



SOAS
University of London

**FINANCIAL
STATEMENTS
2022–23**



SOAS

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CONTENTS

Chair's Foreword	4
Strategic Report	
• Financial Overview	6
• SOAS and Public Benefit	10
• Corporate Governance Statement	19
Independent Auditor's Report to the Trustees of SOAS	26
Consolidated and School Statement of Comprehensive Income	31
Consolidated and School Statement of Changes in Reserves	32
Consolidated and School Statement of Financial Position	34
Consolidated Statement of Cash Flows	35
Statement of Accounting Policies	36
Notes to the Accounts	42

CHAIR'S FOREWORD

I am pleased that the latest financial figures continue to point to a positive and sustainable future for SOAS. When we think back to the financial pressures the sector faced during the Covid-19 pandemic and the reduced income this led to, it is clear in this financial update a debt of gratitude is owed to the School for its astute financial stewardship. I cannot say more emphatically that what underpins the School's collective success is the hard work of SOAS staff.

In year two of our five-year SOAS Strategic Plan, we continued to build on our solid foundations through disciplined financial management. As a result, we have been able to invest in our infrastructure, with refreshed lecture halls, a revitalised home for the Students' Union, and reception area, with many more improvements underway. Crucially, we have been able to invest in our staff and students in the face of the cost-of-living crisis; investment in our people is of paramount importance, and it is our commitment to sustainable growth that will sustain this investment.

The results speak for themselves. As we review our progress in the 2022-23 academic year, our new year begins with a positive start. We have broken into the top 30 best universities in the UK, according to the Times University Rankings for 2024. SOAS now ranks 28 in the latest league table, climbing nine places from last year's ranking.

In addition to being shortlisted in the rankings as specialist university of the year, we join the top five best universities in London. The Guardian University Guide 2024 named SOAS as one of its highest climbing institutions, jumping 34 spaces to position 52, and SOAS was named second in the UK for international faculty in the QS 2024 league table.



We remain committed to enabling access to higher education for people from every background.

SOAS has maintained an overall Silver "very high quality" rating for its teaching, receiving a Bronze for Student experience and Silver for student outcomes, in the Teaching Excellence Framework (TEF). And we continue to build on the success of our Research Excellence Framework outcomes from last year where 87% of our research submitted was ranked world leading or internationally excellent.

The SOAS Strategic Plan continues to guide our work and it is exciting to see its goals being brought to life. Just one of the many areas of progress is our work to build equitable international partnerships. In the last year we have seen an association with the University of the Witwatersrand in South Africa jointly create a new PhD programme. This pioneering degree is delivered with a single-fee structure for both international and domestic students. We can look forward to further equitable partnerships in the new academic year.

We remain committed to enabling access to higher education for people from every background. That is why I am proud that we have invested 50% of our surplus in our scholarships programme and are committed to doing this each year.

Walk onto campus during term time and you will see a wonderful, bustling atmosphere that is distinctly SOAS as we continue our vital role in creating space to discuss, debate and find answers to some of the most pressing issues of our time. I extend my warmest thanks to every member of the SOAS community for making this possible.

**Lord Dr Michael Hastings CBE
Chair of the Board of Trustees**



FINANCIAL OVERVIEW

Summary of income & expenditure	2023 Endowment & Restricted £m	2023 Unrestricted £m	2023 Total £m	2022 Endowment & Restricted £m	2022 Unrestricted £m	2022 Total £m	Change £m
Operating income	1.3	99.5	100.8	1.0	96.2	97.2	3.6
Endowments and donations	2.2	(0.2)	2.0	0.7	0.1	0.8	1.2
Total income	3.5	99.3	102.8	1.7	96.3	98.0	4.8
Operating expenditure	2.7	87.7	90.4	2.7	82.7	85.4	(5.0)
Depreciation	-	6.8	6.8	-	5.8	5.8	(1.0)
Interest and other finance costs	-	0.3	0.3	-	0.2	0.2	(0.1)
Surplus / (deficit) before movement on restructuring costs and pension provision	0.8	4.5	5.3	(1.0)	7.6	6.6	(1.3)
Restructuring costs	-	(0.3)	(0.3)	-	(0.2)	(0.2)	(0.1)
Movement on pension provision	-	8.1	8.1	-	(26.2)	(26.2)	34.3
Surplus / (deficit) before other gains or losses	0.8	12.3	13.1	(1.0)	(18.8)	(19.8)	32.9
(Loss) / gain on investments	(0.4)	0.1	(0.3)	(0.3)	(0.1)	(0.4)	0.1
Surplus / (deficit) for the year	0.4	12.4	12.8	(1.3)	(18.9)	(20.2)	33.0

SOAS recorded a surplus for the year of £12.8m in 2022-23 [2021-22: £20.2m deficit].

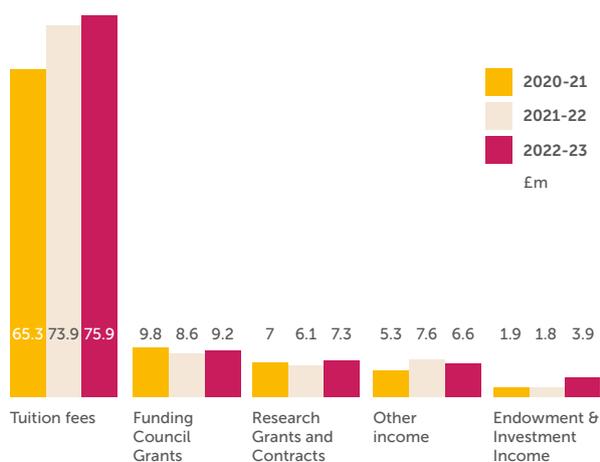
This deficit is broken down into a surplus of £0.4m on our restricted activities and a surplus of £12.4m on our unrestricted activities as shown in the table above.

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 £4.5m in the table above [2021-22: £7.6m surplus].

Income

Total income for 2022-23 was £102.8m [2021-22: £98.0m]. The increase was driven largely by growth in tuition fees and research grants income. Tuition fees remained the largest component at 74% of income (2021-22: 75%)

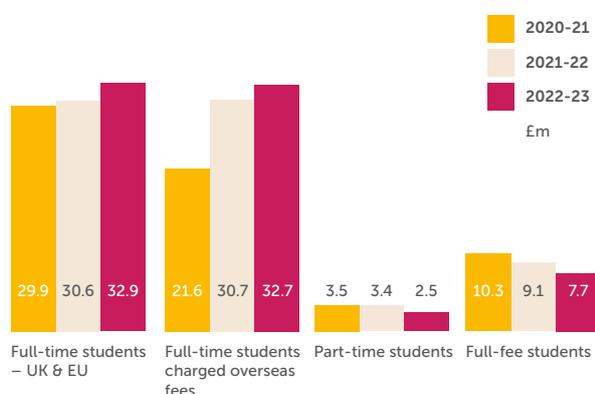
Income by source – year on year changes



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 (2021-22: £2.2m). Net fee income increased by £2m in 2022-23 with continued growth in full-time student tuition fee income.

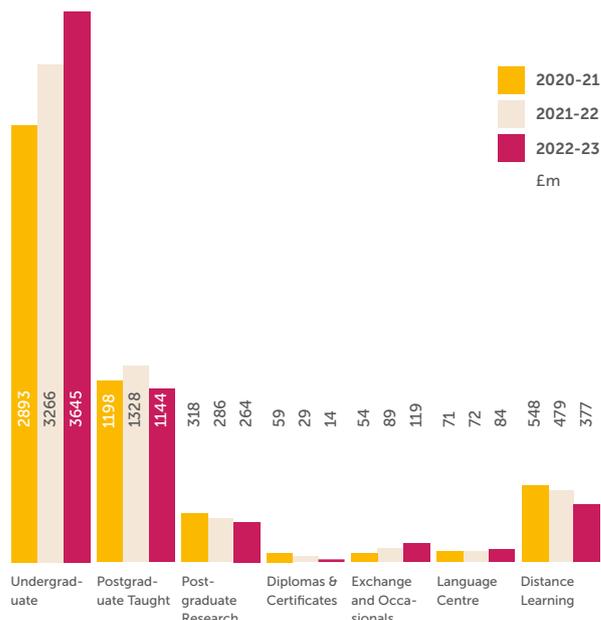
Fee income – year on year changes



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 £9.2m was provided to us from our two funding bodies for use in 2022-23 (2021-22: £8.6m) including £0.6m from the Office for Students for teaching (2021-22: £0.6m) and £6.2m from Research England for research (2021-22: £6.1m).

