

**2020/21**

ANNUAL REPORT  
AND FINANCIAL STATEMENTS





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*As I reflect on one of the most turbulent times in living memory, my overwhelming feeling is a sense of pride in the St George's community - the indomitable spirit, determination and commitment our staff and students have shown in such challenging circumstances.*



Over the last twelve months, we have continued to respond and adapt, to do everything we can to offer students modified, but still excellent teaching, to support the frontline fight against Covid-19 and to redouble our impact on global health.

It is only natural to reflect on what has been lost during the past year. However, what has offered comfort through this difficult period has been to recognise what has been achieved, and to look for a little light amid the darkness. I am thinking particularly about the strengthened sense of community that we have at St George's, as staff and students have shown care towards one another.

Our world-leading academics have delivered vital transformational research which has had a truly international impact. From running multiple large-scale trials at our Vaccine Institute, which included the Oxford AstraZeneca vaccine, to studies into the safety and efficacy of vaccines in pregnant women, and highlighting the global risks of vaccine inequality and hesitancy. Our academics have played a significant role in science communication and public engagement, using their expertise to help make sense of the pandemic's global impact. As a result, our media coverage has increased four-fold to more than 1,000 mentions per month.

The disruption caused by the pandemic had an understandable impact on the student experience, and this was reflected in the disappointing results of the 2021 National Student Survey for many but not all our courses. Overall satisfaction declined, and issues with marking and assessment criteria, feedback and course organisation were highlighted. We will be taking some time in the coming months to consider how we can address specific concerns raised, and share best practice from areas which performed more strongly.

In spite of the challenges presented by the rapid switch to online learning, we saw some positive changes to our teaching and working practices as restrictions eased. Our online teaching, learning and assessment programmes have been welcomed by students, and will continue. We have progressed our Future Ways of Working framework for staff, developing a more flexible approach which better reflects

the needs and desires without compromising on quality.

Inequality has been greatly exacerbated by the pandemic, and I was struck by the generosity of our alumni and supporters during the Spring telephone fundraising campaign. In total, over £126,000 was donated to support students facing financial hardship.

The incredible bravery and dedication of our NHS colleagues has renewed interest in studying healthcare and medicine. Applications to St George's have almost doubled over the last year, with many students eager to join us as the university ranked number one for graduate prospects. This buoyancy in student recruitment is a welcome boost for our immediate finances. Yet significant challenges remain including escalating pension costs, static undergraduate fees, and unexpectedly, the sudden removal of the London weighting student premium. The latter alone will result in a £1.2m net loss to St George's, and we must continue to take bold steps to ensure a long term, sustainable future.

The impact of Covid-19 has also shown how we must continue to adapt and change in response to external factors – both those we can anticipate, and others which are beyond our control. Although significant challenges remain, I am confident that our community has the confidence, courage and determination to rise to them. Our core mission is more compelling than ever, and I look forward to its continuation as we emerge from what is surely one of the most remarkable chapters in our history.

With our future in mind, the University Council has agreed to progress discussions with Royal Holloway about a potential exciting merger of the two University of London institutions.

A handwritten signature in black ink, which appears to read 'Jenny Higham'. The signature is stylized and written in a cursive script.

**PROFESSOR JENNY HIGHAM**  
PRINCIPAL

*When the last Annual Report was published, I had just joined St George's as Chair of Council. A year into my role, most of my contact with the University has been via a computer screen, as has been the case for many staff and students.*



Yet I have still been able to gain a clear sense of the importance of the St George's mission and the fundamental role of a specialist health university, brought into even sharper relief by the experience of living through a global pandemic.

In what has been an incredibly challenging period, I have been impressed at the speed with which the University has adapted, and at the collegiality and collaboration between staff and students. I know that this success has not been without some personal cost, as we have all juggled the demands and stresses of personal and professional lives and the disruption to our normal routines. During the worst of times, we have seen the very best of the St George's community, and I am grateful to everyone for playing their part.

In particular, the way in which the University has been able to pivot its research capacity to focus on Covid-19 vaccines and treatments has been nothing short of astonishing. Staff in education roles rose magnificently to the challenge of online teaching, and then worked tirelessly to ensure that students could safely resume face-to-face learning, far earlier than most of the sector.

A couple of significant decisions have been taken by Council during the reporting period. The first has been to dissolve the joint venture between St George's and Kingston University, known as the Joint Faculty of Health, Social Care and Education. This decision was taken in agreement with Kingston's Board of Governors and the required 12 months' notice period started on 31 July 2021.

