

# Financial Statements 2020-21

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





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# Chair's Foreword

## Introduction

This is my last introduction to the financial statements as Chair of the Board of Trustees at SOAS, as my five years in the role comes to an end. I am proud that we can set out a strong and positive future for SOAS with a great degree of optimism, even against a background of such challenges for the global community.

It has been a privilege to serve as chair, as I truly believe that the world needs SOAS more than ever. As an institution which is renewed to address the global issues of today, centering the perspectives of Africa, Asia and the Middle East, SOAS has a strong future with an opportunity to make a significant contribution to addressing the global challenges of our time

I am also proud that we now have a new Strategic Plan in place as the basis for the renewal and revitalisation of the School – and to position SOAS to play a leading role in reimagining higher education globally.

We needed to create a firm financial foundation for the School to thrive – and we have taken strong and successful action, reflected in the positive financial position reported here in these statements.

Covid has been a difficult experience for students and for the whole SOAS community. It required academics to rapidly adjust their teaching and research and, for professional services staff, their way of working. The Students' Union was innovative in reaching out to students, from speed befriending to a virtual welcome week. But SOAS has successfully delivered – in its teaching and research – during the most challenging times of the pandemic; successfully moving online, maintaining services on campus and then successfully opening up further, as Covid restrictions allowed.

Within all of this we are proud that we have maintained our services to students – with our NSS student satisfaction score improving to just 1% below the sector average.

As the Sunday Times Guide 2022 notes: "Our Good University Guide analysis of National Student Survey (NSS) results, where SOAS ranks in the top 25 nationally for its Covid response, based on its performance in the 2021 NSS compared to outcomes from the previous year. Scores for learning opportunities went up year-on-year, a remarkable achievement in mid-pandemic". Thank you to our staff who have worked under difficult conditions to enable this.

## Financial outturn and prospects

The finance overview section provides detailed information on our income, expenditure and student number; based on this information, it is clear that the School is in a much-improved financial position than in recent years.

Due to the continued actions taken to monitor costs and strong student recruitment, our results for 2020-21 show an unrestricted operational surplus of £11.2m. The budget for this current financial year (2021-22) projects a year-end unrestricted operational surplus of approximately £3m.

Generating surpluses allows the School to make investments in support of our academy and in improving the student experience, as well as other elements of our new Strategic Plan. We have already approved investments in capital expenditure relating to our estates and IT infrastructure.

This stronger financial position is vital for SOAS to allow us to plan confidently for the future and to continually improve our academic project and student offering.

## New President of SOAS

I am delighted to welcome the start of the tenure of a new President of SOAS, Zeinab Badawi. This is an important role for SOAS and I am pleased that one of our own distinguished alumni has been appointed. Her lifelong commitment to make a difference through her work combined with her distinguished career in broadcasting makes her an inspiring role model for our student community and beyond.

## New leadership team

We also have in place a strong new leadership team to steer SOAS forward, under the directorship of Professor Adam Habib. As we reported last year, he joined us from being the Vice-Chancellor of the University of the Witwatersrand, Johannesburg, one of the best universities in Africa.

Since taking up the role of Director in January 2021, Adam has conceived, consulted on and delivered a new Strategic Plan for SOAS – as set out below – which provides an inspiring global vision for SOAS and has the full support of the Board. He has also taken opportunities to speak and write publicly on the changing role of higher education internationally and the vision which SOAS is now bringing to this.

Our Deputy Director and Provost, Professor Claire Ozanne, joined us in August 2020 from senior leadership roles at the University of Roehampton, and Professor Andrea Cornwall continues in her post as our Pro-Director Research and Enterprise.

I am also very pleased to welcome Khadir Meer as our new Chief Operating Officer (COO). He brings invaluable experience from outside the HE sector, having worked at senior levels in the NHS and local government, including most recently as COO for the London Ambulance Service.

Dr Awino Okech has been appointed as the inaugural Associate Director Equity and Accountability to drive forward our racial justice commitments and steward the overall coordination of our work on Equality, Diversity and Inclusion.

I also want to pay tribute to the interim Director, Professor Graham Upton, whose leadership was so important in bringing about vital change during a period of transition and transformation, and the interim COOs Rex Knight and Steve Cannon for bringing their long experience and making great contributions to this.

## Strategic plan: Reimagining the role and purpose of SOAS

The new five-year SOAS Strategic Plan was approved by the Board of Trustees in July and commits SOAS to both student responsiveness and research intensity. The student journey is at the heart of the new Strategic Plan, as our students and our thriving alumni community represent a vital part of SOAS's contribution to and engagement with the global community.

It articulates a vision for a new model of international partnerships which is responsive to the transnational character of our global challenges. It commits SOAS to ensuring a socially just institutional community in which everyone experiences belonging and is treated with respect.

## The aims of our new strategic plan

### i. Student Responsiveness

Through our teaching, we are preparing a new generation of graduates, professionals and citizens who are technically skilled, socially responsive and committed to the building of an equitable planetary community. We will do this by widening participation and pioneering a new model of education which transcends national boundaries.

### ii. Research-Intensity

The world needs universities that can serve as knowledge bases that speak to the immediate and future concerns of all of humanity. Most of our current knowledge bases surface only parts of our collective knowledge inheritance and speak to the concerns of those who are most empowered. Our vision is to build a research-intensive university which is world-class but also responsive to the marginalised communities of our world.

### iii. International Partnerships

At the heart of this project is a partnership with the learning institutions of the world to make the development of this new knowledge base a collective endeavour. Rethinking international partnerships is important in this historical moment when all our challenges are transnational in character and require us to build human and institutional capacities which are both local and planetary.

### iv. Institutional Community

We are committed to ensuring a socially just institutional community in which all our members experience belonging and are treated with civility and respect.

## Thanks from the Chair

Finally, I want to pay tribute to all those students from whom I have learnt so much, staff who so often have gone the extra mile for the institution and to those who have served on the Board during my period as Chair, devoting long unpaid hours because of their commitment to what SOAS stands for. All colleagues have brought skills, thought and care to help steward SOAS through difficult times and into a brighter future of development and growth.

I know that the next Chair will be able to build with the leadership team now in place at SOAS, with the academics and professional services staff and with students who have so much to offer in confronting the global challenges of our time.



Marie Staunton



SOAS

## Financial Overview

Summary of income & expenditure	2021 Endowment & Restricted £m	2021 Unrestricted £m	2021 Total £m	2020 Endowment & Restricted £m	2020 Unrestricted £m	2020 Total £m	Change £m
Operating income	1.0	87.3	88.3	1.1	86.9	88.0	0.3
Endowments and donations	0.7	0.2	0.9	1.2	-	1.2	(0.3)
<b>Total income</b>	<b>1.7</b>	<b>87.5</b>	<b>89.2</b>	<b>2.3</b>	<b>86.9</b>	<b>89.2</b>	<b>-</b>
Operating expenditure	2.6	70.7	73.3	4.3	81.4	85.7	12.4
Depreciation	-	5.4	5.4	-	6.1	6.1	0.7
Interest and other finance costs	-	0.2	0.2	-	0.3	0.3	0.1
<b>(Deficit) / Surplus before movement on restructuring costs and pension provision</b>	<b>(0.9)</b>	<b>11.2</b>	<b>10.3</b>	<b>(2.0)</b>	<b>(0.9)</b>	<b>(2.9)</b>	<b>13.2</b>
Restructuring costs	-	(1.2)	(1.2)	-	(2.3)	(2.3)	1.1
Movement on pension provision	-	1.5	1.5	-	13.3	13.3	(11.8)
<b>(Deficit) / surplus before other gains or losses</b>	<b>(0.9)</b>	<b>11.5</b>	<b>10.6</b>	<b>(2.0)</b>	<b>10.1</b>	<b>8.1</b>	<b>2.5</b>
Gain on disposal of fixed assets	-	-	-	-	4.4	4.4	(4.4)
Gain on investments	8.2	-	8.2	0.2	-	0.2	8.0
<b>Surplus / (deficit) for the year</b>	<b>7.3</b>	<b>11.5</b>	<b>18.8</b>	<b>(1.8)</b>	<b>14.5</b>	<b>12.7</b>	<b>6.1</b>

SOAS recorded a surplus for the year of £18.8m in 2020-21; this is a significant improvement from the £12.7m surplus reported in 2019-20.

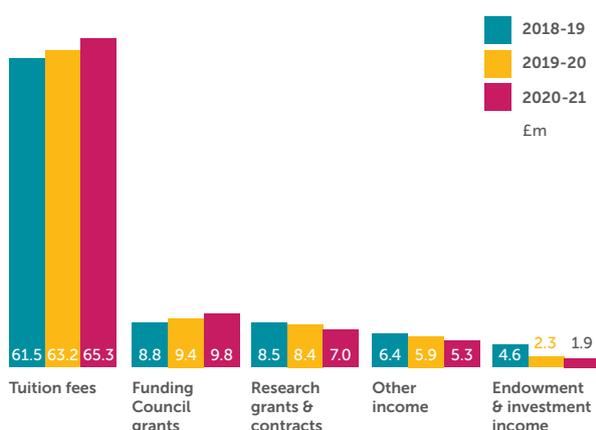
This surplus is broken down into a surplus of £7.3m on our restricted activities and a surplus of £11.5m on our unrestricted activities.

The SOAS Board of Trustees excludes restructuring costs and the pension movement in assessing underlying financial performance with a focus instead given to the unrestricted surplus of £11.2m in the table above. This compares favourably to an operating deficit of £0.9m in 2019-20.

## Income

Total income for 2020-21 was £89.2m, unchanged from the prior year. The increase in tuition fees of £2.1m was offset by reduced Research project and conferencing activity due to Covid. Tuition fees remained the largest component at 73% of income (2019-20: 72%).

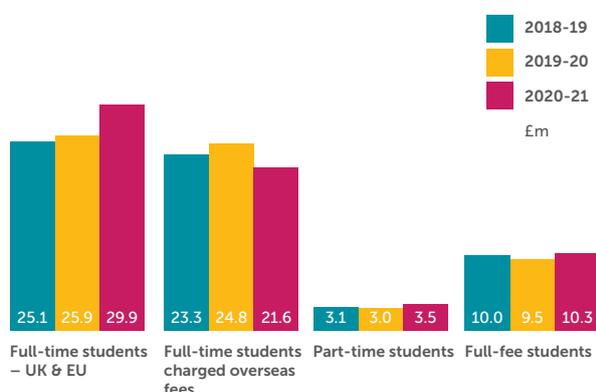
Income by source – year on year changes



## Tuition fee income

Tuition fee income in the financial statements is stated net of the £1.6m fee waivers and scholarships provided to students on both undergraduate and postgraduate courses (2019-20: £2.2m). Net fee income increased by £2.1m in 2020-21 with growth in UK/EU student income (+£4.0m) offset by a reduction in overseas student income of £3.2m.

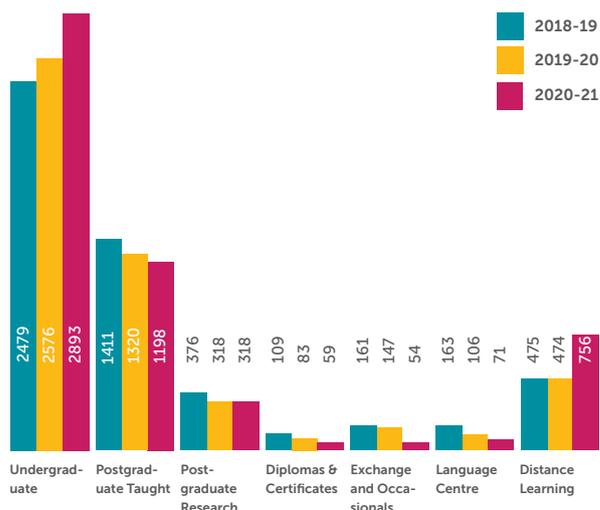
Fee income – year on year changes



## Student FTE – numbers

The chart below shows the key changes in student numbers over the past 3 years, with undergraduate numbers continuing to grow.

