



**St George's**  
University of London

2021/22

**Annual Report  
and Financial Statements**



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Much has changed for the better in recent months at St George's. We have joy in "simple things", such as supposedly routine meetings, in person events and a campus buzz with corridors full of staff and students again. All these things bring a smile to my face.

**Those who have declared the pandemic "over" are not witness to the daily challenges that remain as a consequence of Covid-19. We may have emerged from the worst, but it would be a disservice to those who have dealt with so much to suggest that normal life has resumed unaltered.**

Across the Higher Education sector, recent cohorts of students, who started their degrees following two years of disrupted study, have needed additional support to bridge educational gaps and compensate for missed experience of formal examinations. We will continue to support all our students to develop the study skills needed to achieve their full potential. Also we must cater for the wellbeing of students and staff who have had huge emotional demands placed on them through the pandemic. Requests for support have increased significantly and, in response, we have invested in new welfare posts and restructured to create greater resilience in this area.

There have been some remarkable achievements and causes for celebration this year. In May we received the results of the Research Excellence Framework (REF) submitted in 2021. St George's ranked joint 8th in the country for research impact out of 129 institutions, and the number of our research outputs assessed as world-leading (4\*) almost doubled from 47 to 91 compared with the last assessment.

These results will generate additional income – an annual increase in excess of £1m. Alongside, the vital role we played in delivering Covid research and developing vaccines has substantially raised our national and international profile. This gives us an excellent platform to push for higher value research grants, and we plan to increase our translational research activities, developing even stronger links with the NHS.

While the additional research funding flowing from REF is welcome, it alone will not address the financial challenges ahead in the face of an imminent economic crisis – the impacts of which we see already. Fixing the undergraduate tuition fee at £9,250 until at least 2025 provides certainty for students. However, this fee freeze, which represents a year-on-year financial cut, together with the removal of the London weighting premium, places a tight grip on our finances at a time when every running cost is rapidly rising. We must continue to seek out cost efficiencies where possible and consider other sources of income generation.

A focus has been evaluating existing partnerships and considering new collaborations. July saw the end of the joint venture between St George's and Kingston University, known as the Faculty of Health, Social Care and Education. I am grateful to all staff affected by the dissolution of this venture for their resilience and hope that all involved will recognise the value of greater coherence in our allied health education and research.

Last year I reported that we would enter into discussions with Royal Holloway, University of London, about a potential merger. Following a period of careful exploration between Councils, both institutions agreed to end talks in December 2021. While this was in the interest of both parties, at St George's we see partnership working as an area of potential growth, which will be explored further in our emerging 2022–2030 Strategy.

Developing this strategy with staff and students over the summer, there has been a renewed sense of confidence as an institution. I believe that coming through the pandemic, supporting international research efforts, developing vaccines and playing a wider role in supporting the NHS, have done much to instil a stronger sense of pride among staff and students. We seek to build on a place of strength to leverage further success in a challenging environment.

Student recruitment has been solid, for both home and international students. The pandemic has shown the world, including prospective students, the importance of the healthcare profession. Here at St George's we deliver what society needs – graduates with excellent career opportunities in healthcare, research, leadership and management. They have a superb hands-on education which sets them up for life, whichever path they choose to follow. They hold a strong sense of social purpose, understanding the privilege of serving others.

This is the fundamental truth which has sustained St George's for more than 250 years, and will steer us well into the future – however challenging those years may prove to be.

PROFESSOR JENNY HIGHAM  
VICE-CHANCELLOR

The Covid-19 pandemic has tested us as individuals and as a university, but as a community we have learned from these challenges and I am incredibly proud of how we responded. The higher education sector contributes significantly to wider society, something that is not sufficiently acknowledged. How the whole St George's community responded to the pandemic, working with NHS partners to lead and support vaccine development and new treatments exemplifies this and has shown us at our best.



**While we continue to deal with the after-effects of the pandemic, we must also turn our attention to the future, and we have spent considerable time this year working to develop our 2022–2030 Strategy.**

As part of this, we have taken a realistic look at the longer term future. While we are financially stable, we continue to be challenged by a portfolio of high cost subjects, that we cannot cross-subsidise from lower cost courses as is the case with multi-faculty universities. Added to this is the cost pressure created by the tuition fee freeze, which limits our ability to invest for the future, develop our infrastructure, boost academic resources and improve the offer to students.

So our new strategy must be one for growth and diversification. This was the clear message which emerged from the Strategy Away Day in May. It was the first time that the Council, under my leadership, has had the opportunity to discuss the future with the University's senior leadership team, along with staff and student representatives. The breadth of skills and experience round the table was very powerful, and created engaging, thoughtful and challenging discussions about the future.

The emerging strategy will provide a platform for delivering excellence in research and education, enabling our students to progress with confidence into careers of substance, which will fulfil their ambitions and contribute more widely to our individual wellbeing and that of wider society.

For example, we will utilise innovation brought forward by the pandemic, particularly in online and blended learning. That will enable us to extend our reach in health focused education, pursuing new opportunities in distance learning and short courses so that St George's students are not restricted to learning at our physical location in Tooting.

We will continue to explore how partnerships can enable us to achieve greater impact, for example to broaden our portfolio of courses and create new opportunities to boost research income. Following our close working during the pandemic, our collaboration with the St George's University Hospitals Trust, with whom we share a campus, is stronger than ever. We are excited about the potential to deepen this further. We will also develop new knowledge exchange activities through partnership working with public, private and third sector organisations, via enterprise, innovation, consultancy and contract research.

Alongside working towards long-term financial sustainability, the new strategy will have a strong environmental focus. We are committed to achieving substantial decarbonisation by 2030, and also commit to the targets set by Universities UK. Fulfilling these ambitions will involve a progressive move to the use of renewable electricity, changing the university heating system and increasing energy efficiency. This will need phased investment in the university infrastructure, and consideration of the potential for external funding.

At Council, we have also made the environment a key component of the University's investment policy, which has been changed to exclude companies with appreciable fossil fuel holdings. Instead, our investment portfolio has been transferred to a Responsible Investment Fund aligned with Paris 2015 Climate Targets.

Inclusivity will be a key enabler of the new strategy, as we continue to strive to create a community which harnesses our diversity and maximises the potential of staff and students to ensure successes in education, innovation and research. To that end, this year saw the publication of the University's first Equality, Diversity and Inclusion annual report, which showed that we are making progress, and are working towards eradicating inequality in opportunity and pay. Where racism still exists, we will continue to work tirelessly to dismantle it.

The diversity of our student body has always been one of our foremost strengths. This was painted vividly for me during the summer graduation ceremonies, which were a particular highlight of my year. Seeing such a diverse student body cross the stage, representing all corners of the world and a multitude of faiths, was incredibly powerful. Knowing that these graduates will go on to become outstanding healthcare professionals and future leaders in their chosen professions, making a difference in their communities in the UK and across all continents, was truly inspiring.

They have exciting futures full of possibility, something which we share with them as we move forward as an institution: futures filled with hope, ambition and pride in what we do.

*Christine Swabey*

CHRISTINE SWABEY  
CHAIR OF COUNCIL

**AUGUST 2021**

**RESEARCH SHOWS COVID-19 VACCINE SAFE FOR PREGNANT WOMEN**

St George's academics published the first UK research showing that there is no difference in adverse pregnancy outcomes between vaccinated and non-vaccinated individuals. The findings also revealed the low numbers of pregnant women accepting a Covid-19 vaccination at the time, with less than one-third having received at least one dose. The research added to the evidence that the vaccination is safe in pregnant women, helping to encourage increased take-up.



**SEPTEMBER 2021**

**NATIONAL TEACHING FELLOWSHIP FOR ST GEORGE'S PROFESSOR**

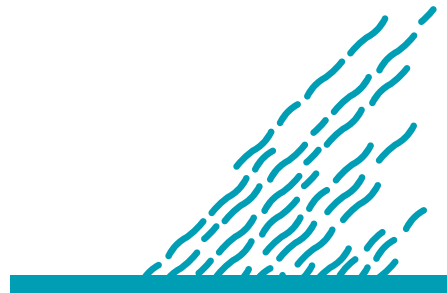
St George's Clinical Academic, Professor Kate Tatton-Brown, was selected to receive one of only 55 prestigious National Teaching Fellowships this year by Advance HE. The Award recognised her work in genomic education, where she has directed the development of a portfolio of online, in-person and blended educational resources, which have reached over 50,000 learners worldwide.



**OCTOBER 2021**

**DATA SHOWS BETTER VACCINATION SYSTEMS FOR MIGRANTS NEEDED**

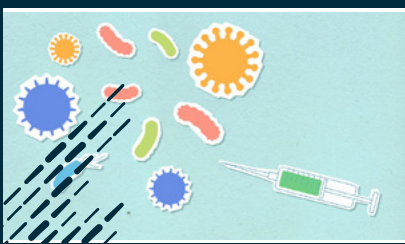
A St George's study found that migrant communities may be an under-immunised group in Europe that have been affected by vaccine-preventable disease outbreaks – including measles, chicken pox and hepatitis A. The results show a disproportionate burden of outbreaks among adult and child migrants living in hosting facilities such as camps and detention/reception centres. The findings point to a need for improved health and vaccination systems to provide better care for migrant populations after arrival in Europe.



**FEBRUARY 2022**

**ST GEORGE'S LEADS OMICRON COVID-19 BOOSTER VACCINE TRIAL**

The Vaccine Institute at St George's and St George's Hospital commenced one of the world's first Omicron-specific Covid-19 variant vaccine trials. The innovative study, supported by the National Institute for Health Research (NIHR), opened across multiple UK sites and saw 32,021 participants receive a first or second Covid-19 booster dose using Moderna vaccines. It was the first commercially sponsored Moderna vaccine trial to take place in the UK.



**MARCH 2022**

**STUDENTS TRIUMPH IN THE LONDON ANATOMY CUP 2022**

A team of St George's students emerged victorious in the first ever London inter-university anatomy competition. Featuring teams from all the London medical schools - St George's, Barts, King's, UCL and Imperial – the teams battled it out across several challenging rounds, to be named the best anatomy team in London. The event was organised by the St George's Surgical Society and Henry Gray Anatomy Society, to bring together medical schools across the capital.



**APRIL 2022**

**2022 TELEPHONE CAMPAIGN RAISES OVER £106,000**

Thanks to the generosity of St George's alumni, more than £106,000 was raised in our annual Telephone Fundraising Campaign. Each spring, a team of current students contact alumni to talk about how they can support important student causes by making a donation. This year's donations will provide essential financial relief to students through the Hardship Fund, and support projects which enhance the student experience at St George's.



## NOVEMBER 2021

### ST GEORGE'S AMONG UK'S BEST FOR SOCIAL MOBILITY

A study by the Institute of Fiscal Studies and the Sutton Trust education charity ranked St George's seventh in the country for social mobility. By looking at the proportion of students from low-income backgrounds at each university, and then assessing the students' income by age 30, the study developed a "mobility rate" metric. St George's scored a mobility rate of 4.4%, more than three-times the average score of 1.3%.

## DECEMBER 2021

### DR MOHAMMAD RAZAI WINS EARLY CAREER RESEARCHER PRIZE

Dr Mohammad Razai from the Population Health Research Institute was awarded a John Maddox Prize as an early career researcher who stands up for science. He was selected for bringing an evidence-based understanding of racial health inequalities to bear in public and policy debates. His work has covered topics ranging from tackling vaccine hesitancy among ethnic minority groups, to revealing systemic racism as a fundamental cause and driver of adverse health outcomes.



## JANUARY 2022

### ALUMNA MAKES HISTORY WITH TREK ACROSS ANTARCTICA

St George's alumna, Preet Chandi, made history by being the first woman of colour to trek across Antarctica. The British Army Physiotherapist skied the 20,220-mile journey in 40 days, seven hours and three minutes – making her the third fastest woman to reach the South Pole unassisted. To help prepare, Preet took part in several challenges, including the Marathon des Sables across the Sahara, and a 27-day expedition on the ice cap in Greenland.



## MAY 2022

### REF 2021: ST GEORGE'S RANKED JOINT 8TH IN UK

The results of the Research Excellence Framework (REF) 2021, revealed that St George's ranks joint 8th in the country for research impact out of 129 institutions, according to scores calculated by Times Higher Education. The REF assess the quality of research in UK universities and higher education colleges, and the results showcase our research strengths: the number of research outputs assessed as world-leading (4\*) almost doubled from 47 to 91 compared with the last assessment.



## JUNE 2022

### HEALTH SECRETARY VISITS ST GEORGE'S

St George's welcomed the then Health and Social Care Secretary, Sajid Javid, to campus where he announced £1bn of investment in mRNA research through a new government partnership. Mr Javid toured the Vaccine Institute and Clinical Research Facility, chatting with Professor Dan Forton, Professor Paul Heath, and Dr Catherine Cosgrove about the world-leading Moderna vaccine research taking place at St George's.

## JULY 2022

### FIRST GRADUATION CEREMONIES IN THREE YEARS HELD

July saw in-person graduations return for the first time in three years. Hosted at the Barbican Centre, seven ceremonies were held over the month, enabling graduands from 2020, 2021 and 2022 to finally cross the stage and celebrate their achievements with family and friends.



**OUR STRATEGY**

During 2021/22 work started on our Strategy 2022–2030, capturing aspirations for how we can improve health for everyone through inspiring research and education. Our strategy sets out ambitions for our core delivery areas of Research & Enterprise, Education & Student Experience and Professional Services, as well as for our wider commitments of Health Policy, Civic Engagement and the Environment. Underpinning these areas are a set of enablers, including Resilience, Inclusion, Integration and Financial Performance, required to deliver the core strategy and drive activity to support a culture of excellence. Work to define strategic implementation plans and associated KPIs will progress in 2022/23.

**OUR STAKEHOLDERS**

Being a diverse organisation, St George’s works and interacts with an array of stakeholders with whom we engage in a variety of different ways.

**STAFF**

Our 760 staff are vital to realising our ambitions. During the Covid-19 pandemic, staff across St George’s worked tirelessly to ensure continuity of the University’s key functions, and the provision of high quality education and research. In 2021/22 management of the University returned to a more normal mode of operation.

The Future Ways of Working project, which began work in February 2021, concluded in May 2022. This project considered longer term changes to ways of working for staff at the University ensuring that opportunities arising during the pandemic, including better use of technology, were not lost once staff returned to working onsite more frequently.

In December 2021, St George’s launched a staff ‘pulse’ survey, sharing 15 questions aimed at obtaining staff feedback on working practices, leadership, diversity and inclusion, wellbeing and engagement. Across most areas feedback was more positive than it had been when the previous staff survey was undertaken in 2019.

St George’s has made steady progress with recommendations from the institutional race equality review, concluded in 2021. Action owners provide regular progress updates to the Race Equality Action and Engagement Group, which was formed on the conclusion of the review to monitor progress. In November 2021, the Vice-Chancellor announced St George’s anti-racism statement of commitment, available on the website, which lays out our commitment to being an anti-racist organisation and raises awareness of racism in the context of power, oppression and privilege and how this leads to institutional racism.

The Athena SWAN Self-Assessment Team continues to consider the progress of gender equality in academic institutes and directorates at the University, with a focus on sustained staff development. The intersection of gender and ethnicity is also considered and recognised in the Celebrating Achievement and Diversity Speaker Series throughout the year.

In 2021, St George’s renewed its accreditation as a Disability Confident Employer. This scheme requires a self-assessment and offers interview to candidates who gave a declared disability and meet the minimum essential criteria for a job role.

An action plan has also been developed over the year to promote LGBT+ inclusion and ensure LGBT+ perspectives are represented in our teaching and practices. This includes awareness of transgender and non-binary identities. In 2022, St George’s launched a trans healthcare Massive Open Online Course (MOOC), which was developed by an interdisciplinary group of staff and students.

**OUR MISSION IS TO IMPROVE HEALTH FOR EVERYONE, THROUGH INSPIRING EDUCATION AND FOCUSED RESEARCH**



**CORE DELIVERABLES**

**WIDER COMMITMENTS**

Research & Enterprise

Education

Professional Services

Health Policy

Civic Engagement

Environment & Sustainability



**PRIORITY ENABLERS**

Resilience

Inclusion

Integration

Financial Performance



## STUDENTS

Our diverse population of 4,800 students (3,600 undergraduate and 1,200 postgraduate) study on over 60 different programmes and come from over 70 countries. In 2021, 16% of our undergraduate entrants came from our widening participation target areas (those which are socioeconomically deprived or where few young people progress to university) and 20% came from a low performing secondary school.

Following two turbulent years for students, dominated by government restrictions and disruptions caused by the Covid-19 pandemic, the 2021/22 academic year saw increased in-person hands-on teaching (whilst retaining the best features of online delivery) and re-engagement with research activity. Alongside, there was increased student activity on campus and more opportunities for socialising and community events.

Overall satisfaction in 2021/22 of final-year undergraduate students in the National Student Survey remained consistent with the previous year with a slight increase of 0.1% to 61.4%, however, satisfaction amongst other undergraduate students was higher (72.7%). For postgraduate taught students there was an increase of 3.45% (to 82.05%) in satisfaction and for postgraduate research students an increase of 9.72% (78.95%).

Our students are at the heart of all educational decision making and engage with us collaboratively to inform all aspects of their university experience. In 2021/22, over 70 students from across the community were employed on the Student Advisor Scheme and undertook nine projects to inform changes and developments at the University. Students also made an impact through six Student-Staff Partnership Grant awards, totalling over 35 since the initiative began in 2017/18. In the past academic year, there were 450 pieces of feedback posted on Unitu, the digital student voice platform, which have been resolved through dialogue between students and staff.