The second has been to conclude our partnership with the University of Nicosia [UNIC] in Cyprus, following a review of the Graduate MBBS Programme in 2019-2020. It has been agreed that the students admitted in the summer will be the last to join the programme. The MBBS programme has therefore recently welcomed its new, and final, Clinical Sciences (Year 1) cohort of students, who are expected to graduate in the year 2025.

These longstanding partnerships have been mutually beneficial, but external circumstances have changed.

The decisions give each institution greater autonomy and reduced structural complexity, and detailed work is underway to ensure that the transition is as smooth as possible for both staff and students.

Looking to the future, I see many reasons to be positive: student numbers are increasing, we offer high priority subject areas vital to the wellbeing of society, and our research capabilities have been bolstered by our transformational Covid-19 research. However, this positivity is tempered by a number of pressures including a reliance on capped student fees and a restricted site which limits our ability to expand. Careful planning and creative thinking will be essential to our continued success. To this end, Council has agreed to explore the possibility of a merger with Royal Holloway, University of London.

I believe that our alumni community is one of our strongest assets, and strengthening that relationship remains an important priority. I was delighted to have the opportunity to meet our newest cohort of alumni at the end of course celebrations, where a warm sense of pride filled the room as staff joined a highly diverse cohort of students in marking their achievements, despite the difficulties and disruption they have faced.

I have no doubt that their resilience and front-line experience will propel them to successful careers as healthcare professionals. As a university, we must continue to focus on inspiring and developing the next generation of people who will forge their own careers, and contribute to advancing healthcare locally, nationally and internationally.

A handwritten signature in black ink that reads "Christine Swabey".

**CHRISTINE SWABEY**  
CHAIR OF COUNCIL

## STRATEGIC REVIEW

### OUR YEAR IN HIGHLIGHTS 2020/21

#### AUGUST 2020

##### NEW ANTI-RACISM STATEMENT PUBLISHED

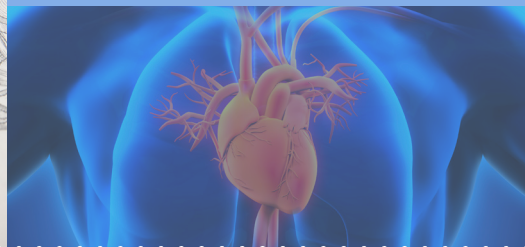
St George's published a new anti-racism statement, outlining the university's commitment to creating an anti-racist culture, with a zero-tolerance approach to both racism and discriminatory behaviour. St George's is dedicated to challenging and dismantling structural racism within practices, policies, procedures and the community.



#### OCTOBER 2020

##### IDENTIFYING THE CAUSES OF UNEXPLAINED CARDIAC ARREST

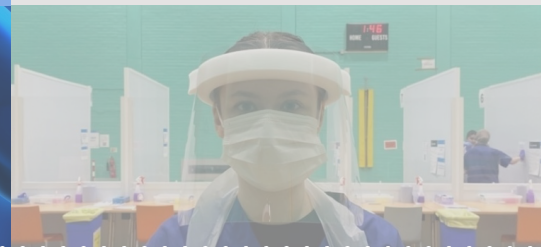
Unexplained cardiac arrests could be prevented and diagnosed thanks to a new research project, bringing together teams from the UK, Germany and Netherlands. Led by Professor Elijah Behr from the Molecular & Clinical Sciences Research Institute, the UK-based group, funded by the British Heart Foundation, will undertake ground-breaking work to identify genetic causes of unexplained cardiac arrests by working with survivors and their families.



#### DECEMBER 2020

##### CLINICAL PHARMACOLOGY STUDENTS STAFF TESTING CENTRE

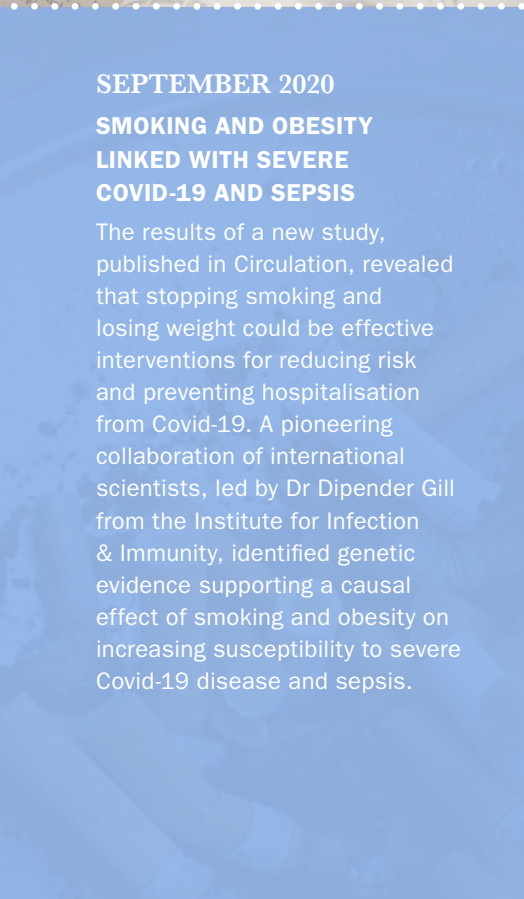
With asymptomatic testing required for students to travel safely home for Christmas, second-year students on the Clinical Pharmacology course stepped up to run the university's Covid-19 testing centre. Using the opportunity to gain work experience as part of their course, the students were each assigned different roles to efficiently manage the testing process at St George's.