Student FTE – numbers



## Funding council grants

Total grant income of £9.8m was provided to us from our two funding bodies for use in 2020-21 (2019-20: £9.4m) including £1.3m from the Office for Students providing teaching (2019-20: £1.5m) and £6.5m from Research England for research (2019-20: £5.6m).

## Research grants and contracts

SOAS research applies a global lens to the critical issues of our time, making the connections that others cannot and helping to build bridges in a complex world. SOAS recorded research grants and contracts income of £7.0m in 2020-21 (2019-20: £8.4m). SOAS research has had positive impacts around the world, producing world-renowned journals and books that publish rigorous, cutting-edge research.

## Endowment and other income

In addition to income from our core operational activities, SOAS generates income from its commercial and ancillary activities, recording £5.3m in 2020-21 (2019-20: £5.9m). The fall of £0.6m was largely attributable to Covid affecting activities such as catering and conferencing.

We are very grateful for all donations received and are pleased to report we received new gifts of £0.9m in 2020-21 (2019-20: £1.2m). Investment income on endowments totalled £1.0m, down £0.1m compared with the previous year due to reduced dividend income as Covid continued to negatively impact company earnings.

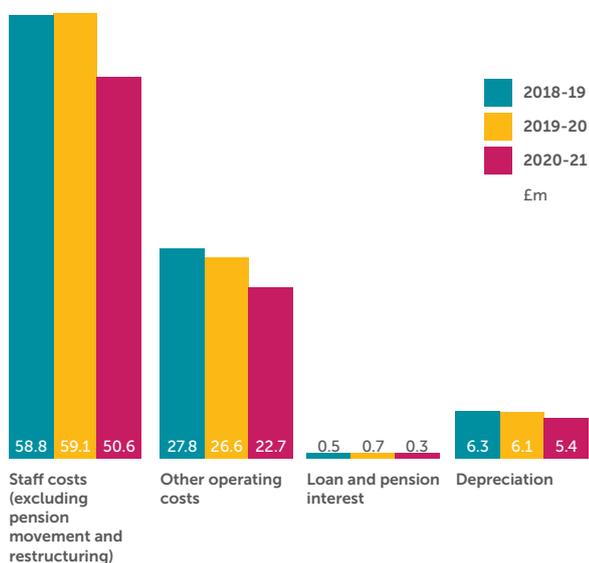
## Expenditure

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 fell from £59.1m to £50.6m as the School completed its restructuring programme. These figures exclude restructuring costs of £1.2m (2019-20: £2.3m) and the decrease of £1.6m in our pension provision (2019-20: decrease of £13.7m).

There was a corresponding fall in other operating expenditure which was £3.9m lower than 2019-20. Additionally, depreciation was £0.7m lower than the previous year due to reduced capital expenditure over the last two years.

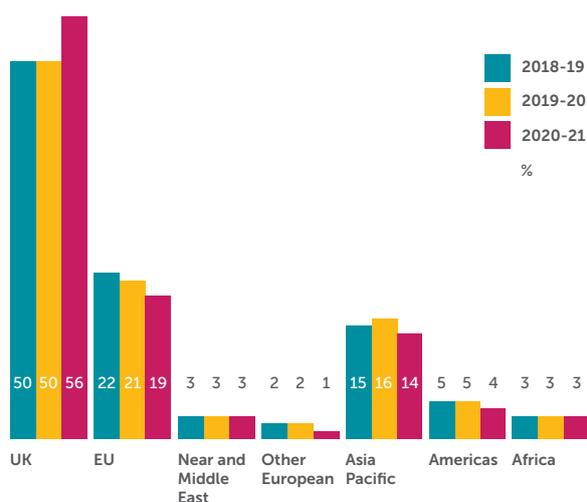
Expenditure – year on year changes



## Student support

We continue to be proud of our ability to attract a diverse student body from across the world, and work hard to maintain our international student numbers in the increasingly challenging environment. The origin of our students is shown in the chart below.

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 2020-21 the School's Access and Participation Plan (APP) committed the school to spend £1.8m (2019-20: £1.8m) on providing assistance to students requiring financial support, the actual spend was £0.2m higher due to the impacts of Covid. Further information is provided in note 10b.

## Capital investment

Capital expenditure of £1.5m was made in 2020-21 (2019-20: £2.2m) which included further investment in IT infrastructure, corporate IT systems, classroom equipment and laptops.

## Balance sheet position

Our endowment investments grew £8.1m from £45.3m to £53.4m during the year as stock market values rose.

Cash and cash equivalents of £19.5m as at 31 July 2021 were £7.7m higher than 2019-20 due to the strong surplus recorded. The School also has access to a medium term revolving credit facility with Barclays of £10m (see note 16). There were no drawings on the facility as at 31 July 2021. The School's net current asset position of £5.3m at 31 July 2021 had improved £13.4m compared with the previous year (2019-20 net current liabilities £8.1m).

The School's main long term loan financing is in the form of a variable rate loan with Barclays Bank of £4.6m. The loan was renegotiated during the year and the repayment end date of July 2031 has been brought forward to June 2027 as detailed in note 16.

The loan is hedged by two interest rate swaps, covering 64% of the current loan balance, providing some protection against adverse movements in LIBOR interest rates.

## Future outlook and going concern

Following on from the Transformation and Change programme that took place in summer 2020, SOAS has returned to a surplus-generating position, with the School delivering a surplus in 2020-21 for the second year in a row. This is a good financial position for the School and has been achieved through improved budgetary management and strong financial controls leading to increased levels of liquidity. As a result, the School has retained Gordon Square as part of its property portfolio for use by the Doctoral School.

The School has set a surplus budget for 2021-22 and 2022-23 and is confident this will be achieved due to the continued strong financial management in place. Recruitment targets have broadly been met this year, with the corresponding income contributing towards the School's stronger financial footing and positive cash flows projected over the next 12 months and beyond. The School was successful in securing a Revolving Credit Facility (RCF) last year which provides access to additional funds if needed, however based on the current projections, the School does not anticipate using this facility.

The surplus generated in 2020-21 supports the School's five-year capital programme, which addresses the under-investment in infrastructure over the last few years. The capital plans will deliver an improved campus with updated IT equipment to enhance the student journey, whilst also delivering a range of teaching options to maximise the student experience.

With the approval of the new five-year strategy, the School remains optimistic about the future, but is mindful that the Covid pandemic is not over and there may be adverse financial impacts that arise. The School has taken a prudent approach in setting the 2021-22 budgets and has built in contingencies to ensure the School can safeguard itself against adverse impacts whilst implementing actions and delivering on strategic objectives.

The Board of Trustees has made appropriate enquiries, which included the review of proposed budget changes, cash flow forecasts and sensitivities for the period up to 31 July 2023. The Board of Trustees considers that SOAS has adequate resources to justify preparing the financial statements on a going concern basis.



Mao Nakano  
Health Ambassador  
SOAS  
University of London

**SOAS**  
University of London

Here to  
help

## SOAS and Public Benefit 2020-21

SOAS contributes to society both through its core work of teaching and research and through its public engagement activities, informed by the School's learning, teaching and research. SOAS makes a significant contribution to the advancement of education, one of the charitable purposes set out in the Charities Act 2011.

More than 5,500 students from almost 120 countries currently access our world-class research and teaching, gaining a range of specialist qualifications.

SOAS rose to the top 50 in the world for Arts and Humanities in the QS World University Rankings by Subject 2021 (ranked 44th). In the Times Higher Education University Impact Rankings 2021, which measures an institutions' success in delivering the United Nations Sustainable Development Goals (SDGs), SOAS was listed in the top 50 universities in the world and seventh in the UK for the United Nations SDG number 1: No Poverty. SOAS also rose by 17 places to 33rd in the UK in the Times and Sunday Times Good University Guide 2022, and in the Complete University League Tables 2022 SOAS is ranked in the top 50 universities.

Student satisfaction rose to just 1% below the sector average at SOAS, according to the National Student Survey (NSS). The survey reported an overall drop in satisfaction across the sector mainly attributed to the impact of the pandemic. SOAS however made improvements relative to the sector on 'teaching on my course', 'learning on my course', 'learning community', 'student voice' and 'overall satisfaction'. This reflects the School's work to improve student satisfaction via curriculum revisions and improvements to the student experience.

Our recruitment figures for study from 2021-22 improved with a notable increase in both home and overseas PGT applications. In terms of enrolment for 2021-22 we are on track to exceed our target.

In 2020, SOAS made meaningful changes to the School's teaching and learning, which included the development of more guided curricula at undergraduate level; the transformation of undergraduate assessment; and the embedding of skills training into all undergraduate programmes. These changes were implemented from September 2021 to ensure a streamlined selection of programmes that deliver an improved student experience.

SOAS submitted to the REF, the seven-yearly audit of the quality of the outputs of our research, in April 2021. Some 300 academics across 10 academic departments and a number of professional services staff helped to submit the REF entry which contained 593 outputs, including 136 books (110 monographs and 26 edited volumes), 360 journal articles, 79 book chapters, and a number of music compositions, websites, and exhibitions.

## Access, participation and student success

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

SOAS's valuable widening participation and access work continued during the conditions imposed by the pandemic through a wide range of online activities. These included online summer schools, masterclasses, attainment-raising programmes and work in the community. All these activities were designed to support learners in the UK to fulfil their potential, underpinned by theories of change and rigorously evaluated.

For the 2020 undergraduate intake, SOAS distributed financial support bursaries of £1,500 to over 350 home students with a low household income, as well as working closely with academic departments to develop and deliver a suite of activities to support current SOAS students from underrepresented backgrounds to fulfil their potential.

SOAS continued to raise funds through its crowdfunding platform Hubbub. Working in collaboration with the South Asia Institute and Tamil Studies UK, over £117,000 was raised to support the return of Tamil Studies to SOAS. In addition, the crowdfunding platform supported two important scholarship funds – the Denise Acford Scholarship and the Dr Hettie Elgood Scholarship as well as key research on Zoroastrian identity, which raised £161,000. This research, which is in the form of an in-depth online survey, will help to analyse data based on demographic, behavioural and attitudinal areas to create a unique picture of the global community. The scholarship for the study of Tibet was also established with a gift of £50,000.

Burmese studies has attracted a single gift worth £50,000 and gifts totalling £21,000 were also received covering subsistence for two Sanctuary scholars starting a three-year undergraduate course in September 2022. SOAS also waived the fees for two scholars under the terms of the Sanctuary Scholarships.

International Students House and Goodenough College have continued their relationship with SOAS to offer gifts-in-kind in the form of accommodation and community to our scholars including Commonwealth Scholars, the Margaret Busby Scholarship and the sixth AFSOAS John Loiello/FISH(L) scholar, Eric Villalobos.

SOAS is continuing to make progress for more scholarships and bursaries available exclusively for black students at every level of study and research from Foundation to Post-Doctoral studies.

The team has also continued to work with influential alumni on peer-to-peer asks, securing gifts of over £40k in total to support an exhibition in the Brunei Gallery.

This year the SOAS Academic Summer School offered yet another unique and engaging summer experience. SOAS had around 100 students from across the globe join a range of intensive, credit-bearing summer schools in Law, Gender, Conflict, Sustainable Finance, International Relations and more. Courses were delivered online by an inspiring team of academic colleagues and professional services staff across SOAS, all contributing to a highly enjoyable and memorable online summer experience. SOAS was one of the first UK institutions to move online in response to the Covid pandemic in 2020.





## Creating an inclusive environment

SOAS's new strategic plan commits the School to ensuring a socially just institutional community in which everyone experiences belonging and is treated with respect. A series of initiatives have already been implemented this year.