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 £7.3m in 2022-23 (2021-22: £6.1m). 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 £6.6m in 2022-23 (2021-22: £7.6m).

We are very grateful for all donations received and are pleased to report we received new gifts of £2.0m in 2022-23 (2021-22: £0.8m). Investment income totalled £1.9m (2021-22: £1.0m), with the increase driven by rising interest rates and increased investment return.

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 rose from £53.2m to £59.9m as the School expanded capacity to support teaching and research. Staff costs exclude restructuring costs of £0.3m (2021-22: £0.2m) and a decrease of £9.4m in our pension provision (2021-22: increase of £26.0m) (see note 24).

Other operating expenditure decreased by £1.6m (see note 8). Additionally, depreciation was £1m higher than the previous year as new capital projects were completed.

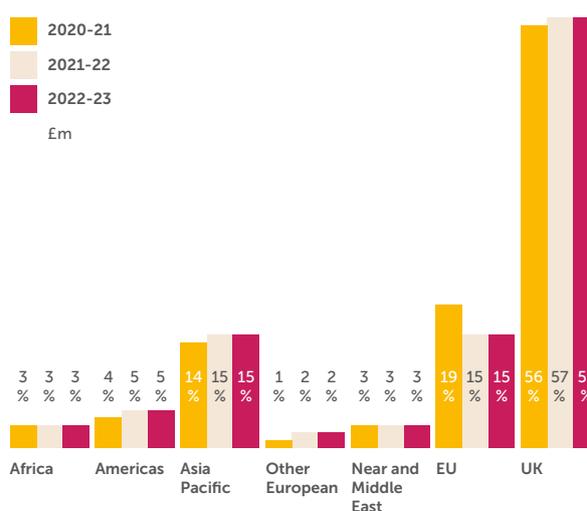
Expenditure – year on year changes



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 an 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 2022-23 the School's Access and Participation Plan (APP) committed the school to spend £1.5m on providing assistance to students requiring financial support, the actual spend was £0.8m higher. Further information is provided in note 10.

Capital investment

Capital expenditure of £10.9m was made in 2022-23 (2021-22: £3.8m) which included further investment in the School's campus facilities, IT infrastructure, corporate IT systems, classroom equipment and laptops.

Balance sheet position

Our investments portfolio value at 31 July 2023 was £55.5m (31 July 2022: £53.4m). Over the year to 31 July 2023, the outlook for inflation and the trajectory of monetary policy continued to dominate the narrative within financial markets. The review period began with a large decline in markets as central-bank hawkishness was coupled with major disruptions to Europe's energy

supply caused by the Ukraine-Russia conflict which led to concerns about the likelihood of a recession. There was also serious turbulence in the UK gilt market that stemmed from the UK's mini-budget. Equities recovered some lost ground before the end of the year on hopes that inflation had peaked, although central bankers maintained a hawkish tone, both in terms of their rhetoric and their actions. The market maintained a positive return through to the end of the review period, despite stubbornly high inflation and a re-escalation of US-China tensions. Another major challenge arose in early March, as signs of stress emerged within the US banking sector. This was followed, shortly after, by the enforced takeover of Credit Suisse by UBS under the auspices of the Swiss authorities.

The rise in equity markets has been driven by a very narrow set of companies within the technology sector that have benefitted from the wave of positive sentiment after US chipmaker NVIDIA released guidance that hugely exceeded market expectations. This was driven by demand for chips used in generative artificial intelligence (AI) systems. The portfolio remains defensively positioned with an underweight to high emitting industries. In addition to this circa 60% of the portfolio invested in companies that are providing solutions to today's environmental and social challenges. These include renewable energy companies and companies that focussed on providing more energy efficient solutions and better resource utilisation.

The Portfolio has a reassuringly low Morningstar Portfolio Corporate Sustainability Risk Score. This is an asset weighted average of company level ESG risk scores and ranges from 0-100, with a higher score indicating greater risks. The SOAS Portfolio has a score of 18. The SOAS Portfolio also has significantly lower scope 1&2 emissions than the MSCI ACWI (14.0 v 49.0 tCO₂e).

Against this challenging backdrop, the portfolio made a positive return of 1.47% after fees, which was behind the multi asset benchmark return of 2.22%. Despite the more recent challenges, the longer-term performance of the portfolio continues to look favourable with net annualised returns of 6.96% v 6.96% over three years and 7.02% v 5.14% over five years to 31 July 2023.

Cash and cash equivalents of £29.7m as at 31 July 2023 was £2.5m lower than 2021-22 as the School continued to invest surplus generated in capital projects. 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 2023. The School's net current asset position of £15.1m at 31 July 2023 remained unchanged from the previous year.

Following the School's strong operational surplus recorded in 2021-22, £2.3m of this surplus was invested with the dual purpose of generating income for scholarships and providing liquidity if required. This investment is shown as a short-term investment (see note 13).

The School's main long term loan financing is in the form of a variable rate loan with Barclays Bank of £3.7m (see note 16). The loan is hedged by two interest rate swaps, covering 71% of the current loan balance, providing protection against adverse movements in interest rates.

Future outlook and going concern

The School delivered an operational surplus of £4.5m in 2022-23 [2021-22: £7.6m] 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.

The School has set a surplus budget for 2023-24 and 2024-25 and is confident this will be achieved due to the continued strong financial management in place. The School has positive cash flows projected over the next 12 months and beyond. The School has access to 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 surplus generated in 2022-23 supports the School's capital programme, which addresses the under-investment in infrastructure. 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.

The School has taken a prudent approach in setting the 2023-24 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 School has factored in inflationary cost pressures across both staff and other operating cost areas.

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 2025. The Board of Trustees considers that SOAS has adequate resources to justify preparing the financial statements on a going concern basis.

SOAS AND PUBLIC BENEFIT 2022–23

SOAS at a glance

SOAS is in the top global quartile for helping to address United Nations Sustainable Development Goals, according to the *Times Higher Education Impact Rankings 2023*. We are:

- 33 in the world for No poverty (SDG 1)
- 69 for Peace, Justice and Strong Institutions (SDG 16)
- 91 for Gender Equality (SDG 5)

SOAS features strongly in the *QS World University Rankings by Subject 2023*.

In the UK, we are:

- 2nd for Development Studies
- 5th for Politics
- 5th for Anthropology



SOAS is home to the leading research and expertise on the global issues of today. We use our expertise in Africa, Asia and the Middle East as a lens through which to interrogate the planetary questions of our time. Our students engage with our academics on these issues throughout their study. We are uniquely placed to inform and shape current thinking about the economic, political, cultural, security and religious challenges of our world.

Enhancing access

We proactively engage with both local and global communities, and with our students from backgrounds underrepresented in higher education.

In 2022–23, SOAS spent £2.3m to improve access to and participation at SOAS by local communities in the UK. We delivered a suite of evidence-based initiatives to support students to fulfil their potential at SOAS, ranging from metacognition workshops to peer-created video resources and we continue to develop this offer. Our projects included summer schools, masterclasses, attainment-raising programmes and work in the community.

As one of the most international universities in the world, SOAS places great value on our global community and on supporting students from outside of the UK. We offer a range of programmes to prepare international students for degree study at SOAS, including programmes designed to improve academic English skills, and short courses on a range of subjects across the Arts, Humanities and Social Sciences.



We continue to design activities to support learners to progress to and succeed at university, ensuring that these activities are underpinned by theories of change, and rigorously evaluated.

We offered a range of both in-person and online delivery, which enabled us to further our impact in improving access, participation, and student success in higher education to participants outside of London.

SOAS had a successful year of fundraising with over £3.36m committed in new philanthropic funding for a range of projects. The largest gift for the year was a pledge of over £1.8m from the Alphawood Foundation who committed 24 new scholarships for students from Southeast Asia who wish to study either a masters or the diploma; funding for core programming and resource for the Diploma in Asian Art programme; and finally seed funding for the development of an online programme for the Diploma in Asian Art.

SOAS also secured more than 20 scholarships from a number of donors including Shapoorji Pallonji for students wishing to study Zoroastrianism; Allan and Nesta Ferguson Charitable Trust for postgraduate students in the College of Humanities and Meiji Jingu Shrine for research in the area of Japanese Studies.

The Centre of Jaina Studies secured funding for a variety of projects including a Kanji Swami PhD Scholarship, a prosopographical analysis project and the Pure Soul exhibition and corresponding conference which took place in the Brunei Gallery.

