evidence to the inquiry into DFID's work in Zimbabwe, while our China Institute's Director, Professor Steve Tsang, alongside Dr Yuka Kobayashi, were quoted extensively in a report by the Foreign Affairs Committee on China, examining China's engagement with the international order and how the UK could respond.

## Voice: staff media and digital engagement

In the 2018-19 academic year, SOAS featured in on average 50-60 news clippings each month. These include expert commentary by academics, student success stories, and alumni profiles. SOAS scholars have provided expert insight into many of this year's world events including the anniversary of the Israel-Palestine Oslo Accords, Mandela's 100th birthday, elections in Mali, China's growing investment in Africa and developments in North Korea.

Professor Steve Tsang provided extensive commentary on events in China throughout the year across global media including on China's foreign policy, the disappearance of the Head of Interpol and on China and Hong Kong relations. In the Autumn term, Dr Phil Clark was interviewed about the trial of Rwandan opposition leader Diane Rwigara in outlets including CNN and RFI. Dr Stephen Hughes discussed the research behind the Brunei Gallery exhibition 'From Madras to Bangalore: Picture Postcards as Urban History of Colonial India' in an extensive piece on BBC News. The BBC also covered the Brunei Gallery exhibition 'African Gaze' later in the year. Professor Alison Scott Baumann was interviewed widely on free speech in relation to her research. Academics from the South Asia Institute including Professor Gurharpal Singh, Dr Subir Sinha and Dr Simona Vittorini provided detailed commentary on the Lok Sabha Elections in India. Professor Carlos Oya's research on Chinese investment in Africa was covered by the Financial Times in the Spring term, whilst Dr J Simon Rofe was interviewed by Al Jazeera on Cricket Diplomacy in recent Indian-Pakistan relations.

SOAS continued its membership of The Conversation, an independent online platform that uses content sourced from the academic and research community, for a third year. This has resulted in nearly 40 published articles by SOAS experts

Baroness Amos and SOAS staff welcome new Opportunities Fund students







Diwali celebration at  
International Students House

ranging from topics such as water in India, Colourism and Somalia. In the run up to the Elders event held in the first term, Stephen Hoggood published an article on the future of human rights in *The Conversation*. This year's most read SOAS article on the platform was by Professor Stephen Chan and looked at foreign policy in Zimbabwe, gaining over 47,000 views.

## SOAS and sustainability

Sustainability is one of SOAS's core values. The School no longer holds investments within the oil and gas producers subsector or any companies. SOAS has also set up a flexible energy procurement contract with other Bloomsbury Colleges to ensure that the best value for energy is obtained. Any electricity not produced by our own energy efficient CHP plant is purchased from renewable sources.

Our Carbon Management Plan, produced in 2010, outlined a commitment to reduce emissions by 48% by 2020 (against a 2008-09 baseline). We're proud we have far exceeded this target, reducing emissions by 58% by 2015. We retain a strong commitment to mitigating our environmental impact and reducing emissions, and will publish a new Carbon and Energy Management Plan in 2019-20 which will lay out ambitious aims to reduce our carbon emissions post 2020.



## Engagement and partnerships

As well as its UK collaborations, SOAS is party to over 200 active international university partnerships with institutions across Asia, Africa, the Middle East and the Americas.

To further deepen and strengthen our partnerships work, this year SOAS established the Global Engagement Directorate (GED), which serves to develop and advance the School's portfolio of transnational education (TNE) partnerships, including dual degree programmes, student and academic exchanges, study abroad programmes and new, innovative means of pursuing joint academic delivery.

New partnerships include our first ever degree-level programme taught outside the UK, in partnership with the Ngee Ann Academy (NAA) in Singapore. This new partnership facilitates the delivery of three variations on our BSc International Management programme, allowing students to graduate with a SOAS degree through direct delivery of modules at the NAA.

The School has entered a partnership with the University of Nottingham on an initiative to develop a higher education sector-wide approach to supporting the mental health of international students. The project has been awarded £316,000 from the Office for Students as part of a programme to combat the sharp rise in student mental health issues.

We launched a new cooperative degree programme with Johns Hopkins University's School of Advanced International Studies (SAIS), through its base in Bologna. Under the programme, students from both SAIS and SOAS have the opportunity to conduct two years of study in International Affairs in combination with studies in Economics, Development Studies or Politics across each of our institutions.

We formed a partnership with Mountcrest University in Ghana to offer several Law and Finance and Management programmes at both undergraduate and postgraduate level. This capacity-building project will allow students to gain SOAS degrees without the cost of studying at the London campus.

SOAS also signed a Memorandum of Agreement with the Institute of Ismaili Studies (IIS). The agreement will see SOAS award MA degrees for the Graduate Programme in Islamic Studies and Humanities (GPISH) and the Secondary Teacher Education Programme (STEP).

The SOAS World Languages Institute (SWLI) continued its collaboration with the London Southbank Centre on a major project to preserve poems in endangered languages. Institute Director, Dr Mandana Seyfeddinipur, supported the National Poetry Library publishing a book with 50 poems in both their original endangered language and in English. The SWLI continued the collaboration started by Hannah Gibson with the Max Planck Institute for the Science of Human History Jena, Germany on large project on the evolution of language. The Endangered Languages Documentation Programme and the Endangered Languages archive ran a training for local scholars in Jharkhand, India and set up a digital archive in Thailand at Mahidol University with local scholars and communities.

## Transformative education, teaching and learning

More than 5,000 students in over 70 countries are currently accessing our world-class research and teaching, gaining a range of specialist qualifications.

SOAS was awarded a silver ranking in the Teaching Excellence Framework (TEF) 2018. TEF is a Government method of assessing the quality of teaching delivered by higher education providers.

## Public events

SOAS hosts around 1,500 public events each year, which are organised by academic departments, the events team and the Students' Union, and cover issues ranging from the political and historical to art and culture. Some events are also livestreamed or recorded and made available online to those unable to attend.

In partnership with Universities UK (UUK) and the NUS, SOAS hosted a major one day conference. Closing the BAME Attainment Gap in Higher Education followed the UUK and NUS report – led by SOAS Director Baroness Valerie Amos with the NUS – which



L-R Dr Peter Kimani, Lesley Nneka Arimah, Baroness Nicholson, Ellah Wakatama Allfrey OBE

addressed barriers to attainment for BAME students at UK universities. The conference focussed on student experience and current issues surrounding BAME attainment, access, diversity amongst students and staff, and how to make change happen in universities.