Students have continued to be involved in enrichment initiatives. This academic year nearly 60 students attended the Education Ideas Hub, an interactive discussion series, which included presentations from Student-Staff Partnership Grant project teams. More than 1,000 students and staff signed up to over 30 different Open Spaces events, which included creative workshops, master-classes and seminar discussions. In order to further nurture the postgraduate community, the postgraduate common room was expanded and refurbished.

The expansion of the postgraduate taught portfolio continued with the launch of a new part-time MSc in Heart Failure. This course, the first of its kind in the world, attracted substantial funding from pharmaceutical companies. We were successful in bidding for a prestigious MRC funded Doctoral Training Partnership and an equally prestigious Wellcome Trust funded Global Health Research in Africa Doctoral Training Programme. Both of these programmes involved collaboration with other universities and both will welcome the first cohort of students in October 2022.

We have continued to make progress towards our Access and Participation Plan targets, in particular closing gaps in

attainment between students of different ethnic groups and ensuring that socioeconomic background is not a barrier to accessing our programmes. We have also expanded our Contextual Admissions scheme to take account of a broader range of contextual factors.

We have been working in partnership with students to make our programmes more diverse and inclusive. Students have been involved in drafting the Inclusive Education Framework, which provides principles and action plans to enable development in this area at both programme- and university-level to be overseen by the new Inclusive Education Steering Group.

## ALUMNI

It has been wonderful to hear about the incredible achievements of our alumni over the last year, their contributions to healthcare and research, and their impact on society. We are proud of the sense of community among our alumni, and have seen many of our alumni return to St George's over the last year to share their advice and expertise with our current students.

Our community continues to grow, with more than 22,000 counting themselves as alumni of St George's. This year, we were able to welcome our Class of 2020, 2021 and 2022 to the Barbican for the largest ever graduation celebrations seen at St George's, when Medicine alumna and former BBC journalist, Lucy Mathen was among the recipients of honorary awards.

We have continued to see positive engagement with our monthly e-newsletter (The Dragon) and social media posts, through which we are able to share news from St George's and highlight the achievements of many of our alumni. We have also seen a steady increase in the open rates for our monthly events bulletin, which we resumed following our return to site, increasing the frequency from quarterly to monthly. This has helped keep our alumni informed about opportunities to engage with the work of our community and get involved in our activity.

Throughout the year, alumni participated in 20 events at St George's, which were a combination of virtual and in-person events, including public engagement lectures. Our team held two Alumni Perspectives events, allowing three of our alumni to share valuable careers insight with current students and fellow alumni. We also hosted a campus tour for several members of our Class of 1976, and attended a Nursing Class of 1960 course anniversary.

We were delighted to be able to welcome more of our alumni back to St George's over the last year. In May, we held a 21-year celebration of our Graduate Entry Medicine programme, attended by over 60 alumni, staff and students. The day included a panel discussion, which allowed guests to hear about the career paths of alumni such as Women's Equality Party deputy leader, Dr Hannah Barham-Brown. Several other alumni shared their reflections to mark the anniversary of the course and highlight the key achievements of the programme.

## SUPPORTERS

St George's students have continued to benefit from the warmth and generosity of our alumni community in 2021/22. Through our annual Telephone Fundraising Campaign, our alumni community generously gifted over £106,000 towards student causes across the University. These donations will allow us to continue to provide support to students through the University's Hardship Fund, and a range of mental health and wellbeing initiatives.

We will also be supporting the development of our Clinical Skills Practice Space, which will enable improved access to better equipment, across a broader range of procedures. Providing new, cutting-edge equipment to this space will help students across our course portfolio to prepare for a broad range of real-life scenarios beyond the classroom, and develop the skills they need to thrive in a future career in healthcare.

We are very grateful for the ongoing contribution of James and Margaret Lancaster to the Robert Lancaster Fellowship Award, Professor Elijah Behr and his team have been able to continue their vital research into Brugada Syndrome.

In September, we awarded an Honorary Degree to Sir Joseph Hotung, to recognise his impact on St George's in the past decade, through his role on Council and his generous support of Molecular Pharming research within the Institute for Infection and Immunity. Sir Joseph sadly passed away on 16 December 2021, at the age of 91. He will be dearly missed by his friends and colleagues at the University.

## TRADE UNION REPRESENTATIVES

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require St George's to publish data on trade union facility time each year. In total 5 employees were union officials over the period 1 April 2021 to 31 March 2022. On a full-time equivalent basis this represented a headcount of 5.0. For all 5 of the individuals the time they spent on trade union facility time fell into the category of 1%-50% of their working hours, although each spent less than 5% of their working hours on trade union facility time. The total cost of these employees undertaking this time was £5,407. This represents 0.01% of our total pay bill. Further information is available on the website.

## THE OFFICE FOR STUDENTS

Following our successful registration with the Office for Students (OfS) in July 2018, we have undertaken regular monitoring and remain compliant with both the ongoing conditions of registration and subsequent changes.

We are making progress towards our Access and Participation Plan commitments; we are currently ahead of our interim milestones for four of the six quantitative targets we agreed with the OfS in 2019, with further work needed for the two remaining targets. In line with a more recent change of direction for Access and Participation within the OfS, we are also preparing to submit a new Access and Participation Plan within the next academic year.

A revised condition (B3) for student outcomes comes into force from October 2022, stating that "the provider must deliver successful outcomes for all of its students, which are recognised and valued by employers, and/or enable further study". We anticipate performing well against this condition as we expect to be easily in excess of the minimum thresholds for continuation, completion and progression.

## ST GEORGE'S UNIVERSITY HOSPITALS NHS FOUNDATION TRUST

The University continues to maintain and strengthen its relationship with the adjoining University Hospitals Trust, where research and teaching are both identified as important in the five-year strategy. Close working on clinical and research aspects of Covid-19 during the pandemic has helped deal with a large volume of patients, and drive forward successful major research trials particularly around Covid-19 vaccines. Several Covid vaccine clinical trials have been led from St George's, including a major vaccine task force funded trial 'Preg-CoV', which aims to identify the optimal time to administer Covid-19 vaccines in pregnancy to best protect pregnant women against Covid-19.

Four Clinical Academic Groups have been developed and were set up in 2020. These groups cover the areas of infection, cardiovascular medicine, neurosciences and genetics & genomics, with the aim to facilitate research and improve research training in areas which are strong both in the University and the University Hospitals Trust. Further, a new virtual Translational and Clinical Research Institute was jointly developed between the Trust and the University in 2021 to support all those areas of research across the Trust which are not currently a focus for the University and has now grown to support 200 researchers. In summer 2022, two new co-Directors, Professor Debu Banerjee and Dr Heather Jarman, were appointed and both hold clinical and academic appointments.

The Trust and the University have worked closely together on a number of new initiatives, such as developing renal research with the planned appointment of a new chair in 2024, now that Epsom & St. Helier NHS Trust have a shared senior leadership team with St George's University Hospitals NHS Foundation Trust. There has also been close working to ensure the best possible training of students in various aspects of healthcare in the context of the difficulties thrown up by the impact of the pandemic on placements. There was major success in securing NIHR Clinical Research Facility designation, which was awarded in February 2022 for the St George's Clinical Research Facility following a joint St George's University and Hospital application. This award, which comes with funding of £1m, is the first time that St George's has received NIHR designation and is a major boost to our research infrastructure.

The principal governance mechanism which supports close working between the University and Trust remains the Joint Strategic Board (JSB) which has met regularly throughout the year, led by the Vice-Chancellor and the Trust Chief Executive. At JSB, there is broad agreement that there needs to be increased clinical academic activity and appointments. In addition, Joint Research & Enterprise Services continues

to support both organisations in an integrated manner. Clinical trials are overseen by the Joint Research Governance Committee, whilst the Joint Clinical Research Committee has strategic oversight of clinical research within the University Hospital. There are also regular meetings between the Associate Medical Director (Research) and Deputy Vice-Chancellor (Research & Enterprise) to discuss potential new developments.

## OUR LOCAL COMMUNITY

We are proud of the strong connections we have with the local community close to our campus in Tooting, South London. Much of our community engagement supports our widening participation and outreach work, through which we encourage applicants and students from groups that are currently under-represented in higher education.

The Widening Participation team delivered ‘Science Stars’ to a group of Year 11 students at a local secondary school in Tooting for a fourth year, while also expanding the scheme to a new school located in Margate. Between October and March, the school students met weekly (virtually) with trained St George’s student ambassadors to receive customised science tutoring, with the aim of boosting Year 11 pupils’ GCSE grades.

Our partnership with the Brilliant Club places trained PhD and Post-Doc researchers as tutors in local secondary schools where they deliver tutorials around their own area of research. In collaboration with the Armitage Foundation, student ambassadors delivered Medicine focused practical and theoretical content to three local schools to inspire Year 8 and Year 9 students.

The team also runs a healthcare shadowing scheme in collaboration with St George’s University Hospitals NHS Foundation Trust and the Royal College of General Practitioners. Over a hundred Year 12 students attended a virtual ‘Insight into General Practice’ workshop led by doctors along with a post-event reflection and interview preparation event.

Several new initiatives launched this year, including a virtual week-long Medicine focused summer school for Year 12 students which was delivered in collaboration with KCL, UCL and QMUL. Primary Practice, an initiative for Year 6 students, was launched with four primary schools in Wandsworth. Students attended a launch event, six after-school clubs and a three-day summer school introducing them to a range of healthcare careers. Students took part in interactive workshops including making a prosthetic finger, trying their hand at basic life support and diagnosing medical conditions using real x-rays and scans.

Healthcare Dissected is targeted at Year 10 students from areas with low higher education participation rates. The programme takes place online and introduces students to a range of science and healthcare topics, while learning more about university life. As part of the initiative, the Image Resource Facility ran eight workshops examining a different organ each week, looking at organ tissues before hearing from researchers on different health conditions.

Finally, a Widening Participation travel bursary launched, supporting prospective students from underrepresented groups to attend on-site events at St George’s such as Open Days, interviews and offer-holder events.

Public Engagement is also a strategic priority for the University. The St George’s Public Engagement Strategy 2020–2024 reflects our existing strengths whilst providing leadership, clear goals and commitments. We have developed a wide-ranging programme of initiatives and highlights include a Public Engagement network, annual programme of training workshops, public engagement seed funding opportunities, and increased visibility of public engagement through external events in the community, including Pint of Science and Science Museum Lates.

## KINGSTON UNIVERSITY

In 1996 St George’s established a partnership with Kingston University to offer courses in health and social care, and conduct practice-focused research within the joint Faculty of Health, Social Care and Education (FHSCE). Following the agreement reached in July 2021, this was dissolved on 31 July 2022.

## UNIVERSITY OF NICOSIA

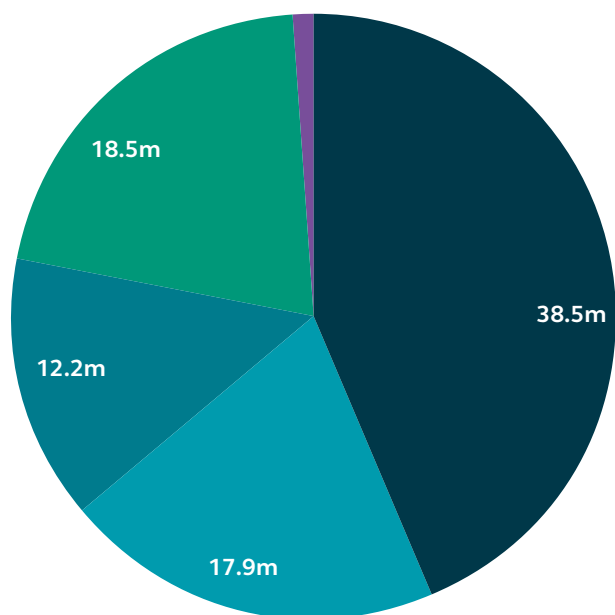
Following ten years of successful collaboration, our two institutions have agreed to redefine our relationship. It has been agreed that the 2021 cohort was the last to join the St George’s University of London MBBS programme delivered by UNIC and this course is closed to new entrants.

The Financial Statements of St George's are prepared in accordance with the "Statement of Recommended Practice: Accounting for Further and Higher Education 2019" and with reference to the conditions of registration which regulates the formal relationship between the Office for Students (OfS) and St George's. OfS also acts on behalf of the Charity Commission as the principal regulator of St George's as an exempt charity in accordance with the Charities Act 2011.

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

	<b>2022</b>	<b>2021</b>
	<b>£m</b>	<b>£m</b>
Tuition fees and education contracts	38.5	39.7
Funding body grants	17.9	18.4
Research grants and contracts	12.2	11.2
Other operating income	18.5	16.7
Investment income, donations and endowments	0.7	0.7
<b>Income</b>	<b>87.8</b>	<b>86.7</b>
<b>Operating expenditure</b>	<b>(87.6)</b>	<b>(85.6)</b>
<b>Operating surplus before movement in pension provision</b>	<b>0.2</b>	<b>1.1</b>
<b>(Increase)/Decrease in pension provision</b>	<b>(8.8)</b>	<b>0.2</b>
<b>Operating (deficit)/surplus</b>	<b>(8.6)</b>	<b>1.3</b>
Gain on investments	0.4	2.5
Taxation	-	-
<b>(Deficit)/Surplus for the year</b>	<b>(8.2)</b>	<b>3.8</b>
<b>Non-current assets</b>	<b>80.7</b>	<b>90.1</b>
Current assets	32.6	23.0
Creditors falling due in less than one year	(34.7)	(32.4)
<b>Net current liabilities</b>	<b>(2.1)</b>	<b>(9.4)</b>
Creditors falling due in more than one year	(31.7)	(34.3)
Pensions provision	(22.1)	(13.3)
<b>Total net assets</b>	<b>24.8</b>	<b>33.1</b>
<b>Restricted reserves</b>	<b>6.4</b>	<b>6.5</b>
<b>Unrestricted reserves</b>	<b>18.4</b>	<b>26.6</b>
<b>Total reserves</b>	<b>24.8</b>	<b>33.1</b>
<b>Cash and cash equivalents</b>	<b>21.7</b>	<b>11.1</b>

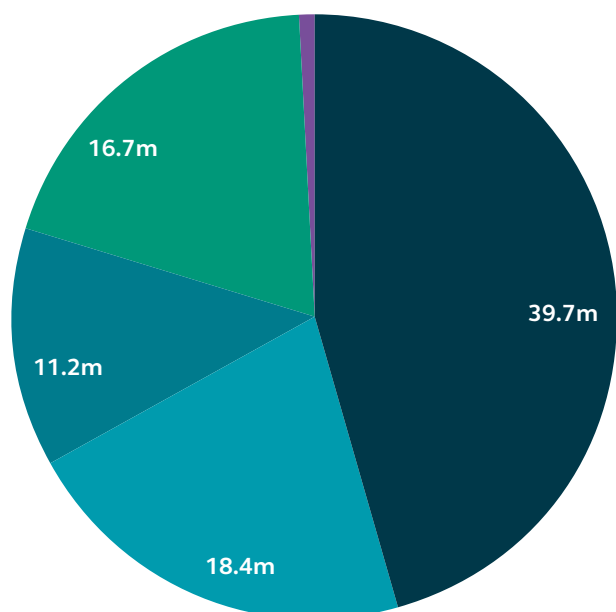
**INCOME** has increased slightly from £86.7m to £87.8m between 2021 and 2022. Some activity in commercial areas, research and CPD have not yet fully recovered from the effects of the pandemic.