#### SEPTEMBER 2020

##### SMOKING AND OBESITY LINKED WITH SEVERE COVID-19 AND SEPSIS

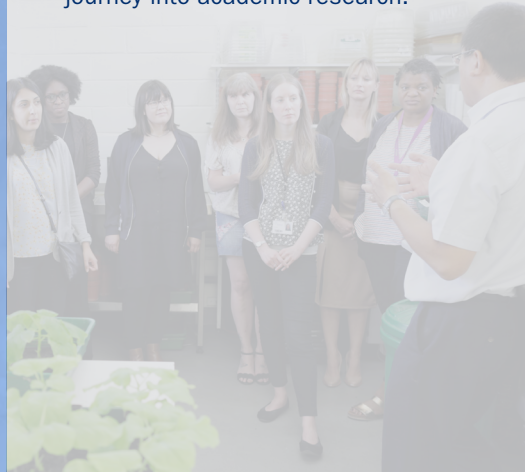
The results of a new study, published in *Circulation*, revealed that stopping smoking and losing weight could be effective interventions for reducing risk and preventing hospitalisation from Covid-19. A pioneering collaboration of international scientists, led by Dr Dipender Gill from the Institute for Infection & Immunity, identified genetic evidence supporting a causal effect of smoking and obesity on increasing susceptibility to severe Covid-19 disease and sepsis.



#### NOVEMBER 2020

##### PHTEA BREAK PODCAST LAUNCHED

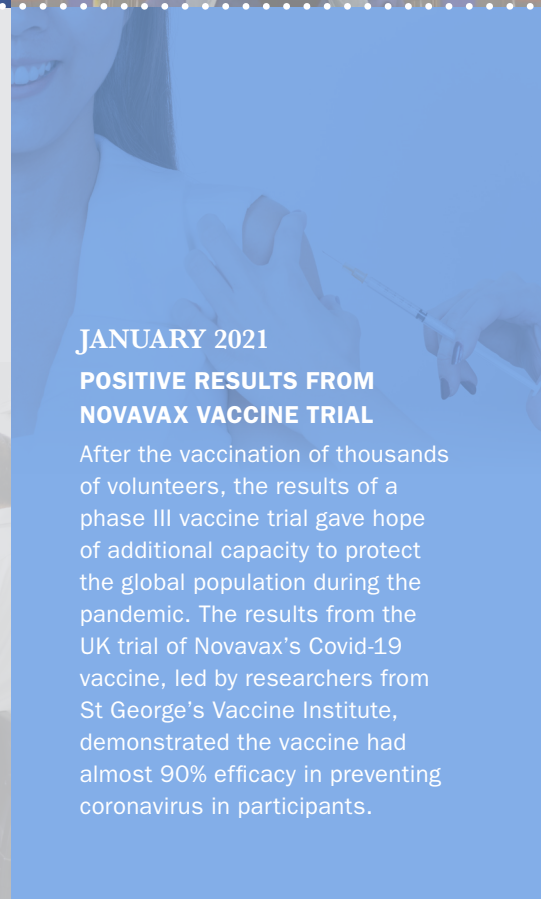
The PhD community at the university recorded a new podcast series about life as a PhD student. Each episode of PhTea Break gave different students a chance to discuss their research projects, as well as tips for people starting their journey into academic research.



#### JANUARY 2021

##### POSITIVE RESULTS FROM NOVAVAX VACCINE TRIAL

After the vaccination of thousands of volunteers, the results of a phase III vaccine trial gave hope of additional capacity to protect the global population during the pandemic. The results from the UK trial of Novavax's Covid-19 vaccine, led by researchers from St George's Vaccine Institute, demonstrated the vaccine had almost 90% efficacy in preventing coronavirus in participants.