A variety of language and culture projects were supported including a £10,000 gift towards Japanese Studies from the Sainsbury Institute for the Study of Japanese Arts & Culture, £12,000 for the Islam in Britain Lecture Fund, and over £19,000 to support the teaching of Southeast Asian languages.

SOAS also partnered with The Cowrie Scholarship Foundation to offer talented Black British students funding to undertake a three-year undergraduate degree programme at SOAS. The Cowrie Scholarship will be awarded to one incoming undergraduate student every three years starting from the 2022-23 academic year.

Creating equitable partnerships

SOAS and the University of Witwatersrand, South Africa, embraced a new equal partnership to deliver a pioneering PhD programme in Applied Development Economics. The degree represented a major first step in our plans to develop new partnership models that are more equitable with institutions across Africa, Asia and the Middle East. It is also the first programme at SOAS to introduce a single fee structure for both domestic and international students.

SOAS also delivered its first of an intensive short course with the National Law University Delhi on climate justice and climate law. This followed funding from the first British Council Going Global Partnerships Exploratory Top-Up Grant, awarded earlier in the year, to conceptualise, organise and deliver the course with the aim of bringing together resource persons and participants from around the world.





A public space for debate

SOAS continues to provide a public space for debates and discussions on a range of issues across the arts, politics, society, history and more.

The Festival of Ideas presented a month of music with a varied programme of dance, film and visual arts events on 'thinking through music'. The series of events closed with the legendary kora master Ballaké Sissoko performing at SOAS. The school marked Black History Month with an in-conversation event with the V&A Africa Fashion Exhibition Curator, Dr Christine Checinska and V&A East Director Dr Gus Casely-Hayford, and a talk with SOAS honorary Akyaba Addai-Sebo who was responsible for establishing the concept of a month's celebration of Black culture and history in the UK.

Other headline events included the 2021 Nobel Prize winner for Literature and Tanzanian novelist, Abdulrazak Gurnah, who delivered the keynote speech at the SOAS BARAZA Swahili studies conference in the autumn; Professor Thuli Madonsela, the Law Trust Chair in Social Justice at Stellenbosch University, and the former Public Protector in South Africa discussing social justice, and artist talks with Franco-Algerian feminist photographer and video artist Zineb Sedira discussing her work with the curator Ekow Eshun, who was the former Director of the Institute of Contemporary Arts in London.

SOAS's flagship lecture series – The Director's Lecture Series – welcomed international speakers discussing a range of topics from biosecurity, partition, the protests in Iran and artificial intelligence and the evolution of the internet. The series focuses on the planetary questions of our time and how to enable a collective human response.

The Brunei Gallery

SOAS's Brunei Gallery is a remarkable resource for student, public and community engagement, hosting contemporary and historical exhibitions from across Africa, Asia 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, archaeological and anthropological material. The collections are used in supporting teaching and learning activities across SOAS.

In this academic year, the gallery exhibited the stories of disappeared children belonging to Jewish families who migrated to Israel from the Middle East and North Africa in the 1940s and 50s (Empty Cradles: Israel's Disappeared Children). Showing at the same time was a collaborative exhibition curated by Chuu Krydz Ikwemesi of Nigerian artists drawing on and connecting with the tradition of Uli as an artform in their work (Forward to the Past – Re-Engaging

Uli in New Experiments). In the Foyle Special Collections Gallery - within the Brunei Gallery - were highlights from the SOAS Artwork and Object Collections that reflect many of the diverse subjects and regions studied at SOAS.

The new year opened with 'The Future of Traditions - Writings Pictures: Contemporary Art from the Middle East' showing three generations of artists, from Iran and the Arab world. A selection of rare, illustrated books and manuscripts from the Special Collections SOAS Library and artists books alongside selected pieces from SOAS's wider Collections were also included.

In April the landmark exhibition 'Pure Soul: The Jaina Spiritual Traditions' aimed to acquaint a wider public with some unique aspects of Jaina traditions. Working with the SOAS Centre of Jaina Studies, this was the first major exhibition to be held in the UK on Jaina and drew on material from both public and private collections, which were displayed together for the first time.



The academic year closed with two exhibitions – ‘Japanese Aesthetics of Recycling’ – it highlighted the beauty of Japanese recycling and received widespread media interest. It showcased objects made of cotton, hemp, bast fibres, washi (handmade paper) and pottery from the Karun Thakar Collection – mostly dating from the Edo or Tokugawa period. The second exhibition highlighted the artistic development in South India after Independence. ‘A.P. Santhanaraj (1932-2009) Modern & Contemporary Art from South India’ showed the art of the late A.P. Santhanaraj, as well as that of some of his contemporaries, students, and followers, from the Madras College of Arts and Craft.

Our community making a difference

Honouring leading figures

SOAS hosted a winter graduation ceremony to ensure that students who were studying during the pandemic were able to mark their special day. During these celebrations, exceptional figures from the African diaspora in social activism, linguistics and sustainable development were honoured. They were Akyaba Addai-Sebo for his substantial contribution to pan-African activism and his role in developing the recognition of October as Black History Month in the UK; Misan Harriman for his significant contribution as a campaigner for diversity and inclusion and his photographic work in representing contemporary protests, including the Black Lives Matter movement; Sanda Ojiambo for her substantial contribution to global sustainable development, particularly in relation to Africa’s sustainable development, and Farouk Topan for teaching and promotion of the Swahili language and literature and as a renowned Swahili author worldwide.

We also welcomed new Professors of Practice and a Community Fellow to SOAS. The founder of the Transatlantic Trafficked Enslaved African Corrective Historical (TTEACH) Plaques initiative Gloria Daniel; the senior commentator on international affairs and Senior Director at NHK World TV Aiko Doden; the former Director of the

Royal African Society Nicholas Westcott and the Managing Partner of Pluto & Associates (a boutique advisory firm focused on global public policy and corporate responsibility) Gerald Pachoud joined SOAS as the new cohort.

Our research

Our experts continue to secure major grants for a range of projects which seek to address key global challenges, and which are responsive to the marginalized communities of our world.

The SOAS Food Studies Centre launched a new international ESRC-funded project exploring how digitalising food assistance influences access to food for marginalised populations. The project is in collaboration with the University of Khartoum, Sudan, and the Institute for Human Development, India. The research will examine risks of exclusion, which is likely to disproportionately affect politically marginalised populations such as the displaced or migrant populations. It will also examine how digital practices can feed into inequalities by providing opportunities for political control and for profit.

The Feminist Centre for Racial Justice (FCRJ) was founded in September 2022 with a core grant from the Ford Foundation. The Centre will contribute to building a cadre of scholars, scholar activists and scholarship through doctoral scholarships, post-doctoral fellowships, transnational collaborative action research projects and movement building schools. In five years, the FCRJ will develop a body of transdisciplinary scholarships that focusses on racial justice by understanding solidarity practices, communities of resistance and social transformation.

Research at SOAS is supporting an independent commission into the violence between members of South Asian communities that took place in the East Midlands city of Leicester in September 2022. The inquiry, which is expected to last a year, seeks to understand the root causes of the disturbances, and create tools to maintain the city’s longstanding reputation for intercommunal harmony and prevent future violence.

New analysis on AI sheds light on the pervasive issue of racism within the

algorithms that shape our daily lives and calls for a more inclusive and responsible future. The book by Arshin Adib-Moghaddam, Professor in Global Thought and Comparative Philosophies. "Is Artificial Intelligence Racist? The Ethics of AI and the Future of Humanity" emphasises the significant influence wielded by tech giants.