Dr Awino Okech was appointed as Associate Director for Equity and Accountability to steward our initiatives in this regard. The priorities set out for the next academic year include clarifying our vision and intended impact; increasing the number of Black academic staff across rank and enhancing the progression of Black professional services staff and launching a BA with an African concentration. Work has started in these areas with the launch of The Ebony Initiative in November 2020, which aims to encourage and nurture Black scholars to pursue research careers and postgraduate education, and the Decolonising SOAS Working Group facilitated the first part of a programme of work to help departments develop an inclusive, anti-racist pedagogy at SOAS.

Work led by RACE@SOAS – which works to address matters within the institution that have implications for the race and cultural experiences of students, staff, and external stakeholders – continued with consultation on the Draft Race Equity Action Plan for SOAS, which is due to be implemented from 2021-24. This faculty-initiated programme takes a multi-pronged approach which includes academic skills building sessions, community building spaces, career mentoring and funding support and guidance.

SOAS also launched an investigation into the handling of complaints of historic racism and racialised treatment, with an independent investigator and a steering group drawn from across SOAS. This was seen as an important step in assuring the community that any complaints of racism will be properly investigated and addressed in future.

SOAS started a year-long consultancy with Gendered Intelligence to create a trans, non-binary and intersex inclusion policy for its staff and students. As a trans led charity working to increase understandings of gender diversity and improve the lives of trans people since 2008, Gendered Intelligence draws on extensive trans and non-binary knowledge and experience with developing similar policies to inform this process. This policy will be produced with the voluntary engagement of trans/nonbinary/intersex staff and students, the Students Union and the student group Trans\* Dignity, working with key stakeholders across the university.

A new charter on racism, antisemitism and all forms of cultural, ethnic and religious chauvinism was also launched this year.

## Public events

SOAS hosts in the region of 1,000 public events each year, which are organised by academic departments, the central events team and the Students' Union, covering issues on a number of key global challenges, including vaccine inequality and climate change. All public events continued to take place online due to the pandemic.

The Centre for Sustainable Finance hosted a number of events on debt relief to enable sustainable economic recoveries following the publication of a new report. The report set out a proposal for debt relief on a global scale to free up resources in heavily indebted developing countries to support sustainable recoveries. The launch event hosted the United Nations Special Envoy for Global Education and former Prime Minister of the United Kingdom Gordon Brown and the Prime Minister and Minister of Finance, Economic Affairs and Investment, Barbados, Hon. Mia Amor Mottley.

Focusing on issues related to the pandemic, the Department of Economics held a panel discussion on 'Never let a pandemic go to waste. The World Bank response to Covid' which featured a new joint European Network on Debt and Development (Eurodad) and SOAS Briefing Paper; the SOAS China Institute hosted Chinese Vaccine Diplomacy in Africa – A Global Perspective and the SOAS Director hosted speakers from the World Health Organization, the International Centre of Insect Physiology and Ecology and the Financial Times on a discussion on vaccine inequality.

SOAS hosted its annual Festival of Ideas on the theme of decolonising knowledge, which included a book launch for 'Islam on Campus: Contested Identities and the Cultures of Higher Education in Britain' and talks on 'Race, Class, and Writing – Decolonising the Publishing Industry'; 'Decolonisation: not just a buzz word...' and 'Climate Change and Global Voices'.

Other events hosted by SOAS institutes included the Centre of African Studies artist talk series with Yinka Shonibare in Conversation with Gus Casely-Hayford; the SOAS China Institute's annual debate, China will Sustain its Economic Rise, and the South Asia Institute hosted the Union-Cabinet Minister of International Cooperation and Spokesperson of the National Unity Government of Myanmar and former Myanmar's Special Envoy to the United Nations to discuss Myanmar.

## 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. The collections of artworks and objects held by the Brunei Gallery (c.2,500 objects) cover a range of themes including social history, fine and decorative art, popular culture, multimedia and anthropological material. The collections are used in supporting teaching and learning activities in the School. The exhibitions programme has drawn upon all the Schools collections at different times in support of projects to produce thematic displays and exhibitions, and to provide a platform for SOAS's academic research output for engagement and impact.



Through 2020-21, despite the lockdown restrictions, the Brunei Gallery maintained digital engagement throughout the year through increased social media and its e-newsletter where it presented details of current exhibitions both real and virtual and a 'Brunei Gallery Previously....' series looking at past exhibitions from the last 25 years and highlighting selected objects from SOAS's own collections. Many of the exhibitions which were impacted by the pandemic sought alternative digital routes – through videos and virtual tours – by which to engage the public.

The year began (1 Oct to 12 Dec) with Western Front – Eastern Promises – Trench Art and the Story of the Chinese Labour Corps in the Great War. A video and curators tour of the exhibition were produced and made available online.

Suspect Objects Suspect Subjects (12 Jan – 20 Mar) offered a collection of works which questioned, highlighted and responded to the victimising of Muslim communities in the UK. A video tour of the exhibition was produced and made available with two successful online 'In Conversation With' events held between the artist and SOAS academics.

Opium, Silk and the Missionaries in China opened virtually on 15 April 2021 and following Government guidance was open to view from 18 May 2021. It retells one of the largely forgotten histories between Britain and China in the 19th Century. The exhibition had several contributors including a number of loans from the SOAS Special Collections & Archives in the Library.

The year finished with the exhibition Baghs – Abstract Gardens – an exhibition of baghs and phulkaris, domestic embroidered shawls from pre-partition Punjab. The exhibition has been open to receive visitors continuing the use of pre-booked tickets and has had an increased presence on social media, especially Instagram. A video tour of the exhibition has been produced that will be made available online.

## Student and alumni initiatives

SOAS students are leading work on the Freeze Weapons campaign and research into a Global Weapons Tracking Service in conjunction with the International Peace Bureau, the Catholic Church, the Women's International League for Peace and Freedom and dozens of civil society organisations. The initiative received public support from The Vatican.

SOAS students took part in an international show which analysed the US Presidential election. Hosted by the University of South Wales, in collaboration with 3PH Group Production and media professionals, the online show ran for 24-hours and gave experts and students from across the world the chance to debate and analyse the election.

Inspired by Manchester United footballer Marcus Rashford's free school meals campaign, SOAS alumnus and England rugby star Maro Itoje campaigned to provide laptops to pupils disadvantaged by the 'digital divide' during the third lockdown. Maro (BA Politics, 2017) used his platform to call for getting computers and free broadband into the homes of around 1.78 million children, who have been left unable to participate in online lessons.

The editor of the SOAS Spirit, Maliha Shoaib, won a prestigious Vogue Business talent competition to secure a placement at Vogue Business and a year's mentorship from the Vogue Business Trend Editor. The competition aims to amplify new voices in the world of fashion and beauty business journalism.



SOAS has been ranked in the top five universities in the UK for producing a CEO or Managing Director, according to a study carried out by Hitachi Capital Invoice Finance. The study analysed data from alumni who had left 121 UK universities since the year 2000 and had gone on to become either CEOs or Managing Directors, or found their own business.

The Rt Hon David Lammy MP has been appointed Professor of Practice at the SOAS School of Law, Gender and Media, to launch and head a new initiative: the SOAS Project for Carceral Policy, Policing and Race. The new Project will undertake a range of activities – investigative, educational, consultative, policy advisory, advocacy – and organise a network of academic researchers, public servants, practitioners, professionals and activists united in their concerns over the role of race in prison and criminal justice systems and processes across the globe.

## Sustainable Development Goals

In addition to being ranked in the Top 50 universities in the world and seventh in the UK for the United Nations Sustainable Development Goal (SDG) number 1: No Poverty. SOAS has also ranked in the Top 100 in the world and Top 20 in the UK for SDG11: Sustainable Cities and Communities and SDG16: Peace, Justice and Strong Institutions. SOAS has scored in the top 25% for all the SDGs it submitted. Now in its third year, The Times Higher Education University Impact Rankings 2021 captures universities' impact on society, based on institutions' success in delivering the United Nations Sustainable Development Goals (SDGs). These global goals are aimed at creating a more equal and sustainable world by 2030. With 1,240 institutions from across the world taking part, SOAS ranked in the top 300 overall.

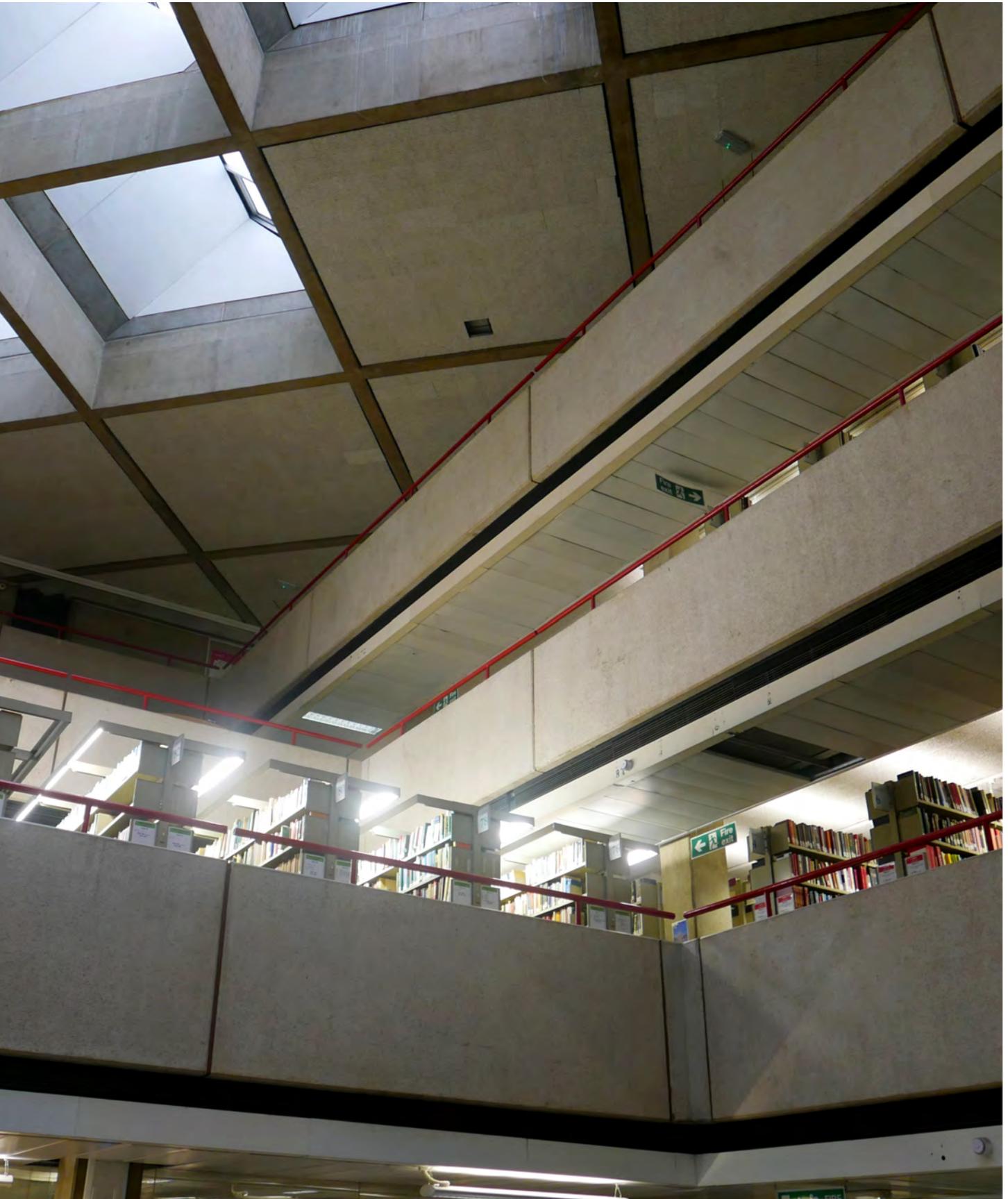
SOAS is committed to the continuous improvement of the School's environmental sustainability. SOAS is part of The Green Thing – a joint Birkbeck, SOAS and London School of Hygiene and Tropical Medicine sustainability team – dedicated to enhancing environmental improvements across the three partners. Our new 2020–2030 Carbon and Energy Management Plan will outline our reduction targets to achieve within the next decade, and also propose ambitious steps to achieve a net zero carbon emissions target. SOAS also ranked high in the Uswitch University Report 2020 scoring positively in three requirements to be considered a leader in sustainable energy.