SOAS hosted an event with The Elders, on human rights leadership. Almost 300 people attended, including 50 'Future Leaders', as part of a British Council Connect programme. The event was chaired by BBC broadcaster Kirsty Lang along with SOAS Professor Stephen Hopgood, and was broadcast and made available online.

SOAS and the Caine Prize for African Writing signed a Memorandum of Understanding (MoU), setting out arrangements for SOAS to host the annual award dinner for the next 10 years.

The School hosted the annual Penrose Lectures, in partnership with the Financial Times, this year with Rita Gunther McGrath – professor at Columbia Business School and author of the best-selling *The End of Competitive Advantage* and the upcoming *Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen*.

SOAS's Centre for Global Finance hosted Dr Mahamudu Bawumia, Vice-President of the Republic of Ghana, for a lecture on building Ghana's digital economy.

The SOAS South Asia Institute (SSAI) hosted over 50 events last year, including annual lectures, theatrical and musical performances, and academic and student conferences.

The China Institute hosted 50 events, including two-day international conference – *The Belt & Road Initiative: International Response*, and a panel debate on *The Meaning and Implications of Tiananmen 1989* with Dr Rowena He (Associate at the Fairbank Centre at Harvard University), Kate Adie CBE (Journalist) and Dr Jiang Shao (University of Westminster). The institute's China Lecture – *Will China's Rise Be Peaceful?* – took place to a fully booked out audience.

The London Middle East Institute (LMEI) also hosted a number of events through 2018-19. The institute, established in 2002 to foster scholarly and public interest in the MENA region, has been a valued part of SOAS and the wider public for 17 years. This year, SOAS took the decision to review the structure, functioning and purpose of the LMEI as a whole, with a view to bringing the LMEI formally into SOAS to take its place alongside our other regional institutes.

## 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 2018-19, SOAS furthered its commitment to international mobility for students from underrepresented backgrounds. The Widening Participation team delivered a range of short and medium term opportunities – including leadership programmes, internships and summer schools – for 31 undergraduates, in partnership with Common Purpose, with CRCC Asia and with the Association of Commonwealth Universities.



Recipients of the Commonwealth Shared Scholarship 2018-19 meet HRH Princess Anne at the International Students House garden party

For the 2018 undergraduate intake, SOAS distributed financial support bursaries of £1,500 to over 200 of the most socioeconomically disadvantaged home students, including providing additional support to care-leavers.

The SOAS Opportunities Fund, established by Baroness Amos and the MasterCard Foundation, raised £65,000 to support talented students from the most challenging financial and/or social backgrounds in their studies. Ten undergraduate first year students from the most challenging financial backgrounds will benefit this year from an additional £1,000 bursary per year of their studies. They join an existing 12 students who continue to thrive into their second year.

In 2019, the Margaret Busby New Daughters of Africa Award was also launched. The full scholarship will be awarded to 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 Helen Kanitkar Library, the Margaret Busby New Daughters of Africa Award, the Brunei Gallery's Stolen Moments Exhibition, Tamil Studies, The Hettie Elgood Scholarship and the Prakrit Language Campaign. The platform raised £30,000 in 2018-19 for 11 projects, led by both staff and students.

Philanthropic funds continue to be raised this year for equity and merit scholarships, ground-breaking research and other projects at SOAS. Donations for student scholarships, bursaries and awards was provided by the Felix Scholarship, the Allan and Nesta Ferguson Charitable Trust, The Pears Foundation, and the Mo Ibrahim Foundation. SOAS also welcomed the latest cohort of incoming Alphawood scholars. SOAS research and other projects were supported by the Shapoorji Pallonji Group, Khyentse Foundation, the Robert H N Ho Family Foundation, the Shi-ah Institute and other notable individuals and organisations.

International Students House gave 14 rooms, a safe community and food to students from particularly challenging circumstances, often refugees, asylum seekers or coming alone from abroad, having never left their home country before.

SOAS's 2019 Academic Summer School taught almost 250 students from 70 countries in intensive study programmes across 27 different modules. The programme is an

Closing the BAME Attainment Gap in Higher Education - Baroness Amos opens a major one day conference at SOAS, in partnership with Universities UK (UUK) and NUS



important means of enhancing the School's outreach and international engagement, and one of the ways in which we plan to build new, robust and sustainable partnership programmes worldwide.

SOAS continues to be the largest provider of postgraduate online and distance learning programmes in the University of London's portfolio.

Massive Open Online Courses (MOOCs) have continued to feature in the online and distance learning suite of programmes offered by SOAS. To date, more than 100,000 students have enrolled on a SOAS MOOC, covering subjects such as global diplomacy, risk management, public financial management and climate policy.

In September 2019, SOAS opened its doors to more than 300 Foundation Year students for the first time, offering the life-changing SOAS experience to a wider constituency of bright and talented young people.

## 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 2018/19, the Gallery saw tens of thousands of visitors to its exhibitions and accompanying events.

The Gallery played host to the Migration Museum's annual lecture, led this year by British-Nigerian historian, producer and presenter David Olusoga. Almost 300 attended the lecture - *The Perils of Our Insular Illusion* – which looked at the global aspects of British history and culture.

In addition, SOAS provides the largest centre in Europe for the study of music from Asia, Africa, the Middle East and their diasporas. In December 2018, the School was recognised for bringing world music to the masses in the UK universities (UUK) Best Breakthroughs List, part of UUK's MadeAtUni campaign, celebrating the transformational impact of UK universities.

This year, SOAS's renowned concert series brought together a range of established and up-and-coming international artists in a total of 10 concerts. Performances included SOAS alumna Amrit Kaur Lohia - a sārangi player and vocalist who specialises in Punjabi folk, jazz and soul; the British singer songwriter Piers Faccini; and Amharic singer and krar (a traditional Ethiopian lyre) player Haymanot Tesfa.

## A national, and global, 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 items and 3 thousand linear meters of special collections, including the archives of missionary societies, NGOs, linguists and diplomats.