**FEBRUARY 2021**

**ALUMNI GENEROSITY FUNDS CARE PACKAGES FOR ISOLATING STUDENTS**

Thanks to the generous donations of St George's alumni and hard work of the Students' Union, 300 care packages were sent out to students isolating in the winter due to infection from Covid-19 or contact with someone who tested positive. The initiative was funded through alumni donations to the Mental Health and Well-being Fund and aimed to bring students cheer and practical help through the difficult isolation period.

**APRIL 2021**

**BABY SURGEONS: DELIVERING MIRACLES**

A moving Channel 4 documentary series helped to break the silence surrounding still birth and bereavement. **Baby Surgeons: Delivering Miracles** focused on the extraordinary work of the fetal medicine, neonatal and maternity units at St George's Hospital and featured university staff and alumni, including Professor Asma Khalil. The series was one of the most-discussed television programmes of the moment, with over 300 pieces of media coverage, an average of 1.4 million viewers per episode and 1.2 million Twitter impressions across the 15-day broadcast period.



**JUNE 2021**

**EQUAL REPRESENTATION IN ACADEMIA**

St George's PhD alumnus, Dr Mohani-Preet Kaur Dhillon, launched the pioneering Equal Representation in Academia (ERA) initiative at the university. Aiming to facilitate academic career paths for students from ethnic minority backgrounds, the independent scheme will be piloted at St George's, with the intention of branching out to other universities in future.



**MARCH 2021**

**DR ALICJA RUDNICKA NAMED AS TOP-RANKED OPTOMETRY RESEARCHER**

Dr Alicja Rudnicka from the Population Health Research Institute was named the 16th ranked optometry researcher in the world and 1st in the UK in rankings published in *Clinical and Experimental Optometry*. Professor Christopher Owen also ranked as number 2 in the UK and rounded out the global top 20, showcasing St George's outstanding work in the field.



**MAY 2021**

**ANNUAL TELEPHONE CAMPAIGN RAISES £126,000**

The annual telephone fundraising campaign raised over £126,000 for student causes across the university. Student callers reached out to more than 880 alumni, hearing about their time at St George's and talking about the vital support that donations provide to the university community. The university is extremely grateful to each and every person who engaged with the campaign.



**JULY 2021**

**ACCELERATING THE RECOVERY FROM COVID-19**

Personalised rehabilitation programmes are being tailored for the benefit of thousands of patients with long Covid in the UK, thanks to ground-breaking NIHR-funded research. The new project, led by Professor Fiona Jones from the Faculty of Health, Social Care and Education, was launched to develop personalised rehabilitation programmes to improve care and help patients live well with long Covid.



## STRATEGIC REVIEW

### STRATEGY AND STAKEHOLDERS

#### OUR STRATEGY

The start of 2017/18 saw the launch of our Strategic Plan 2017-2022, setting goals for our pursuit of excellence in medicine, healthcare and science. Our strategy is structured around five strategic themes: Education and Students; Research Excellence and Impact; Facilitating Excellence in People and Partners; Environment and Sustainability; and Operational Excellence. The Strategic Plan 2017-2022 is available in full on our website. Our Operational Plan has since been developed in order to set out the detailed activities we will undertake to achieve the objectives laid out in our Strategic Plan. A monitoring framework has also been established to provide Council with bi-annual updates on our progress and performance against our 12 KPIs.

#### 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. As restrictions and uncertainty related to the pandemic continued into the 2020/21 academic year, management of the University's response moved from a business continuity structure to a phased 'return to site' process. The Covid-19 Steering Group and Return to Site Operations Group met regularly throughout the year to ensure the institution met its responsibilities in line with government guidance for the sector, ensuring that students and staff were kept safe - including setting up and running an asymptomatic testing centre on-site. The Phase 4 Working Group (also known as the 'Future Ways of Working' project) began work in February 2021 in order to plan for a full return to site whilst considering longer-term changes to ways of working for staff at the University.

As the year progressed more staff were able to return to working on-site where it was essential, however the majority worked remotely for some, or all, of their time in line with government guidance at the time. Academic and teaching colleagues provided as much face-to-face teaching as possible, whilst on-site services for students increased in line with the easing of national restrictions. The University's research capacity supported the national and international response to tackling Covid-19, with a number of colleagues continuing to engage in lab-based work on-site during lockdown periods.