## SOAS Library: a national resource

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

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





The library has c.2,955m of archives and manuscripts in its Special Collections. There are 500 original collections of archives and personal papers, reflecting the British interaction with Africa and Asia over the last 250 years, and including archives of missionary societies, NGOs and campaign groups, and business organisations, as well as papers of individuals, such as diplomats, campaigners, and academics. Manuscripts are in a variety of formats and in over 130 different languages with significant holdings in Persian, Arabic, Swahili, and South, South-East and East Asian languages.

The SOAS Digital Collections maintains a strong commitment to providing access to underrepresented languages. The Collections attracted more than 807,300 visitors, consulting not less than three items each, between January 2021 and September 2021. Visitors came from more than 100 countries, in large measure from the UK, USA, India, Malaysia, and the Philippines – the latter three being countries in which SOAS Digital Collections has active partnerships. While the majority of our readers report their primary language as English or Chinese, those reporting another primary language is on the increase. In the past year, since launching the Stencl literary archive with Yiddish, English, and Hebrew cataloguing, we saw a marked increase in readers reporting Hebrew as their primary language.

The UK Research and Innovation (UKRI) and the Arts and Humanities Research Council (AHRC) awarded the SOAS Library £922k for its Unlocking SOAS Collections Project as part of the government's World Class Labs funding scheme. The grant is being used for improving the Library's environmental systems by upgrading the heating, ventilation and air conditioning systems in its archives, manuscripts, museum objects and rare books stores. The funding will transform the library's access through digitisation and enhanced care of the collections that will enable the collections to be used in teaching and research in a meaningful way. The Unlocking SOAS Collections is a three-year programme of catalyst projects to enable deeper engagement, access, learning, teaching, research and outreach to ensure their use for future generations. This funding is in addition to major grants from Wolfson Foundation of £150,000 and £100,000 from the Foyle Foundation for this project.

The library is open until 11.30pm seven days a week. The last academic year of full operation pre-Covid was 2018-19 when SOAS Library welcomed 21,500 visitors. The Library reopened some services for our students in July 2021 and started on-campus services for selected research partners in January 2021. It later opened to the public in August 2021.

The Special Collections Reading Room's normal opening hours are from 9am to 5pm on Mondays, Tuesdays, Thursdays and Fridays. An annual Special Collections membership is open to the general public at no charge. In 2018-19, pre-Covid, the Reading Room welcomed 2,200 visitors. A reduced service has been running, when restrictions permitted, during the pandemic, mostly recently since April 2021.



## Director

Professor Adam Habib started in post on 1 January replacing SOAS's interim Director Professor Graham Upton. Since joining SOAS Adam's public engagements have included interviews with Times Higher Education and Research Fortnight about his vision for SOAS. He has also been an active spokesperson on issues around internationalisation and global partnerships, speaking at the Vice Chancellor's Question Time hosted by the Higher Education Policy Institute. The SOAS Director is leading on a new strategic vision for SOAS which focuses on student responsiveness, research intensity, international partnerships and institutional community.

## SOAS experts informing policymaking

The Influencing the Corridors of Power (ICoP) team at SOAS celebrated its first year of impactful policy engagement. In the past year, the ICoP team has demonstrated how policymaking can be supported and informed by diverse and expert voices, by bringing advice from a wide range of stakeholders (including black teenagers excluded from school) into Westminster. By producing peer-reviewed research from within university systems of governance, ICoP has written and shared more than 35 peer-reviewed single-page expert briefings and five-minute podcasts to policymakers while serving as a platform to widen academic and public engagement in policymaking, frequently informing changes to legislation. These briefings range from anti-trafficking legislation, to Universal Basic Income, the Covert Human Intelligence Bill and UK Aid after the DFID and FCO merger.

The SOAS Centre for Sustainable Finance published a report, 'Climate Change and Sovereign Risk', which provided new empirical evidence of how climate risk and resilience influence the costs of capital. The report helped to inform an increasingly critical conversation around the financial implications of climate change and how countries can prepare for these impacts. The report was published jointly with the Asian Development Bank Institute; the World Wide Fund for Nature Singapore; and Four Twenty Seven. In addition, the Centre also published a report 'Debt Relief for Green and Inclusive Recovery' which called on the G20 to move beyond the Common Framework for Debt Treatments and to require public and private creditors to provide a substantial debt cut to a broad set of low- and middle-income countries, in exchange for a commitment to use some of the newfound fiscal space for a green and inclusive recovery. The report received substantial coverage in Reuters earlier this year.

Dr Ayesha Siddiqa and Dr Avinash Paliwal gave evidence to the Lords International Relations Committee as part of their inquiry into the UK and Afghanistan. Dr Siddiqa joined a section of the inquiry on the US and Pakistan's involvement in Afghanistan, specifically the US's motivations for reaching an agreement with the Taliban, the ongoing Afghan peace talks in Doha, and Pakistan's objectives and role in Afghanistan. Dr Paliwal's section of the inquiry was on the positions of India, Iran and Central Asian countries towards the US-Taliban agreement and peace talks in Afghanistan and Iran, and India's policy towards Afghanistan. In addition to providing expertise to the Government, SOAS experts continued to inform public conversations on this issue in multiple media outlets (see section on media engagement).

SOAS languages and cultures scholars were awarded UKRI/AHRC funding worth nearly £500k for a research project examining Covid public health information among linguistically diverse communities in London. Led by Dr Nana Sato-Rossberg, Head of School of Languages, Cultures and Linguistics, the project involves a team of 14 SOAS languages and cultures experts and anthropologists who will investigate how information about Covid and associated risks flows is translated in 14 different languages spoken in London. Early findings indicate that the majority of people within linguistically diverse communities in London obtain information about Covid from outside of the UK.

The Universities and Muslim Seminaries Project led by Professor Dr Alison Scott-Baumann developed a toolkit for Darul Uloom/Muslim seminaries and mainstream universities with the aim of building bridges between both. First commissioned by the Ministry for Housing, Communities and Local Government in 2019, Professor Scott-Baumann led a taskforce to explore the barriers to Darul Uloom (Muslim seminary) accreditation. The project maps Muslim seminary graduates' career paths after they leave their seminaries with no formal accreditation for their rigorous theological learning. The project seeks to continue offering support and strategic guidance to both types of institutions.

## Media engagement

SOAS featured in on average 80-100 news clippings each month. These include expert commentary by academics, student success stories, alumni profiles and institutional achievements. SOAS scholars have provided expert insight into many of this year's world events including the situation in Afghanistan following the Taliban takeover, the Israel and Palestine conflict, the civil conflict in Myanmar, global vaccine supply and issues surrounding climate change.

In early 2021, many academics provided their expertise on the Myanmar conflict to a range of global news outlets. Dr Avinash Paliwal spoke to The Daily Telegraph, Reuters, The i and the Huffington Post about Myanmar's soldier violence against civilians. Professor Michael Charney also spoke to ABC News, France 24 and other international media about the conflict.

In August, Professor Jonathan Goodhand spoke to a number of international media outlets about Afghanistan and what it might mean for the global heroin trade in The i, The New York Post, New York Times, BBC World News, Bloomberg Radio among others. Professor Mashood Baderin discussed the application of Islamic law by the Taliban in Afghanistan on BBC World Service TV and Dr James Caron, spoke to Bloomberg and The i on the Taliban's attempts to seek international recognition and financial aid. Dr Avinash Paliwal has also commented on the Taliban and the group's relationship with India in The Guardian and Financial Times.

Dr Olivia Cheung appeared on BBC World Service to discuss how the Chinese Communist Party's slogans reveal the turbulent history of modern China. Dr Jieyu Liu discussed 100 years of the China Communist Party on BBC Radio 4's Today Programme. Professor Steve Tsang commented on the anniversary for BBC Radio 4, SCMP and The Monocle, and also continued to provide his expertise on China and Hong Kong to a range of international media including Al Jazeera, The New Statesman, The New York Times, The Sunday Times, FT and The Independent. Professor Laura Hammond explained the historical roots which provoked the ongoing Tigrayan conflict in Ethiopia for ITV, she also appeared on BBC World Service Radio to discuss Somalia's current politics.





SOAS continued its membership of The Conversation, an independent online platform that uses content sourced from the academic and research community, for a fifth year with nearly 40 articles published by SOAS experts. Topics covered ranged from free speech on campus, global malnutrition, how commodity exporting countries have been hit by Covid, vaccine diplomacy, analysis on the Myanmar coup, the farmer's protests in India and developments in artificial developments.

## Global partnerships

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

The new strategic plan, *Reimagining SOAS for the 21st Century*, is currently in its implementation phase and sets out a vision for a new model of international partnerships which is responsive to the transnational character of our global challenges.



# Corporate Governance Statement

SOAS is committed to exhibiting good practice in all aspects of corporate governance. This summary describes the manner in which the School has applied the principles set out in the Office for Students' conditions E1 and E2 of registration. Its purpose is to help the reader of the Financial Statements understand how the principles have been applied. It relates to the period from 1 August 2020, up to and including the date of approval of these Financial Statements.

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

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

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

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

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

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

## Membership of the Board of Trustees

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

Board appointments are divided into the following categories:

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

There were 20 members of the Board of Trustees as at 25 November 2021. The Trustees who served during the year, up to and including the approval of the Financial Statements on 25 November 2021, are as follows:

Professor Andrew Atherton

Dr Najat Benchiba-Savenius

Professor Kersti Börjars

Professor Michael W. Charney

Professor Andrea Cornwall

Ms Yasmin Elsouda (from 01/08/20 to 05/05/21)

Ms Jenny Greenshields

Professor Adam Habib (from 01/01/21)

Sir Martin Harris (Vice-Chair)

Mr Richard Millward (from 01/01/21)

Ms Yaa Ofori-Ansah (from 01/09/20)

Dr Awino Okech

Professor Claire Ozanne (from 01/09/20)  
 Ms Lucia Rodriguez Pedroso (from 01/08/21)  
 Ms Helen Pennant (up to 31/07/21)  
 Mr Andrew Popham (up to 31/07/21)  
 Ms Sabrina Shah (from 01/08/20 to 05/05/21)  
 Ms Ella Spencer (from 01/08/21)  
 Sir Richard Stagg  
 Ms Marie Staunton (Chair)  
 Mr Steve Tinton (up to 30/11/20)  
 Ms Sally Townsend (from 01/09/21)  
 Mr Nizam Uddin  
 Professor Graham Upton (from 01/08/20 to 31/12/20)  
 Mr Oliver Urquhart Irvine  
 Mr David Willey (from 01/02/21)

### 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. Throughout 2020-21 Board and committee meetings have been held on-line.

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

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

**The Resources and Planning Committee** normally meets four times a year and reports directly to the Board of Trustees. It acts on behalf of the Board of Trustees to monitor the finances and use of resources of the School.

It proposes the School's annual budgets to the Board of Trustees, examines and (where authorised) approves expenditure proposals, recommends financial forecasts and approves banking and investment arrangements.

It provides assurance to the Audit Committee on the Financial Statements for recommendation to the Board of Trustees, and also reviews and recommends any financial reports to regulators which require Board approval.