**TOTAL INCOME (£87.8M) 2021/22**

**£m**

● Tuition fees	38.5
● Funding body	17.9
● Research grants and contracts	12.2
● Other operating income	18.5
● Investment and donations income	0.7



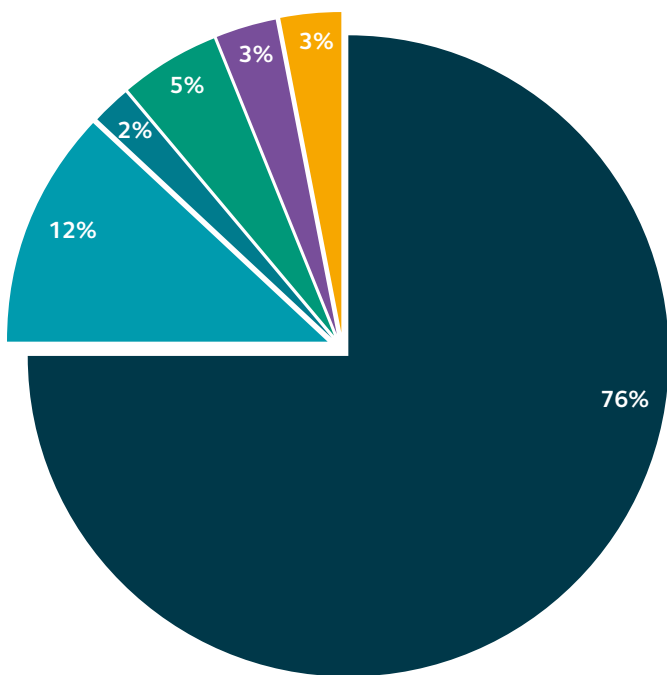
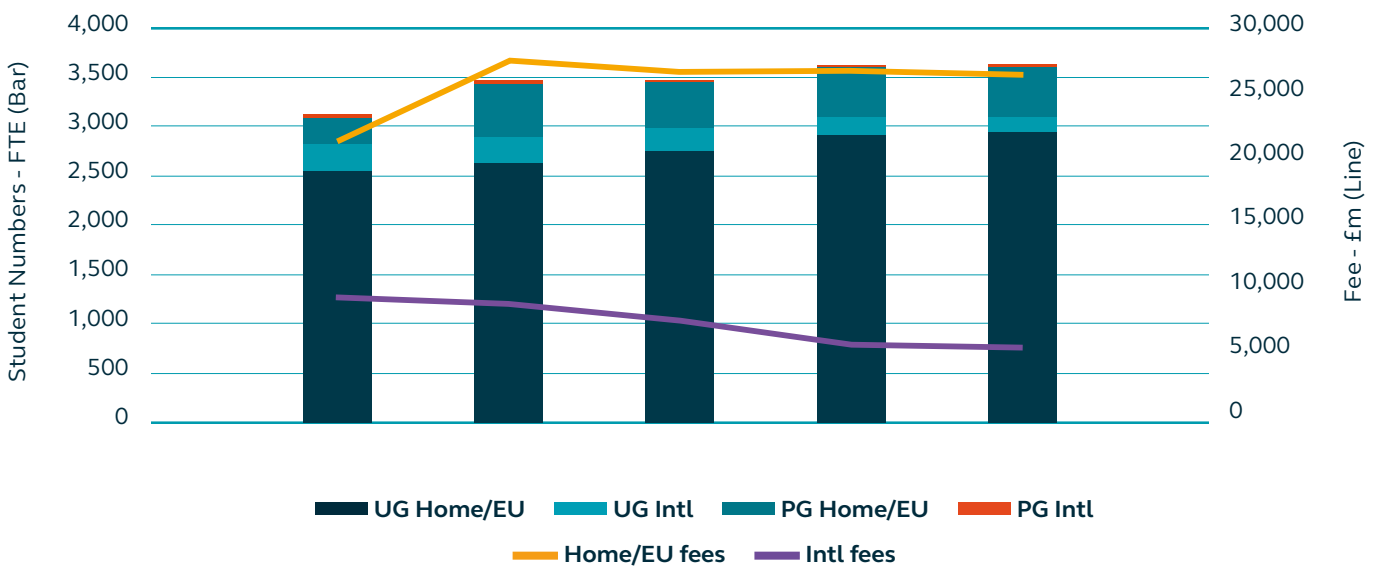
**TOTAL INCOME (£86.7M) 2020/21**

**£m**

● Tuition fees	39.7
● Funding body	18.4
● Research grants and contracts	11.2
● Other operating income	16.7
● Investment and donations income	0.7

Student numbers have seen a steady upward trend over a number of years, leveling off in 2022 as we graduated our first cohort on the Clinical Pharmacology programme. International fees have fallen slightly as the International MBBS teachout continues and due to the nature of our programmes, most of which are validated and regulated by UK bodies, and not recognised overseas, means that international students are not replaced in such high numbers.

**STUDENT NUMBERS AND FEES**



**FUNDING BODY GRANT INCOME 2021/22 - £16.3m**

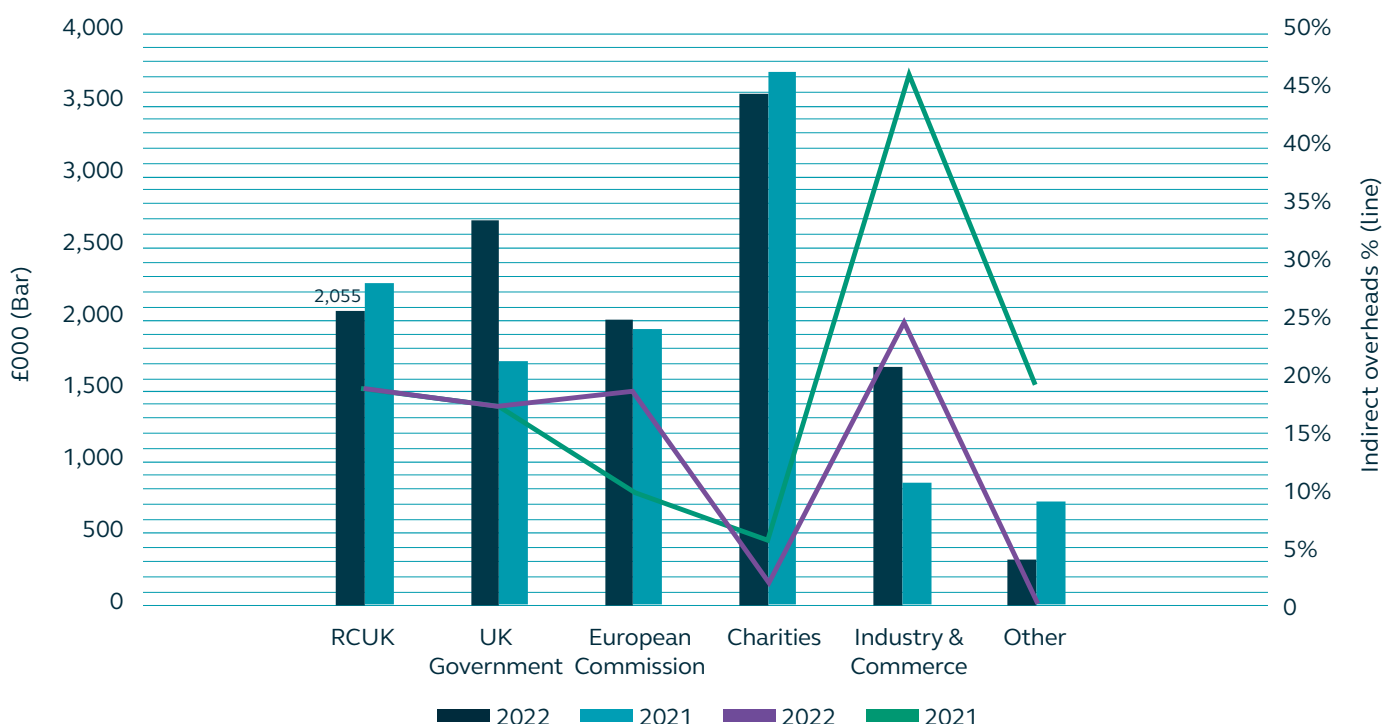
- Teaching 76%
- Mainstream 12%
- Business 2%
- HEIF 5%
- PhD Support 3%
- Charity 3%

The amount of Quality-Related (QR) funding received stayed almost static at £3.2m.

Income from consultancy and other enterprise activity is a key part of the 2017–2022 strategy and this has driven the increase in HEIF income from £663k to £743k.

	2022 £K	2021 £K
Teaching	12,425	12,882
Mainstream QR	2,115	2,155
Charity QR	445	553
Business QR	174	149
PhD Support	403	392
HEIF	743	663
	<b>16,305</b>	<b>16,794</b>

### RESEARCH INCOME AND OVERHEADS



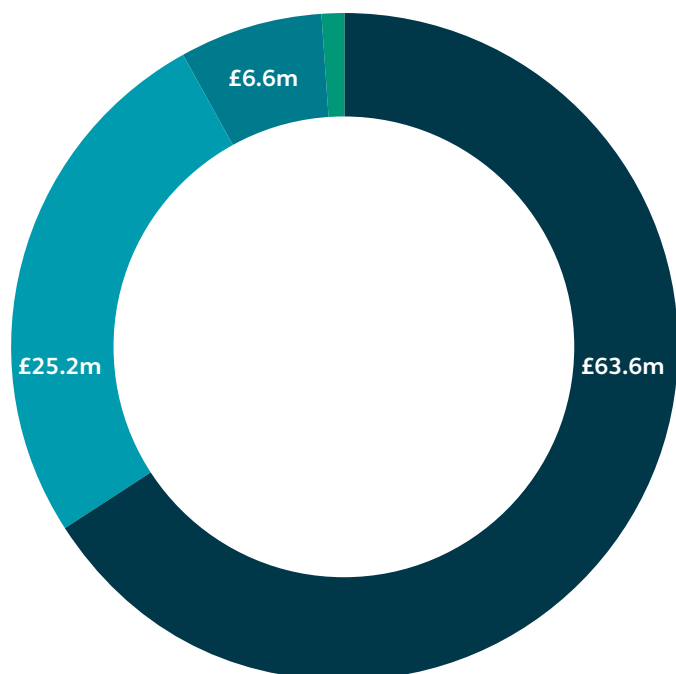
Total research income increased to £12.3m (£11.2m in 2021). A total of 46 new grants (64 - 2021) have been won during the year, worth £10.6m (£21.6m - 2021). The overhead recovery rate has increased since last year to 24% from 22%. This continues to be an active area of review over the last year and is a KPI in the strategic plan.

The main sources of income within residences, catering and conferences is from the Horton Halls, St George's halls of student residence, comprising 486 ensuite rooms which are a short walk from the campus, rented to our students, together with a small amount of income from commercial lets and media services.

Other services rendered income (£8.2m) includes staff recharges to the NHS, mainly St George's University Hospitals Foundation Trust (SGUHFT), and recharge income from our now dissolved joint venture with Kingston University (FHSCE).

Income from the Department of Health such as Undergraduate Tariff (which pays for clinical placements) and Health Education South London (funding training and placements to the NHS) is included within other income, as is franchise income from the University of Nicosia (£0.5m) and consultancy income earned by academic staff.

Staff costs and headcount continue to be tightly controlled and monitored. There are some increases in headcount in some areas as we invest in new courses.



EXPENDITURE BY TYPE 2021/22	£m
● Staff costs	63.6
● Other operating expenses	25.2
● Depreciation & Amortisation	6.6
● Interest and other finance costs	1.0

Controls over other operating expenditure remain and the increase in research funding means an increase in related spend.

Other operating expenses include the costs related to the FHSCE and the international joint ventures, including placements.

The USS pension scheme remains a major risk for St George's and the wider university sector. The 2020 valuation was completed with the following higher contribution rates agreed, with deficit recovery contributions set at 6.2% from April 2022 and 6.3% from April 2024.

	APRIL 2022	OCTOBER 2021
Member	9.8%	9.8%
Employer	21.6%	21.4%

The impact of the current deficit recovery period and the increase in members following the dissolution of FHSCE and the transfer of staff has increased the pension provision for USS by £13.8m to £22.1m as at 31 July 2022. (£2.6m related to increase in members and £11.2m related to the deficit recovery plan).

Capital expenditure continues with £3.9m spent on fixed assets in 2022.

In Information Services, a number of upgrades and refurbishments were undertaken.

St George's cash position has increased over the year to £21.7m, with £7m of this being cash held in the investment portfolio as we were in the process of moving to a different fund with our investment managers at 31 July 2022.

St George's has long-term loans, with Barclays Bank plc and Santander UK plc, repayable between 8 and 30 years as well as an interest-free loan with Salix which was provided to fund the more energy-efficient chillers. Each loan facility from Barclays and Santander contains financial covenants. These covenants are reviewed regularly against financial forecasts to determine expected compliance over the period of those forecasts. St George's is compliant with all of the covenants agreed with its banks both at 31 July 2022 and at the date of signing of these financial statements.





St George's is an exempt charity under the terms of The Charities Act 2011. In setting and reviewing its objectives and activities, Council has due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education.

Our overall charitable aims are embodied in our Statutes:

To advance learning and knowledge by teaching and research in medicine, nursing, midwifery, the allied health professions, in biological sciences and any other sciences, and in social work, in healthcare management and in all matters connected with the practice of medicine and allied subjects in all their branches and in any other subject or area as St George's should determine; and insofar as it is necessary or desirable in any way for the achievement of the foregoing objects to contribute directly or indirectly to the treatment and care of patients.

To develop people who meet today's healthcare needs and tomorrow's healthcare challenges

The primary beneficiaries are the students, researchers, academic and NHS staff who are engaged in healthcare education, learning or research and those who have the opportunity to attend educational events and use our research and teaching facilities. The general public also directly benefit from our healthcare research and activities. Our stakeholders are described on page 8 and 9. We provide a world-class multi-professional health sciences education that equips our graduates to meet today's healthcare needs through relevant scientific research, clinical excellence, strong interpersonal skills and team-based working. Sharing a site with a major London teaching hospital, our innovative approach to education results in well-rounded, highly skilled clinicians, scientists, and health and social care professionals.

We also work closely with healthcare providers throughout south London to ensure that our courses reflect latest clinical practices and that our students benefit from diverse clinical placement opportunities.

Our experts have access to a wide range of facilities that support our teaching, our research and clinical trials, working in collaboration with St George's University Hospitals Foundation NHS Trust.

Many of our facilities are also available to external organisations and collaborators. We also maintain an extensive healthcare library and archive (including important special collections) providing a valuable resource for students, researchers, alumni, academics and others by arrangement.

We believe everyone should be able to access the benefits of bio-medical discovery and that research should be an integral part of the training and education of healthcare professionals.

We are committed to developing public understanding and involvement in our research programmes and actively contribute to partnerships across London, linking students and researchers to practitioners and employers across the region. We arrange visits from outstanding academics and healthcare experts from both the UK and overseas and encourage and support the dissemination of research and healthcare advancements through lectures, seminars and the publication of papers in academic and professional journals or other suitable means.

In the 2022 Times Higher Education World University Rankings St George's was ranked twenty-first internationally for citations or research influence, demonstrating our contribution to the sum of knowledge, which has been built on by others, expanding the boundaries of understanding and which has been shared around the globe.

We enrol more than 1,200 new students a year, from a wide range of backgrounds, offering them the opportunity to work and study on a healthcare campus that reflects the full range of healthcare professions.

We are proud of our diversity and strive to create an environment where everyone, regardless of their ethnicity, religious, geographic, socio-political or economic background, can flourish. We focus on maintaining the excellent reputation of our teaching and research portfolio, as well as attracting, retaining and nurturing the most talented students and staff from across the UK and abroad.

We strive to create an environment where everyone, regardless of their ethnicity, religious, geographic, socio-political or economic background, can thrive

Part of our public task as a university is working to improve equality of opportunity for under-represented groups in higher education. One of the ways that we do this is through an extensive outreach programme that aims to raise awareness and aspirations among students who might not have considered a career in healthcare, to support them in reaching their educational goals, and to guide them through the process of applying to university.

We work throughout our local area with young people from primary school upwards, delivering activities such as online tutoring, spring and summer school, open days and campus visits.

For example, we have implemented a programme, called Science Stars, for a group of Year 11 students from a local state school (many of whom are in receipt of free school meals and/or have parents/carers who have not been to university). They receive small group GCSE Science tutoring delivered after school by our student ambassadors, using materials developed by a St George's alumnus who is now a university lecturer.

We have also extended our geographical reach to work with young people in the East of England, East Midlands, Essex and Kent. This enables us to reach young people who live in areas with low participation rates into higher education. Activities include delivering summer schools and a range of virtual events.

Our new Contextualised Admissions scheme aims to support access to St George's for students from areas which are socioeconomically deprived, or from schools or areas where few people currently progress to university. Eligible students can receive an offer at two grades lower than our normal entry criteria, in recognition of the additional barriers they have faced educationally.

The St George's Opportunity Fund offers home students from lower income households an annual bursary (students studying a first degree only).

We also have hardship funds available to home, EU and international students who encounter financial difficulties while studying. These provide non-repayable support to those with an assessed additional financial need.

Our Access and Participation Plan 2020-21 to 2024-25 identifies a range of areas across the student lifecycle where outcomes data suggests equality of opportunity has historically been problematic. We have invested significant resource in these areas and are currently making significant progress towards each of our Office for Students-approved APP targets.

We employ both clinical and non-clinical staff to fulfil our charitable purposes of advancing education, learning and research. We aim to ensure that all salaries, stipends and employment-related benefits are objectively reasonable, compared to academic and clinical earnings generally; annual pay increases normally follow national settlements applying to the university sector.

Independent members of Council, our governing body, receive no remuneration for their services. There are no waived entitlements or other benefits for serving as Council members (Trustees). Independent Council members can claim reasonable expenses such as travel. The total amount of expenses claimed in 2021/22 was £700.23

Related party transactions are set out in note 29 of the Financial Statements.

St George's does not have any Paragraph 28 (Charities Act 2011 Schedule 3) connected charities that have an income in the year of £100,000 or more.

### WHO WE ARE

With a 250-year history, St George's is the UK's only university dedicated to medical and health sciences education, training and research. Our distinctiveness is based on this exclusive focus and we strive to bring an innovative and collaborative approach to all we do. Our teaching and research activity is organised across four Institutes:

- Molecular and Clinical Sciences Research Institute
- Population Health Research Institute
- Institute for Infection and Immunity
- Institute of Medical and Biomedical Education

Our Professional Services activity is organised across nine departments, overseen by the Chief Operating Officer and ultimately, the Vice-Chancellor.

The Senior Committee Structure (overleaf) details the organisation of our senior committees, which report into Council.

### CONSTITUTION AND GOVERNING BODY

St George's is an independent University and Member Institution of the University of London (UoL) and acquired Degree Awarding Powers in 2009 and University Title in 2022. In accordance with its duty under section 3(3) of Higher Education and Research Act (HERA), the Office for Students (OfS) confirmed St George's inclusion in the register of English higher education providers in July 2018. St George's complies with the conditions of registration by the OfS including the time-limited conditions introduced during the Covid-19 pandemic.

The objects, powers and framework of governance are set out in the Scheme and Statutes which were reviewed and updated and, following approval by the University Council, UoL and the OfS, came into force on 30 June 2022. The Scheme establishes the Council and Senate, each with clearly defined functions and responsibilities detailed in the Statutes, to oversee and manage St George's activities.