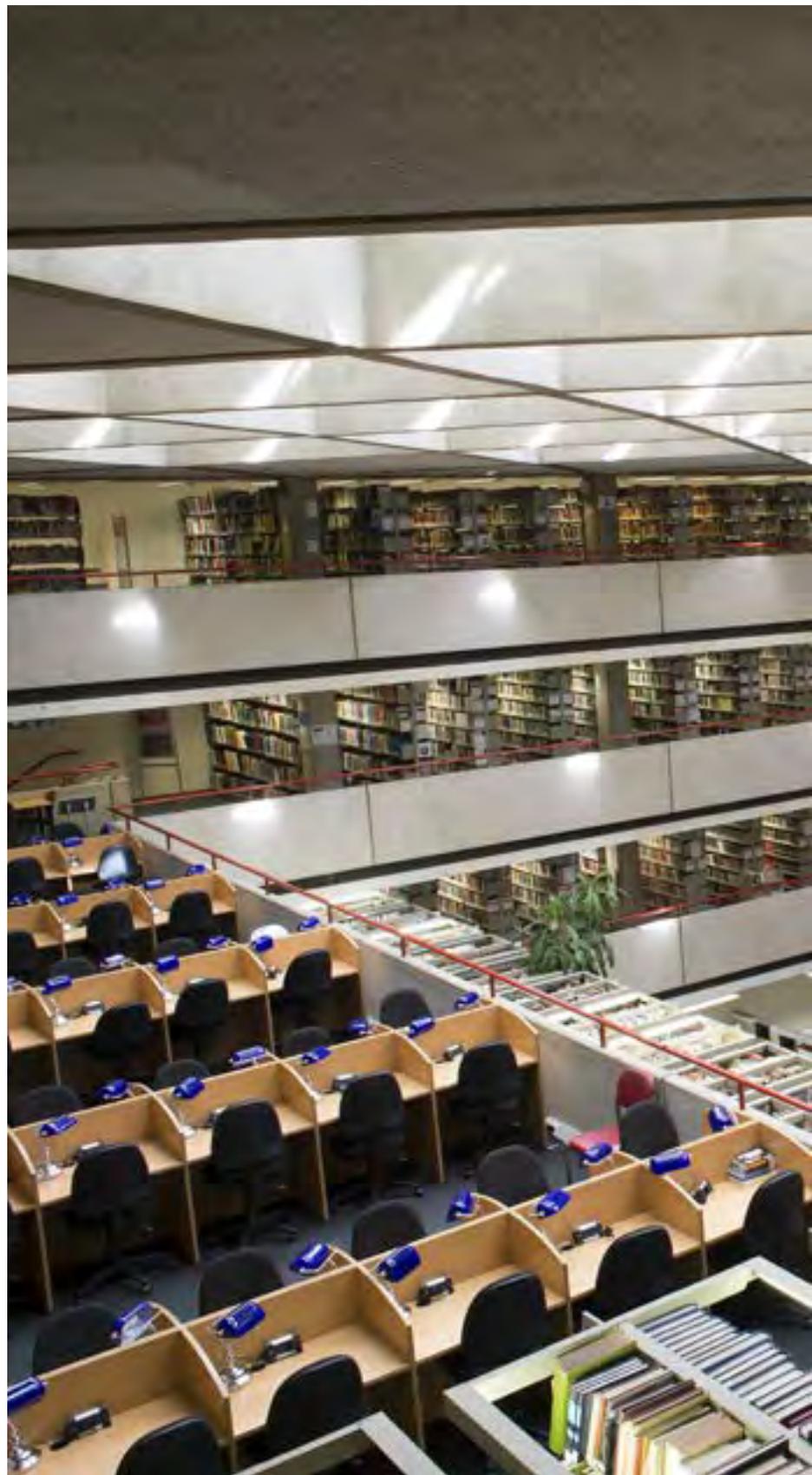
The environment and social governance will be the focus of a one-year project which seeks to address mine waste, carbon footprint and mine closure as well as the impacts on vulnerable people. The British Council awarded SOAS an Industry Academia Collaborative Grant for this project in partnership with Tata Steel Mining Ltd, National Law University Delhi (NLUD) and Camborne School of Mines, University of Exeter.

Informing the public on current affairs

Academics and scholars continue to inform the public debate on a range of issues through media engagement. Our Distinguished Research Professor Olivette Otele informed the Guardian's Cotton Capital series, specifically on the logic of slavery reparations; the SOAS Middle East Institute Director Professor Lina Khatib provided analysis on the Syrian regime and conflict; Professor Nicholas Westcott discussed the unrest in Sudan as well as the coup in Niger and SOAS Director Professor Adam Habib spoke about African leaders' peace delegation to Russia and Ukraine, and the government's new immigration curbs and how it would impact international students.

Welcoming the local community

Pupils from Colfe's School, Lewisham, listened to a traditional Moroccan Gnawa musician and a Chinese pipa soloist play in a lively educational global music event hosted by SOAS Library. Students from the school joined in the fun and were able to get a flavour of the culture and music of Morocco and China. The event was a successful example of community outreach, bridging the worlds of local schooling and a





global university environment for the school pupils. The event was in collaboration with the Global Music Academy and the Gnawa workshop has been supported by the Arts Council England.

Colombian artist María Mónica Gutiérrez, popularly known as Montanera or Mountainess, performed at the upcoming People's Session event in Peckham, thanks to a community initiative organised by two SOAS student. The students established a non-profit community initiative, Sounds & Space, which is dedicated to celebrating and centering musicians from underrepresented backgrounds and communities. The event, organised by the students, is set to showcase the exceptional talents of these internationally acclaimed artists.

SOAS Library: a national resource

The SOAS Library is one of the five UK National 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, rare books, an expanding Digital Library and a growing network of electronic resources.

The SOAS Digital Collection maintains a strong commitment to providing access to under-represented languages and Special Collections. The Library has approximately 3,000m 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 languages with significant holdings in Persian, Arabic, Swahili, and South, Southeast and South Asian languages.

The Library is open seven days a week with a few exceptions. The Reading Room is open Tuesday to Friday.



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 2022, 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 and Risk 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 external 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, who shall be appointed by the Board of Trustees and who shall be a lay member;
- twelve further lay members, to be appointed by the Board of Trustees;
- the Director of the School, ex officio;
- four members of the Senate, comprising the Deputy Director and Provost, Pro-Director(s) and two academic members of staff, nominated by Senate;
- one professional services member of staff, nominated by the Director and approved by Senate;
- two student members: Sabbatical Officer of the SOAS Students' Union nominated by the Students' Union Executive Committee, and Postgraduate Student nominated by the Research Students Association.

There were 23 members of the Board of Trustees as at 24 November 2023. The Trustees who served during the year, up to and including the approval of the Financial Statements are as follows:

- Ms Rehana Ameer
- Professor Andrew Atherton
- Professor Jo Beall
- Professor Kersti Börjars
- Ms Tawnya Cheatheam
- Professor Emma Crewe
- Ms Jenny Greenshields
- Professor Adam Habib
- Professor Laura Hammond
- Lord Michael Hastings

- Mr Richard Millward
- Professor Joanna Newman (from October 2023)
- Mr Cedric Ntumba
- Ms Yaa Ofori-Ansah
- Dr Awino Okech
- Professor Claire Ozanne (up to January 2023)
- Mr Steven Pfeiffer
- Ms Gioia Scazza (up to May 2023)
- Ms Jenni Schofield
- Sir Richard Stagg
- Ms Sally Townsend
- Mr Nizam Uddin
- Ms Reem Walid (from October 2023)
- Mr David Willey
- Mr Thomas Yoritaka (from October 2022)

Board and Committee Overview

The Board of Trustees is responsible for the ongoing strategic direction of the School, approval of major developments and the receipt of regular reports from executive officers on the day-to-day operations of the School. The full list of powers reserved to the Board are set out in the Standing Orders. The Board of Trustees normally meets up to six 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 and Risk 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 Senate on certain matters.

The Resources and Planning Committee normally meets up to six 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 and Risk Committee normally meets four times a year and reports directly to the Board of Trustees. It is chaired by an external member of the Board and is comprised of external 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 and Risk 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 and Risk 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 and Risk 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 and Risk 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 is now a subcommittee of the Governance & Nominations Committee during the year as part of the review of the School's committee structure.

The Remuneration Committee is responsible for deciding the remuneration and terms and conditions of service for the Senior Executive Managers, including the Director, Deputy Director and Provost, Pro-Director, and Chief Operating Officer and Clerk to the Board. The Committee is also responsible for monitoring pay gaps relating to gender and ethnicity, and for monitoring severance payments for staff earning over £100K. The Committee has an external Chair, not the Chair of the Board of Trustees.

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 coordinating 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 Chief Operating Officer and Clerk to

the Board 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 Chief Operating Officer and Clerk to the Board also has responsibility for the supervision of the School's Directors of Professional Services.

The Senate 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.

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 nonfinancial implications of risks;
- Heads of Department and Directors of Professional Services are responsible for encouraging good risk management practice within their department or directorate; and
- Key risk indicators are identified and monitored on a regular basis.