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

The Audit Committee is responsible for recommending the appointment of External Auditors and meeting with them to discuss the nature and scope of the annual audit of the Financial Statements, resultant audit findings and the management letter arising. The Audit Committee is responsible for recommending the Financial Statements to the Board of Trustees including consideration of the External Auditors' formal opinion, corporate governance, 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 Honorary Degrees & Fellowships Committee

was merged with the Governance & Nominations Committee during the year as part of the review of the School's committee structure.

### The Senior Staff Remuneration Committee

is responsible for deciding the remuneration and terms and conditions of service for the Senior Executive Managers, including the Director, Pro-Directors and Registrar & Secretary. The Committee is also responsible for monitoring pay levels for executive and senior managers, based on gender and ethnicity and to review pay gaps, and for monitoring severance payments for staff earning over £100K. The Committee has a lay Chair, not the Chair of the Board of Trustees, and includes an external pay expert as a full member of the Committee.

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

The Secretary and Chief Operating Officer 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 Secretary and Chief Operating Officer 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 include the Health, Safety and Security Committee. Details of their membership and terms of reference are contained in the Standing Orders.

## Oversight of Risk Management and Internal Control

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

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and enable it to ensure that the Financial Statements are prepared in accordance with the Royal Charter, the Statement of Recommended Practice: Accounting for Further and Higher Education and other applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) and the OfS Accounts direction.

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

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

The Board of Trustees has taken reasonable steps to:

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

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

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

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

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

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

### Risk management

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

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

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

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

Major risks facing the School have been identified around:

1. Compliance, cyber-security, and financial sustainability.
2. Staff and stakeholder 'buy-in' to transformation and change in management and pedagogic practice.
3. The management of projects and systems development.
4. Personnel changes in the Executive and on the Board of Trustees.

A priority for the School in 2021-22 is to review and overhaul the Risk Register and the Framework that supports it.

### 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 2020, up to and including the date of approval of these Financial Statements.

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

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

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

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

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

Overall, 'Partial assurance with improvements required' was given by the Head of Internal Audit based on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

### Value for money

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

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

The program of Transformation and Change undertaken during 2019-20 delivered significant cost reduction in 2020-21. A good deal of time and management effort was expended during 2020-21 to ensure that this was not at the expense of the student experience.

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

### Disclosure of information to the auditor

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

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

### Trade union facility time publication: 1 April 2020-31 March 2021

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 2020 -31 March 2021.

*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
28	27

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

Percentage of time	Number of employees
0%	7
1–50%	21
51–99%	0
100%	0

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

Total cost of facility time	£66,467
Total pay bill	£54,491,872
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.1%

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

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	11.1%
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# Independent Auditor's Report to the Trustees of SOAS

## Opinion on the financial statements

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 2021 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; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of SOAS ("the School") and its subsidiaries ("the Group") for the year ended 31 July 2021 which comprise the Consolidated and School Statement of Comprehensive Income, Consolidated and School Statement of Changes in Reserves, Consolidated and School Statement of Financial Position, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

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.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and School's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board members with respect to going concern are described in the relevant sections of this report.

## Other information

The Board of Trustees is responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, Statement of Corporate Governance and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

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

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

### Responsibilities of the Board of Trustees

As explained more fully in the Statement of Trustees Responsibilities, the Board of Trustees is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is 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 intends 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.

### Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the OfS Accounts Direction and tax legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board of Trustees and other management and inspection of regulatory and legal correspondence if any.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, OfS and Research England to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing items included in the fraud register as well as the results of any investigations into these matters;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the actuarial assumptions used for the pension schemes in place and the provision made against student debtors;
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition; and
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privileged access rights, journals posted by key management and journals posted after the year end.

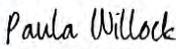
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 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 as a body, for our audit work, for this report, or for the opinions we have formed.

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

**30 November 2021**

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





# Consolidated and School Statement of Comprehensive Income Year ended 31 July 2021

Income	Notes	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Tuition fees and education contracts	1	65,254	65,248	63,157	63,148
Funding body grants	2	9,760	9,760	9,415	9,415
Research grants and contracts	3	7,002	7,002	8,386	8,386
Other income	4	5,291	5,291	5,908	5,908
Investment income	5	966	966	1,098	1,098
<b>Total income before endowments and donations</b>		<b>88,273</b>	<b>88,267</b>	<b>87,964</b>	<b>87,955</b>
Endowments and donations	6	900	900	1,198	1,198
<b>Total income</b>		<b>89,173</b>	<b>89,167</b>	<b>89,162</b>	<b>89,153</b>
<b>Expenditure</b>					
Staff costs	7	50,575	50,522	59,115	59,000
Pension movement	7, 17	(1,582)	(1,582)	(13,720)	(13,720)
Restructuring costs	7	1,215	1,215	2,302	2,302
Other operating expenses	8	22,703	22,972	26,570	26,512
Depreciation	11	5,392	5,392	6,123	6,123
Interest and other finance costs	9	290	290	691	691
<b>Total expenditure</b>	<b>10</b>	<b>78,593</b>	<b>78,809</b>	<b>81,081</b>	<b>80,908</b>
<b>Surplus before other gains or losses</b>		<b>10,580</b>	<b>10,358</b>	<b>8,081</b>	<b>8,245</b>
Gain on disposal of fixed assets		-	-	4,380	4,380
Gain on investments	13	8,180	8,180	160	160
<b>Surplus for the year</b>		<b>18,760</b>	<b>18,538</b>	<b>12,621</b>	<b>12,785</b>
<b>Other comprehensive income</b>					
Change in fair value of hedging financial instruments		212	212	(40)	(40)
<b>Total comprehensive income for the year</b>		<b>18,972</b>	<b>18,750</b>	<b>12,581</b>	<b>12,745</b>
Represented by:					
Endowment comprehensive income for the year		6,900	6,900	(1,950)	(1,950)
Restricted comprehensive income for the year		106	106	(7)	-
Unrestricted comprehensive income for the year		11,958	11,736	14,782	14,939
Revaluation reserve comprehensive income for the year		(204)	(204)	(204)	(204)
Cash flow hedge reserve		212	212	(40)	(40)
		<b>18,972</b>	<b>18,750</b>	<b>12,581</b>	<b>12,745</b>

The notes on pages 48 to 71 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 2021

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 2019	51,239	205	15,935	14,833	(731)	81,481
(Deficit) / surplus from the income and expenditure statement	(1,950)	(7)	14,578	-	-	12,621
Other comprehensive income	-	-	-	-	(40)	(40)
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
<b>Total comprehensive income for the year</b>	<b>(1,950)</b>	<b>(7)</b>	<b>14,782</b>	<b>(204)</b>	<b>(40)</b>	<b>(12,581)</b>
Balance at 1 August 2020	49,289	198	30,717	14,629	(771)	94,062
Surplus from the income and expenditure statement	7,294	47	11,419	-	-	18,760
Other comprehensive income	-	-	-	-	212	212
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Transfers relating to reclassifications – see note 18	(394)	59	335	-	-	-
<b>Total comprehensive income for the year</b>	<b>6,900</b>	<b>106</b>	<b>11,958</b>	<b>(204)</b>	<b>212</b>	<b>18,972</b>
<b>Balance at 31 July 2021</b>	<b>56,189</b>	<b>304</b>	<b>42,675</b>	<b>14,425</b>	<b>(559)</b>	<b>113,034</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 2019	51,239	-	16,000	14,833	(731)	81,341
(Deficit) / surplus from the income and expenditure statement	(1,950)	-	14,735	-	-	12,785
Other comprehensive income	-	-	-	-	(40)	(40)
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
<b>Total comprehensive income for the year</b>	<b>(1,950)</b>	<b>-</b>	<b>14,939</b>	<b>(204)</b>	<b>(40)</b>	<b>12,745</b>
Balance at 1 August 2020	49,289	-	30,939	14,629	(771)	94,086
Surplus from the income and expenditure statement	7,294	47	11,197	-	-	18,538
Other comprehensive income	-	-	-	-	212	212
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Transfers relating to reclassifications – see note 18	(394)	59	335	-	-	-
<b>Total comprehensive income for the year</b>	<b>6,900</b>	<b>106</b>	<b>11,736</b>	<b>(204)</b>	<b>212</b>	<b>18,750</b>
<b>Balance at 31 July 2021</b>	<b>56,189</b>	<b>106</b>	<b>42,675</b>	<b>14,425</b>	<b>(559)</b>	<b>112,836</b>

The notes on pages 48 to 71 make up part of the financial statements.

# Consolidated and School Statement of Financial Position as at 31 July 2021

	Notes	As at 31 July 2021 Consolidated £'000	As at 31 July 2021 School £'000	As at 31 July 2020 Consolidated £'000	As at 31 July 2020 School £'000
<b>Non-current assets</b>					
Fixed assets	11	83,113	83,113	86,956	86,956
Heritage assets	11/12	467	467	467	467
Investments	13/18	53,441	53,441	45,338	45,338
<b>Total</b>		<b>137,021</b>	<b>137,021</b>	<b>132,761</b>	<b>132,761</b>
<b>Current assets</b>					
Trade and other receivables	14	8,668	8,668	7,855	8,127
Cash and cash equivalents	20	19,501	19,286	11,778	11,501
<b>Total</b>		<b>28,169</b>	<b>27,954</b>	<b>19,633</b>	<b>19,628</b>
Less: Creditors: amounts falling due within one year	15	(22,883)	(22,866)	(27,686)	(27,657)
<b>Net current assets / (liabilities)</b>		<b>5,286</b>	<b>5,088</b>	<b>(8,053)</b>	<b>(8,029)</b>
<b>Total assets less current liabilities</b>		<b>142,307</b>	<b>142,109</b>	<b>124,708</b>	<b>124,732</b>
Creditors: amounts falling due after more than one year	16	(16,493)	(16,493)	(16,388)	(16,388)
<b>Provisions</b>					
Pension liabilities	17	(12,780)	(12,780)	(14,258)	(14,258)
<b>Total net assets</b>		<b>113,034</b>	<b>112,836</b>	<b>94,062</b>	<b>94,086</b>
<b>Restricted reserves</b>					
Income and expenditure reserve – endowment reserve	18	56,189	56,189	49,289	49,289
Income and expenditure reserve – restricted reserve	19	304	106	198	-
<b>Unrestricted reserves</b>					
Income and expenditure reserve – unrestricted		42,675	42,675	30,717	30,939
Revaluation reserve		14,425	14,425	14,629	14,629
Cash flow hedge reserve		(559)	(559)	(771)	(771)
<b>Total reserves</b>		<b>113,034</b>	<b>112,836</b>	<b>94,062</b>	<b>94,086</b>

The notes on pages 48 to 71 make up part of the financial statements. The financial statements were authorised and approved by the Board of Trustees on 25 November 2021 and were signed on its behalf on that date by:



**Professor Adam Habib**, Director



**Mr Richard Millward**, Honorary Treasurer

# Consolidated Statement of Cash Flows

## Year ended 31 July 2021

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
<b>Cash flow from operating activities</b>			
Surplus for the year		18,760	12,621
<b>Adjustment for non-cash items</b>			
Depreciation	11	5,392	6,123
Gain on investments	13/18	(8,180)	(160)
Stock movements		-	11
(Increase) / decrease in debtors	14	(813)	2,276
(Decrease) in creditors	15	(4,949)	(416)
(Decrease) in pension liabilities	17	(1,478)	(13,285)
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(966)	(1,098)
Interest payable	9	186	256
Endowment income	18	(721)	(1,059)
Gain on the sale of tangible assets		-	(4,380)
Deferred capital grants released to income		(1,184)	(1,480)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>6,047</b>	<b>(591)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of tangible assets		-	9,074
Capital grant receipts		1,979	468
Investment income		966	1,098
Payments made to acquire fixed assets		(1,391)	(2,335)
Receipts from investments	13	77	147
<b>Net cash inflow from investing activities</b>		<b>1,631</b>	<b>8,452</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(186)	(253)
Interest element of finance lease	9	-	(3)
Endowment cash received	18	721	1,059
Repayments of amounts borrowed		(462)	(10,462)
Capital element of finance lease		(28)	(110)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>45</b>	<b>(9,769)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>7,723</b>	<b>(1,908)</b>
Cash and cash equivalents at beginning of the year	20	11,778	13,686
Cash and cash equivalents at end of the year	20	19,501	11,778



# Statement of Accounting Policies

## For the year ended 31 July 2021

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. Accounting convention

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

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

### 3. Basis of preparation

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

#### Going concern

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

The School has set a surplus budget for 2021-22 and 2022-23. Recruitment targets have broadly been met this year, with the corresponding income contributing towards the School's stronger financial footing and positive cash flows projected up to 31 July 2023 and beyond. The School was successful in securing a Revolving Credit Facility (RCF) which provides access to additional funds if needed, however based on the current projections, the School does not anticipate using this facility.