### COUNCIL

Council is our governing body and in exercising its role and powers undertakes to meet the obligations placed upon St George's by its Scheme and Statutes, and on its members as charity trustees. Council is responsible for our overall strategic direction, for financial affairs, property investments and general business, and for presenting audited financial statements for each financial year. Council adheres to the CUC Higher Education Code of Governance issued September 2020, and it has agreed a Statement of Primary Responsibilities as set out in the Code, and which accords with the Scheme and Statutes.

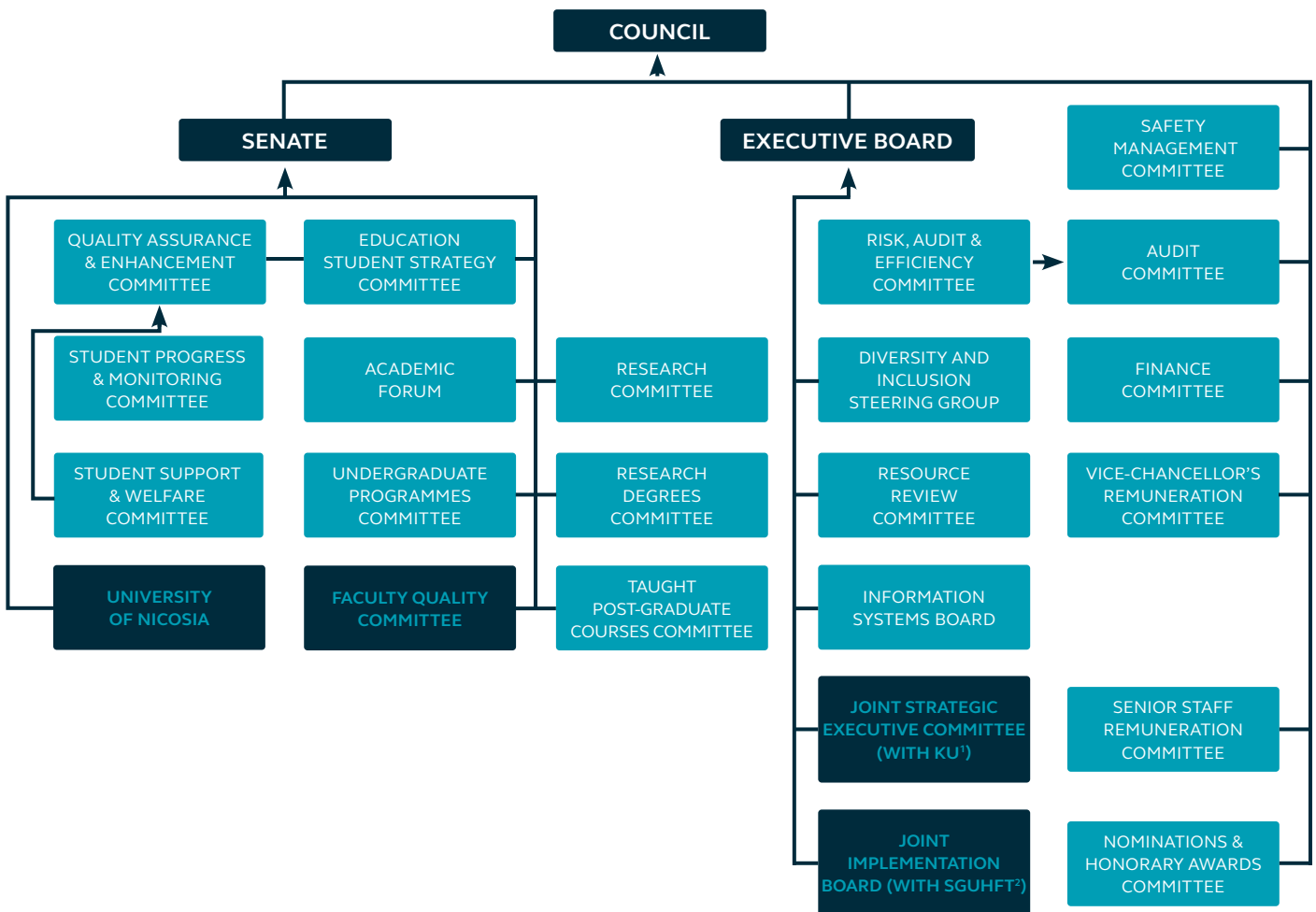
Council is made up of 21 members with a majority of Independent Members, as well as representatives of St George's staff and student body. The Independent Members come from a wide range of backgrounds across the private and public sectors and collectively offer expertise in legal, financial, organisational matters as well as medicine, healthcare and education. Independent members of Council are appointed through a robust, transparent, open advertisement and interview process managed by the Nominations and Honorary Awards Committee taking into consideration skills, experience and diversity.

- The Chair, who has overall responsibility for the conduct of Council, and the Vice-Chair are both Independent Members.
- The Vice-Chancellor is appointed by the Council as the academic and administrative head of St George's and is an ex officio member of Council. The Vice-Chancellor has general responsibility to the Council for ensuring that the objects of St George's are fulfilled and for maintaining and promoting the efficiency, discipline and good order of St George's. Under the OfS Regulatory Framework, the Vice-Chancellor is the nominated accountable officer.
- The Deputy Vice-Chancellors and the Dean for Students are also ex officio members. In addition, two staff members, one academic and one from the professional services, are elected from their respective constituencies.

We consider the role of students within our governance framework to be very important and both the President of the Students' Union and one other student representative are members of Council.

Council meets at least five times each year, and in 2021/22 it met on several more occasions owing to the proposal to merge with Royal Holloway, University of London (which was not pursued in December 2021). The following are some of the key activities that our Council reviewed, supported and/or approved in 2021/22, that will help St George's to add value to our outputs and meet our strategic goals:

- Ensuring that the ongoing Conditions of Registration have been met, through an Assurance Framework to enable the monitoring of compliance, including a separate Assurance Framework for monitoring Covid-19 related matters and any new Conditions of Registration. Monitoring St George's Covid-19 pandemic response, by considering detailed reports on the mechanisms introduced to support education and research, and to ensure the safety of staff and students, and by reviewing the outcome of the audit of compliance with consumer protection legislation during the pandemic.
- Ensuring that St George's is effectively promoting equality, diversity and inclusion amongst its staff, students and throughout the curriculum, by reviewing the outcomes and action plan following a review of race equality and monitoring the implementation of the OfS statement of expectations on sexual harassment and misconduct in higher education. Monitoring our progress against the Strategy by scrutinising progress made against the operational plan and associated 12 KPIs on a six-monthly basis.



- Approval of the budget for 2022/23
- Considering a proposal to merge the University with Royal Holloway, University of London, which was not pursued in December 2021 following an intensive period of review of the said proposal.
- Certain matters such as the approval of the strategic plan, the annual budget, major investments and the sale and purchase of land are reserved matters for Council. These matters are set out in the Scheme and Statutes. Much of Council's detailed work is handled initially by committee however and Council has established five standing committees chaired by Independent Members to help take forward its work. The Chair of Council is ex officio on all Committees of Council except for the Audit Committee.
- The decisions of all five of these committees are reported formally to Council.

### **AUDIT COMMITTEE**

Audit Committee is entirely composed of Independent Members appointed by Council from amongst its Members, and co-opted Independent Members also appointed by Council.

Audit Committee normally meets four times a year, with external and internal auditors invited to attend as appropriate. The Committee considers detailed reports from the internal and external auditors and relevant reports from regulatory bodies alongside recommendations for the improvement of the systems of internal control, and management's response and implementation plans. It also monitors adherence to regulatory requirements. Senior executives attend meetings of the Audit Committee as necessary but are not members. The Committee meets the internal and external auditors once a year, without the presence of senior executives. The Audit Committee adopted the CUC HE Audit Code of Practice in 2020/21, and monitors adherence to the Code via an Assurance Framework.

### **FINANCE COMMITTEE**

Finance Committee reviews and recommends to Council the annual revenue and capital budgets, the forecasts required by the OfS and monitors performance in relation to these. It supervises all matters relating to our finances, accounts and financial regulations and the management of our investments and borrowings. It also oversees estates matters. Finance Committee meets five times a year. Senior executives attend meetings and serve on the Finance Committee.

### **NOMINATIONS AND HONORARY AWARDS COMMITTEE (NHAC)**

The Nominations and Honorary Awards Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of Council. It also undertakes succession planning with respect to the membership, leadership of committees and advice on governance. In addition, it seeks, considers and makes recommendations for the award of Honorary Fellowships and Honorary Degrees.

### **REMUNERATION COMMITTEES**

The Remuneration Committees review and recommend the salary and conditions of service of the Vice-Chancellor, and the remuneration arrangements for senior staff. St George's follows the Higher Education Senior Staff Remuneration Code (the Code) published by the Committee of University Chairs (CUC), June 2018. In line with the Code Council established two Remuneration Committees: one to consider the Vice-Chancellor's pay and another to consider senior staff pay. More detail can be found in the Remuneration Committee Annual Report (page 26).

The Nominations and Honorary Awards Committee and Remuneration Committees meet less frequently because of the limited nature of their activities.

### **SENATE**

Senate is responsible for the academic affairs of St George's, reporting to Council on all academic matters and questions of educational policy. The Vice-Chancellor is the Chair of Senate and other members of Senate are: the Deputy Vice-Chancellors; the Deans; the Associate Deans; Institute Directors; and Head of the Graduate School. Heads of schools in FHSCE were also members until 31 July 2022. There are also 16 elected members from academic and research staff and four student representatives.

### **EXECUTIVE BOARD**

Council receives recommendations and advice in respect of its responsibilities from the Executive Board, which has oversight of the strategic and operational matters (including finance and policy), and any domain of St George's business on behalf of Senate and Council. The Executive Board ensures the effectiveness of St George's in meeting our strategic plans.

Members of the Executive Board include the Vice-Chancellor as Chair, the Chief Operating Officer and both Senior Professional Services and Senior Academic Staff, and the student representation from the Student Union's President. The Executive Board meets on a monthly basis.

INDEPENDENT MEMBERS OF COUNCIL		
Mr Godfrey Allen		Independent Member, NHAC from 01/06/2022, Audit Committee from 01/09/2022
Mr Jonathan Curtiss		Audit Committee until 31/08/2022, Finance Committee from 01/09/2022, Remuneration Committees
Professor Sian Harding	Until 30/09/2022	Independent Member
Mr M (Josh) Joshi		Independent Member, Treasurer Chair of Finance Committee, Remuneration Committees
Ms Gillian Norton		Independent Member, NHAC
Mr Damian Reid		Independent Member, Finance Committee
Ms Sue Rimmer		Vice Chair of Council, Finance Committee, NHAC
Mrs Christine Swabey		Chair of Council, Remuneration Committees Member, Chair NHAC, Finance Committee
Ms Sarah Wilton		Independent Member, Chair of Audit Committee
Mr Ewart Wooldridge		Chair of Remuneration Committees, Audit Committee, NHAC
Dr Sally Jackson		Independent Member, Remuneration Committees
INTERNAL MEMBERS OF COUNCIL		
Dr Baba Sheba	From 01/10/2021	Elected Academic Staff
Mr Ken Morrison	Until 30/09/2021	Elected Professional Services Staff
Dr John Hammond	Until 30/09/2021	Elected Academic Staff
Ms Becky Kemp-Arnold	From 01/10/2021	Student Representative
Ms Sarah Jones		Student Representative
Mr Muhammad (Omar) Hijazi	Until 30/09/2021	Student Representative
Ms Sandra Ashton	From 01/10/2021	Elected Professional Services Staff
Professor Jenny Higham		Vice-Chancellor, (Ex Officio)
Professor Jon Friedland		Deputy Vice-Chancellor (Research & Enterprise), (Ex Officio)
Professor Jane Saffell		Deputy Vice-Chancellor (Education) , (Ex Officio)
Dr Aileen O'Brien	Until 31/08/2022	Dean for Students, (Ex Officio)
Dr Jane Cronin-Davis	From 01/09/2022	Dean for Student Welfare and Support, (Ex Officio)
IN ATTENDANCE		
Mr Paul Ratcliffe		Chief Operating Officer
Ms Emma Whitaker	From 01/05/2022 to 31/08/2022	Clerk to Council
Ms Sian Marshall	Until 30/04/22	Clerk to Council
Ms Charlotte Martin	From 01/09/2022	Clerk to Council
Mr Graham Schofield		Director of Estates
Ms Susan McPheat		Director of Finance
Ms Jenny Winters		Director of Human Resources and Organisational Development
Mrs Nike Alesbury	From 01/01/2022	Associate Director of Development and Alumni

## STATEMENT OF COUNCIL'S RESPONSIBILITIES

### INTERNAL CONTROL

The key elements of the system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, academic, research and professional services staff;
- a comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly 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 significant capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by Council;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance Committees; and
- a professional firm appointed as Internal Auditors, whose annual programme is approved by the Audit Committee and endorsed by Council. The Internal Auditors provide the Council with a report on internal audits undertaken.

### REGULARITY AND PROPRIETY IN THE USE OF PUBLIC FUNDING

The policies and procedures which St George's has in place ensure funding is used for the purposes for which it was given and that it is spent in a wise manner to support students and research and to obtain optimum value for our funders. The Statement of Internal Control sets out the more detailed processes that ensure St George's has a rigorous system that safeguards the public and other funds and assets for which Council is responsible.

### STATEMENT OF COUNCIL'S RESPONSIBILITIES

In accordance with the Scheme and Statutes of St George's, the Council is responsible for the direction and management of St George's affairs and is required to present audited Financial Statements for each financial year. Council is responsible for preparing the Strategic Review and Financial Statements in accordance with applicable law and regulations.

Council is required to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice and applicable law including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". In addition, within the ongoing conditions of registration with the OfS for higher education providers for the period to 31 July 2022, Council, through the Vice-Chancellor, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of St George's and its subsidiaries (the Group) and of the surplus or deficit and cash flows for that financial year.

Council has ensured that, in preparing the Financial Statements:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- Financial Statements are prepared on the going concern basis.

Council is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of St George's and enable it to ensure that the Financial Statements are prepared in accordance with the Scheme, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and any subsequent amendments and the OfS Accounts Direction. They are also responsible for safeguarding the assets of St George's and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



In practice Council delegates responsibility to the Finance Committee for ensuring that proper accounting records are maintained and Financial Statements are prepared in accordance with generally accepted accounting practice.

Council, through the Vice-Chancellor and the Finance Committee, has taken reasonable steps to ensure that funds from OfS and Research England are used only for the purposes for which they have been given and in accordance with the OfS and Research England terms and conditions and any other conditions which the regulators may from time to time prescribe. The Vice-Chancellor is responsible for advising the Council if, at any time, any action or policy under consideration by Council appears to the Vice-Chancellor to be incompatible with the OfS terms and conditions.

Council, through the Audit Committee, has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of St George's and to prevent and detect fraud;
- secure the economical, efficient management of St George's and the Group's resources and expenditure; and
- ensure compliance with the OfS ongoing conditions of registration.

Council is responsible for the maintenance and integrity of the corporate and financial information included on St George's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## INTRODUCTION

St George's, University of London follows the Higher Education Senior Staff Remuneration Code (the Code) published by the Committee of University Chairs (CUC), June 2018 and revised in November 2021. The Code provides that the Vice-Chancellor should not be a member of the Remuneration Committee (RemCom). To reflect this, St George's has two RemComs: one to consider senior staff pay (direct reports of the Vice-Chancellor) and another to consider the Vice-Chancellor's pay. Both committees have full delegated authority in respect of the matters which fall within their terms of reference. The terms of reference for both are available on the University website. The Senior Staff RemCom does not consider the remuneration of senior staff on NHS pay scales.

This report covers the deliberations of both RemComs for the 2021/22 financial year.

The Vice-Chancellor's RemCom comprises independent members of Council, with the Director of Human Resources and Organisational Development in attendance (Jenny Winters). The Committee members were Ewart Wooldridge (Chair), Christine Swabey, Josh Joshi, Jonathan Curtiss and Sally Jackson. The Vice-Chancellor's RemCom met twice in 2021/22 in March 2022 and July 2022. Ewart Wooldridge, Christine Swabey and Jonathan Curtiss attended all meetings. Josh Joshi and Sally Jackson attended the July meeting.

The membership of the Senior Staff RemCom is the same as the Vice-Chancellor's RemCom, with the Vice-Chancellor, Professor Jenny Higham, and Director of HR and OD in attendance. The Senior Staff RemCom met once in 2021/22 in July 2022. All members attended the meeting.

### APPROACH TO REMUNERATION

In determining senior staff pay, RemCom take into account the need to attract, develop and retain high-calibre senior staff, including benchmarking senior salaries against the University and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey. RemCom's aim is to ensure that St George's approach to senior staff remuneration pays due regard to St George's strategic objectives, market position, financial constraints and equality duties.

RemCom is charged with recommending to Council policies designed to deliver fair, appropriate and justifiable levels of remuneration for senior staff whilst demonstrating procedural fairness, transparency and accountability in line with the Code.

All staff who are not on clinical salary scales receive the national pay award, which was 1.5% effective from 1 August 2021 for grades 5 and above and an increase of up to 3.6% for grades 1-4. Staff who do not form part of the professional and senior administrative staff cohort (salary scales 1-8) are eligible to receive an incremental pay rise up to the top of their salary scale, normally paid in October, in addition to the national pay award. Increments were paid for this group of staff in October 2021. This is between 2% and 3% for most staff.

In July 2021 decisions were taken for discretionary pay increments for senior staff for 2021/22, taking into account their contribution to their area of expertise, as well as market relativities within their field.