The Library and widening participation teams are currently developing a series of initiatives to bring the resources into local community centres and disadvantaged schools across the UK through events such as community language days and library materials demonstrations.

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 195,000 visitors from over 200 countries using our online catalogues between September 2018 and August 2019.

SCHOOL OF ORIENTAL AND AFR

Welcome to SOAS

#WeAreSOAS

#WeAreSOAS

#WeAreSOAS

#WeAreSOAS

#WeAreSOAS

Library Tours

# 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' Terms and Conditions of Funding for Higher Education Institutions. 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 2018, 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 issued in 2014 (as revised in 2018) 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 membership of the Board of Trustees is set out in the School's Articles, which are approved by the Privy Council. 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 18 members of Board of Trustees as at 14 May 2020. The Trustees who served during the year, up to and including the approval of the Financial Statements on 14 May 2020, are as follows:

Mr Kofi Adjepong-Boateng [until 14/01/20]  
Baroness Valerie Amos  
Professor Andrew Atherton  
Dr Tamsyn Barton [until 31/07/19]  
Ms Sophie Bennett [until 31/07/19]  
Professor Kersti Börjars [from 01/10/18]  
Professor Michael J Charney  
Professor Andrea Cornwall [from 07/02/19]  
Ms Youssra Elmagboul [until 31/07/19]  
Ms Jenny Greenshields [from 02/04/19]  
Sir Martin Harris (Vice-Chair)  
Professor Deborah Johnston [until 19/04/20]  
Dr Awino Okech [from 20/11/19]  
Ms Helen Pennant  
Mr Andrew Popham  
Ms Valeria Racu [from 01/03/19]  
Mr Geoffrey Robertson [until 31/07/19]  
Dr Najat Benchiba-Savenius [from 06/02/20]  
Professor Alfredo Saad Filho [until 31/07/19]



Sir Richard Stagg  
 Ms Marie Staunton (Chair)  
 Ms Maxine Thomas-Asante [from 01/08/19]  
 Mr Steve Tinton  
 Mr Nizam Uddin  
 Mr Oliver Urquhart Irvine [from 20/11/19]

### 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.

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 approves the School's annual budgets, 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 is chaired by a lay Trustee, 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 Terms and Conditions of Funding for Higher Education Institutions.

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:

- a) suitable accounting policies are selected and applied consistently;
- b) judgments and estimates are made that are reasonable and prudent;

- c) applicable accounting standards have been followed; and
- d) 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:

- a) ensure that funds are used only for the purposes for which they have been given and in accordance with OfS Terms and Conditions for funding from Higher Education Institutions, and any other conditions which the OfS may from time to time prescribe;
- b) ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- c) safeguard the assets of the School and to prevent and detect fraud; and
- d) 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 nonfinancial 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 implemented a risk management procedure this academic session which integrates the risk management process with the School's overarching strategy. The new risk management procedure was reviewed and approved by the Executive Board, Audit Committee and Board of Trustees. The Board of Trustees is satisfied that the new 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 top five risks identified 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 2018, up to and including the date of approval of these Financial Statements on 14 May 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.

In 2018-19, one partial assurance internal audit report was issued which related to Health and Safety. The report included two high risk recommendations relating to the health and safety officer vacancy and the lack of documentation for incident reporting and lessons learned. The School has put actions in place to implement the recommendations raised. 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 Terms and 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.

SOAS is currently reviewing areas of efficiencies and economies throughout the School. There are continuing areas for improvement which we will be addressing through the School's strategy and the fundamental review of all structures and effectiveness and efficiencies in all departments and Professional Services Directorates. 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 auditors

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 auditors to prepare their statement contained within this Annual Review was given to the auditors 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 auditors to aid their preparation of their statement contained within this Annual Review and to ensure the auditors were made aware of that relevant information.

### Trade union facility time publication: 1 April 2018 – 31 March 2019

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 2018 – 31 March 2019.

*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
32	30.36

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

Percentage of time	Number of employees
0%	15
1–50%	17
51–99%	0
100%	0

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

Total cost of facility time	£59,982
Total pay bill	£56,000,230
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.11%

*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	19.09%
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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 2019 which comprise the Consolidated and School Statement of Comprehensive Income, the Consolidated and School Statement of Changes in Reserves, the Consolidated and School Balance Sheet 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 2019 and of the Group's and the School's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and relevant legislation.

## 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.

## Material uncertainty relating to going concern

We draw attention to note 3 of the Statement of Accounting Policies within the financial statements, which indicates that as a result of COVID-19 the expected student numbers can not be predicted with certainty, therefore indicating that a material uncertainty exists that may cast significant doubt on the School's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 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 higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS and Research England have been applied in accordance with the Terms and Conditions of Funding and any other terms and conditions attached to them.
- The requirements of the OfS's accounts direction have been met.

### 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 Board of 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 Board of 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](http://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 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**

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).

**15 May 2020**





# Consolidated and School Statement of Comprehensive Income

## Year ended 31 July 2019

Income	Notes	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
Tuition fees and education contracts	1	61,473	61,473	63,263	63,263
Funding body grants	2	8,793	8,793	8,804	8,804
Research grants and contracts	3	8,534	8,534	7,871	7,871
Other income	4	6,357	6,263	5,154	5,069
Investment income	5	1,122	1,122	997	997
<b>Total income before endowments and donations</b>		<b>86,279</b>	<b>86,185</b>	<b>86,089</b>	<b>86,004</b>
Endowments and donations	6	3,488	3,488	6,240	6,240
<b>Total income</b>		<b>89,767</b>	<b>89,673</b>	<b>92,329</b>	<b>92,244</b>
<b>Expenditure</b>					
Staff costs	7	58,751	58,706	54,277	54,238
Pension movement	7, 17	17,672	17,672	(1,176)	(1,176)
Restructuring costs	7	2,487	2,487	1,476	1,476
Other operating expenses	8	27,765	27,640	33,769	33,725
Depreciation	11	6,327	6,327	6,101	6,101
Interest and other finance costs	9	495	495	454	454
<b>Total expenditure</b>	<b>10</b>	<b>113,497</b>	<b>113,327</b>	<b>94,901</b>	<b>94,818</b>
<b>(Deficit) before other gains or losses</b>		<b>(23,730)</b>	<b>(23,654)</b>	<b>(2,572)</b>	<b>(2,574)</b>
Gain on disposal of fixed assets		853	853	-	-
Gain on investments	13	3,717	3,717	1,394	1,394
<b>(Deficit) for the year</b>		<b>(19,160)</b>	<b>(19,084)</b>	<b>(1,178)</b>	<b>(1,180)</b>
<b>Other comprehensive income</b>					
Change in fair value of hedging financial instruments		(45)	(45)	238	238
<b>Total comprehensive expenditure for the year</b>		<b>(19,205)</b>	<b>(19,129)</b>	<b>(940)</b>	<b>(942)</b>
Represented by:					
Endowment comprehensive income for the year		4,251	4,251	4,757	4,757
Restricted comprehensive income for the year		(11)	-	2	-
Unrestricted comprehensive income for the year		(23,196)	(23,131)	(5,733)	(5,733)
Revaluation reserve comprehensive income for the year		(204)	(204)	(204)	(204)
Cash flow hedge reserve		(45)	(45)	238	238
		<b>(19,205)</b>	<b>(19,129)</b>	<b>(940)</b>	<b>(942)</b>