The Board of Trustees has made appropriate enquiries, which included the review of proposed budget changes, cash flow forecasts and sensitivities for the period up to 31 July 2023. The main area of uncertainty relates to the possibility of adverse financial impacts arising from the ongoing Covid global pandemic. The School has taken a prudent approach in setting the 2021-22 and 2022-23 budgets and has built in contingencies to ensure the School can safeguard itself against adverse impacts whilst implementing actions and delivering on strategic objectives. Having considered these sensitivities, the Board of Trustees considers that whilst there is uncertainty in the forecasts, these do not constitute material uncertainty and therefore SOAS can prepare the financial statements on a going concern basis.

### 4. Exemptions under FRS 102

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

### 5. Basis of consolidation

SOAS has three subsidiary companies:

- SOAS owns 100% of the share capital of SOAS University of London Asia Pte. Ltd (UEN 201826330H) incorporated in Singapore 2 August 2018. The partnership with Ngee Ann Academy was terminated in January 2021 by mutual consent. The company ceased trading 31 March 2021 and was in the process of being struck off at year end.
- SOAS owns 100% of the share capital of SOAS International Ltd (company number 02796535) a dormant subsidiary.
- SOAS exercises control over the London Middle East Institute by virtue of majority Board membership (LMEI, charity registration number 1103017, company number 4758915).

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

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

## 6. Income recognition

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

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

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

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

### Grant funding

Government revenue grants including funding body teaching and research grants are recognised in income over the periods in which SOAS recognises the related costs for which the grant is intended to compensate.

Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

## Endowments and donations

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

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

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

There are four main types of donations and endowments identified within reserves:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of SOAS.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and SOAS has the power to use the capital.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### Capital grants

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

## 7. Accounting for retirement benefits

### Universities Superannuation Scheme (USS)

SOAS participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. SOAS is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the School therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

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 at 31 March 2020 was £3,612 million representing 94% of the liabilities. The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

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. Although there was a Technical Provisions deficit at 31 March 2020, allowing for post valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by SOAS.

## 8. Employment benefits

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

## 9. Finance leases

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

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

## 10. Foreign currency

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

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

## 11. Fixed assets

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

### Land and buildings

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

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

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

### Fixtures, fittings and equipment

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

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

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

### Borrowing costs

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

## 12. Heritage assets

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

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

### 13. Investments

Investments are held at fair value with movements recognised in the Statement of Comprehensive Income. Acquisitions and disposals of individual share holdings within the fund held by our investment managers are reported net as they do not represent additions to or disposals from the overall portfolio.

### 14. Cash and cash equivalents

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

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

### 15. Financial assets and liabilities

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

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

### 16. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

### 17. Taxation

The School is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, SOAS is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

### 18. Derivatives

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

## 19. Reserves

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

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

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

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

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

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

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

Other key sources of estimation uncertainty include:

### Tangible fixed assets (see note 11)

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

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

### Trade and donation debtors (see note 14)

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

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

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

### Pension liabilities – consolidated and institution (see note 17)

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

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

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

# Notes to the Accounts

## For the year ended 31 July 2021

### 1. Tuition fees and education contracts

	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Full-time students – UK and European Union	29,906	29,906	25,856	25,856
Full-time students charged overseas fees	21,557	21,551	24,831	24,822
Part-time students	3,487	3,487	2,961	2,961
Full fee students	10,304	10,304	9,509	9,509
<b>Tuition fees net of scholarships, bursaries and awards</b>	<b>65,254</b>	<b>65,248</b>	<b>63,157</b>	<b>63,148</b>
Scholarships, bursaries and awards	1,600	1,600	2,179	2,179
<b>Tuition fees inclusive of scholarships, bursaries and awards</b>	<b>66,854</b>	<b>66,848</b>	<b>65,336</b>	<b>65,327</b>

### 2. Funding body grants

	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
<b>Recurrent grant</b>				
Office for Students	1,254	1,254	1,467	1,467
Research England	6,459	6,459	5,647	5,647
<b>Specific grants</b>				
Higher Education Innovation Fund	582	582	522	522
Global Challenges Research Fund	231	231	247	247
Strategic Priorities Fund	50	50	52	52
Deferred capital grants released to income	1,184	1,184	1,480	1,480
<b>Total</b>	<b>9,760</b>	<b>9,760</b>	<b>9,415</b>	<b>9,415</b>

### 3. Research grants and contracts

	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Research councils	2,851	2,851	3,184	3,184
UK based charities	796	796	1,032	1,032
European Commission	1,870	1,870	2,635	2,635
Other grants and contracts	1,485	1,485	1,535	1,535
<b>Total</b>	<b>7,002</b>	<b>7,002</b>	<b>8,386</b>	<b>8,386</b>

### 4. Other income

	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Rent receivable	902	902	990	990
Room lettings	-	-	31	31
Library fees	4	4	48	48
Accommodation, catering and conferences	1	1	533	533
Resales and reimbursements	203	203	342	342
Grant income	1,279	1,279	1,418	1,418
Enterprise income	781	781	947	947
University of London International Programme	1,460	1,460	640	640
Other income	661	661	959	959
<b>Total</b>	<b>5,291</b>	<b>5,291</b>	<b>5,908</b>	<b>5,908</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 3rd August 2018. Courtauld has a break clause on 1 November 2021 and SOAS has a break clause on 30 September 2022. The first 5 months of the agreement was for a peppercorn rent and then a base rent of £958k per annum. The minimum rent rises to £977k on 3 August 2021 and then £997k on 3 August 2022.

## 5. Investment income

	Notes	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Investment income on endowments	18	964	964	1,079	1,079
Other investment income		2	2	19	19
<b>Total</b>		<b>966</b>	<b>966</b>	<b>1,098</b>	<b>1,098</b>

## 6. Endowments and donations

	Notes	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
New endowments	18	721	721	1,059	1,059
Donations with restrictions	19	47	47	114	114
Donations with no restrictions		132	132	25	25
<b>Total</b>		<b>900</b>	<b>900</b>	<b>1,198</b>	<b>1,198</b>

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

<b>Grant and Fee income</b>	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Grant income from the OfS	1,475	1,475	1,603	1,603
Grant income from other bodies	18,545	18,545	18,084	18,084
Fee income for research awards (exclusive of VAT)	3,161	3,161	2,763	2,763
Fee income from non-qualifying courses (exclusive of VAT)	1,347	1,347	2,308	2,308
Fee income for taught awards (exclusive of VAT)	60,746	60,740	58,086	58,077
<b>Total</b>	<b>85,274</b>	<b>85,268</b>	<b>82,844</b>	<b>82,835</b>

## 7. Staff costs

	Note	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Salaries		39,790	39,737	46,085	45,970
Social security costs		3,964	3,964	4,528	4,528
Other pension costs		7,018	7,018	8,104	8,104
Movement in holiday pay accrual		(197)	(197)	398	398
<b>Total</b>		<b>50,575</b>	<b>50,522</b>	<b>59,115</b>	<b>59,000</b>
Movement on USS and SAUL provision	17	(1,582)	(1,582)	(13,720)	(13,720)
Restructuring costs – compensation for loss of office		1,215	1,215	2,302	2,302
<b>Total</b>		<b>50,208</b>	<b>50,155</b>	<b>47,697</b>	<b>47,582</b>

Compensation for loss of office across the whole provider was payable to 77 people [2019-20: 110].

Average full time equivalent staff numbers by category:

	Year ended 31 July 2021 Consolidated Number	Year ended 31 July 2021 School Number	Year ended 31 July 2020 Consolidated Number	Year ended 31 July 2020 School Number
Academic	367	367	432	432
Support	462	462	535	534
<b>Total</b>	<b>829</b>	<b>829</b>	<b>967</b>	<b>966</b>

Emoluments of the Director	Year ended 31 July 2021 £	Year ended 31 July 2020 £
Basic salary – Professor Adam Habib (1 January 2021 – 17 March 2021, 10 May onward)*	103,637	-
Pension contributions to USS – Professor Adam Habib	8,363	-
Relocation costs – Professor Adam Habib	18,977	-
	<b>130,977</b>	-
Basic salary – Professor Claire Ozanne (18 March 2021 to 9 May 2021)	25,266	-
Pension contributions to USS – Professor Claire Ozanne	3,930	-
	<b>29,196</b>	-
Basic salary – Professor Graham Upton (appointed 1 August 2020, resigned 31 December 2020)	83,333	-
Basic salary – Baroness Valerie Amos (resigned 31 August 2020)**	29,606	243,291
Pension contributions to USS – Baroness Valerie Amos	1,520	18,078
	<b>31,126</b>	<b>261,369</b>
Residence provided to Director (see below)	54,348	54,321
	<b>328,980</b>	<b>315,690</b>

\* During the period 18 March 2021 to 9 May 2021, Professor Adam Habib temporarily stepped down while Professor Claire Ozanne undertook his duties.

\*\* During the period 1 August to 31 August 2020, Baroness Valerie Amos was on annual leave.

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.

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. Since joining SOAS Professor Adam Habib has led the senior team and Executive Board in managing the School through a challenging external environment including the global pandemic and in addition has established a new SOAS Strategic Plan following significant consultation with members of the SOAS community.\*

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 that they occupy the accommodation provided for them by SOAS.

Residence at the accommodation provided includes official entertaining, meetings, overnight stays and call out as deemed appropriate. The rental value of the whole residence provided is £54,348 (2019-20: £54,321). Professor Adam Habib received £18,977 as reimbursement for relocation costs to the UK. 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.

Pay ratios (Consolidated and School)	Year ended 31 July 2021 Director's basic salary to median basic salary	Year ended 31 July 2021 Director's total remuneration to median total remuneration	Year ended 31 July 2020 Director's basic salary to median basic salary	Year ended 31 July 2020 Director's total remuneration to median total remuneration
Professor Adam Habib	6.1	7.1	-	-
Professor Claire Ozanne	4.4	5.5	-	-
Professor Graham Upton	5.1	5.5	-	-
Baroness Valerie Amos	6.2	6.8	5.9	6.5
<b>Total across all individuals</b>	<b>6.2</b>	<b>7.1</b>	<b>5.9</b>	<b>6.5</b>

\* The achievements of the other Directors are described in the Chair's Foreword.

Median pay is calculated on a full-time equivalent basis for the salaries and total remuneration paid by SOAS to its staff. Total remuneration includes basic salary, allowances, overtime payments, employer's pension, provided accommodation and relocation costs. The median basic salary is calculated with reference to permanent and fixed term employees from both academic and professional services teams included in the School's real time reporting to HMRC.

The number of staff with a basic salary of over £100,000 per annum has been included below.