With regard to pensions, staff in salary scales 1-5 are generally members of the Superannuation Arrangements of the University of London (SAUL) and all other staff, including senior staff, are members of the University Superannuation Scheme, or the NHS Superannuation Scheme, unless individuals choose to opt out of pension provision.

St George's continued to offer 'Thank you awards' in 2021/22, which recognise individuals who make the University a better place because of their contribution. All staff are eligible and everyone is invited to submit a nomination, although self-nominations are not accepted. In total 46 Thank you awards were given in 2021/22, which comprise a retail voucher and thank you certificate signed by the Vice-Chancellor and Chief Operating Officer.

Staff are assigned to salary scales according to the role they are undertaking, where the grade of the role is determined by benchmarking similar roles in St George's or using the Higher Education Role Analysis Scheme (HERA). HERA is a job evaluation scheme developed specifically for use in universities and higher education and uses a competencies-based questionnaire to systematically measure the size of a role.

## STATEMENT OF COUNCIL'S RESPONSIBILITIES

## VICE-CHANCELLOR'S PAY

The tables below set out the emoluments for the Vice-Chancellor. The figures are full-time equivalents, given as at 31 July each year.

The Vice-Chancellor was not awarded any bonus/performance-related pay in 2021/22, nor does she receive any additional benefits such as accommodation or car. St George's has not contributed to the Vice-Chancellor's pension since May 2016 and, in line with the university's policy, she was not given any lump sum or other compensation on leaving the pension scheme. In setting the pay of the Vice-Chancellor, RemCom considers her contributions and achievements in leading the University as well as benchmarking information about the salaries of Vice-Chancellors at comparable institutions.

Given St George's unique status as the UK's only university dedicated to medical and health sciences education, training and research, it is difficult to identify exact salary comparators. Royal Holloway University of London, University of Reading, University of Surrey, University of East Anglia, London School of Hygiene and Tropical Medicine and Royal Veterinary College University of London have been chosen. While some are multi-faculty universities, they represent a small number of substantial, but not too large, universities, all based sufficiently close to be affected by London rates and including at least one with a medical school. Although the comparator organisations have a higher turnover, once this is factored in the Vice-Chancellor's salary can be considered broadly comparable, although she receives no additional benefits when many others receive accommodation.

The Chair of Council undertakes an annual appraisal with the Vice-Chancellor. In 2021/22 she concluded that the Vice-Chancellor had continued to make a strong contribution to St George's and performed very well through a difficult period.

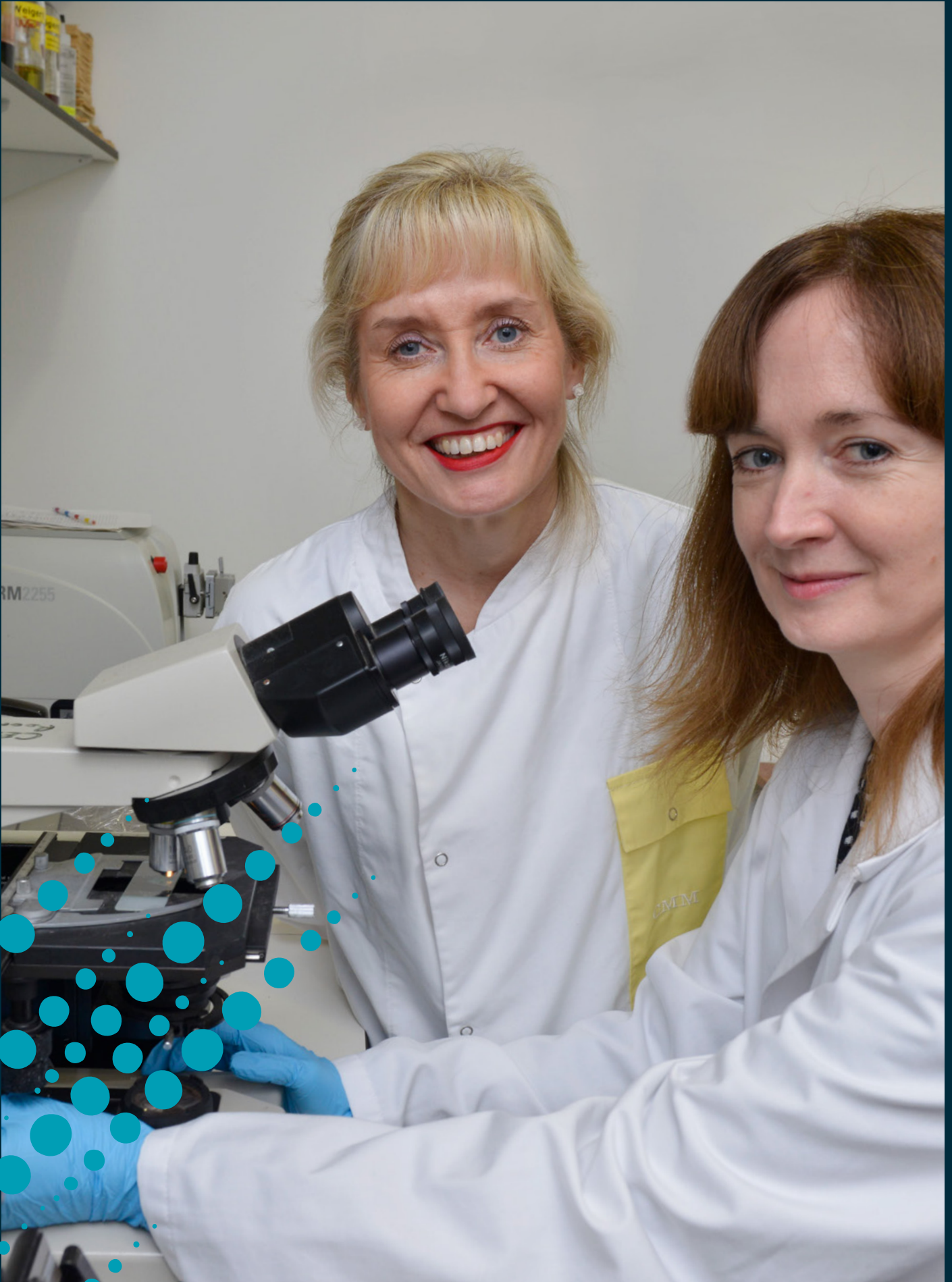
RemCom agreed to award a pay increase equivalent to the national pay award for the Vice-Chancellor for 2020/21, i.e. 1.5%. RemCom acknowledged the Vice-Chancellor's own view that her pay should not be out of line with the rest of her team. RemCom commend her stance.

EMOLUMENTS OF THE VICE-CHANCELLOR	JULY 2022 £	JULY 2021 £
Salary	260,268	256,421
Performance-related pay	-	-
Benefits	-	-
	260,268	256,421
Pension costs	-	-
<b>TOTAL</b>	<b>260,268</b>	<b>256,421</b>

In note 8 of the financial statements, the amounts disclosed as emoluments of the Vice-Chancellor are required to include National Insurance and the Apprenticeship Levy paid by St George's by reference to her remuneration. The breakdown is as follows:

	£000
Salary	260
National Insurance	36
Apprenticeship Levy	1
	<b>297</b>

The OfS Accounts Direction requires that a pay multiple for the Vice-Chancellor's earnings is calculated against the median pay of all staff. Using the methodology required by OfS the multiple was 6.4 in note 8 in 2021/22. This compares to 6.4 in note 8 in 2020/21.



### EXTERNAL APPOINTMENTS AND EXPENSES

All staff are required to declare potential conflicts of interest under St George's Conflict of Interest and Financial Dealings Policy (available on the website). Staff must register consultancy and other private earnings related to their position or role at St George's. The Vice-Chancellor receives an income from her clinical practice, which she undertakes one evening per week, but receives no other income from external bodies. All staff are also required to follow St George's expenses policy (also available on the website). In 2021/22 585 expenses claims were made by staff amounting to £126,742.93 in total. The largest expenses claims were generally for attendance at overseas conferences. The Vice-Chancellor incurred expenses in relation to her employment at St George's of £562 in 2021/22.

### EQUALITY, DIVERSITY AND INCLUSION

As part of its terms of reference, RemCom ensures that any policies regarding senior staff remuneration are fair, appropriate and justifiable and pay due regard to the university's equality duties. Further information on St George's equality, diversity and inclusion initiatives can be found on page 9.

### STRATEGIC RISKS

St George's holds a central Strategic Risk Register which details the most significant strategic risks to the institution and to the delivery of our Strategic Plan. The Register is reported in full to Risk, Audit and Efficiency Committee (RAEC) on a quarterly basis for their review and approval, as well as being reported to Audit Committee and Council.

Our strategic risks have remained the same, albeit with a number of changes to residual risks as mitigations are implemented or changed due to the external environment, with the exception of the risk around significant disruption caused by the Covid-19 pandemic. We responded well to the pandemic with a rapid move to online education and assessment ensuring the progression and graduation of students, and maintained a presence on site to pursue essential Covid research. 2020/21 saw us move from a business continuity planning situation into a 'return to site' structure to prepare for the safe return of students and staff, aligned to government guidance.

The Strategic Risk Register is published in full on our internal website for openness to ensure that all staff are aware of the risks to the organisation and to support their understanding of the decisions that are made. Some of our strategic risks are: failure to increase student satisfaction levels; failure to reach targets for the Research Excellence Framework and Research Income growth; failure to capitalise on the opportunities with our partners; failure to ensure Estates infrastructure is fit for purpose; and failure to ensure optimal processes supported by our corporate systems. Examples of some of the mitigating actions taken against these risks across 2021/22 is set out below.

## EDUCATION AND STUDENTS

Enriching and expanding our two-way communication channels with students and strengthening student-staff partnership approaches continues to be a major area of focus, which became even more important during the reporting period. The pandemic presented new challenges in the process of improving the student experience and we continue to work closely with the Students' Union to achieve this.

## ENVIRONMENT AND SUSTAINABILITY

We continue to invest in a high-quality physical infrastructure to ensure we provide an excellent environment for our students and staff. The Covid-19 pandemic put some of our non-essential capital work on hold as we assessed the potential impact of the pandemic and our capital budget remains challenging. We have undertaken reviews into our ventilation capacity for teaching, research and office areas and are investing in improvements where needed.

## RESEARCH EXCELLENCE

The University's Research Excellence Framework (REF) 2021 was submitted in March 2021, the culmination of a three-year project made possible by the hard work of staff from across the organisation. Research was affected by the pandemic due to a switch in focus to Covid-19 and delays to new grants, however St George's University Hospitals NHS Foundation Trust commenced the process of re-starting research in February 2021. Our research strategy aims to increase our success in winning research awards and to build our research income.

## OPERATIONAL EXCELLENCE

We have continued working on a range of measures to ensure that our programmes are well-organised and running smoothly. A series of Operational Excellence Projects are underway, designed to address the root cause of some of the issues around our systems, policies and procedures in order to improve processes, and ultimately the student experience. We remain cognisant of the need to ensure we continue to meet all conditions of registration to the highest standard despite the challenging climate and uncertainty.

## PEOPLE AND PARTNERS

St. George's benefits greatly from a number of partnerships. It is important that these relationships are managed carefully to ensure that each party get the best out of the partnerships, and the Quality and Partnerships Directorate ensures a focused approach to existing partnerships and consideration of new ones.

## STATEMENT OF INTERNAL CONTROL

**INTERNAL CONTROL AND RISK MANAGEMENT**

Council is responsible for ensuring that a sound and rigorous system of internal control is maintained in accordance with the responsibilities assigned to Council in the Scheme and by the OfS conditions of registration. This system supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which Council is responsible.

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 mismanagement or loss. The system of internal controls is risk-based and is centred on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature, likelihood and extent of those risks; and to manage them efficiently, effectively and economically. Council believes that the process has continued to effectively identify, evaluate and manage significant risks throughout the year to 31 July 2022, and to the date of the approval of the annual Financial Statements.

Council has adopted a Risk Management Policy which identifies where the principal management responsibility rests for risk management. Council has, in conjunction with Audit Committee:

- Ensured that regular meetings of the Risk, Audit and Efficiency Committee have been held to develop policies and embed risk management processes into the organisation
- Reviewed the risk register and reports of the Risk, Audit and Efficiency Committee on the principal results of risk identification, risk evaluation and the management review of the effectiveness of the arrangements
- Ensured that the risk register clearly identifies the likelihood and impact of risks, and that responsibility for risks has been allocated, and the residual risk determined taking account of control mechanisms in operation. The risk register covers business, operational and compliance risk as well as financial risk.
- Requested the Audit Committee to provide advice on the effectiveness of the establishment and implementation of risk management procedures
- Commissioned internal audits from KPMG, St George's independent internal auditors. The audit planning is carried out jointly with senior executives and is based primarily on St George's risk register
- Reviewed St George's response to the Covid-19 pandemic.

Council receives reports from the Chair of the Audit Committee concerning internal control, the outcome of all audits of St George's activities, including the reports from internal and external auditors and other agencies. Regular reports are received from senior executives on progress of key projects. In this way Council is assured that there is a sound system of internal control and that risk is considered as part of the normal management process.

No significant internal control weakness or failures have arisen during the year ending 31 July 2022 or in the period up to the date of this report.

Additionally St George's has an Anti-Corruption Policy and the Anti-Fraud Policy which are used in the prevention and detection of fraud, bribery and other irregularities. St George's also has a Whistleblowing Policy which can also be used to report on suspected cases of fraud, misconduct, bribery and other irregularities, and an annual report on whistleblowing cases and cases of fraud/financial irregularities made to the Audit Committee each year. As already noted St George's financial systems are subject to Internal Audit and External Audit on an annual basis which contributes to the detection of fraud. There have been no incidents of fraud reported in the last ten years up to and including 2021/22. In ensuring a strong system of internal control we are able to deliver maximum value for money on the public funding that we receive.

**EFFECTIVENESS REVIEWS**

An effectiveness review of Council was conducted in 2018, the recommendations accepted by Council were implemented in 2018/19. The next effectiveness review will be undertaken in 2022/23.

Regular reviews with independent and elected members of Council are conducted. Key points from the reviews are presented to Council and an action plan agreed for the continuing improvement of the effectiveness of its operation.

During 2020/21 an internal review of corporate governance has been undertaken by a Working Group appointed by the Council, which aimed to improve and enhance the working practices of the Council and its committees. An internal audit of governance was also undertaken by KPMG and delivered a rating of 'significant assurance with minor improvement opportunities'. The recommendations from these reviews were implemented during 2021/22.



### **GOING CONCERN**

The 2021/22 financial position is better than originally budgeted with an operating surplus before the pension provision and an unrealised gain on investments. Our student recruitment campaign for the 2022/23 intake has been successful and the Halls of Residence are full. We do not currently project any breaches of our loan covenants and our end of year cash balance was significantly increased compared with the previous year.

Therefore, after making appropriate enquiries, which include the review of short- and medium-term forecasts and cash flow projections and a reverse stress test for at least the next 12 months, Council considers that the Group and St George's have adequate financial resources to meet their obligations as they fall due for a period of at least twelve months from the date of this report. Consequently, the Group and St George's continues to adopt the going concern basis in preparing its Financial Statements.

### **THIS CORPORATE GOVERNANCE STATEMENT**

This statement of corporate governance relates to the 2021/22 financial year and covers the period up to the date of the signing of the financial statements.

### **CHRISTINE SWABEY**

CHAIR OF COUNCIL – 29 NOVEMBER 2022

# INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF ST GEORGE'S, UNIVERSITY OF LONDON

## 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 University's affairs as at 31 July 2022 and of the Group's and the University'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 St George's, University of London ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2022 which comprise the Consolidated and St George's Statement of Comprehensive Income, Consolidated Statement and St George's Statement of Changes in Reserves, Consolidated and St George's Balance Sheet, Consolidated Cash Flow 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 University 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 council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the University'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 council members with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

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

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

We have nothing to report in this regard.

## OPINION ON OTHER MATTERS REQUIRED BY THE OFFICE FOR STUDENTS ("OFS") AND RESEARCH ENGLAND AND EDUCATION AND SKILLS FUNDING AGENCY

In our opinion, in all material respects:

- Funds from whatever source administered by the University 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), and the Education and Skills Funding Agency 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 University's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year has been materially misstated.

## RESPONSIBILITIES OF THE COUNCIL

As explained more fully in the Council members' responsibilities statement set out on page 26, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members 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 Council is responsible for assessing the Group and the University'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 Council either intends to liquidate the Group or the University 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:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer.
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, OfS, ESFA and Research England to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility.
- Reviewing items included in the fraud register as well as the results of investigations into these matters.
- Challenging assumptions made by management in their significant accounting estimates, including the provision for doubtful debts.
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

### USE OF OUR REPORT

This report is made solely to the Council, 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 Council 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 University and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

### PAULA WILLOCK

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

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

**STATEMENT OF ACCOUNTING POLICIES****1. BASIS OF PREPARATION**

The Financial Statements have been prepared on the historical cost basis except for the modification to a deemed cost basis for certain fixed assets, the inclusion of investments at market value and on a going concern basis. They have been prepared in accordance with the Statement of Recommended practice (SORP): Accounting for Further and Higher Education in 2019 and in accordance with Financial Reporting Standards (FRS102) and the OfS Accounts Direction to Higher Education Providers. St George's is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102.

**GOING CONCERN**

2021/22 financial position is better than originally budgeted with an operating surplus before the pension provision and an unrealised gain on investments. Our student recruitment campaign for the 2022/23 intake has been successful and the Halls of Residence are full. We do not currently project any breaches of our loan covenants and our end of year cash balance was significantly increased compared with the previous year.