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

Risk management

In the past year, the School has updated its risk management procedure to ensure that it 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 and Risk 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 as documented in the Board of Trustees' Strategic risk register (at the time of publishing) have been identified around:

- Financial Sustainability
- Poor quality academic portfolio
- Employment relations with Trade Unions
- Poor institutional culture
- External political, policy and academic environment
- Unable to deliver research outcomes and research intensity
- Insufficient IT infrastructure
- Lack of appropriately skilled, experienced and engaged workforce
- Inefficient business operations
- Cost of Living Crisis Impact.

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 2022, 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 and Risk Committee and the Board of Trustees;
- Embedding risk management and internal control in ongoing operations;
- An outsourced internal audit function, whose annual programme is approved by the Audit and Risk 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. Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Audit and Risk Committee is required to report to the Board of Trustees on internal controls and alert trustees to any emerging issues. The Audit and Risk 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 and Risk Committee following consultation with the Director.

In addition, the Audit and Risk Committee oversees internal audit, external audit and management as required in its review of internal controls. The Audit and Risk 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.

The OfS terms and conditions of funding no longer reference the request for internal audit to provide an opinion. The previous audit code produced by the Higher Education Funding Council for England (HEFCE) has been replaced with the CUC audit code which no longer requires internal audit to provide an opinion. There are two sets of internal audit standards within the UK. Public sector internal audit standards are produced by the Treasury and require a Head of Internal Audit opinion. Universities are not included within the list of bodies required to apply those standards. Therefore internal audit services are delivered with reference to the standards formulated by the Chartered Institute of Internal Audit. These standards are applied to other regulated industries and commercial bodies within the UK and do not require a Head of Internal Audit opinion.

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 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 2022–31 March 2023

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 2022–31 March 2023.

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
29	27.2

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

Percentage of time	Number of employees
0%	9
1–50%	20
51–99%	0
100%	0

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

Total cost of facility time	£83,403
Total pay bill	£59,893,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.14%

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	6.8%
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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 2023 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 2023 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 the 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 Trustees' 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 the 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 Trustees 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. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS") and UK Research and Innovation (including 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 note 2 to the accounts, has been materially misstated.
- The School's expenditure on access and participation activities for the financial year, as has been disclosed in note 10 to the accounts, has been materially misstated.

Responsibilities of Board of Trustees

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

In preparing the financial statements, the Board of Trustees are responsible for assessing the Group and the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the School and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the School's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be the United Kingdom Generally Accepted Practice, compliance with the Accounts Direction OfS 2019.41 and UK tax legislation.

The School is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be compliance with the Office for Students Ongoing Conditions of Registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance, Audit Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the School's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be areas which involve significant judgments and estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including useful lives of depreciable assets, bad debt provision, valuation of pension liability; and
- Testing a sample of research grants project transactions during the year.

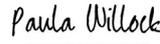
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. This description forms part of our auditor's report.

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, UK

Date: **30 November 2023**

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 2023

Income	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Tuition fees and education contracts	1	75,877	75,877	73,903	73,903
Funding body grants	2	9,153	9,153	8,625	8,625
Research grants and contracts	3	7,294	7,294	6,098	6,098
Other income	4	6,617	6,617	7,569	7,569
Investment income	5	1,868	1,868	1,008	1,008
Total income before endowments and donations		100,809	100,809	97,203	97,203
Endowments and donations	6	2,003	2,201	801	801
Total income		102,812	103,010	98,004	98,004
Expenditure					
Staff costs	7	59,893	59,893	53,245	53,245
Pension movement	7, 17	(9,407)	(9,407)	26,042	26,042
Restructuring costs	7	325	325	197	197
Other operating expenses	8	30,509	30,509	32,148	32,148
Depreciation	11	6,778	6,778	5,810	5,810
Interest and other finance costs	9	1,588	1,588	358	358
Total expenditure	10	89,686	89,686	117,800	117,800
Surplus / (deficit) before other gains or losses		13,126	13,324	(19,796)	(19,796)
Loss on investments	13	(306)	(306)	(389)	(389)
Surplus / (deficit) for the year		12,820	13,018	(20,185)	(20,185)
Other comprehensive income					
Change in fair value of hedging financial instruments		271	271	325	325
Total comprehensive income / (expenditure) for the year		13,091	13,289	(19,860)	(19,860)
Represented by:					
Endowment comprehensive expenditure for the year		(875)	(875)	(1,393)	(1,393)
Restricted comprehensive income for the year		1,099	1,297	65	65
Unrestricted comprehensive income / (expenditure) for the year		12,800	12,800	(18,653)	(18,653)
Revaluation reserve comprehensive loss for the year		(204)	(204)	(204)	(204)
Cash flow hedge reserve		271	271	325	325
		13,091	13,289	(19,860)	(19,860)

The notes on pages 42 to 64 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 2023

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 2021	56,189	304	42,675	14,425	(559)	113,034
(Deficit) / surplus for the year	(1,402)	74	(18,857)	-	-	(20,185)
Other comprehensive income	-	-	-	-	325	325
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Transfers relating to reclassifications – see note 18	9	(9)	-	-	-	-
Total comprehensive income/ (expenditure) for the year	(1,393)	65	(18,653)	(204)	325	(19,860)
Balance at 1 August 2022	54,796	369	24,022	14,221	(234)	93,174
(Deficit) / surplus for the year	(65)	487	12,398	-	-	12,820
Other comprehensive income	-	-	-	-	271	271
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Transfers relating to reclassifications – see note 18	(810)	612	198	-	-	-
Total comprehensive (expenditure)/ income for the year	(875)	1,099	12,800	(204)	271	13,091
Balance at 31 July 2023	53,921	1,468	36,822	14,017	37	106,265

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 2021	56,189	106	42,675	14,425	(559)	112,836
(Deficit) / surplus for the year	(1,402)	74	(18,857)	-	-	(20,185)
Other comprehensive income	-	-	-	-	325	325
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Transfers relating to reclassifications – see note 18	9	(9)	-	-	-	-
Total comprehensive income/ (expenditure) for the year	(1,393)	65	(18,653)	(204)	325	(19,860)
Balance at 1 August 2022	54,796	171	24,022	14,221	(234)	92,976
(Deficit) / surplus for the year	(65)	685	12,398	-	-	13,018
Other comprehensive income	-	-	-	-	271	271
Transfers between revaluation and income and expenditure reserve	-	-	204	(204)	-	-
Transfers relating to reclassifications – see note 18	(810)	612	198	-	-	-
Total comprehensive (expenditure)/ income for the year	(875)	1,297	12,800	(204)	271	13,289
Balance at 31 July 2023	53,921	1,468	36,822	14,017	37	106,265

The notes on pages 42 to 64 make up part of the financial statements.

CONSOLIDATED AND SCHOOL STATEMENT OF FINANCIAL POSITION

as at 31 July 2023

	Notes	As at 31 July 2023 Consolidated £'000	As at 31 July 2022 School £'000	As at 31 July 2023 Consolidated £'000	As at 31 July 2022 School £'000
Non-current assets					
Fixed assets	11	83,307	83,307	79,235	79,235
Heritage assets	11/12	467	467	467	467
Investments	13/18	51,978	51,978	52,210	52,210
Total		135,752	135,752	131,912	131,912
Current assets					
Stock		9	9	5	5
Trade and other receivables	14	6,088	6,088	6,026	6,026
Investments	13	3,537	3,537	1,154	1,154
Cash and cash equivalents	20	29,720	29,720	32,206	31,991
Total		39,354	39,354	39,391	39,176
Less: Creditors: amounts falling due within one year	15	(24,276)	(24,276)	(24,280)	(24,263)
Net current assets		15,078	15,078	15,111	14,913
Total assets less current liabilities		150,830	150,830	147,023	146,825
Creditors: amounts falling due after more than one year	16	(13,750)	(13,750)	(14,916)	(14,916)
Provisions					
Pension liabilities	17	(30,815)	(30,815)	(38,933)	(38,933)
Total net assets		106,265	106,265	93,174	92,976
Restricted reserves					
Income and expenditure reserve – endowment reserve	18	53,921	53,921	54,796	54,796
Income and expenditure reserve – restricted reserve	19	1,468	1,468	369	171
Unrestricted reserves					
Income and expenditure reserve – unrestricted		36,822	36,822	24,022	24,022
Revaluation reserve		14,017	14,017	14,221	14,221
Cash flow hedge reserve		37	37	(234)	(234)
Total reserves		106,265	106,265	93,174	92,976

The notes on pages 42 to 64 make up part of the financial statements. The financial statements were authorised and approved by the Board of Trustees on 24 November 2023 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 2023