Basic salary per annum	Consolidated number	School number	Consolidated number	School number
£100,000 to £104,999	3	3	2	2
£105,000 to £109,999	1	1	-	-
£120,000 to £124,999	3	3	4	4
£125,000 to £129,999	1	1	-	-
£135,000 to £139,999	-	-	1	1
£240,000 to £244,999	1	1	1	1
<b>Total</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>8</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 2021		Year ended 31 July 2020	
Full time equivalent members	Staff Costs £'000	Full time equivalent members	Staff Costs £'000
15	1,517	19	1,814

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

## 8. Other operating expenses

	Notes	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Research grants and contracts		1,505	1,505	2,161	2,161
Non-contract staff		1,733	1,733	2,904	2,904
Course development		115	115	183	183
Examinations		40	40	19	19
Year abroad and study tours		145	145	407	407
Intercollegiate teaching		240	240	20	20
Fellowships, scholarships and other fees		3,355	3,355	3,241	3,241
Published materials		1,552	1,552	1,654	1,654
Information technology		1,707	1,707	1,392	1,392
Marketing and student recruitment costs		980	980	1,308	1,308
Student related costs		473	473	430	430
Grant to SOAS Students' Union		303	303	258	258
Accommodation, catering and conferences		350	350	231	231
Consumables		164	164	145	145
Furniture and equipment		15	15	126	126
Hire of plant and equipment		91	91	69	69
Repairs and maintenance		572	572	568	568
Rent, rates and insurance		633	633	762	762
Heat, water and power		627	627	780	780
Security, caretaking and cleaning		262	262	403	403
Telecommunications and postage		103	103	195	195
Staff recruitment, development and travel		469	469	893	893
Student recruitment commission		1,006	1,006	819	819
University of London Fee		520	520	596	596
Subscriptions		900	900	807	807
Professional fees		1,499	1,499	2,376	2,376
Auditor's remuneration – internal audit fee		74	74	64	64
Auditor's remuneration – external audit fee		74	74	57	57
Auditor's remuneration – other		3	3	3	3
Legal fees		239	239	237	237
Enterprise contracts		301	301	395	395
SOAS University of London Asia Pte. Ltd closure		-	269	-	-
Provision for doubtful debts*		1,301	1,301	72	72
Provision for donation**		98	98	1,500	1,500
Other expenses		1,254	1,254	1,495	1,437
<b>Total</b>		<b>22,703</b>	<b>22,972</b>	<b>26,570</b>	<b>26,512</b>

\* The School has made a provision for student and other debts that are unlikely to be paid due to the impact of Covid.

\*\* The School has made a provision for non-payment of a pledged donation of £0.1m (2019-20: £1.5m) as there is uncertainty whether the gift will be paid due to the impact of Covid on the donor's finances.

## 9. Interest and other finance costs

	Notes	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Loan interest		186	186	253	253
Finance lease interest		-	-	3	3
Net charge on pension scheme	17	104	104	435	435
<b>Total</b>		<b>290</b>	<b>290</b>	<b>691</b>	<b>691</b>

## 10. Analysis of total expenditure by activity

	Notes	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Academic departments		31,112	31,112	36,386	36,386
Academic services		11,109	11,109	13,543	13,543
Central administration and services		9,796	9,743	11,679	11,506
General education expenditure		7,709	7,709	7,220	7,220
Staff and student facilities		2,649	2,649	2,554	2,554
Repairs and maintenance		3,388	3,388	4,081	4,081
Premises other expenditure		6,005	6,005	7,124	7,124
Residences, catering and conferences		248	248	839	839
Research grants and contracts		4,728	4,728	6,368	6,368
Restructuring		1,215	1,215	2,302	2,302
Pension movement (see note 17)		(1,478)	(1,478)	(13,285)	(13,285)
Other expenditure		2,112	2,381	2,270	2,270
<b>Total</b>		<b>78,593</b>	<b>78,809</b>	<b>81,081</b>	<b>80,908</b>

<b>Access and Participation expenditure</b>		Staff costs £'000	Other Expenditure £'000	Year Ended 31 July 2021 Consolidated and School Total £'000	Year Ended 31 July 2020 Consolidated and School Total £'000
Access Investment		234	96	330	335
Financial Support (including Student Success and Progression)		252	1,441	1,693	1,530
Disability Support		-	-	-	25
Research and Evaluation		-	-	-	9
<b>Total</b>		<b>486</b>	<b>1,537</b>	<b>2,023</b>	<b>1,899</b>

The School's Access and Participation Plan (APP) can be downloaded from [www.soas.ac.uk/widening-participation/](http://www.soas.ac.uk/widening-participation/)

The APP committed the School to spend £1,790k, the actual spend recorded was £233k higher at £2,023k due to assistance provided to students requiring financial support due to Covid.

## 11. Fixed Assets – Consolidated and School

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Heritage assets £'000	Total £'000
<b>Cost and valuation</b>						
At 1 August 2020	11,624	110,690	19,996	1,568	467	144,345
Additions	-	136	1,199	214	-	1,549
<b>At 31 July 2021</b>	<b>11,624</b>	<b>110,826</b>	<b>21,195</b>	<b>1,782</b>	<b>467</b>	<b>145,894</b>
<b>Consisting of valuation as at 31 July 2021</b>						
Valuation	-	24,250	-	-	-	24,250
Cost	11,624	86,576	21,195	1,782	467	121,644
<b>Total</b>	<b>11,624</b>	<b>110,826</b>	<b>21,195</b>	<b>1,782</b>	<b>467</b>	<b>145,894</b>
<b>Depreciation</b>						
At 1 August 2020	2,044	39,162	15,716	-	-	56,922
Charge for the year	109	3,583	1,700	-	-	5,392
<b>At 31 July 2021</b>	<b>2,153</b>	<b>42,745</b>	<b>17,416</b>	<b>-</b>	<b>-</b>	<b>62,314</b>
<b>Net book value</b>						
At 31 July 2021	9,471	68,081	3,779	1,782	467	83,580
At 31 July 2020	9,580	71,528	4,280	1,568	467	87,423

At 31 July 2021, freehold land and buildings included £6.1m (2020 – £6.1m) in respect of freehold land and is not depreciated.

### Leased assets included above: Net Book Value

At 31 July 2021	-	-	-	-	-	-
At 31 July 2020	-	-	27	-	-	27

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

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Cost	322	322
Accumulated depreciation	(295)	(188)
Charge for year	(27)	(107)
<b>Net book value</b>	<b>-</b>	<b>27</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 Schools's historic heritage assets at the date of acquisition as the cost would be disproportionate to the benefits of establishing accurate valuations. These heritage assets are insured for £28m.

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

## 13. Non-Current Investments

	Year Ended 31 July 2021 Consolidated and School £'000	Year Ended 31 July 2020 Consolidated and School £'000
<b>At 1 August</b>	<b>45,338</b>	<b>45,325</b>
Net (Receipts from) / payments to acquire investments	(77)	(147)
Increase in market value of investments	8,180	160
<b>At 31 July</b>	<b>53,441</b>	<b>45,338</b>

Non-current investments have been valued at market value.

## 14. Trade and other receivables

Amounts falling due within one year	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
General debtors less provision for bad debts	4,195	4,195	3,437	3,429
Research grants receivables	1,485	1,485	1,884	1,884
Prepayments and accrued income	2,936	2,936	2,466	2,466
Amounts due from group undertakings	-	-	-	280
Staff loans	52	52	68	68
<b>Total</b>	<b>8,668</b>	<b>8,668</b>	<b>7,855</b>	<b>8,127</b>

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

Amounts falling due within one year	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Loans	462	462	462	462
Obligations under finance leases	-	-	28	28
Trade payables and accruals	7,564	7,547	8,913	8,884
Provision for voluntary severance agreements*	73	73	2,095	2,095
Other creditors	1,475	1,475	2,266	2,266
Social security and other taxation payable	1,167	1,167	2,603	2,603
Derivatives	148	148	136	136
Research grants and contracts in advance	6,055	6,055	6,212	6,212
Deferred income	5,939	5,939	4,971	4,971
<b>Total</b>	<b>22,883</b>	<b>22,866</b>	<b>27,686</b>	<b>27,657</b>

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

**Deferred income**

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

	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Tuition fees	4,137	4,137	3,280	3,280
Grant income	438	438	947	947
Enterprise income	1,104	1,104	631	631
Conferences	5	5	-	-
Other	255	255	113	113
<b>Total</b>	<b>5,939</b>	<b>5,939</b>	<b>4,971</b>	<b>4,971</b>

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

	Year Ended 31 July 2021 Consolidated and School £'000	Year Ended 31 July 2020 Consolidated and School £'000
Loans	4,154	4,616
Deferred income	11,928	11,137
Derivatives	411	635
<b>Total</b>	<b>16,493</b>	<b>16,388</b>

**Analysis of loans**

Due within one year or on demand	15	462	462
Due between one and two years		462	462
Due between two and five years		1,386	1,386
Due in five years or more		2,306	2,768
Due after more than one year		4,154	4,616
<b>Total</b>		<b>4,616</b>	<b>5,078</b>

**Included in loans are the following:**

Barclays Bank unsecured loan at LIBOR plus 0.22% (variable interest rate) repayable by July 2031 (see below)		-	5,078
Barclays Bank secured loan – Facility A (see below)		2,960	-
Barclays Bank secured loan – Facility B (see below)		1,656	-
		<b>4,616</b>	<b>5,078</b>
Less due within one year		(462)	(462)
		<b>4,154</b>	<b>4,616</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 Barclays Bank loan. The effective start date of the contract was 28 June 2002, the termination date is 30 June 2027. At year end the swap covered £960,000 (2020: £1,120,000) 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. £55,771 (2020: £57,000) of interest expense in the accounts relates to interest paid on the swap contract.

A second swap contract was signed with Lloyds Bank on 2 November 2006. This swap contract further reduces the School's exposure to interest rate fluctuations on the Barclays Bank loan. The effective start date of the swap contract is 2 November 2006, the termination date is 30 September 2026. The underlying principal 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. £92,363 (2020: £79,000) of interest expense in the accounts relates to interest paid on the swap contract.

### Loans

On 7 April 2021, the School agreed a new £10m secured revolving credit facility with Barclays at Bank of England rate plus 1.25%. There were no drawings on the facility at 31 July 2021.

On 7 April 2021, the School's existing unsecured loan with Barclays at LIBOR plus 0.22% (repayable July 2031) moved to a secured loan split into a Facility A and B portion. Facility A's interest is LIBOR plus 1.00% for the first 12 months then LIBOR plus 1.80% thereafter (repayable June 2027). Facility B's interest is LIBOR plus 0.75% for the first 12 months then LIBOR plus 1.25% thereafter (repayable April 2026). The revolving credit facility, Facility A loan and Facility B loan are secured on the Vernon Square site.

## 17. Pension liabilities – Consolidated and School

	Obligation to fund deficit on USS Pension £'000
At 1 August 2020	14,258
Unwinding of discount factor	104
Deficit contributions paid	(596)
Change in expected contributions	(986)
<b>At 31 July 2021</b>	<b>12,780</b>

The change in expected contributions (£986k) combined with the total of deficit contributions paid (£596k) above of £1,582k is shown as a reduction in staff costs in note 7. The change in expected contributions arose due to the scheme's deficit decreasing based on the latest valuation – see note 24.