The notes on pages 44 to 59 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 2019

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 2017	42,231	214	44,864	15,241	(924)	101,626
Surplus/(deficit) from the income and expenditure statement	4,757	2	(5,937)	-	-	(1,178)
Other comprehensive income	-	-	-	-	238	238
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
<b>Total comprehensive income for the year</b>	<b>4,757</b>	<b>2</b>	<b>(5,733)</b>	<b>(204)</b>	<b>238</b>	<b>(940)</b>
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)	-	-
<b>Total comprehensive income for the year</b>	<b>4,251</b>	<b>(11)</b>	<b>(23,196)</b>	<b>(204)</b>	<b>(45)</b>	<b>(19,205)</b>
<b>Balance at 31 July 2019</b>	<b>51,239</b>	<b>205</b>	<b>15,935</b>	<b>14,833</b>	<b>(731)</b>	<b>81,481</b>

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 2017	42,231	-	44,864	15,241	(924)	101,412
Surplus/(deficit) from the income and expenditure statement	4,757	-	(5,937)	-	-	(1,180)
Other comprehensive income	-	-	-	-	238	238
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
<b>Total comprehensive income for the year</b>	<b>4,757</b>	<b>-</b>	<b>(5,733)</b>	<b>(204)</b>	<b>238</b>	<b>(942)</b>
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)	-	-
<b>Total comprehensive income for the year</b>	<b>4,251</b>	<b>-</b>	<b>(23,131)</b>	<b>(204)</b>	<b>(45)</b>	<b>(19,129)</b>
<b>Balance at 31 July 2019</b>	<b>51,239</b>	<b>-</b>	<b>16,000</b>	<b>14,833</b>	<b>(731)</b>	<b>81,341</b>

# Consolidated and School Statement of Financial Position

	Notes	As at 31 July 2019 Consolidated £'000	As at 31 July 2019 School £'000	As at 31 July 2018 Consolidated £'000	As at 31 July 2018 School £'000
<b>Non-current assets</b>					
Fixed assets	11	95,590	95,590	95,877	95,877
Heritage assets	11/12	467	467	467	467
Investments	13/18	45,325	45,325	40,458	40,458
<b>Total</b>		<b>141,382</b>	<b>141,382</b>	<b>136,802</b>	<b>136,802</b>
<b>Current assets</b>					
Stock		11	11	-	-
Trade and other receivables	14	10,131	10,215	8,388	8,364
Cash and cash equivalents	20	13,686	13,413	14,628	14,411
<b>Total</b>		<b>23,828</b>	<b>23,639</b>	<b>23,016</b>	<b>22,775</b>
<b>Less: Creditors: amounts falling due within one year</b>	15	<b>(38,340)</b>	<b>(38,291)</b>	<b>(35,214)</b>	<b>(35,189)</b>
<b>Net current liabilities</b>		<b>(14,512)</b>	<b>(14,652)</b>	<b>(12,198)</b>	<b>(12,414)</b>
<b>Total assets less current liabilities</b>		<b>126,870</b>	<b>126,730</b>	<b>124,604</b>	<b>124,388</b>
<b>Creditors: amounts falling due after more than one year</b>	16	<b>(17,846)</b>	<b>(17,846)</b>	<b>(14,256)</b>	<b>(14,256)</b>
<b>Provisions</b>					
Pension liabilities	17	(27,543)	(27,543)	(9,662)	(9,662)
<b>Total net assets</b>		<b>81,481</b>	<b>81,341</b>	<b>100,686</b>	<b>100,470</b>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserve	18	51,239	51,239	46,988	46,988
Income and expenditure reserve - restricted reserve	20	205	-	216	-
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted		15,935	16,000	39,131	39,131
Revaluation reserve		14,833	14,833	15,037	15,037
Cash flow hedge reserve		(731)	(731)	(686)	(686)
<b>Total reserves</b>		<b>81,481</b>	<b>81,341</b>	<b>100,686</b>	<b>100,470</b>

The notes on pages 44 to 59 make up part of the financial statements. The financial statements were authorised and approved by the Board of Trustees on 14 May 2020 and were signed on its behalf on that date by:

  
**Baroness Valerie Amos**  
 Director

  
**Marie Staunton CBE**  
 Chair of the Board of Trustees, SOAS

# Consolidated Statement of Cash Flows

## Year ended 31 July 2019

	Notes	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
<b>Cash flow from operating activities</b>			
Deficit for the year		(19,160)	(1,178)
<b>Adjustment for non-cash items</b>			
Depreciation	11	6,327	6,101
Impairment of fixed assets	11	-	1,237
Heritage asset donations	12	-	(137)
Gain on investments	13/18	(3,717)	(1,394)
Increase in stock		(11)	-
Increase in debtors	14	(1,743)	(997)
Increase in creditors	15	2,378	4,544
Increase / (decrease) in pension liabilities	17	17,881	(980)
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(1,122)	(997)
Interest payable	9	286	258
Endowment income	18	(2,798)	(5,833)
Gain on the sale of tangible assets		(853)	-
Deferred capital grants released to income		(773)	(747)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>(3,305)</b>	<b>(123)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of tangible assets		1,213	-
Capital grant receipts		5,517	567
Investment income		1,122	997
Payments made to acquire fixed assets		(6,282)	(3,345)
Payments to acquire investments	13	(1,150)	(1,182)
<b>Net cash inflow / (outflow) from investing activities</b>		<b>420</b>	<b>(2,963)</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(280)	(250)
Interest element of finance lease	9	(6)	(8)
Endowment cash received	18	2,798	5,833
New unsecured loans	16	-	10,000
Repayments of amounts borrowed		(462)	(5,472)
Capital element of finance lease		(107)	(77)
<b>Net cash inflow from financing activities</b>		<b>1,943</b>	<b>10,026</b>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		<b>(942)</b>	<b>6,940</b>
Cash and cash equivalents at beginning of the year	20	14,628	7,688
Cash and cash equivalents at end of the year	20	13,686	14,628