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Surplus / (deficit) for the year		12,820	(20,185)
Adjustment for non-cash items			
Depreciation	11	6,778	5,810
Write off of fixed assets	11	-	1,907
Unrealised loss on investments	13/18	306	389
Increase in stock		(4)	(5)
(Increase) / decrease in debtors	14	(25)	2,642
Increase in creditors	15	40	1,117
(Decrease) / increase in pension liabilities	17	(8,118)	26,153
Adjustment for investing or financing activities			
Investment income	5	(1,868)	(1,008)
Interest payable	9	299	247
Endowment income	18	(987)	(637)
Deferred capital grants released to income		(1,298)	(1,218)
Net cash inflow from operating activities		7,943	15,212
Cash flows from investing activities			
Capital grant receipts		700	407
Transfer to short term investments	13	(2,300)	(1,200)
Investment income		1,868	1,008
Payments made to acquire fixed assets		(10,766)	(3,539)
Net (payments) / receipts from investments	13	(157)	888
Net cash outflow from investing activities		(10,655)	(2,436)
Cash flows from financing activities			
Interest paid	9	(299)	(247)
Endowment cash received	18	987	637
Repayments of amounts borrowed		(462)	(461)
Net cash inflow / (outflow) from financing activities		226	(71)
(Decrease) / increase in cash and cash equivalents in the year		(2,486)	12,705
Cash and cash equivalents at beginning of the year	20	32,206	19,501
Cash and cash equivalents at end of the year	20	29,720	32,206

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2023

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 2023-24 and 2024-25. The School has positive cash flows projected up to 31 July 2025 and beyond. The School has access to 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 School budget changes, cash flow forecasts and sensitivities for the period up to 31 July 2025. The School has taken a prudent approach in setting the 2023-24 and 2024-25 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 School has factored in inflationary cost pressures across both staff and other operating cost areas. 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 subsidiary companies:

- 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 (LMEI) by virtue of majority Board membership (charity registration number 1103017, company number 4758915). The LMEI had zero net assets at 31 July 2023 and is in the process of being struck off.

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.

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.

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

7. Accounting for retirement benefits

Universities Superannuation Scheme (USS)

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

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The trustees 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. 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.

10. 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.

11. 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.

12. 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.

13. 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 when placed.

14. 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.

15. 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 probable inflow of economic benefit.

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

16. 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.

17. 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.

18. 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.

19. 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 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.

Valuation of derivative (see note 16)

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

Pension liabilities (see note 17)

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

NOTES TO THE ACCOUNTS

as at 31 July 2023

1. Tuition fees and education contracts

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Full-time students – UK and European Union	32,949	32,949	30,635	30,635
Full-time students charged overseas fees	32,747	32,747	30,743	30,737
Part-time students	2,531	2,531	3,447	3,447
Full fee students	7,650	7,650	9,084	9,084
Tuition fees net of scholarships, bursaries and awards	75,877	75,877	73,909	73,903
Scholarships, bursaries and awards	1,568	1,568	2,234	2,234
Tuition fees inclusive of scholarships, bursaries and awards	77,445	77,445	76,143	76,137

2. Funding body grants

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Recurrent grant				
Office for Students	581	581	595	595
Research England	6,215	6,215	6,126	6,126
Specific grants				
Higher Education Innovation Fund	776	776	673	673
Strategic Priorities Fund	50	50	50	50
Ukrainian Student Fund	-	-	9	9
Enhancing Research Culture Funding	121	121	-	-
Talent and Research Stabilisation Fund	189	189	-	-
Student Hardship	15	15	-	-
Deferred capital grants released to income	1,206	1,206	1,172	1,172
Total	9,153	9,153	8,625	8,625

3. Research grants and contracts

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Research councils	3,222	3,222	2,933	2,933
UK based charities	680	680	352	352
European Commission	1,913	1,913	1,597	1,597
Other grants and contracts	1,479	1,479	1,216	1,216
Total	7,294	7,294	6,098	6,098

4. Other income

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Rent receivable	1,083	1,083	1,081	1,081
Room lettings	187	187	104	104
Library fees	31	31	34	34
Accommodation, catering and conferences	233	233	36	36
Resales and reimbursements	302	302	457	457
Grant income	1,598	1,598	2,140	2,140
Enterprise income	1,018	1,018	1,846	1,846
University of London International Programme	918	918	965	965
Other income	1,247	1,247	906	906
Total	6,617	6,617	7,569	7,569

Included in rent receivable above is rental income receivable from the Courtauld Institute of Art in respect of the Vernon Square site of £1m. The lease agreement was signed 3 August 2018 for five years and extended from 3 August 2023 to 2 August 2024.

5. Investment income

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Investment income on endowments	18	1,327	1,327	972	972
Other investment income		541	541	36	36
Total		1,868	1,868	1,008	1,008

6. Endowments and donations

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
New endowments	18	987	987	637	637
Donations with restrictions	19	993	1,191	96	96
Donations with no restrictions		23	23	68	68
Total		2,003	2,201	801	801

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

Grant and fee income	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Grant income from the OfS	681	681	625	625
Grant income from other bodies	18,064	18,064	16,645	16,645
Fee income for research awards (exclusive of VAT)	3,617	3,617	3,391	3,391
Fee income from non-qualifying courses (exclusive of VAT)	1,414	1,414	1,296	1,296
Fee income for taught awards (exclusive of VAT)	70,846	70,846	69,222	69,216
Total	94,622	94,622	91,179	91,173

7. Staff costs

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Salaries	46,279	46,279	41,697	41,697
Social security costs	4,736	4,736	4,129	4,129
Other pension costs	8,806	8,806	7,645	7,645
Movement in holiday pay accrual	72	72	(226)	(226)
Total	59,893	59,893	53,245	53,245
Movement on USS past service cost on pensions (see note 17)	(9,407)	(9,407)	26,042	26,042
Restructuring costs – compensation for loss of office	325	325	197	197
Total	50,811	50,811	79,484	79,484

Compensation for loss of office across the whole provider was payable to 42 people [2021-22: 23].

Average full time equivalent staff numbers by category:

	Year ended 31 July 2023 Consolidated Number	Year ended 31 July 2023 School Number	Year ended 31 July 2022 Consolidated Number	Year ended 31 July 2022 School Number
Academic	394	394	378	378
Support	500	500	479	479
Total	894	894	857	857

Emoluments of the Director	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Basic salary - Professor Adam Habib *	303,393	223,773
Pension contributions to USS - Professor Adam Habib	48,245	45,953
	351,638	269,726
Residence provided to Director (see following)	58,423	54,348
	410,061	324,074

* The 2022-23 salary figure includes a retrospective payment regarding the 2021-22 taxable benefit of the Director's accommodation of £47,529. A payment of £21,660 for 50% of the 2022-23 taxable benefit of the Director's accommodation was also made. Excluding these items, basic salary plus pension contributions increased from 2021-22 to 2022-23 by 4%.

The School Director was appointed in accordance with the School's 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 determined by the Remuneration Committee and the Board of Trustees.

Remuneration is based on the School's Executive Remuneration Policy, 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 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 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 COVID-19 pandemic. In addition he established and is overseeing the implementation of the SOAS Strategic Plan 2021 – 2026 following significant consultation with members of the SOAS community.

The Director receives the same terms and conditions as those governing all 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 £58,423 (2021-22: £54,348). The employer contributions to the pensions scheme arise as a consequence of the Director's membership of the scheme. No other remuneration was given to the Director. The 2022-23 salary figure includes a retrospective payment regarding the 2021-22 taxable benefit of the Director's accommodation of £47,529. A payment of £21,660 for 50% of the 2022-23 taxable benefit of the Director's accommodation was also made. Excluding these items, basic salary plus pension contributions increased from 2021-22 to 2022-23 by 4%.

Pay ratios (Consolidated and School)	Year ended 31 July 2023 Director's basic salary to median basic salary	Year ended 31 July 2023 Director's total remuneration to median total remuneration	Year ended 31 July 2022 Director's basic salary to median basic salary	Year ended 31 July 2022 Director's total remuneration to median total remuneration
Professor Adam Habib	6.8	7.3	5.5	6.2

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.