Therefore, after making appropriate enquiries, which include the review of short- and medium-term forecasts and cash flow projections and a reverse stress test for at least the next 12 months, Council considers that St George's has adequate financial resources to meet its obligations as they fall due for a period of at least twelve months from the date of this report. Consequently, St George's continues to adopt the going concern basis in preparing its Financial Statements.

**2. BASIS OF CONSOLIDATION**

The consolidated Financial Statements include St George's and all its subsidiaries for the financial year to 31 July 2022. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Associates and joint ventures are accounted for using the equity method of accounting.

**INVESTMENT IN SUBSIDIARIES**

Where St George's has control of an entity, it is treated as a subsidiary. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of the Eleanor Peel Chair of Geriatric Medicine, a separate charity, are consolidated into the Group Financial Statements on the basis that St George's exercises control over the charity.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the Financial Statements of the parent.

**INVESTMENTS IN JOINT VENTURES**

Arrangements where St George's exercises a joint control with another party over the strategic financial and operating decisions relating to a specific activity, are classified as joint ventures. There are three types of joint ventures: jointly controlled operations, jointly controlled assets and jointly controlled entities.

St George's and Kingston University had until 31 July 2022 a joint arrangement that constituted a jointly-controlled operation, the Faculty of Health, Social Care and Education (FHSCE) which provided education for radiographers, physiotherapists, paramedics, occupational therapists and other allied health professionals. The arrangement was governed by a Joint Venture Agreement (JVA) dated October 1998. No separate legal entity was established by this arrangement and the accounting and administration for it was performed by Kingston University.

The JVA states that:

- income will be attributed to the institution which registers the student and that costs will be apportioned in the ratio of student income/total income
- any surplus is split equally between the two institutions and
- all items on the balance sheet are divided equally between the two institutions.

St George's recognises its share of income earned and expenses incurred by the joint operation in the income and expenditure statement. Since the joint venture was dissolved on 31 July 2022, the split of the balance sheet as at 31 July 2002 has been agreed as 50% of the net assets, with each individual asset and liability having an agreed split and the cash balance being the balancing item.

Investments in jointly controlled entities are accounted for at cost less impairment in the individual Financial Statements of the parent.

**INVESTMENT IN ASSOCIATES**

Where St George's has significant influence over the financial and operating decisions of an entity, it is classified as an associate. A direct or indirect voting right of 20% or more is normally considered significant influence. St George's holds a 40% share in TiKa Diagnostics Limited and a 35% share in BUGS Bioscience Limited and these are classified as associates.

Investments in associates are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the Group's share of total comprehensive income and equity of the associate, less any impairment.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate. Amortisation is charged so

as to allocate the cost of goodwill over its estimated useful life, using the straight-line method. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

Investments in associates are accounted for at cost less impairment in the individual Financial Statements of the parent.

### **3. INCOME RECOGNITION**

Recurrent income from funding bodies is included in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which it is receivable.

Fee income is stated gross of any expenditure which is not a discount and recognised over the period in which the students are studying.

Other operating income is recognised when St George's is entitled to the income.

Other non-recurrent grants from our funding body are recognised as income to the extent of the equivalent expenditure during the year.

### **GRANT FUNDING**

Income from research grants and contracts received from commercial sources is treated as revenue and recognised when the amount of revenue can be reliably measured, it is probable that economic benefits will flow to St George's, the stage of completion can be measured reliably and the costs of delivery can be measured reliably.

Grants from governmental sources are classified either as revenue or capital grants and are accounted for using the accruals model. Revenue government grants are recognised in income on a systematic basis over the periods in which St George's recognises the related costs for which the grant is intended to compensate. Capital government grants are recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates. 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.

Other revenue grants from non-government sources are classified as non-exchange transactions and recognised within the Consolidated Statement of Comprehensive Income and Expenditure when St George's is entitled to the income and any performance related conditions have been met. Income received in advance of performance related conditions being met is deferred on the Balance Sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure when such conditions have been met.

Capital non-government grants are recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates.

Grants with restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure on entitlement to the income and subsequently retained within a restricted reserve until such time that expenditure is incurred in line with the restriction.

### **DONATIONS AND ENDOWMENTS**

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when St George's is entitled to the income. 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 recorded within the Consolidated Statement of Comprehensive Income and Expenditure under donations on entitlement to the income.

An endowment fund is a form of charitable trust retained for the benefit of St George's. Endowment funds are sub-divided into their capital element and an accumulated income fund. Where a grantor indicates an intention for the institution to establish an endowment then the income is accounted for as an endowment fund.

New endowments are recorded within the Consolidated Statement of Comprehensive Income and Expenditure, under endowment income, on entitlement to the income. The restricted income received is held in the temporarily (expendable) or permanently restricted reserve until such time that expenditure is incurred in accordance with the restrictions.

The gain or loss on the value of any investments held by the endowment fund is recorded within the Consolidated Statement of Comprehensive Income and Expenditure under the gain or loss on investments. Investment income received from the endowment fund's investments is recorded within investment income and held within the temporarily or permanently restricted reserve to the extent that it has not been spent in line with the restrictions of the donation.

### **4. ACCOUNTING FOR RETIREMENT BENEFITS**

The two principal pension schemes for St George's are the Universities Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL). Through the Faculty of Health, Social Care and Education, St George's also participated indirectly with the Royal Borough of Kingston upon Thames Pension Funds via the Faculty's employees. The schemes are defined benefit schemes. The assets of the Schemes are held separately from St George's. Defined benefit multi-employer schemes, where

**STATEMENT OF ACCOUNTING POLICIES**

St George's is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, are accounted for as a defined contribution benefit schemes.

St George's also participates in the National Health Service Superannuation Scheme. This is an unfunded scheme with statutory backing. As a result, the amount charged to the income and expenditure account represents the contributions payable to the Scheme in respect of the accounting period.

**DEFINED CONTRIBUTION SCHEME**

A defined contribution scheme is a post-employment benefit scheme under which the employer pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement in the periods during which services are rendered by employees.

**DEFINED BENEFIT SCHEMES**

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme. The Group's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on high quality corporate bonds denominated in the currency of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to St George's, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the scheme, reductions in future contributions to the plan or on settlement of the scheme and takes into account the adverse effect of any minimum funding requirements.

**5. 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 St George's. Any unused benefits are accrued and measured as the additional amount St George's expects to pay as a result of the unused entitlement.

**6. INTANGIBLE ASSETS**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. St George's does not hold any intangible assets other than computer related software which is amortised over 5–10 years depending on the expected life of the asset.

**7. TANGIBLE FIXED ASSETS**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The land which the Halls of Residence stand on was revalued to fair value on the date of transition to FRS 102, and is measured on the basis of deemed cost, being the revalued amount at the date of transition. The revaluation was carried out by Gerald Eve LLP as at 31 July 2014.

Buildings in the course of construction are accounted for at cost, based on the value of architect's certificates and other direct costs at the balance sheet date. They are not depreciated until they are brought into use.

Equipment costing less than £10,000 per individual item is written off to the Consolidated Statement of Comprehensive Income and Expenditure in the year of acquisition. All other equipment is capitalised at cost.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land and buildings under construction, over their expected useful lives, using the straight-line method.

The rates applicable are:

- Freehold and leasehold buildings – 50 years
- Partial refurbishments of buildings – 10 years
- Motor vehicles and other general equipment – 5 years
- Equipment acquired for specific research projects – 5 years
- Computer equipment – 3 years.

## **8. HERITAGE ASSETS**

Heritage assets are individual objects, collections, specimens or structures of historic or scientific value that are held and maintained principally for their contribution to knowledge or culture.

Heritage assets acquired prior to 1 July 2006 have not been capitalised due to the difficulty and cost of attributing a reliable cost or value to them. Heritage assets acquired on or after 1 July 2006 and valued at over £10,000 would be capitalised and recognised at the cost or valuation on acquisition where such a cost or valuation is reasonably obtainable.

## **9. INVESTMENTS**

Non-current asset investments that are not listed on a recognised stock exchange are carried at historical cost, less any provision for impairment in their value.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's financial statements.

Non-current asset investments listed on a recognised stock exchange are held at fair value with movements recognised in the surplus for the year.

## **10. LEASES**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

## **11. STOCK**

Stock is held at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

## **12. CASH AND CASH EQUIVALENTS**

Cash includes cash in hand and deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash within three months with insignificant risk of change in value.

## **13. BASIC FINANCIAL INSTRUMENTS TRADE AND OTHER DEBTORS /CREDITORS**

Trade and other debtors/creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

## **INTEREST-BEARING LOANS AND BORROWINGS**

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

## **14. PROVISION FOR LIABILITIES**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **15. FOREIGN CURRENCY**

St George's functional currency is the sterling pound. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate of exchange ruling at the Balance Sheet date and the gains or losses on translation are included in the Consolidated Statement of Comprehensive Income and Expenditure.

## **16. TAXATION**

St George's is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, St George's is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The non-trading and charitable activities are outside the scope of corporation tax.

St George's is partially exempt in respect of Value Added Tax (VAT), so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the costs of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the Financial Statements.

## STATEMENT OF ACCOUNTING POLICIES

### 17. RESERVES

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to St George's, are held as a permanently restricted fund as St George's must hold the fund to perpetuity.

Other restricted reserves include balances through which the donor has designated a specific purpose and therefore St George's is restricted in the use of these funds.

### 18. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these Financial Statements, the Council and management have made judgements, estimates and assumptions that affect the application of the University's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the Financial Statements. Estimates and judgements are continually evaluated and are based on historical evidence and other facts, including expectations of future events that are believed to be reasonable under the circumstances. However, given the judgemental nature of such estimates, actual results could be different from the assumptions used.

Key areas subject to judgement are as follows:

#### LEASES CLASSIFICATION (NOTE 24)

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

#### FINANCIAL INSTRUMENTS (NOTE 27)

To determine whether an asset or liability arises from a contract is a basic financial instrument and accounted for in accordance with FRS 102 Section 11 or Section 12 which applies to other, more complex financial instruments and transactions.

#### IMPAIRMENT AND DEPRECIATION OF TANGIBLE AND INTANGIBLE ASSETS (NOTES 12 AND 13)

Tangible and intangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. Depreciation rates for the University's assets are set out in Accounting Policy 7, on pages 40 and 41. Any indicators of impairment are assessed annually. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. The University has determined that no impairment is considered appropriate this financial year.

Other key areas of estimation uncertainty are as follows:

#### PENSION SCHEMES (NOTE 26)

The University has obligations to pay pensions benefits directly under four pension schemes for its employees. Due to the dissolution of FHSCE it no longer has any obligations indirectly under two schemes through its joint activity with Kingston University. The cost of these benefits and the estimate of the present value of the obligation depend on a number of critical underlying assumptions including life expectancy, rate of staff cost inflation, asset valuations and the discount rate on corporate bonds. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Sensitivity analysis, changes in demographic assumptions and funding deficit plans are set out in the note.

#### TRADE AND OTHER RECEIVABLES (NOTE 17)

The University has a material level of exposure to collection of trade and other receivables. The estimate of receivables relates to the recoverability of the balances outstanding at the year end. Provisions in respect of these balances are calculated from a review performed on all aged debt by nature of receivable to determine whether debt is recoverable. A bad debt provision is then made. Analysis of actual recovery compared with provisioning levels have not, to date, resulted in material variances.



FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022

**CONSOLIDATED AND ST GEORGE'S STATEMENT OF COMPREHENSIVE INCOME**

	NOTES	2022		2021	
		CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
<b>INCOME</b>					
Tuition fees and education contracts	1	38,464	38,464	39,697	39,697
Funding body grants	2	17,852	17,852	18,395	18,395
Research grants and contracts	3	12,261	12,261	11,173	11,173
Other income	4	18,496	18,514	16,667	16,667
Investment income	5	473	431	394	354
Donations and endowments	6	288	288	340	340
<b>TOTAL INCOME</b>		<b>87,834</b>	<b>87,810</b>	<b>86,666</b>	<b>86,626</b>
<b>EXPENDITURE</b>					
Staff costs	8	63,576	63,504	53,731	53,661
Other operating expenses	10	25,190	25,220	24,249	24,249
Depreciation and amortisation	12/13	6,640	6,640	6,378	6,378
Interest and other finance costs	9	995	995	1,004	1,004
<b>TOTAL EXPENDITURE</b>		<b>96,401</b>	<b>96,359</b>	<b>85,362</b>	<b>85,292</b>
<b>(Deficit)/Surplus before share of operating loss in associates</b>		<b>(8,567)</b>	<b>(8,549)</b>	<b>1,304</b>	<b>1,334</b>
Share of operating loss in associates	16	(43)	-	(32)	-
Gain on investments	14	399	360	2,507	2,261
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>(8,211)</b>	<b>(8,189)</b>	<b>3,779</b>	<b>3,595</b>
<b>REPRESENTED BY:</b>					
Endowment comprehensive income		145	136	399	183
Restricted comprehensive (loss)		(227)	(198)	(97)	(67)
Unrestricted comprehensive (loss)/income		(7,033)	(7,032)	2,289	2,291
Revaluation reserve comprehensive (loss)/income		(1,096)	(1,096)	1,188	1,188
		<b>(8,211)</b>	<b>(8,190)</b>	<b>3,779</b>	<b>3,595</b>

All items of income and expenditure relate to continuing operations.

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**

	Income and Expenditure Account			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
	£000	£000	£000	£000	£000
<b>BALANCE AS AT 1 AUGUST 2020</b>	<b>5,260</b>	<b>939</b>	<b>13,133</b>	<b>9,960</b>	<b>29,292</b>
Surplus from the income and expenditure statement	563	200	3,016	-	3,779
Transfers between revaluation and income and expenditure reserve	-	-	(1,188)	1,188	-
Release of restricted funds spent in the year	(164)	(297)	461	-	-
Total comprehensive income/(loss) for the year	399	(97)	2,289	1,188	3,779
<b>BALANCE AS AT 1 AUGUST 2021</b>	<b>5,659</b>	<b>842</b>	<b>15,422</b>	<b>11,148</b>	<b>33,071</b>
Surplus/(deficit) from the income and expenditure statement	285	182	(8,678)	-	(8,211)
Transfers between revaluation and income and expenditure reserve	-	-	1,096	(1,096)	-
Release of restricted funds spent in the year	(140)	(409)	549	-	-
Total comprehensive income/(loss) for the year	145	(227)	(7,033)	(1,096)	(8,211)
<b>BALANCE AS AT 31 JULY 2022</b>	<b>5,804</b>	<b>615</b>	<b>8,389</b>	<b>10,052</b>	<b>24,860</b>

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022  
**ST GEORGE'S STATEMENT OF CHANGES IN RESERVES**

	<b>Income and Expenditure Account</b>			<b>Revaluation Reserve £000</b>	<b>Total £000</b>
	<b>Endowment £000</b>	<b>Restricted £000</b>	<b>Unrestricted £000</b>		
<b>BALANCE AS AT 1 AUGUST 2020</b>	<b>3,795</b>	<b>622</b>	<b>13,018</b>	<b>9,960</b>	<b>27,395</b>
Surplus from the income and expenditure statement	277	3	3,315	-	3,595
Transfers between revaluation and income and expenditure reserve	-	-	(1,188)	1,188	-
Release of restricted funds spent in the year	(94)	(70)	164	-	-
Total comprehensive income/(loss) for the year	183	(67)	2,291	1,188	3,595
<b>BALANCE AS AT 1 AUGUST 2021</b>	<b>3,978</b>	<b>555</b>	<b>15,309</b>	<b>11,148</b>	<b>30,990</b>
Surplus/(deficit) from the income and expenditure statement	204	(126)	(8,268)	-	(8,190)
Transfers between revaluation and income and expenditure reserve	-	-	(1,188)	1,188	-
Release of restricted funds spent in the year	(68)	(72)	140	-	-
Total comprehensive income/(loss) for the year	136	(198)	(7,032)	(1,096)	(8,190)
<b>BALANCE AS AT 31 JULY 2022</b>	<b>4,114</b>	<b>357</b>	<b>8,277</b>	<b>10,052</b>	<b>(22,800)</b>

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2022  
**CONSOLIDATED AND ST GEORGE'S BALANCE SHEET**

	NOTES	2022		2021	
		CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
<b>NON-CURRENT ASSETS</b>					
Intangible assets	12	4,221	4,221	4,058	4,058
Fixed assets	13	64,103	64,103	66,569	66,569
Investments	14	12,345	11,084	19,349	17,390
Investment in associates	16	49	-	91	-
		<b>80,718</b>	<b>79,408</b>	<b>90,067</b>	<b>88,017</b>
<b>CURRENT ASSETS</b>					
Stock		5	5	5	5
Trade and other receivables	17	10,839	10,910	11,913	11,982
Cash and cash equivalents	28	21,745	20,967	11,084	11,021
		32,589	31,882	23,002	23,008
Less: Creditors: amounts falling due within one year	18	(34,719)	(34,762)	(32,431)	(32,468)
<b>NET CURRENT LIABILITIES</b>		<b>(2,130)</b>	<b>(2,880)</b>	<b>(9,429)</b>	<b>(9,460)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>78,588</b>	<b>76,528</b>	<b>80,638</b>	<b>78,557</b>
Creditors: amounts falling due after more than one year	19	(31,677)	(31,677)	(34,300)	(34,300)
<b>PROVISIONS</b>					
Pension provision	20	(22,051)	(22,051)	(13,267)	(13,267)
<b>TOTAL NET ASSETS</b>		<b>24,860</b>	<b>22,800</b>	<b>33,071</b>	<b>30,990</b>
<b>RESTRICTED RESERVES</b>					
Income and expenditure reserve - endowment reserve	21	5,804	4,114	5,659	3,978
Income and expenditure reserve - restricted reserve	22	615	357	842	555
		<b>6,419</b>	<b>4,471</b>	<b>6,501</b>	<b>4,533</b>
<b>UNRESTRICTED RESERVES</b>					
Income and expenditure reserve - unrestricted reserve		8,389	8,277	15,422	15,309
Revaluation reserve		10,052	10,052	11,148	11,148
		<b>18,441</b>	<b>18,329</b>	<b>26,570</b>	<b>26,457</b>
<b>TOTAL RESERVES</b>		<b>24,860</b>	<b>22,800</b>	<b>33,071</b>	<b>30,990</b>