# Statement of Accounting Policies

## For the year ended 31 July 2019

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 issued in 2014. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The 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.

#### Material uncertainty relating to going concern

The Covid-19 pandemic has introduced material uncertainty into the School's ability to forecast its future results. Across the UK higher education sector, the number of new overseas students is expected to reduce and it is possible that a proportion of current students will choose not to return in the 2020-21 academic year. Further uncertainties arise from the risks associated with a further round of cost savings and the unpredictable duration and impact of the pandemic, which may affect the competitive environment, our recruitment activities, available sources of finance and our cost profile.

The School is modelling a number of scenarios based on current estimates of reductions in first year overseas, first year UK students and students returning to continue their studies. These scenarios include the impact of restructuring plans that are being prepared for approval and implementation.

After making enquiries of management, which included the review of these forecasts and the assumptions used in their preparation, the Board of Trustees consider that it is appropriate to adopt the going concern basis in the preparation of the financial statements. However, the potential reduction in student numbers and the effect this could have on tuition fees is expected to be a material consideration which cannot be predicted with certainty and the Board of Trustees consider that this indicates a material uncertainty in relation to the School's ability to continue as a going concern.

### 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.

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) and therefore an expense is recognised.

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.

#### **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.

#### **14. Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours.

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 three 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**

SOAS 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 and SOAS has assessed the hedge as effective. As a result movements in fair value are recognised in Other Comprehensive Income and presented in a separate cash flow hedge reserve.

**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 calculation of income recognised 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 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.

**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.



# Notes to the Accounts

## For the year ended 31 July 2019

	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
<b>1. TUITION FEES AND EDUCATION CONTRACTS</b>				
Full-time students - UK and European Union	25,064	25,064	27,425	27,425
Full-time students charged overseas fees	23,338	23,338	22,891	22,891
Part-time students	3,057	3,057	2,708	2,708
Full fee students	10,014	10,014	10,239	10,239
Tuition fees net of scholarships, bursaries and awards	61,473	61,473	63,263	63,263
Scholarships, bursaries and awards	2,482	2,482	2,418	2,418
<b>Tuition fees inclusive of scholarships, bursaries and awards</b>	<b>63,955</b>	<b>63,955</b>	<b>65,681</b>	<b>65,681</b>
<b>2. FUNDING BODY GRANTS</b>				
Recurrent grant				
Teaching	1,679	1,679	1,801	1,801
Research	5,654	5,654	5,604	5,604
Specific grants				
Other specific grants	687	687	652	652
Deferred capital grants released to income	773	773	747	747
<b>Total</b>	<b>8,793</b>	<b>8,793</b>	<b>8,804</b>	<b>8,804</b>
<b>3. RESEARCH GRANTS AND CONTRACTS</b>				
Research councils	3,530	3,530	3,066	3,066
UK based charities	1,238	1,238	1,313	1,313
European Commission	2,188	2,188	1,919	1,919
Other grants and contracts	1,578	1,578	1,573	1,573
<b>Total</b>	<b>8,534</b>	<b>8,534</b>	<b>7,871</b>	<b>7,871</b>
<b>4. OTHER INCOME</b>				
Rent receivable	1,004	1,004	168	168
Room lettings	19	19	2	2
Library fees	103	103	163	163
Accommodation, catering and conferences	652	652	549	549
Resales and reimbursements	372	372	375	375
Grant income	864	864	719	719
Enterprise income	1,580	1,580	1,483	1,483
University of London International Programme	632	632	655	655
Other income	1,131	1,037	1,040	955
<b>Total</b>	<b>6,357</b>	<b>6,263</b>	<b>5,154</b>	<b>5,069</b>

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 3 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.

	Notes	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
<b>5. INVESTMENT INCOME</b>					
Investment income on endowments	18	1,103	1,103	985	985
Other investment income		19	19	12	12
<b>Total</b>		<b>1,122</b>	<b>1,122</b>	<b>997</b>	<b>997</b>
<b>6. ENDOWMENTS AND DONATIONS</b>					
New endowments	18	2,798	2,798	5,833	5,833
Donations with restrictions	19	162	162	221	221
Donations with no restrictions		528	528	186	186
<b>Total</b>		<b>3,488</b>	<b>3,488</b>	<b>6,240</b>	<b>6,240</b>
<b>7. STAFF COSTS</b>					
Salaries		46,588	46,548	43,330	43,299
Social security costs		4,619	4,617	4,278	4,275
Other pension costs		7,253	7,250	6,684	6,679
Holiday pay accrual		291	291	(15)	(15)
<b>Total</b>		<b>58,751</b>	<b>58,706</b>	<b>54,277</b>	<b>54,238</b>
Movement on USS and SAUL provision	17	17,672	17,672	(1,176)	(1,176)
Restructuring costs - compensation for loss of office		2,487	2,487	1,476	1,476
<b>Total</b>		<b>78,910</b>	<b>78,865</b>	<b>54,577</b>	<b>54,538</b>

Compensation for loss of office across the whole provider was payable to 51 people [2017-18: 23].

Average full time equivalent staff numbers by category:

	Year ended 31 July 2019 Consolidated Number	Year ended 31 July 2019 School Number	Year ended 31 July 2018 Consolidated Number	Year ended 31 July 2018 School Number
Academic	436	435	464	463
Support	537	537	419	419
<b>Total</b>	<b>973</b>	<b>972</b>	<b>883</b>	<b>882</b>

There was an overall increase in FTE during 2018-19 of approximately 10%, predominantly as a result of the bringing in-house of the catering, cleaning and security functions from 1 August 2018. There was a small decrease in the academic FTE as a result of a planned workforce reduction in some departments.