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	1	1	1	1
£105,000 to £109,999	2	2	1	1
£110,000 to £114,999	3	3	1	1
£115,000 to £119,999	-	-	1	1
£120,000 to £124,999	2	2	1	1
£125,000 to £129,999	-	-	-	-
£140,000 to £144,999	-	-	1	1
£160,000 to £164,999	1	1	1	1
£175,000 to £179,999	1	1	-	-
£220,000 to £224,999	-	-	1	1
£300,000 to £305,000	1	1	-	-
Total	11	11	8	8

Key management personnel

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

Year ended 31 July 2023		Year ended 31 July 2022	
FTE members	Staff Costs £'000	FTE members	Staff Costs £'000
10	1,111	15	1,528

The staff costs disclosed above relate to the members of Executive Board which was restructured in 22/23.

8. Other operating expenses

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2022 School £'000
Research grants and contracts	1,887	1,887	1,423	1,423
Non-contract staff	2,975	2,975	2,429	2,429
Course development	3	3	97	97
Examinations	8	8	22	22
Year abroad and study tours	374	374	419	419
Intercollegiate teaching	84	84	55	55
Fellowships, scholarships and other fees	4,017	4,017	3,530	3,530
Published materials	1,610	1,610	1,908	1,908
Information technology	2,175	2,175	2,188	2,188
Marketing and student recruitment costs	1,272	1,272	1,258	1,258
Student related costs	504	504	503	503
Grant to SOAS Students' Union	684	684	305	305
Accommodation, catering and conferences	435	435	292	292
Consumables	266	266	229	229
Furniture and equipment	171	171	530	530
Hire of plant and equipment	56	56	56	56
Repairs and maintenance	975	975	827	827
Rent, rates and insurance	1,201	1,201	840	840
Heat, water and power	1,429	1,429	924	924
Security, caretaking and cleaning	566	566	521	521
Telecommunications and postage	111	111	116	116
Staff recruitment, development and travel	1,660	1,660	1,004	1,004
Student recruitment commission	1,271	1,271	1,392	1,392
University of London Fee	429	429	911	911
Subscriptions	1,190	1,190	1,078	1,078
Professional fees	2,457	2,457	3,200	3,200
Auditor's remuneration – internal audit fee	23	23	117	117
Auditor's remuneration – external audit fee	96	96	94	94
Auditor's remuneration – other	3	3	3	3
Legal fees	283	283	411	411
Enterprise contracts	411	411	745	745
Provision for doubtful debts*	237	237	1,030	1,030
Provision for donation	-	-	98	98
Fixed asset write off	-	-	1,907	1,907
Other expenses	1,646	1,646	1,686	1,686
Total	30,509	30,509	32,148	32,148

* The School has made a provision for student and other debts that are unlikely to be paid.

9. Interest and other finance costs

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Loan interest		299	299	247	247
Net charge on pension scheme	17	1,289	1,289	111	111
Total		1,588	1,588	358	358

10. Analysis of total expenditure by activity

	Notes	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Academic departments		36,353	36,353	32,983	32,983
Academic services		14,508	14,508	13,028	13,028
Central administration and services		12,663	12,663	12,060	12,060
General education expenditure		10,050	10,050	9,885	9,885
Staff and student facilities		3,433	3,433	3,367	3,367
Repairs and maintenance		5,789	5,789	4,100	4,100
Premises other expenditure		8,217	8,217	9,706	9,706
Residences, catering and conferences		902	902	318	318
Research grants and contracts		4,576	4,576	3,871	3,871
Restructuring		325	325	197	197
Pension movement (see note 17)		(8,118)	(8,118)	26,152	26,152
Other expenditure		988	988	2,133	2,133
Total		89,686	89,686	117,800	117,800

Access and Participation expenditure		Staff costs £'000	Other Expenditure £'000	Year Ended 31 July 2023 Consolidated and School Total £'000	Year Ended 31 July 2022 Consolidated and School Total £'000
Access Investment		234	147	381	335
Financial Support (including Student Success and Progression)		344	1,646	1,990	1,774
Total		578	1,793	2,371	2,109

The School's Access and Participation Plan (APP) can be downloaded from www.soas.ac.uk/study/student-life/student-support/access-participation-and-student-success

The APP committed the School to spend £1,538k, the actual spend recorded was £833k higher at £2,371k.

11. Fixed Assets – Consolidated and School

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Heritage assets £'000	Total £'000
Cost and valuation					
At 1 August 2022	11,624	111,721	23,980	467	147,792
Additions	-	5,150	5,700	-	10,850
At 31 July 2023	11,624	116,871	29,680	467	158,642
Consisting of valuation as at 31 July 2023					
Valuation	-	24,250	-	-	24,250
Cost	11,624	92,621	29,680	467	134,392
Total	11,624	116,871	29,680	467	158,642
Depreciation					
At 1 August 2022	2,262	46,359	19,469	-	68,090
Charge for the year	109	4,135	2,534	-	6,778
At 31 July 2023	2,371	50,494	22,003	-	74,868
Net book value					
At 31 July 2023	9,253	66,377	7,677	467	83,774
At 31 July 2022	9,362	65,362	4,511	467	79,702

At 31 July 2023, freehold land and buildings included £6.1m (2022 - £6.1m) in respect of freehold land and is not depreciated.

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 seventeen years as shown below.

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

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

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. Investments

	Year Ended 31 July 2023 Consolidated and School £'000	Year Ended 31 July 2022 Consolidated and School £'000
Non-current investments		
At 1 August	52,210	53,441
Net payments / (receipts) to / (from) investments	157	(888)
Decrease in market value of investments	(389)	(343)
At 31 July	51,978	52,210
Current investments		
At 1 August	1,154	-
Net payments to acquire investments	2,300	1,200
Increase / (decrease) in market value of investments	83	(46)
At 31 July	3,537	1,154
Total	55,515	53,364
Analysed as		
Overseas Equities	29,205	26,459
UK Equities	14,660	16,009
UK Bonds	5,687	5,555
Overseas Bonds	2,900	1,798
Commodities	525	1,476
Property	-	418
Cash	2,538	1,649
Total	55,515	53,364

Current and non-current investments have been valued at market value.

14. Trade and other receivables

Amounts falling due within one year	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
General debtors less provision for bad debts	1,535	1,535	2,180	2,180
Research grants receivables	1,443	1,443	671	671
Prepayments and accrued income	2,888	2,888	3,074	3,074
Derivatives	37	37	-	-
Staff loans	185	185	101	101
Total	6,088	6,088	6,026	6,026

15. Creditors: amounts falling due within one year

Amounts falling due within one year	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Loans	462	462	462	462
Trade payables and accruals	7,629	7,629	9,481	9,464
Provision for voluntary severance agreements*	2	2	79	79
Other creditors	1,305	1,305	1,057	1,057
Social security and other taxation payable	1,257	1,257	1,282	1,282
Derivatives	-	-	129	129
Research grants and contracts in advance	5,542	5,542	4,808	4,808
Deferred income	8,079	8,079	6,982	6,982
Total	24,276	24,276	24,280	24,263

* 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 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Tuition fees	6,223	6,223	5,768	5,768
Grant income	229	229	605	605
Enterprise income	288	288	567	567
Donations	1,081	1,081	-	-
Other	258	258	42	42
Total	8,079	8,079	6,982	6,982

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

	Year Ended 31 July 2023 Consolidated and School £'000	Year Ended 31 July 2022 Consolidated and School £'000
Loans	3,231	3,693
Deferred income	10,519	11,117
Derivatives	-	106
Total	13,750	14,916
Analysis of loans		
Due within one year or on demand (see note 15)	462	462
Due between one and two years	462	462
Due between two and five years	2,769	1,386
Due in five years or more	-	1,845
Due after more than one year	3,231	3,693
Total loans	3,693	4,155
Included in loans are the following:		
Barclays Bank secured loan – Facility A (see below)	2,640	2,800
Barclays Bank secured loan – Facility B (see below)	1,053	1,355
	3,693	4,155
Less due within one year	(462)	(462)
	3,231	3,693

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 £640,000 (2022: £800,000) of borrowing, amortising in line with the loan repayments. The swap rate is 5.38%. This is compared to SONIA and the difference is payable to / by Barclays Bank. £23,719 (2022: £44,305) 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 SONIA and the difference is payable to / by Lloyds Bank. £24,109 (2022: £84,538) 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 2023.