#### EDUCATION & STUDENTS

1. Increase Educational income contribution
2. Higher TEF rating
3. Improve satisfaction in the NSS Overall Satisfaction (Q27)

#### RESEARCH EXCELLENCE

4. Increase research income
5. Increase the return on research overhead/PI time
6. Improved Research Excellence Framework submission

#### FACILITATING EXCELLENCE: People and partners

7. Higher Athena SWAN award
8. Improve quality of opportunity within our student body

#### FACILITATING EXCELLENCE: Environment and sustainability

9. Improve condition of our teaching learning and research
10. Improve satisfaction in the NSS for learning resources

#### FACILITATING EXCELLENCE: Operational excellence

11. Operating surplus as a proportion of turnover
12. Improve satisfaction in the NSS for organisation and management



Throughout the Covid-19 pandemic, St George's made staff wellbeing and engagement a priority. To help keep staff connected, a regular programme of communications from senior leaders was implemented, alongside critical operational updates and an online resource of FAQs covering key issues for staff.

In 2020/21, St George's undertook an institutional review of race equality, as supported by the Senior Leadership Team with students and staff working together in workstreams. The consultative process developed recommendations for action in order to address issues affecting representation, progression and success amongst Black, Asian and minority ethnic staff and students in the short and long-term. A core commitment is to develop and embed an anti-racist approach for a truly inclusive environment. There have been bespoke workshops for staff and, separately, students to build understanding and effective allyship, alongside updated policies and procedures for those who would like to raise concerns informally. The Race Equality Action and Engagement Group, which has student representation, has been formed to monitor progress and support implementation of the planned actions.

The Athena SWAN Self-Assessment Team considered 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 were also considered and recognised in the Celebrating Achievement and Diversity Speaker Series throughout the year.

## STUDENTS

Our 5,300 students make up a diverse population from over 70 countries. They are at the heart of university life and business decisions, and engage with us collaboratively to enhance teaching and learning, and improve their university experience, thereby enabling them to reach their full potential.

Students' experience of the 2020/21 academic year was dominated by government restrictions (limiting attendance and in-person teaching) and disruptions to clinical placements during the Covid-19 pandemic. The University's health focus means students are exposed to turbulence in the NHS and overall student satisfaction of final-year students in the National Student Survey fell to 61.3% from 77.8% in 2019-20. Satisfaction of students in other year groups was higher, at 76.5%.

The Education Continuity Group met through the year to navigate the changing government guidance and oversee adaptation of programmes to blended learning (and predominantly online assessments) so students could progress and graduate. The Online Education Framework guided a student-centred approach university-wide, supported by paid Student Curriculum Advisors drawn from across programmes. To help students establish a sense of belonging while the University was largely online, a series of "Making

Connections" online communities and events were set up to cater for different interests and needs through the year, including for students isolated over the Christmas holiday period.

From the Students' Union (SU) President down to a wide network of SU Year Representatives across courses, students are represented across the University governance structure. This includes membership of Council, sitting on senior University committees, and in local course meetings. The SU President and Vice President (Education & Welfare) ensured the interests of students were represented at the Covid-19 Steering Group and the Education Continuity Group during the University's pandemic response. They also chaired collaborative student Question & Answer sessions with the Deputy Principal (Education) throughout the year and engaged in regular conversations with senior management. Strengthened platforms for listening and responding to the student voice were in operation this year, overseen by the Student Experience Action Group, which is led by the Associate Dean for Student Experience.

Students are helping to shape the University through the Student-Staff Partnership Grants scheme, which has gone from strength to strength with over 10 awards made this year. Student-staff teams present at a popular Education Ideas Hub interactive online session, held weekly, which is well-attended by students and staff.

Students now enjoy access to a new Open Spaces co-curricular programme which provides a range of online creative workshops, master-classes and extra-curricular modules. The aim is to broaden students' horizons by bringing healthcare and science into dialogue with arts, humanities and enterprise. New paragraph

The academic year 2020-2021 also saw the start of our new five-year Access and Participation Plan, which contains a number of ambitious targets around improving equality of opportunity for our students across all areas of the student lifecycle. We are making significant progress in our two priority areas – improving access for students from disadvantaged backgrounds, and reducing awarding gaps for students from different ethnic groups – and are currently developing an Inclusive Education Framework to ensure barriers to success are removed for all our students.

## ALUMNI

We are very proud of the role that our alumni have played at the front-line of the pandemic response; both through their professional healthcare and research capacities, and in their personal contributions to their communities, friends and family.

With more than 21,000 members, we are building an active alumni community. We have continued to see positive engagement with our monthly e-newsletter

## STRATEGIC REVIEW

### STRATEGY AND STAKEHOLDERS

(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.