Emoluments of the Director	Year ended 31 July 2019 £	Year ended 31 July 2018 £
Basic salary - Baroness Valerie Amos	238,989	234,099
Pension contributions to USS - Baroness Valerie Amos	16,499	33,441
Residence provided	54,200	54,080
<b>Total</b>	<b>309,688</b>	<b>321,620</b>

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 UK on a number of important policy areas for the School including on freedom of speech, the important role of the humanities in UK 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 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 residence provided is £54,200 (2017-18: £54,080). 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 (2017-18: 6.0). The pay ratio of the Director's total remuneration to the median total remuneration is 6.1 (2017-18: 7.0). 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, 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 and does not include payments to casual or agency workers.

Remuneration of other higher paid staff, excluding employer's pension contributions:

	Consolidated and School Year ended 31 July 2019	Consolidated and School Year ended 31 July 2018
£100,000 to £104,999	-	3
£105,000 to £109,999	2	-
£110,000 to £114,999	-	1
£115,000 to £119,999	5	2
£120,000 to £124,999	1	1
<b>Total</b>	<b>8</b>	<b>7</b>

### 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 2019		Year ended 31 July 2018	
Full time equivalent members	Staff Costs £'000	Full time equivalent members	Staff Costs £'000
20	1,916	20	1,905

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

	Notes	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
<b>8. OTHER OPERATING EXPENSES</b>					
Research grants and contracts		2,547	2,547	2,509	2,509
Non-contract staff		2,911	2,911	3,102	3,102
Course development		193	193	211	211
Examinations		54	54	42	42
Year abroad and study tours		425	425	495	495
Intercollegiate teaching		121	121	254	254
Fellowships, scholarships and other fees		3,363	3,363	3,629	3,629
Published materials		2,092	2,092	1,790	1,790
Information technology		1,347	1,347	1,391	1,391
Marketing and student recruitment costs		1,309	1,309	1,081	1,081
Student related costs		633	633	646	646
Grant to SOAS Students' Union		262	262	225	225
Accommodation, catering and conferences		716	716	1,110	1,110
Consumables		131	131	196	196
Furniture and equipment		208	208	130	130
Hire of plant and equipment		77	77	138	138
Repairs and maintenance		968	968	988	988
Rent, rates and insurance		760	760	885	885
Heat, water and power		681	681	756	756
Security, caretaking and cleaning		645	645	5,295	5,295
Telecommunications and postage		250	250	257	257
Staff recruitment, development and travel		1,191	1,191	1,186	1,186
Student recruitment commission		703	703	561	561
University of London Fee		556	556	827	827
Subscriptions		730	730	628	628
Professional fees		1,408	1,408	1,667	1,667
Auditor's remuneration - internal audit fee		41	41	87	87
Auditor's remuneration - external audit fee		46	46	45	45
Auditor's remuneration - other		3	3	3	3
Legal fees		231	231	177	177
Enterprise contracts		1,180	1,180	747	747
Impairment of fixed assets	11	-	-	1,237	1,237
Other expenses		1,983	1,858	1,474	1,430
<b>Total</b>		<b>27,765</b>	<b>27,640</b>	<b>33,769</b>	<b>33,725</b>



	Notes	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
<b>9. INTEREST AND OTHER FINANCE COSTS</b>					
Loan interest		280	280	250	250
Finance lease interest		6	6	8	8
Net charge on pension scheme	17	209	209	196	196
<b>Total</b>		<b>495</b>	<b>495</b>	<b>454</b>	<b>454</b>
<b>10. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY</b>					
Academic departments		39,946	39,776	39,676	39,593
Academic services		12,321	12,321	11,969	11,969
Central administration and services		10,758	10,758	9,419	9,419
General education expenditure		7,499	7,499	7,726	7,726
Staff and student facilities		2,075	2,075	2,025	2,025
Repairs and maintenance		4,757	4,757	1,941	1,941
Premises other expenditure		7,019	7,019	13,565	13,565
Residences, catering and conferences		832	832	1,055	1,055
Research grants and contracts		6,441	6,441	5,926	5,926
Restructuring		2,487	2,487	1,476	1,476
Pension movement	17	17,881	17,881	(982)	(982)
Other expenditure		1,481	1,481	1,105	1,105
<b>Total</b>		<b>113,497</b>	<b>113,327</b>	<b>94,901</b>	<b>94,818</b>

<b>11. FIXED ASSETS - CONSOLIDATED AND SCHOOL</b>	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
<b>Cost and valuation</b>						
At 1 August 2018	11,624	112,025	17,599	2,916	467	144,631
Additions	-	103	1,642	4,655	-	6,400
Transfers	-	4,848	-	(4,848)	-	-
Disposals	-	(399)	-	(1,237)	-	(1,636)
<b>At 31 July 2019</b>	<b>11,624</b>	<b>116,577</b>	<b>19,241</b>	<b>1,486</b>	<b>467</b>	<b>149,395</b>
<b>Consisting of valuation as at 31 July 2019</b>						
Valuation	-	24,250	-	-	-	24,250
Cost	11,624	92,327	19,241	1,486	467	125,145
<b>Total</b>	<b>11,624</b>	<b>116,577</b>	<b>19,241</b>	<b>1,486</b>	<b>467</b>	<b>149,395</b>
<b>Depreciation</b>						
At 1 August 2018	1,826	33,706	11,518	1,237	-	48,287
Charge for the year	109	4,041	2,177	-	-	6,327
Disposals	-	(39)	-	(1,237)	-	(1,276)
<b>At 31 July 2019</b>	<b>1,935</b>	<b>37,708</b>	<b>13,695</b>	<b>-</b>	<b>-</b>	<b>53,338</b>
<b>Net book value</b>						
At 31 July 2019	9,689	78,869	5,546	1,486	467	96,057
At 31 July 2018	9,798	78,319	6,081	1,679	467	96,344

At 31 July 2019, freehold land and buildings included £6.1m (2018 - £6.1m) in respect of freehold land and is not depreciated. A charge of £1,237k was recorded in the prior year to reflect the impairment to the carrying value of fixed assets. This arose due to a change in strategy pertaining to the School's estate. The emphasis will be placed on enhancing the student experience across the campus rather than focusing on building specific projects. The disposal above relates to the disposal of the impaired asset.