The Financial Statements were approved by Council on 29 November 2022 and were signed on its behalf on that date by:

**CHRISTINE SWABEY**  
CHAIR OF COUNCIL

**PROFESSOR JENNY HIGHAM**  
VICE-CHANCELLOR

**M. (JOSH) JOSHI**  
TREASURER

The notes on pages 46 to 62 form part of these financial statements

## CONSOLIDATED CASH FLOW

	NOTES	2022 £000	2021 £000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Deficit)/surplus for the year		(8,211)	3,779
<b>ADJUSTMENT FOR NON-CASH ITEMS</b>			
Depreciation	13	5,883	5,676
Amortisation of intangibles	12	757	702
(Gain)/Loss on investments	14	(399)	(2,507)
Increase/(Decrease) in stock		-	1
Decrease/(increase) in debtors	17	1,074	1,950
Increase in bad debt provision		547	604
Increase in creditors	18/19	1,198	664
Increase/(decrease) in pension provision	8	8,712	(280)
Share of operating deficit in associate	16	42	32
Pension provision interest	9	72	129
Receipt of donated shares		(148)	(150)
Other non-cash items		87	(39)
<b>ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES</b>			
Investment income	5	(473)	(394)
Interest payable	9	839	899
Deferred capital grants released	2,4	(1,625)	(1,735)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>8,355</b>	<b>9,331</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital grants received		535	1,554
Investment and endowment income	5	473	394
Payments made to acquire fixed assets		(2,797)	(2,896)
Payments made to acquire intangible assets		(1,081)	(448)
Sale of non-current asset investments	14	7,548	-
		<b>4,678</b>	<b>(1,396)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid	9	(839)	(899)
Repayments of amounts borrowed	18	(1,533)	(1,508)
		<b>(2,372)</b>	<b>(2,407)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>10,661</b>	<b>5,528</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>11,084</b>	<b>5,556</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>21,745</b>	<b>11,084</b>

## NOTES TO THE ACCOUNTS

**1 TUITION FEE AND EDUCATION CONTRACTS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Full-time students charged home fees	26,606	26,922
Full-time students charged overseas fees	5,802	6,025
Part-time fees	930	1,224
Non-medical education and training funded by the NHS	4,173	4,328
Research training support grants	309	250
Short course fees	644	948
	<b>38,464</b>	<b>39,697</b>

**2 FUNDING BODY GRANTS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>RECURRENT GRANT</b>		
Office for Students/Research England	15,562	16,132
<b>SPECIFIC GRANTS</b>		
Higher Education Innovation Fund	743	663
Skills Funding Agency	97	26
<b>DEFERRED CAPITAL GRANTS RELEASED IN THE YEAR:</b>		
Buildings	1,301	1,436
Equipment	149	138
	<b>17,852</b>	<b>18,395</b>

**3 RESEARCH GRANTS AND CONTRACTS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Research Councils UK	2,055	2,253
UK government grants – other	2,675	1,705
European Commission	1,995	1,930
Charitable bodies	3,561	4,213
Industry and commerce	1,661	855
Other	314	217
	<b>12,261</b>	<b>11,173</b>

**4 OTHER INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Residences, catering and conferences	3,474	2,841
Other services rendered	8,236	7,599
Release from deferred capital grant	174	162
Undergraduate tariff income	3,214	2,029
Franchise income	517	556
Other income	2,881	3,480
	<b>18,496</b>	<b>16,667</b>

**5 INVESTMENT INCOME**

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	CONSOLIDATED	ST GEORGE'S	CONSOLIDATED	ST GEORGE'S
	£000	£000	£000	£000
Investment income on endowments	141	99	128	89
Other investment income	332	332	266	265
	<b>473</b>	<b>431</b>	<b>394</b>	<b>354</b>

**6 DONATIONS AND ENDOWMENTS**

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	CONSOLIDATED	ST GEORGE'S	CONSOLIDATED	ST GEORGE'S
	£000	£000	£000	£000
New Endowment	148	148	150	150
Restricted donations	140	140	160	160
Unrestricted donations	-	-	30	30
	<b>288</b>	<b>288</b>	<b>340</b>	<b>340</b>

**7 SOURCES OF GRANT AND FEE INCOME**

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	CONSOLIDATED	ST GEORGE'S	CONSOLIDATED	ST GEORGE'S
	£000	£000	£000	£000
Grant income from the OfS	12,599	12,599	13,075	13,075
Grant income from other bodies	17,688	17,688	16,648	16,648
Fee income for taught awards	36,928	36,928	38,445	38,445
Fee income for research awards	251	251	54	54
Fee income from non-qualifying courses	973	973	947	947
<b>TOTAL GRANT AND FEE INCOME</b>	<b>68,439</b>	<b>68,439</b>	<b>69,169</b>	<b>69,169</b>

**8 STAFF COSTS**

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	CONSOLIDATED	ST GEORGE'S	CONSOLIDATED	ST GEORGE'S
	£000	£000	£000	£000
Salaries	42,879	42,807	42,451	42,381
Social security costs	4,408	4,408	4,181	4,181
Movement on pension deficit provision	8,712	8,712	(280)	(280)
Other pension costs	7,577	7,577	7,379	7,379
	<b>63,576</b>	<b>63,504</b>	<b>53,731</b>	<b>53,661</b>

Included in the amounts shown above are compensation payments for loss of office totalling £76k (£59k – 2021) to 23 individuals (20 individuals - 2021). None of these served as Vice-Chancellor or key management personnel.

A further breakdown of the movement in the pension deficit provision is included in note 20

	2022	2021
	£000	£000
Emoluments of the Vice-Chancellor		
Professor Jenny Higham		
Basic Salary	260	256
	<b>260</b>	<b>256</b>
Vice-Chancellor's remuneration as a multiple of median staff pay	<b>6.4</b>	<b>6.4</b>

The Vice-Chancellor does not receive any remuneration except basic salary. Her salary is set by Remuneration Committee and full details of that process can be found on page 30.

## NOTES TO THE ACCOUNTS

Given St George's unique status as the UK's only university dedicated to medical and health sciences education, training and research, it is difficult to identify exact salary comparators for the Vice-Chancellor. Royal Holloway University of London, University of Reading, University of Surrey, University of East Anglia, London School of Hygiene and Tropical Medicine and Royal Veterinary College University of London have been chosen.

While some are multi-faculty universities, they represent a small number of substantial, but not too large, universities, all based sufficiently close to be affected by London rates and including at least one with a medical school. Although the comparator organisations have a higher turnover, once this is factored in the Vice-Chancellor's salary can be considered broadly comparable, although she receives no additional benefits when many others receive accommodation.

Remuneration of higher paid staff, excluding pension contribution, before salary sacrifice.

	2022 NO.	2021 NO.
£100,000 to £104,999	2	2
£105,000 to £109,999	1	4
£110,000 to £114,999	5	3
£115,000 to £119,999	3	-
£120,000 to £124,999	1	1
£125,000 to £129,999	-	-
£130,000 to £134,999	-	1
£145,000 to £149,999	1	-
£150,000 to £154,999	1	1
£155,000 to £159,999	1	1
£175,000 to £179,999	1	-
£260,000 to £264,999	1	1
	<b>17</b>	<b>14</b>

Average staff FTE by major category:	2022 NO.	2021 NO.
Academic	285	265
Research	82	104
Management and specialist	11	13
Technical	32	34
Other	385	338
<b>TOTAL</b>	<b>795</b>	<b>754</b>

## KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of St George's. Staff costs includes compensation paid to key management personnel.

	2022 £000	2021 £000
Key management personnel compensation	1,649	1,671

Compensation consists of salary and benefits including any employer's pension contribution. Posts included within the definition of key management personnel are: Vice-Chancellor, Deputy Vice-Chancellors (2) (2021 3), Deans (1), Chief Operating Officer, Director of Finance, Institute Directors (4).

## COUNCIL MEMBERS

St George's Council members are the Trustees for charitable law purposes.

No independent member has received any remuneration/ waived payments from St George's during the year. Three independent members of Council claimed expenses in 2021/22 totaling £700.23 (2020/21 £0.00). Independent members are entitled to claim travel and subsistence expenses incurred in attending Council and other events in their official capacity and the costs associated with the meetings.

## 9 INTEREST AND OTHER FINANCE COSTS

	2022 £000	2021 £000
Loan interest	839	899
Net charge on pension schemes	72	129
Other charges	84	(24)
<b>TOTAL</b>	<b>995</b>	<b>1,004</b>



**10 OTHER OPERATING EXPENSES BY ACTIVITY**

	<b>CONSOLIDATED</b>	<b>ST GEORGE'S</b>	<b>CONSOLIDATED</b>	<b>ST GEORGE'S</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Academic and related expenditure	9,226	9,226	9,916	9,916
Research grants and contracts	3,410	3,410	2,510	2,510
Premises	6,524	6,524	6,964	6,964
Residences, catering and conferences	1,207	1,207	1,155	1,155
Other operating expenses	4,823	4,853	3,704	3,704
	<b>25,190</b>	<b>25,220</b>	<b>24,249</b>	<b>24,249</b>

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Other operating expenses include:		
Internal auditor remuneration	79	70
External auditor remuneration in respect of statutory audit services	120	105
External auditor remuneration in respect of other audit services	8	6
External auditors remuneration in respect of non-audit services	1	18
Corporate subscriptions	604	547
Software licences	742	667
Operating lease rentals	152	198
Grants to Student Union	329	329
Other	2,788	1,764
	<b>4,823</b>	<b>3,704</b>

**11 ACCESS AND PARTICIPATION**

	<b>YEAR ENDED 31 JULY 2022</b>		<b>YEAR ENDED 31 JULY 2021</b>	
	<b>CONSOLIDATED</b>	<b>ST GEORGE'S</b>	<b>CONSOLIDATED</b>	<b>ST GEORGE'S</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Access investment	374	374	341	341
Financial Support	1,233	1,233	1,281	1,281
Disability Support (excluding costs included in the categories above)	159	159	172	172
Research and Evaluation*	150	150	141	141
	<b>1,916</b>	<b>1,916</b>	<b>1,935</b>	<b>1,935</b>

£597,252 of these costs are already included in the overall staff costs figures in 2021/22 (2020/21 £598,309) within the financial statements (see Note 8)

The full Access and Participation plan for 2021/22 to 2025/26 can be accessed here:

**Access and Participation plan for 2021/22 to 2025/26**

<https://www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/provider/10007782>

## NOTES TO THE ACCOUNTS

## 12 INTANGIBLE ASSETS

2022

£000

Software	
As at 1 August 2021	4,058
Additions in the year	1,097
Transfers	(177)
Amortisation charge for the year	(757)
<b>AS AT 31 JULY 2022</b>	<b>4,221</b>

## 13 TANGIBLE FIXED ASSETS

	Freehold Land £000	Freehold Building £000	Leasehold Building £000	Fixtures, Fittings & Equipment £000	Assets in the course of construction £000	Total £000
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## COST OR VALUATION

As at 1 August 2021	10,330	26,627	109,061	5,309	170	151,497
Additions	-	436	1,860	277	617	3,190
Transfers	-	(37)	12	37	(12)	-
Joint faculty dissolution changes	-	-	398	(119)	-	279
<b>AS AT 31 JULY 2022</b>	<b>10,330</b>	<b>27,026</b>	<b>111,331</b>	<b>5,504</b>	<b>775</b>	<b>154,966</b>

## DEPRECIATION

As at 1 August 2021	-	6,657	74,643	3,628	-	84,928
Charge for the year	-	546	4,706	632	-	5,884
Transfers	-	-	-	-	-	-
Joint faculty dissolution changes	-	-	90	(39)	0	51
<b>AS AT 31 JULY 2022</b>	<b>-</b>	<b>7,203</b>	<b>79,439</b>	<b>4,221</b>	<b>-</b>	<b>90,863</b>

## NET BOOK VALUE

<b>AS AT 31 JULY 2022</b>	<b>10,330</b>	<b>19,823</b>	<b>31,892</b>	<b>1,283</b>	<b>775</b>	<b>64,103</b>
AS AT 31 JULY 2021	10,330	19,970	34,418	1,681	170	66,569

Freehold land is not depreciated.

A full valuation of St George's halls of residence was carried out as at 31 July 2014 by Gerald Eve LLP as part of the transition to FRS 102, and is measured on the basis of deemed cost, being the revalued amount at the date of transition.

## 14 NON-CURRENT INVESTMENTS

<b>Consolidated</b>	<b>Other fixed asset investments £000</b>	<b>Total £000</b>
As at 1 August 2021	19,349	19,349
Additions	144	144
Expenditure for the year	-	-
Transfer to cash	(7,548)	(7,548)
Unrealised gain	399	399
<b>AS AT 31 JULY 2022</b>	<b>12,344</b>	<b>12,344</b>

<b>St George's</b>	<b>Other fixed asset investments £000</b>	<b>Total £000</b>
As at 1 August 2021	17,390	17,390
Additions	144	144
Expenditure for the year	-	-
Transfer to cash	(6,810)	(6,810)
Unrealised gain	360	360
<b>AS AT 31 JULY 2022</b>	<b>11,084</b>	<b>11,084</b>

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

	<b>Consolidated £000</b>	<b>St George's £000</b>
Analysis by asset		
UK equities	3,695	3,318
International equities	4,176	3,749
Bonds	675	606
Multi-asset funds	856	768
Hedge funds	294	264
Property	2,398	2,153
Others	250	226
	<b>12,344</b>	<b>11,084</b>

## 15 HERITAGE ASSETS

Since its forebear's foundation in 1733 St George's, University of London has acquired a number of heritage assets in the medical field. These include items such as:

- The preserved cow hide with which Edward Jenner discovered the smallpox vaccine
- A cerecloth used to wrap the dead body of King George II
- Post mortem case books from 1841–1946
- Rare medical books dating to the 16th century
- The sofa on which John Hunter died

These assets are maintained by an archivist and a Wellcome Trust award was received this year to conserve the post mortem records.

There are no heritage assets capitalised in the balance sheet for the year ended 31 July 2022 as the elapsed time since acquisition and the information available on acquisition methods render the cost of identifying the appropriate accounting treatment disproportionate to the benefit to be derived by users of the financial statements.

No additions in the year under review met the capitalisation threshold of £10,000.

## NOTES TO THE ACCOUNTS

**16 INVESTMENT IN ASSOCIATES**

St George's holds a 40% share in TiKa Diagnostics Limited and a 35% share in BUGS Bioscience Limited.

- TiKa Diagnostics Limited develops supplements to accelerate the growth of tuberculosis in cultures.
- BUGS Bioscience Limited delivers a global platform for molecular surveillance of infectious diseases.

The investments in associates consist of

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
TiKa Diagnostics Ltd (40%)	39	42
BUGS Biosciences Ltd (35%)	10	49
	<b>49</b>	<b>91</b>

**17 TRADE AND OTHER RECEIVABLES**

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
Amounts falling due within one year:				
Research grants receivables	3,363	3,363	2,684	2,684
Trade receivables	2,430	2,430	2,825	2,825
St George's University Hospitals NHS Foundation Trust	3,621	3,621	4,433	4,433
Prepayments and accrued income	1,422	1,422	1,783	1,783
Other receivables	2	2	188	188
Amounts due from subsidiary companies	-	72	-	69
	<b>10,838</b>	<b>10,910</b>	<b>11,913</b>	<b>11,982</b>

**18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
Unsecured loans	1,465	1,465	1,533	1,533
Research grants and contracts	10,374	10,374	9,341	9,341
Deferred capital grants	1,493	1,493	1,530	1,530
Trade payables	3,095	3,095	3,555	3,555
Other payables	6,317	6,317	6,090	6,090
St George's University Hospitals NHS Foundation Trust	1,375	1,375	367	367
Accruals and deferred income	9,529	9,529	9,021	9,021
Other tax & social security	1,072	1,072	994	994
Amounts due to subsidiary companies	-	42	-	37
	<b>34,720</b>	<b>34,762</b>	<b>32,431</b>	<b>32,468</b>

**DEFERRED INCOME**

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Undergraduate tariff income	1,921	1,213
Funding body income	-	91
Other deferred income	1,288	1,121
	<b>3,209</b>	<b>2,425</b>

**19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Deferred capital grants	16,279	17,437
Unsecured loans	15,398	16,863
	<b>31,677</b>	<b>34,300</b>

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Due within one year or on demand	1,465	1,533
Due between one and two years	1,150	1,465
Due between two and five years	2,872	3,032
Due in five years or more	11,376	12,366
	<b>16,683</b>	<b>18,396</b>

**20 PROVISIONS FOR LIABILITIES**

	<b>Obligation to fund deficit on USS Pension £000</b>	<b>Obligation to fund deficit on SAUL pension £000</b>	<b>Obligation to fund deficit on LGPS pension £000</b>	<b>Total Pensions provisions £000</b>
As at 1 August 2021	(8,228)	-	(5,039)	(13,267)
Change in provision	(13,823)	-	5,039	(8,784)
<b>AS AT 31 JULY 2022</b>	<b>(22,051)</b>	<b>-</b>	<b>-</b>	<b>(22,051)</b>

The obligations to fund the past deficits on the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL) arise from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance.