On 7 April 2021, the School's existing unsecured loan with Barclays at SONIA plus 0.22% (repayable July 2031) moved to a secured loan split into a Facility A and B portion. Facility A's interest is SONIA plus 1.00% for the first 12 months then SONIA plus 1.80% thereafter (repayable June 2027). Facility B's interest is SONIA plus 0.75% for the first 12 months then SONIA 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 2022	38,933
Unwinding of discount factor	1,289
Deficit contributions paid	(2,235)
Change in expected contributions	(7,172)
At 31 July 2023	30,815

The change in expected contributions (£7,172k) plus the total of deficit contributions paid (£2,235k) above of £9,407k is shown as an increase 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	2023 total £'000	2022 total £'000
Balances at 1 August				
Capital	33,723	2,635	36,358	36,909
Unapplied total return	17,112	1,326	18,438	19,280
Total	50,835	3,961	54,796	56,189
New endowments	500	487	987	637
Investment income	1,268	59	1,327	972
Expenditure	(1,086)	(691)	(1,777)	(2,453)
Investment management fees	(198)	(9)	(207)	(213)
Legal fees	-	-	-	(2)
Transfers relating to reclassifications*	(810)	-	(810)	9
Increase in market value of investments	(377)	(18)	(395)	(343)
Total endowment comprehensive loss for the year	(703)	(172)	(875)	(1,393)
At 31 July	50,132	3,789	53,921	54,796
Represented by:				
Capital	33,861	2,523	36,384	36,358
Unapplied total return	16,271	1,266	17,537	18,438
Total	50,132	3,789	53,921	54,796

*Transfers relating to reclassifications - during the year a donor varied the terms of an existing permanent endowment.

The School has a target total returns withdrawal rate of 2.88% which is deemed to be a sustainable extraction rate, balancing the needs of current and future beneficiaries. Commentary on the School's investment performance during the year can be found in the Financial Overview.

	Restricted permanent endowments £'000	Expendable endowments £'000	2023 total £'000	2022 total £'000
Analysis by type of purpose				
Staff posts	38,108	94	38,202	38,418
Scholarships and bursaries	7,855	748	8,603	8,854
Academic support	2,803	2,436	5,239	5,989
Research support	455	1	456	142
Prize funds	136	190	326	328
Lectures	750	9	759	754
Library	25	303	328	302
Events	-	8	8	9
Totals	50,132	3,789	53,921	54,796
Analysis by asset				
Non-current asset investments	48,632	2,274	50,906	51,969
Cash & cash equivalents	1,500	1,515	3,015	2,827
Totals	50,132	3,789	53,921	54,796

Significant Endowments held	2023	2022
Permanent Endowments		
Buddhist Studies Fund	2,325	2,396
Council For World Mission	2,489	2,516
David L Snellgrove Chair in Tibetan & Buddhist Art (Alphawood)	4,243	4,293
Fereydoun Djam Endowment Fund	4,180	4,213
Hiram W Woodward Chair in S E Asian Art (Alphawood)	4,247	4,293
Khalili Chair	2,477	2,514
King Fahd Chair	3,852	3,858
MBI Al Jaber Chair in Middle East Studies	5,142	5,124
Numata Fund	3,398	3,453
Senior Lectureship in Curating & Museology of Asian Art (Alphawood)	3,398	3,479
Shapoorji Pallonji Lectureship in Zoroastrian Studies	1,942	1,689
Shapoorji Pallonji Scholarships in Zoroastrian Studies	2,074	1,941
Alphawood Support Fund	2,050	-
Southeast Asian Art Academic Programme Support Fund (Alphawood)	-	2,795
Zoroastrian Professorship Fund	4,060	4,106
Totals	45,877	46,670
Expendable Endowment		
Korea Studies Fund	2,110	2,082

19. Restricted Reserves

Reserves with restrictions are as follows:

	2023 Total Consolidated £'000	2023 Total School £'000	2022 Total Consolidated £'000	2022 Total School £'000
Balances at 1 August	369	171	304	106
New donations	1,191	1,191	96	96
Expenditure	(704)	(704)	(22)	(22)
Transfers	612	810	(9)	(9)
Total restricted comprehensive income for the year	1,099	1,297	65	65
At 31 July	1,468	1,468	369	171

Analysis of restricted donations by type of purpose:	2023 Total Consolidated and School £'000	2022 Total Consolidated and School £'000
Scholarships and bursaries	416	66
Prizes	4	-
Department specific funding	709	12
Events	62	18
Total	1,191	96

20. Consolidated cash and cash equivalents

	At 1 August 2022 £'000	Cash Flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	32,206	(2,486)	29,720
	32,206	(2,486)	29,720

21. Consolidated reconciliation of net debt

	Note	1 August 2022 £'000	Cash Flows £'000	Other Non-Cash Changes £'000	31 July 2023 £'000
Cash and cash equivalents	20	32,206	(2,486)	-	29,720
Secured loans	15, 16	(4,155)	462	-	(3,693)
Derivatives	15, 16	(235)	-	272	37
Totals		27,816	(2,024)	272	26,064

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 2023:

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Commitments contracted for	2,210	2,210	3,975	3,975
	2,210	2,210	3,975	3,975

23. Financial Instruments

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2023 School £'000	Year ended 31 July 2022 Consolidated £'000	Year ended 31 July 2022 School £'000
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income				
Derivative financial instruments designated as hedges of variable interest rate risk	37	37	-	-
Listed investments	55,515	55,515	53,364	53,364
Totals	55,552	55,552	53,364	53,364
Financial liabilities				
Financial liabilities at fair value through Statement of Comprehensive Income				
Derivative financial instruments designated as hedges of variable interest rate risk	-	-	235	235

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 complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%. The 2023 valuation has been agreed and is likely to show a surplus. This may reverse the deficit recovery provision and reduce pension contribution rates in the future.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:

- 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040

Pension increases (CPI)

CPI assumption plus 0.05%

Discount rate (forward rates)

Fixed interest gilt yield curve plus:

- Pre-retirement: 2.75% p.a.
- Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table

2020 Valuation: 101% of S2PMA "light" for males and 95% of S3PFA for females

Future improvements to mortality

CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. 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:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
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 agreed to increase the ongoing Employers' contributions 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. 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 2023, 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. Ms Gioia Scazza and Ms Jenni Schofield served as Trustees of SOAS and representative of the SOAS Students' Union during 2022-23. During the year SOAS paid a grant of £684,000 (2021-22: £305,000) to SOAS Students' Union which is a registered charity. At 31 July 2023, the Students' Union owed SOAS £41,709 (2021-22: SOAS owed the Students' Union £888).

Trustees

One trustee was reimbursed expenses totalling £851 during 22-23 (Two trustees were reimbursed expenses totalling £469 during 21-22).

No payments were made to Trustees for serving as a trustee during the year (2021-22: Nil). There were no waivers of such payments during the year (2021-22: Nil).

No payments to Trustees were made for services, other than under a contract of employment, during the year (2021-22: Nil).

26. 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 2023 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000	Year ended 31 July 2022 £'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	-	50,876	-	38,009
Statement of Financial Position Statement of changes in reserves	Statement of Financial Position - Net assets with donor restrictions	Endowment + restricted reserve	-	55,389	-	55,165
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	83,774	-	79,702	
Note 11	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre- implementation	Net Book Value of Leasehold Land and Buildings and Fixtures, Fittings and Equipment pre 1 August 2019	-	70,165		74,272
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	Net Book Value of Leasehold Land and Buildings and Fixtures, Fittings and Equipment additions post 1 August 2019	-	13,609		5,430
Note 11	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Assets in the Course of Construction additions	-	-	-	-
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 pre-implementation		-	-	-	-
N/A	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post- implementation		-	-	-	-

Reference	Expendable Net Assets		Year ended 31 July 2023 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000	Year ended 31 July 2022 £'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	-	30,815		38,933
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	3,693	-	4,155	
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	-	3,693	-	4,155
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	-	55,389	-	55,165

Reference	Expendable Net Assets		Year ended 31 July 2023 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000	Year ended 31 July 2022 £'000
Total Expenses and Losses						
Statement of Comprehensive Income	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenditure	-	89,686	-	117,800
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)	-	(1,833)	-	(944)
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)	-	(1,562)	-	(619)
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	-	50,876	-	38,009
Statement of Financial Position Statement of changes in reserves	Statement of Financial Position - total Net assets with donor restrictions	Endowment + restricted reserve	-	55,389	-	55,165
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 2023 £'000	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000	Year ended 31 July 2022 £'000
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Modified Assets

Statement of Financial Position	Statement of Financial Position - Total Assets	Non-current assets + current assets	-	175,106	-	171,303
N/A	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre- implementation		-	-	-	-
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		-	-	-	-

Net Income Ratio

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	-	12,867	-	(18,532)
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	-	100,944	-	96,996

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