#### Leased assets included above: Net Book Value

At 31 July 2019	-	-	134	-	-	134
At 31 July 2018	-	-	242	-	-	242

Fixtures, fittings and equipment include assets held under finance leases as follows:	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Cost	322	1,073
Additions	-	322
Disposals	-	(1,073)
Accumulated depreciation	(81)	-
Charge for year	(107)	(80)
<b>Net book value</b>	<b>134</b>	<b>242</b>

## 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
<b>Total</b>		<b>467</b>

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 School'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

Description	Year Ended 31 July 2019 Consolidated and School £'000	Year Ended 31 July 2018 Consolidated and School £'000
<b>At 1 August</b>	<b>40,458</b>	<b>37,882</b>
Net additions to investments	1,150	1,182
Increase in market value of investments	3,717	1,394
<b>At 31 July</b>	<b>45,325</b>	<b>40,458</b>

The non-current investments have been valued at market value.

	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
<b>14. TRADE AND OTHER RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
General debtors less provision for bad debts	3,068	3,019	2,695	2,671
Research grants receivables	3,227	3,227	2,288	2,288
Prepayments and accrued income	3,678	3,678	3,243	3,243
Amounts due from group undertakings	-	133	-	-
Staff loans	158	158	162	162
<b>Total</b>	<b>10,131</b>	<b>10,215</b>	<b>8,388</b>	<b>8,364</b>
<b>15. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Unsecured loans	10,462	10,462	10,462	10,462
Obligations under finance leases	110	110	107	107
Trade payables and accruals	7,662	7,613	8,601	8,576
Provision for facilities management contract*	640	640	590	590
Provision for voluntary severance agreements**	577	577	666	666
Other creditors	1,796	1,796	1,431	1,431
Social security and other taxation payable	1,540	1,540	1,341	1,341
Derivatives	138	138	157	157
Research grants and contracts in advance	8,975	8,975	5,213	5,213
Deferred income	6,440	6,440	6,646	6,646
<b>Total</b>	<b>38,340</b>	<b>38,291</b>	<b>35,214</b>	<b>35,189</b>

\*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 and in note 16. The provision will be paid to the contractor in equal monthly amounts up to 31 July 2020.

\*\*Provision has been made for voluntary severance agreements agreed but not signed.

#### Deferred income

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

Tuition fees	5,225	5,225	5,380	5,380
Grant income	343	343	901	901
Enterprise income	756	756	349	349
Conferences	110	110	-	-
Other	6	6	16	16
<b>Total</b>	<b>6,440</b>	<b>6,440</b>	<b>6,646</b>	<b>6,646</b>

<b>16. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	Note	Year Ended 31 July 2019 Consolidated and School £'000	Year Ended 31 July 2018 Consolidated and School £'000
Unsecured loans		5,077	5,539
Deferred income		12,148	7,405
Obligations under finance lease		28	138
Provision for facilities management contract	15	-	644
Derivatives		593	530
<b>Total</b>		<b>17,846</b>	<b>14,256</b>
Analysis of unsecured loans:			
Due within one year or on demand	15	10,462	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		3,229	3,691
<b>Due after more than one year</b>		<b>5,077</b>	<b>5,539</b>
<b>Total unsecured loans</b>		<b>15,539</b>	<b>16,001</b>
Included in loans are the following:			
RBS Bank revolving credit facility at LIBOR plus 0.5% expiring 16 February 2020		10,000	10,000
Barclays Bank unsecured loan at LIBOR plus 0.22% (variable interest rate) repayable by July 2031		5,539	6,001
		<b>15,539</b>	<b>16,001</b>
Less due within one year		(10,462)	(10,462)
		<b>5,077</b>	<b>5,539</b>

### 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 variable rate 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 £1,280,000 (2018: £1,440,000) 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. £62,000 (2018: £75,000) 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 unsecured 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. £76,000 (2018: £83,000) of interest expense in the accounts relates to interest paid on the swap contract.

<b>17. PENSION LIABILITIES - CONSOLIDATED AND SCHOOL</b>	Obligation to fund deficit on USS Pension £'000
At 1 August 2018	9,662
Unwinding of discount factor	209
Deficit contributions paid	(472)
Change in expected contributions	18,144
<b>At 31 July 2019</b>	<b>27,543</b>

The total of deficit contributions paid (£472k) less the change in expected contributions (£18,144k) above of £17,672k is shown as an increase in staff costs in note 7. The change in expected contributions arose due to the scheme's deficit increasing based on the 2017 valuation - see note 24.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 24(i). As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £16,086k, a decrease of £11,457k from the current year end provision (42%).

<b>18. ENDOWMENT RESERVES - CONSOLIDATED AND SCHOOL RESTRICTED NET ASSETS RELATING TO ENDOWMENTS ARE AS FOLLOWS:</b>	Restricted permanent endowments £'000	Expendable endowments £'000	2019 total £'000	2018 total £'000
<b>Balances at 1 August</b>				
Capital	39,769	5,553	45,322	40,795
Accumulated income	918	748	1,666	1,436
<b>Total</b>	<b>40,687</b>	<b>6,301</b>	<b>46,988</b>	<b>42,231</b>
New endowments	1,530	1,268	2,798	5,833
Investment income	971	132	1,103	985
Expenditure	(932)	(2,435)	(3,367)	(3,455)
Transfers	(291)	291	-	-
Increase in market value of investments	3,615	102	3,717	1,394
<b>Total endowment comprehensive income for the year</b>	<b>4,893</b>	<b>(642)</b>	<b>4,251</b>	<b>4,757</b>
<b>At 31 July</b>	<b>45,580</b>	<b>5,659</b>	<b>51,239</b>	<b>46,988</b>
<b>Represented by:</b>				
Capital	44,623	4,779	49,402	45,322
Accumulated income	957	880	1,837	1,666
<b>Total</b>	<b>45,580</b>	<b>5,659</b>	<b>51,239</b>	<b>46,988</b>