Included in loans are the following

	<b>AMOUNT</b>	<b>TERM</b>	<b>INTEREST RATE %</b>
	<b>£000</b>		
Barclays Bank plc	9,755	30 years	5.08
Barclays Bank plc	1,430	29 years	5.10
Santander UK plc	2,910	25 years	4.20
Santander UK plc	1,713	24 years	4.20
Santander UK plc	305	10 years	4.20
Santander UK plc	210	22 years	4.18
Santander UK plc	380	9 years	4.15
Santander UK plc	65	8 years	4.15
Salix Finance Ltd	95	5 years	0.00
	<b>16,863</b>		

All of the unsecured loans bear fixed rates of interest and therefore there is no exposure to interest rate benchmark reform.

The obligations on the Local Government Pension Scheme (LGPS) originally arose from the contractual obligation with the pension scheme via our joint activity with Kingston University, since that is now dissolved there is no obligation.

## NOTES TO THE ACCOUNTS

## USS PENSION PROVISION

In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 26.

The major assumptions used to calculate this obligation are:

	2022	2021
Discount rate	3.33%	0.87%
Salary growth	4.18%	2.00%

## SENSITIVITY ANALYSIS

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below.

Change in assumptions  
at 31 July 2022Approximate  
impact  
(negative increases  
provision)

0.5% pa decrease in discount rate	£926k
0.5% pa increase in salary inflation over duration	(£923k)
0.5% pa increase in salary inflation year 1 only	(£106k)
0.5% increase in staff changes over duration	(£929k)
0.5% increase in staff changes year 1 only	(£92k)
1% increase in deficit contributions from October 2022	(£3,140k)
1 year increase in term	(£1,305k)

## 21 ENDOWMENT RESERVES

Restricted net assets relating to the endowments are as follows:

	CONSOLIDATED			ST GEORGE'S		
	Permanent restricted £000	Expendable £000	Total £000	Permanent restricted £000	Expendable £000	Total £000
<b>AS AT 1 AUGUST 2021</b>						
Capital	2,896	3,575	6,471	1,213	3,575	4,788
Accumulated income	316	(1,128)	(812)	318	(1,128)	(810)
	<b>3,212</b>	<b>2,447</b>	<b>5,659</b>	<b>1,531</b>	<b>2,447</b>	<b>3,978</b>
<b>INCOME FOR THE YEAR</b>						
Investment income	78	63	141	36	63	99
Expenditure	(79)	(62)	(141)	(7)	(61)	(68)
Increase in market value of investments	78	67	145	38	67	106
<b>TOTAL ENDOWMENT INCOME FOR THE YEAR</b>	<b>77</b>	<b>68</b>	<b>145</b>	<b>67</b>	<b>69</b>	<b>136</b>
<b>AS AT 31 JULY 2022</b>	<b>3,289</b>	<b>2,515</b>	<b>5,804</b>	<b>1,598</b>	<b>2,516</b>	<b>4,114</b>

## REPRESENTED BY:

Capital	2,974	3,642	6,616	1,252	3,642	4,894
Accumulated income/(excess expenditure)	315	(1,127)	(812)	347	(1,127)	(880)
	<b>3,289</b>	<b>2,515</b>	<b>5,804</b>	<b>1,599</b>	<b>2,515</b>	<b>4,114</b>

**ENDOWMENT RESERVES CONTINUED**

	CONSOLIDATED	ST GEORGE'S
Analysis by type or purpose	£000	£000
Lectureships	1,690	-
Scholarships and bursaries	1,220	1,220
Research support	1,656	1,656
Prize funds	652	652
General	586	586
<b>AS AT 31 JULY 2022</b>	<b>5,804</b>	<b>4,114</b>
<b>Analysis by asset</b>		
UK equities	1,080	765
International equities	1,219	864
Bonds	197	140
Multi-asset funds	250	177
Property	702	498
Others	2,356	1,670
<b>AS AT 31 JULY 2022</b>	<b>5,804</b>	<b>4,114</b>

**22 RESTRICTED RESERVES**

Consolidated	Donations	Eleanor Peel restricted I&E	2022 Total	2021 Total
	£000	£000	£000	£000
As at 1 August 2021	555	287	842	939
New donations	140	42	182	200
Expenditure	(338)	(71)	(409)	(297)
<b>TOTAL RESTRICTED COMPREHENSIVE INCOME</b>	<b>(198)</b>	<b>(29)</b>	<b>(227)</b>	<b>(97)</b>
<b>AS AT 31 JULY 2022</b>	<b>357</b>	<b>258</b>	<b>615</b>	<b>842</b>

St George's	Donations	2022 Total	2021 Total
	£000	£000	£000
As at 1 August 2021	555	555	622
New donations	140	140	160
Expenditure	(338)	(338)	(227)
<b>TOTAL RESTRICTED COMPREHENSIVE INCOME</b>	<b>(198)</b>	<b>(198)</b>	<b>(67)</b>
<b>AS AT 31 JULY 2022</b>	<b>357</b>	<b>357</b>	<b>555</b>

	2022	2021
Analysis by type or purpose	£000	£000
Lectureships	258	287
Research support	-	142
Student support	357	413
<b>AS AT 31 JULY 2022</b>	<b>615</b>	<b>842</b>

## NOTES TO THE ACCOUNTS

**23 CAPITAL AND OTHER COMMITMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Commitments approved but not contracted for	3,134	2,757
Commitments contracted for	1,366	1,742
	<b>4,500</b>	<b>4,499</b>

**24 OPERATING LEASES**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Total rentals payable under operating leases		
Payable during the year	116	148
Future minimum lease payments due		
No later than one year	111	131
Later than one year and no later than five years	68	179
<b>TOTAL LEASE PAYMENTS DUE</b>	<b>179</b>	<b>310</b>

**25 SUBSIDIARY UNDERTAKINGS**

The subsidiaries (all of which are registered in England & Wales), wholly-owned or effectively controlled by St George's, are as follows:

<b>COMPANY</b>	<b>PRINCIPAL ACTIVITY</b>	<b>OWNERSHIP</b>
The Eleanor Peel Chair of Geriatrics	To contribute towards the costs of The Eleanor Peel Chair of Geriatrics at St George's University of London (SGUL).	Effectively controlled

**26 PENSION SCHEMES**

St George's participates directly in four pension schemes for its employees - the Universities Superannuation Scheme (USS), the Superannuation Arrangements of University of London (SAUL), the National Health Service Superannuation Scheme (NHSSS), the National Employment Savings Trust (NEST) and indirectly in the Royal Borough of Kingston upon Thames' Teachers Pension scheme (TPS) and Local Government Pension Scheme (LGPS) through its joint activity with Kingston University until 31 July 2022.

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
St George's total pension costs were:		
USS	4,055	4,014
SAUL	767	641
NHSSS	1,686	1,644
TPS	888	896
LGPS	177	179
NEST	4	5
	<b>7,577</b>	<b>7,379</b>



**UNIVERSITIES SUPERANNUATION SCHEME (USS)**

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section 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 key financial assumptions used in the 2020 valuation are described below.

	2022	2021
Discount rate	3.33%	0.87%
Pensionable salary growth	4.18%	2.0%

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

**MORTALITY BASE TABLE**

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% p.a. for males and 1.6% p.a. for females.

Use of these mortality tables reasonably reflects the actual USS experience. The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.6
Females currently aged 45 (years)	27.3	27.9

	2022	2021
	£bn	£bn
Scheme assets	66.5	63.7
Total scheme liabilities	80.6	67.3
FRS 102 total scheme deficit	14.1	3.6
FRS 102 total funding level	83%	95%

**SUPERANNUATION ARRANGEMENTS OF THE UNIVERSITY OF LONDON (SAUL)**

The total cost charged to the income and expenditure account is £0.8m (2021: £0.6m). The contribution rate payable by St George's was 16% of employee salaries.

St George's 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.

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

SAUL'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.

**NOTES TO THE ACCOUNTS**

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 date 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 basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

St George's 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. St George's 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 St George's.

**NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (NHSS)**

The total cost charged to the income and expenditure account is £1.6m (2021: £1.6m). The contribution rate payable by St George's was 20.6% of employee salaries.

The NHSS is an unfunded defined benefit scheme, funded centrally by the Treasury on a current cost basis and available to staff who immediately prior to appointment at St George's were members of the scheme. As the NHSS is a multi-employer scheme consequently it is not possible to identify St George's share of the assets and liabilities and is therefore accounted for on a contributions basis.

Surpluses or deficits which arise at future valuations may impact on St George's future contribution commitment. A formal valuation of the scheme last took place on 31 March 2016. Between valuations, the Government Actuary provides an update of the scheme liabilities on an annual basis.

**NATIONAL EMPLOYMENT SAVINGS TRUST (NEST)**

The National Employment Savings Trust (NEST) is a defined contribution workplace pension scheme in the United Kingdom. It was set up to facilitate automatic enrolment as part of the government's workplace pension reforms under the Pensions Act 2008.

**ROYAL BOROUGH OF KINGSTON UPON THAMES PENSION FUNDS**

St George's indirectly participated in the Royal Borough of Kingston upon Thames pension schemes, comprising the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS), providing benefits based on final pensionable pay until the dissolution of FHSCE on 31 July 2022.

**TEACHERS' PENSION SCHEME**

The total cost charged to the income and expenditure account is £0.9m (2021: £0.9m). The employer's contribution rate is 23.68% of employee salaries.

The TPS is a national, statutory, unfunded, defined benefit scheme and it is not possible to identify St George's share of the underlying assets and liabilities.

The last valuation of the scheme as at 31 March 2016 revealed the scheme was in deficit.

**LOCAL GOVERNMENT PENSION SCHEME**

The total cost charged to the income and expenditure account is £0.2m (2021: £0.2m). The employer's contribution rate is 26.2% of employee salaries.

LGPS is a defined benefit scheme operated on behalf of the employees of Kingston University and this included the staff of the Joint Faculty. Since the joint faculty was dissolved on 31 July 2022, there is no longer an obligation on St George's.

**27 FINANCIAL INSTRUMENTS**

The financial statements have been prepared on the historical cost convention (modified by the revaluation of investments), except for certain financial assets and liabilities which are carried at fair value or amortised cost as appropriate.

Fair value measurements are, to the extent possible, based on are quoted prices in active markets for identical assets or liabilities that the entity can access. Where quoted prices are not available the University then, also to the extent possible, uses observable market data for the asset or liability, either directly or indirectly. All other fair value measurements are based on unobservable inputs for the asset or liability. Further details are provided in the accounting policies.

**Financial Assets measured at fair value**

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	CONSOLIDATED £000	£000	ST GEORGE'S £000	£000
Non-current investments	12,344	11,084	19,349	17,390
	<b>12,344</b>	<b>11,084</b>	<b>19,349</b>	<b>17,390</b>

**28 RECONCILIATION OF NET DEBT**

	CONSOLIDATED £000
<b>Net debt at 1 August 2020</b>	(14,348)
Movement in cash and cash equivalents	5,528
Repayment of borrowings	1,508
<b>NET DEBT AT 31 JULY 2021</b>	<b>(7,312)</b>
Movement in cash and cash equivalents	10,661
Repayment of borrowings	1,533
<b>NET DEBT AT 31 JULY 2022</b>	<b>4,882</b>
Changes in net debt	12,194

**29 RELATED PARTY TRANSACTIONS**

St George's enjoys close relationships with Kingston University, SGUHFT and similar health providers and purchaser organisations that actively support medical education. SGUHFT are represented on St George's Council. Income from these organisations is included within Other operating income – services rendered (Note 4) and the balance owed by SGUHFT, being the most material, is set out in Note 17 and amounts due to SGUHFT in Note 18.

The Faculty of Health, Social Care and Education provided education for nursing, midwifery and other allied health professions until the dissolution on 31 July 2022. Under the terms of the Joint Arrangement Agreement, the assets, liabilities, income and expenditure of the Faculty are divided equally between St George's and Kingston University. St George's share of the gross income from the contract is recorded in tuition fees and education contracts in Note 1, and expenses are included under the appropriate expenditure headings. SGUL and Kingston University agreed as part of the dissolution process that while the net assets would be split as at 31 July 2022 equally, each individual asset/liability would be allocated to the appropriate parent with cash being the balancing item.

The Students' Union is a separate legal entity registered with the Charity Commission. It is a related party through representation by its President on Council. St George's provides space and an annual grant to the Students' Union of £329k (£329k in 2020/21). The Students' Union provides hospitality services and items from its retail outlets to St George's from time to time, for which a charge is made.

Transactions with Council Members are limited to reimbursement of expenses. Council Members complete a statement of related party interests each year detailing any entities for which they are a Director, Partner, Proprietor or Trustee and with which St George's undertakes business. There were no significant transactions with any of these entities.

**30 EVENTS AFTER THE REPORTING PERIOD**

In 1998 St George's and Kingston University established a joint venture that constituted a jointly controlled operation, the Faculty of Health, Social Care and Education (FHSCE), which provided education for students at each of St George's and Kingston University. The staff of FHSCE were employed by Kingston University and amongst other things provided courses to students of St George's in radiography, physiotherapy, paramedic studies, occupational therapy and other allied health courses. The FHSCE also taught a number of courses for students of Kingston University. The surpluses and net assets attributable to the activities of the FHSCE were shared equally between St George's and Kingston University.

The FHSCE was dissolved by mutual agreement between St George's and Kingston University on 31 July 2022. The staff of the FHSCE responsible for teaching courses to the students of St George's were transferred to St George's with effect from 1 August 2022. In addition, the assets and liabilities of the FHSCE were split so that each party was allocated 50% of the net asset value of the FHSCE.

As a consequence of this arrangement, the individual assets and liabilities comprising the balance sheet of the FHSCE at 31 July 2022 have been allocated to each of the joint venture partners on an agreed basis with the cash balance split such that each party had a 50% share of the net assets of the FHSCE as at 31 July 2022. In addition, the pension liabilities recorded in the financial statements of St George's in respect of the FHSCE have been adjusted to reflect the accrued liabilities attributable to the staff that were transferred to St George's from the FHSCE as of 1 August 2022.

## NOTES TO THE ACCOUNTS

**31 PARTICIPATION IN US FEDERAL LOANS PROGRAM – SUPPLEMENTARY SCHEDULE**

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

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. The note is presented in Sterling £.

LINES	EXPENDABLE NET ASSETS	31/07/2022	
			£000s
24	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions	18,441
30	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions	6,419
4	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	3,621
4	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable	3,621
8	Statement of Financial Position – Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	64,103
FS Note line 8A	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Property, plant and equipment – pre-implementation	56,035
FS Note line 8B	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation with outstanding debt for original purchase	Property, plant and equipment – post-implementation with outstanding debt for original purchase	-
FS Note line 8D	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase	11,465
9	Statement of Financial Position – Lease right-of-use assets, net	Lease right-of-use asset, net	-
Excluded Line 9 Note Leases	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-
M9 Note Leases	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	-
10	Statement of Financial Position – Goodwill (and other intangibles)	Intangible assets	4,221
17	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities	22,051
14,20,22	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	Long-term debt – for long term purposes	16,863

M24,20,22, Note Debt 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	Long-term debt – for long term purposes pre-implementation		16,863
M24,20,22, Note Debt B	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	Long-term debt – for long term purposes post-implementation		-
M24,20,22, Note Debt C	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	Line of Credit for Construction in process		-
21	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-	
Excluded Line 21 Note Leases	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-
Line 21 Note Leases	Statement of Financial Position – Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		-
25	Statement of Financial Position – Annuities	Annuities with donor restrictions		-
26	Statement of Financial Position – Term endowments	Term endowments with donor restrictions		-
27	Statement of Financial Position – Life Income Funds	Life income funds with donor restrictions		-
29	Statement of Financial Position – Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		6,419
	<b>TOTAL EXPENSES AND LOSSES</b>		<b>31/07/2022</b>	
			<b>£000s</b>	
43	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions – taken directly from Statement of Activities		96,401
(35),45,46, 47,48,49	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)	Non-Operating and Net Investment (loss)		-829
(35),45	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		-872
47	Statement of Activities – Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-

## NOTES TO THE ACCOUNTS

				31/07/2022	
		MODIFIED NET ASSETS		£000s	
24	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions			18,441
30	Statement of Financial Position – Total Net assets with donor restrictions	Net assets with donor restrictions			6,419
10	Statement of Financial Position – Goodwill (and other intangibles)	Intangible assets			4,221
4	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	3,621		
4	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable			3,621
		MODIFIED ASSETS		31/07/2022	
				£000s	
12	Statement of Financial Position – Total assets	Total assets			113,307
Excluded Line 9 Note Leases	Note of the Financial Statements – Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation			-
Excluded Line 21 Note Leases	Statement of Financial Position – Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases			-
10	Statement of Financial Position – Goodwill (and other intangibles)	Intangible assets			4,221
4	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	3,621		
4	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable			3,621
		NET INCOME RATIO		31/07/2022	
				£000s	
51	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net assets without Donor Restrictions			-8,129
38, (35), 50	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains			87,361



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