Throughout the year, alumni participated in 21 virtual events at St George's, including public engagement lectures and postgraduate open evenings. We received an overwhelming response to a request for volunteer speakers at events, which led to 11 of our alumni, from a range of courses and careers, participating in pre-recorded Q&As to share advice with students and recent graduates during Careers Week. We also launched our new 'Alumni Perspectives' event series, and were thrilled to have Professor Frank Chinegwundoh participating in the inaugural live online Q&A.

While a formal graduation could not take place this year, all students completing their courses in 2021 received packs to their home address to welcome them into the alumni community and were invited to celebratory events on site, allowing them to mark the milestone with their peers and teaching staff. All alumni who should have graduated in 2020 and 2021 will be invited to formal ceremonies at the Barbican in 2022.

#### SUPPORTERS

Thanks to the incredible generosity of our alumni, and outstanding efforts from our Student Callers, our annual Telephone Fundraising Campaign, held remotely this year, was the most successful ever. This year alumni have raised over £126,000 towards student causes across the University. These gifts 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 Allyship Training for new students, Equal Representation in Academia placements and a number of other projects which aim to improve the student experience at St George's.

As part of this campaign, we launched a Doctoral Support Appeal, which will offer emergency financial support to PhD students whose research has been severely impacted by the Covid-19 pandemic. Matched funding for this appeal has been made possible by the generous contributions of Drs Judy and Stephen Kane.

Following the success of the Coronavirus Action Fund in 2020, we have been able to fund two pieces of research, awarded to Professor Nidhi Sofat and Kathrin Goritzer to pump prime two research projects which will hopefully then attract further funding.

Thanks to 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.

For more than a decade, Sir Joseph Hotung has been generously supporting research at St George's. In recognition of his contribution to the field of Molecular Pharming, he will be awarded an Honorary Degree in the coming year.

#### 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 6 employees were union officials over the period 1 April 2020 to 31 March 2021. On a full-time equivalent basis this represented a headcount of 5.9. For all 6 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 £5,600. 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 continue to comply with all conditions of registration. We are making good progress towards our Access and Participation Plan commitments, and are currently on track to achieve our interim milestones for all six quantitative targets agreed with the OfS.

#### ST GEORGE'S UNIVERSITY HOSPITALS NHS FOUNDATION TRUST

The University continues to maintain and strengthen its relationship with the adjoining University Hospital Trust, where research and teaching are both identified as important in the new 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. The Novavax trial has been led from St George's with patients and volunteers being recruited to be involved in a broad range of phase I, II and III studies.

Four Clinical Academic Groups have been developed with new Directors announced at the start of the year. 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 Trust. Further, a new virtual Translational and Clinical Research Institute has been jointly developed between The Trust and the University to support all those areas of research across the Trust which not currently a focus for the University.

The Trust and the University have worked closely together on a number of new initiatives, such as developing renal research, now that Epsom & St. Helier NHS Trust have a shared senior leadership team with St George's. 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 specific success in securing the award by the National Institute for Health Research Integrated Academic Training Programme of six new Competition Academic Clinical Fellow and Clinical Lecturer posts in addition to the regular six Formula posts. George's Academic Training (GAT) is developing the next generation of clinical academics from the pool of talent in the hospital and University, with the University being increasingly successful at obtaining junior and intermediate level translational research fellowships from major funders.

The principal governance mechanism which supports close working between the University and Trust remains the Joint Strategic Board which has met regularly throughout the year, led by The Principal and the Trust Chief Executive. In addition, the Joint Research & Enterprise Office continues to support both organisations in an integrated manner. Clinical Trials are overseen by the Joint Research Clinical Governance Committee, whilst the joint Clinical Research Committee has strategic oversight of joint research within the University Hospital. There are also regular meetings between the Trust Chief Strategy Officer and Deputy Principal (Research & Enterprise) to discuss potential new developments, with current focus being on the development of the Clinical Research Facility.

## **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 the Science Stars initiative to a group of Year 11 pupils at a local secondary school in Tooting for a third year. Between October and March, the school pupils 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. Schools are invited to participate if their school aligns with the St George's Widening Participation team's objectives; for example, if the school has a high number of pupils from underrepresented backgrounds, as well as a high number of pupils receiving free school meals. Evaluation from the first two years shows that on average, Science Stars participants achieved over a grade higher in their Science GCSEs than a control group of non-participating pupils with a similar record of achievement.