	Restricted permanent endowments £'000	Expendable endowments £'000	2019 total £'000	2018 total £'000
<b>Analysis by type of purpose</b>				
Staff posts	33,483	557	34,040	30,595
Scholarships and bursaries	7,363	2,584	9,947	9,603
Academic support	3,293	2,227	5,520	5,138
Research support	160	2	162	153
Prize funds	489	22	511	454
Lectures	664	-	664	637
Library	128	245	373	383
Events	-	22	22	25
<b>Totals</b>	<b>45,580</b>	<b>5,659</b>	<b>51,239</b>	<b>46,988</b>
<b>Analysis by asset</b>				
Non-current asset investments	43,531	1,794	45,325	40,458
Cash & cash equivalents	549	3,865	4,414	5,030
Other current assets	1,500	-	1,500	1,500
<b>Totals</b>	<b>45,580</b>	<b>5,659</b>	<b>51,239</b>	<b>46,988</b>

<b>19. RESTRICTED RESERVES RESERVES WITH RESTRICTIONS ARE AS FOLLOWS:</b>	2019 Total Consolidated £'000	2019 Total School £'000	2018 Total Consolidated £'000	2018 Total School £'000
Balances at 1 August	216	-	214	-
New donations	162	162	221	221
Other income	94	-	85	-
Staff costs	(23)	-	(39)	-
Other expenditure	(244)	(162)	(265)	(221)
<b>Total restricted comprehensive income for the year</b>	<b>(11)</b>	<b>-</b>	<b>2</b>	<b>-</b>
<b>At 31 July</b>	<b>205</b>	<b>-</b>	<b>216</b>	<b>-</b>

<b>Analysis of restricted donations by type of purpose:</b>	2019 Total Consolidated and School £'000	2018 Total Consolidated and School £'000
Scholarships and bursaries	80	76
Staff posts	50	38
Department specific funding	32	102
Events	-	5
<b>Total</b>	<b>162</b>	<b>221</b>

<b>20. CONSOLIDATED CASH AND CASH EQUIVALENTS</b>	At 1 August 2018 £'000	Cash Flows £'000	At 31 July 2019 £'000
Cash and cash equivalents	14,628	(942)	13,686
<b>At 31 July</b>	<b>14,628</b>	<b>(942)</b>	<b>13,686</b>

<b>21. CAPITAL AND OTHER COMMITMENTS</b> Provision has not been made for the following capital expenditure commitments at 31 July 2019:	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
Commitments contracted for	683	683	4,437	4,437
	<b>683</b>	<b>683</b>	<b>4,437</b>	<b>4,437</b>

<b>22. FINANCIAL INSTRUMENTS</b> The institute's financial instruments may be analysed as follows:	Year ended 31 July 2019 Consolidated £'000	Year ended 31 July 2019 School £'000	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2018 School £'000
<b>Financial assets</b>				
Financial assets measured at fair value through Surplus or Deficit	45,325	45,325	40,458	40,458
Financial assets that are debt instruments measured at amortised cost	23,817	23,628	23,016	22,775
	<b>69,142</b>	<b>68,953</b>	<b>63,474</b>	<b>63,233</b>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(82,998)	(82,949)	(58,445)	(58,420)
Derivative financial instruments designated as hedges of variable interest rate risk	(731)	(731)	(687)	(687)
	<b>(83,729)</b>	<b>(83,680)</b>	<b>(59,132)</b>	<b>(59,107)</b>

FRS 102 defines a financial instrument as a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors, accruals and pension liabilities.

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



### 23. EVENTS AFTER THE REPORTING PERIOD

The World Health Organization (WHO) declared the novel coronavirus (COVID-19) outbreak a global pandemic on 11 March 2020 and further details are given in note 3 of the Statement of Accounting Policies.

As described in the Financial Overview, SOAS has decided to sell property surplus to requirements to further improve liquidity and reduce operating costs. The financial impact of the sale of surplus property improves the School's cash position by £9.1m in the financial year ending 31 July 2020.

As set out in note 24(i) in respect of the USS pension scheme, a new schedule of contributions based on the 2018 actuarial valuation has been agreed. As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £16,086k, a decrease of £11,457k from the current year end provision (42%). This adjustment will be reflected in the School's financial statements for the year ended 31 July 2020.

### 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 section of the Scheme is at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method. As at the year end a valuation as at 31 March 2018 was underway but not yet complete. Further information regarding the 31 March 2018 valuation is given at the end of this section.

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

The 2017 valuation was the fourth 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 £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 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 – 0.53% reducing linearly to CPI – 1.32%
- Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21
- Years 21 +: CPI + 1.7%

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 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

#### Mortality base table (2017 Valuation)

- Pre-retirement 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
- Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females

#### Future improvements to mortality

CMI\_2016 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:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	N/A	N/A
Pension increases (CPI)	2.11%	2.02%

The 2018 actuarial valuation was finalised after the year end which indicated the shortfall had fallen significantly from £7.5 billion at 31 March 2017 to £3.6 billion at 31 March 2018. Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation schedule of contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019 and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £16,086k, a decrease of £11,457k from the current year end provision.

#### (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 2019, 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. Sophie Bennett and Youssra Omer Farouk Elmagboul served as Trustees of SOAS and representatives of the SOAS Students' Union during 2018-19. During the year SOAS paid a grant of £262,000 (2017-18: £225,000) to SOAS Students' Union which is a registered charity. At 31 July 2019, SOAS owed the Students' Union £96,093 (2018: SOAS owed the Students' Union £115,264).

#### Group Entities

Transactions and balances with group entities are shown below.

	SOAS University of London Asia Pte. Ltd, Singapore	London Middle East Institute, UK	
Income from related party £'000	-	128	128
Expenditure to related party £'000	(65)	(118)	(183)
Balance due from related party £'000	138	-	138
Balance due to related party £'000	-	-	-

**Trustees**

Two trustees were reimbursed £1,821 of expenses during 2018-19 (One trustee was reimbursed £422 of expenses during 2017-18).

No payments were made to Trustees for serving as a trustee during the year (2017-18: Nil). There were no waivers of such payments during the year (2017-18: Nil).


No payments to Trustees were made for services, other than under a contract of employment, during the year (2017-18: Nil).




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