## 18. Endowment Reserves – Consolidated and School

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2021 total £'000	2020 total £'000
<b>Balances at 1 August</b>				
Capital	31,673	4,021	35,694	37,766
Unapplied total return	12,595	1,000	13,595	13,473
<b>Total</b>	<b>44,268</b>	<b>5,021</b>	<b>49,289</b>	<b>51,239</b>
New endowments	30	691	721	1,059
Investment income	863	101	964	1,079
Expenditure	(770)	(1,580)	(2,350)	(4,072)
Investment management fees	(199)	(6)	(205)	(176)
Legal fees	(11)	-	(11)	-
Transfers relating to reclassifications*	(146)	(248)	(394)	-
Increase in market value of investments	7,951	224	8,175	160
<b>Total endowment comprehensive income for the year</b>	<b>7,718</b>	<b>(818)</b>	<b>6,900</b>	<b>(1,950)</b>
<b>At 31 July</b>	<b>51,986</b>	<b>4,203</b>	<b>56,189</b>	<b>49,289</b>
<b>Represented by:</b>				
Capital	33,872	3,037	36,909	35,694
Unapplied total return	18,114	1,166	19,280	13,595
<b>Total</b>	<b>51,986</b>	<b>4,203</b>	<b>56,189</b>	<b>49,289</b>

\*Transfers relating to reclassifications – during the year the endowment portfolio was reviewed and following legal advice, one permanent endowment was reclassified as a restricted reserve (£59k, see note 19) and one permanent endowment was reclassified as an unrestricted reserve (£87k). Two expendable endowments were reclassified as unrestricted (£248k).

	Restricted permanent endowments £'000	Expendable endowments £'000	2021 total £'000	2020 total £'000
<b>Analysis by type of purpose</b>				
Staff posts	38,696	335	39,031	33,486
Scholarships and bursaries	7,989	1,066	9,055	8,645
Academic support	3,826	2,501	6,327	5,388
Research support	176	15	191	177
Prize funds	509	24	533	529
Lectures	742	-	742	673
Library	48	245	293	372
Events	-	17	17	19
<b>Totals</b>	<b>51,986</b>	<b>4,203</b>	<b>56,189</b>	<b>49,289</b>
<b>Analysis by asset</b>				
Non-current asset investments	50,973	2,064	53,037	45,118
Cash & cash equivalents	1,013	2,139	3,152	4,171
<b>Totals</b>	<b>51,986</b>	<b>4,203</b>	<b>56,189</b>	<b>49,289</b>

## 19. Restricted Reserves

Reserves with restrictions are as follows:

	2021 Total Consolidated £'000	2021 Total School £'000	2020 Total Consolidated £'000	2020 Total School £'000
Balances at 1 August	198	-	205	-
New donations	47	47	114	114
Expenditure	-	-	(121)	(114)
Transfers	59	59	-	-
<b>Total restricted comprehensive income for the year</b>	<b>106</b>	<b>106</b>	<b>(7)</b>	<b>-</b>
<b>At 31 July</b>	<b>304</b>	<b>106</b>	<b>198</b>	<b>-</b>

<b>Analysis of restricted donations by type of purpose:</b>	2021 Total Consolidated and School £'000	2020 Total Consolidated and School £'000
Scholarships and bursaries	22	9
Staff posts	-	99
Events	25	6
<b>Total</b>	<b>47</b>	<b>114</b>

## 20. Consolidated cash and cash equivalents

	At 1 August 2020 £'000	Cash Flows £'000	At 31 July 2021 £'000
Cash and cash equivalents	11,778	7,723	19,501
	<b>11,778</b>	<b>7,723</b>	<b>19,501</b>

## 21. Consolidated reconciliation of net debt

	Note	1 August 2020 £'000	Cash flows £'000	Other Non-Cash Changes £'000	31 July 2021 £'000
Cash and cash equivalents	20	11,778	7,723	-	19,501
Secured loans	15, 16	(5,078)	462	-	(4,616)
Obligations under finance leases	15, 16	(28)	28	-	-
Derivatives	15, 16	(771)	-	212	(559)
<b>Totals</b>		<b>5,901</b>	<b>8,213</b>	<b>212</b>	<b>14,326</b>

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

## 22. Capital and other commitments

Provision has not been made for the following capital expenditure commitments at 31 July 2021:

	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
Commitments contracted for	563	563	158	158
	<b>563</b>	<b>563</b>	<b>158</b>	<b>158</b>

## 23. Financial Instruments

	Year ended 31 July 2021 Consolidated £'000	Year ended 31 July 2021 School £'000	Year ended 31 July 2020 Consolidated £'000	Year ended 31 July 2020 School £'000
<b>Financial assets</b>				
Financial assets at fair value through Statement of Comprehensive Income				
Listed investments	53,441	53,441	45,338	45,338
<b>Financial liabilities</b>				
Financial liabilities at fair value through Statement of Comprehensive Income				
Derivative financial instruments designated as hedges of variable interest rate risk	559	559	771	771

Financial assets measured at fair value through Statement of Comprehensive Income relate to non-current asset investments in a trading portfolio of listed company shares and bonds. The fair values of these assets were determined using quoted prices.

Derivative financial instruments designated as hedges of variable interest rate risk comprise interest rate swaps (see note 16). The fair value of derivatives has been calculated by discounting the expected future cash flows at the prevailing interest rates.

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

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires

schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

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

### Pension increases (CPI)

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

### Discount rate (forward rates)

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

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

**Mortality base table: 2018 Valuation**

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

**Future improvements to mortality**

CMI\_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

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

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	3.25%	3.25%

**(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 2020. Informal reviews of SAUL’s position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and are due to be reviewed at SAUL’s next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market movements following the valuation were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers’ contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

## 25. Events after the reporting period

The Universities Superannuation Scheme 2020 valuation was filed with The Pensions Regulator with an effective date of 1 October 2021. The 2020 Valuation came into effect with a dual rate schedule of contributions as set out below subject to being agreed by members as indicated.

Leg 1, which includes a small increase in contribution rates from the 2018 valuation and a longer deficit recovery period as a result of the decision to proceed with the benefit change by the Joint Negotiating Committee (JNC) subject to member consultation. The key assumptions under Leg 1 are: Deficit Recovery Contributions (DRCs) under the 2018 valuation (2% up to 30/9/2021) cease from 1 October 2021. DRCs under leg 1 of the 2020 valuation

commence from 1 April 2022 and include allowance for the fact that until 1 April 2022 the contributions payable under this leg of the SoC are less than the contributions required to fund the unchanged benefits accruing in that period. From 1 April 2022, when the proposed benefit changes are assumed to have been implemented, the DRCs are equal to 6.3% of salaries and are payable for the length of the recovery plan until 31 March 2038.

Leg 2, which includes more significant increases in contribution rates from the 2018 valuation and a shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022.

## 26. 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 2021, 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. Sabrina Shah and Yasmin Elsouda served as Trustees of SOAS and representatives of the SOAS Students' Union during 2020-21. During the year SOAS paid a grant of £303,000 (2019-20: £258,000) to SOAS Students' Union which is a registered charity. At 31 July 2021, the Students' Union owed SOAS £25,000 (2019: SOAS owed the Students' Union £22,000).

### Trustees

No trustees were reimbursed expenses during 2020-21 (Three trustees were reimbursed £748 of expenses during 2019-20).

No payments were made to Trustees for serving as a trustee during the year (2019-20: Nil). There were no waivers of such payments during the year (2019-20: Nil).

No payments to Trustees were made for services, other than under a contract of employment, during the year (2019-20: Nil).

## 27. US Department of Education Supplementary Schedule

SOAS participates in the US Department of Education Federal Loan programme and is required to make the following disclosures.

### Supplementary schedule – Sterling £

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations. The data is prepared using UK GAAP and does not include any adjustments that would be required to comply with US GAAP.

Reference	Expendable Net Assets		Year ended 31 July 2021 £'000	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000	Year ended 31 July 2020 £'000
Statement of Financial Position Statement of changes in reserves	Statement of Financial Position – Net assets without donor restrictions	Unrestricted reserve + revaluation reserve + cash flow hedge reserve	-	56,541		44,575
Statement of Financial Position Statement of changes in reserves	Statement of Financial Position – Net assets with donor restrictions	Endowment + restricted reserve	-	56,493		49,487
N/A	Statement of Financial Position – Related party receivable and Related party note disclosure		-	-	-	
N/A	Statement of Financial Position – Related party receivable and Related party note disclosure		-	-		-
Statement of Financial Position Note 11	Statement of Financial Position – Property, Plant and equipment, net	Fixed assets + heritage assets – closing net book value	83,580	-	87,423	
Note 11	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Fixed assets + heritage assets opening net book values less current year depreciation	-	79,930		85,240
N/A	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation with outstanding debt for original purchase		-	-		-
Note 11	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase	Leasehold Land and Buildings and Fixtures, Fittings and Equipment additions	-	3,436		2,101
Note 11	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Assets in the Course of Construction additions	-	214		82
N/A	Statement of Financial Position – Lease right-of-use assets, net		-	-	-	
N/A	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset preimplementation		-	-		-
N/A	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset postimplementation		-	-		-

Reference	Expendable Net Assets		Year ended 31 July 2021 £'000	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000	Year ended 31 July 2020 £'000
N/A	Statement of Financial Position – Goodwill (and other intangibles)		-	-		-
Note 17	Statement of Financial Position – Post-employment and pension liabilities	Closing pension liability	-	12,780		14,258
Note 16	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Closing long-term loan balance	4,616	-	5,078	
Note 16	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Closing long-term loan balance	-	4,616	-	5,078
N/A	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process		-	-		-
N/A	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process		-	-		-
N/A	Statement of Financial Position – Lease right-of-use asset liability		-	-	-	
N/A	Statement of Financial Position – Lease right-of-use asset liability pre-implementation		-	-		-
N/A	Statement of Financial Position – Lease right-of-use asset liability post-implementation		-	-		-
N/A	Statement of Financial Position – Annuities		-	-		-
N/A	Statement of Financial Position – Term endowments		-	-		-
N/A	Statement of Financial Position – Life Income Funds		-	-		-
Statement of Financial Position Statement of changes in reserves	Statement of Financial Position – Perpetual Funds	Endowment + restricted reserve	-	56,493		49,487

Reference	Expendable Net Assets		Year ended 31 July 2021 £'000	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000	Year ended 31 July 2020 £'000
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**Total Expenses and Losses**

Statement of Comprehensive Income	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenditure	-	78,593		81,081
Statement of Comprehensive Income	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) – (Total from Statement of Activities prior to adjustments)	(Investment income + gain on investment + change in fair value of hedging financial instruments)	-	(9,358)		(1,218)
Statement of Comprehensive Income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	(Investment income + gain on investment)	-	(9,146)		(1,258)
N/A	Statement of Activities – Pension related changes other than periodic pension		-	-		-

**Modified Net Assets**

Statement of Financial Position Statement of changes in reserves	Statement of Financial Position – Net assets without donor restrictions	Unrestricted reserve + revaluation reserve + cash flow hedge reserve	-	56,541		44,575
Statement of Financial Position Statement of changes in reserves	Statement of Financial Position – total Net assets with donor restrictions	Endowment + restricted reserve	-	56,493		49,487
N/A	Statement of Financial Position – Goodwill (and other intangibles)		-	-		-
N/A	Statement of Financial Position – Related party receivable and Related party note disclosure		-	-	-	-
N/A	Statement of Financial Position – Related party receivable and Related party note disclosure		-	-		-

Reference	Expendable Net Assets		Year ended 31 July 2021 £'000	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000	Year ended 31 July 2020 £'000
<b>Modified Assets</b>						
Statement of Financial Position	Statement of Financial Position – Total Assets	Non-current assets + current assets	-	165,190		152,394
N/A	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset preimplementation		-	-		-
N/A	Statement of Financial Position – Lease right-of-use asset liability pre-implementation		-	-		-
N/A	Statement of Financial Position – Goodwill (and other intangibles)		-	-		-
N/A	Statement of Financial Position – Related party receivable and Related party note disclosure		-	-	-	
N/A	Statement of Financial Position – Related party receivable and Related party note disclosure		-	-		-
<b>Net Income Ratio</b>						
Statement of Comprehensive Income Statement of changes in reserves	Statement of Activities – Change in Net Assets Without Donor Restrictions	Unrestricted reserve + revaluation reserve + cash flow hedge reserve movement	-	11,966		14,538
Statement of Comprehensive Income	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total income less investment income	-	88,207		92,444

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