Our partnership with the Brilliant Club places trained PhD and Post-Doc researchers as tutors in local secondary schools where they deliver courses around their own area of research. Students experience university-style learning through seven tutorials and two trips to campus (delivered virtually this year due to Covid-19). In collaboration with the Armitage Foundation, student ambassadors delivered Medicine-focused practical and theoretical content to three local schools to engage and 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. Usually, the scheme offers Year 12 students from under-represented backgrounds the opportunity to shadow a doctor or consultant for a week. This was not possible due to the pandemic, so instead, 30 virtual 'Insight to General Practice' workshops led by doctors were delivered, along with preparation and post-event reflection workshops. As the programme was delivered online the scheme was able to expand to support 103 young people, up from 34 in 2019.

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, Mentoring and Champions programmes, and increased visibility of public engagement stories on our website.

## **KINGSTON UNIVERSITY**

In 1996 St George's established a partnership with Kingston University to jointly offer courses in health and social care, and conduct practice-focused research within the joint Faculty of Health, Social Care and Education (FHSCE).

In July 2021 St George's and Kingston University announced that the FHSCE will be dissolved from 1 August 2022 because the two institutions jointly concluded that the original practical benefits of a joint faculty – to access NHS course fee payment and nursing bursaries – were no longer a driver after their withdrawal in 2017.

## **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 will be the last to join the St George's University of London MBBS programme delivered by UNIC.

## Inputs

### EDUCATION & STUDENTS

- Student support grants, fees and government funding
- Students and educators
- Learning spaces
- Welfare, support and financial aid
- Innovative learning resources
- Outreach programmes

### RESEARCH EXCELLENCE

- Researchers
- Research funding and grants
- Cutting edge technology and equipment
- Research spaces
- Research and enterprise services - support and development

### FACILITATING EXCELLENCE: People and partners

- Staff, Students Unions and partners
- Learning and development
- Collaborative networks
- Investment in our alumni and supporters
- Embedding of diversity and inclusion
- Investment in public engagement

### FACILITATING EXCELLENCE: Environment and sustainability

- Investment in physical and virtual infrastructure
- Investment in energy efficient and environmentally sustainable technologies and processes
- Cash generative operations

### FACILITATING EXCELLENCE: Operational excellence

- Continuous improvements to business processes
- Investment in data processes
- Collaboration and knowledge sharing
- Value for money and efficient use of resources
- Enhanced student and researcher satisfaction with organisation and management

Pursuing  
excellence  
in medicine,  
healthcare  
and  
science

## Outputs

- Graduates with the knowledge, skills and attitudes to succeed in their careers
- Lifelong learners
- Improved access and equality of experience

- Scientific leaders of the future
- Expert opinion at local, national and international levels
- Advances in the treatment, diagnosis and prevention of disease

- High performing, motivated and diverse workforce
- Engaged alumni and supporters who contribute to our vision
- Reduction in areas of disparity such as gender pay gap

- Quality spaces for education, research and public engagement
- Enhanced carbon management, decreased waste disposal and increased recycling
- Additional commercial income

- More time and space to innovate and focus on our mission
- Value for money and efficient use of resources
- Enhanced student and researcher satisfaction with organisation and management

## Our value, shared

- We deliver a skilled workforce and are amongst the best in the country for graduate employment rates, with the most recent Graduate Outcomes Survey showing that the proportion of graduates in Employment and/or Further Studies is 94%. Specialising in Medicine and Healthcare, many of our students go on to deliver healthcare to the public.
- Our researchers tackle some of the world's biggest healthcare challenges and our research outputs have been ranked best in the world for research influence. St George's research has been shared around the global scholarly community to expand the boundaries of our understanding.
- Through the support and development of our staff we are able to secure more funding for more research, and deliver higher quality teaching and learning to enhance student outcomes.
- Implementing the principles of the Athena SWAN Charter, holding a silver award and being part of national networks enables us to learn, share best practice and continue to develop as an inclusive organisation where everyone can thrive.
- Events and space for public engagement will widen participation in, and engagement with our research, as well as promoting greater understanding amongst the public of how research outcomes may affect their day to day lives.
- By forecasting to deliver a financial surplus we will be able to reinvest in St George's and our stakeholders, for a sustainable future.

## STRATEGIC REVIEW

## FINANCIAL REVIEW

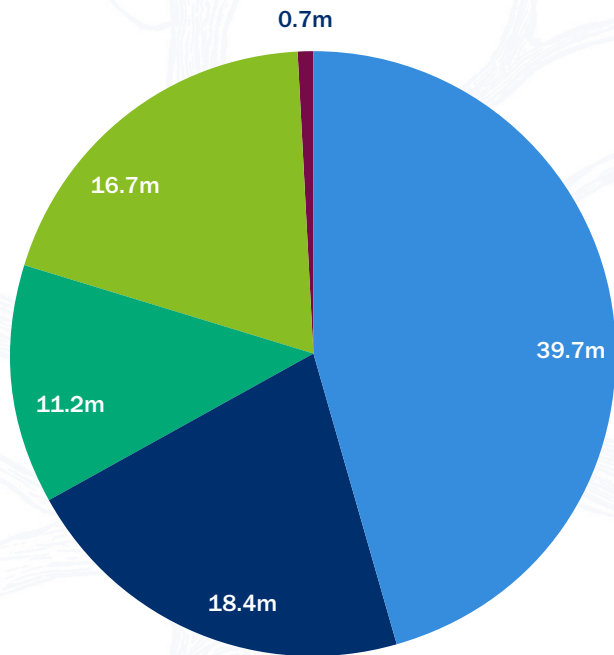
The Financial Statements of St George's are prepared in accordance with the "Statement of Recommended Practice: Accounting for Further and Higher Education 2019" and with reference to the conditions of registration which regulates

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

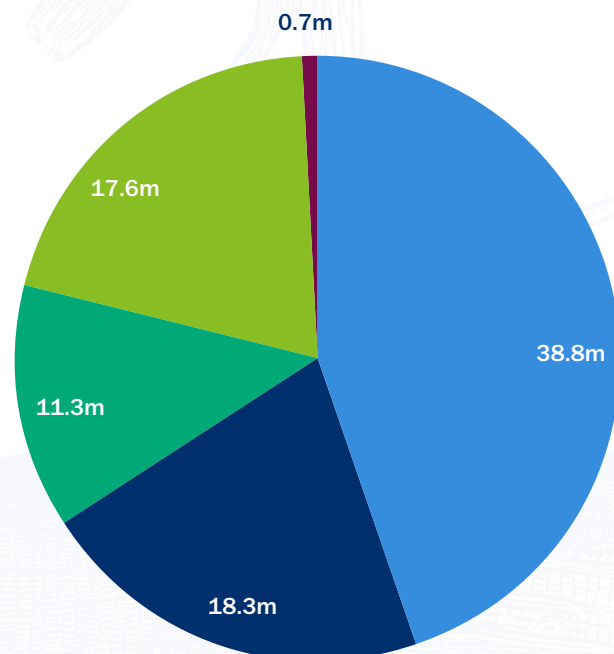
	2021	2020
	£M	£M
Tuition fees and education contracts	39.7	38.8
Funding body grants	18.4	18.3
Research grants and contracts	11.2	11.3
Other operating income	16.7	17.6
Investment income, donations and endowments	0.7	0.7
<b>Income</b>	<b>86.7</b>	<b>86.7</b>
<b>Operating expenditure</b>	<b>(85.6)</b>	<b>(90.7)</b>
<b>Operating surplus/(deficit) before movement in pension provision</b>	<b>1.1</b>	<b>(4.0)</b>
<b>Decrease in pension provision</b>	<b>0.2</b>	<b>4.8</b>
<b>Operating surplus/(deficit)</b>	<b>1.3</b>	<b>0.8</b>
Gain (Loss) on investments	2.5	(1.3)
Taxation	-	-
<b>Surplus (Deficit) for the year</b>	<b>3.8</b>	<b>(0.5)</b>
<b>Non-current assets</b>	<b>90.1</b>	<b>90.9</b>
Current assets	23.0	19.4
Creditors falling due in less than one year	(32.4)	(31.4)
<b>Net current liabilities</b>	<b>(9.4)</b>	<b>(12.0)</b>
Creditors falling due in more than one year	(34.3)	(36.2)
Pensions provision	(13.3)	(13.4)
<b>Total net assets</b>	<b>33.1</b>	<b>29.3</b>
<b>Restricted reserves</b>	<b>6.5</b>	<b>6.2</b>
<b>Unrestricted reserves</b>	<b>26.6</b>	<b>23.1</b>
<b>Total reserves</b>	<b>33.1</b>	<b>29.3</b>
<b>Cash and cash equivalents</b>	<b>11.1</b>	<b>5.6</b>

**INCOME** stayed static at £86.7m between 2021 and 2020. Some activity in commercial areas, research and CPD have not yet fully recovered from the effects of the pandemic.



**TOTAL INCOME (£86.7M) 2020/21**

	<b>£M</b>
Tuition Fees	39.7
Funding body	18.4
Research grants & contacts	11.2
Other operating income	16.7
Investment and donations income	0.7



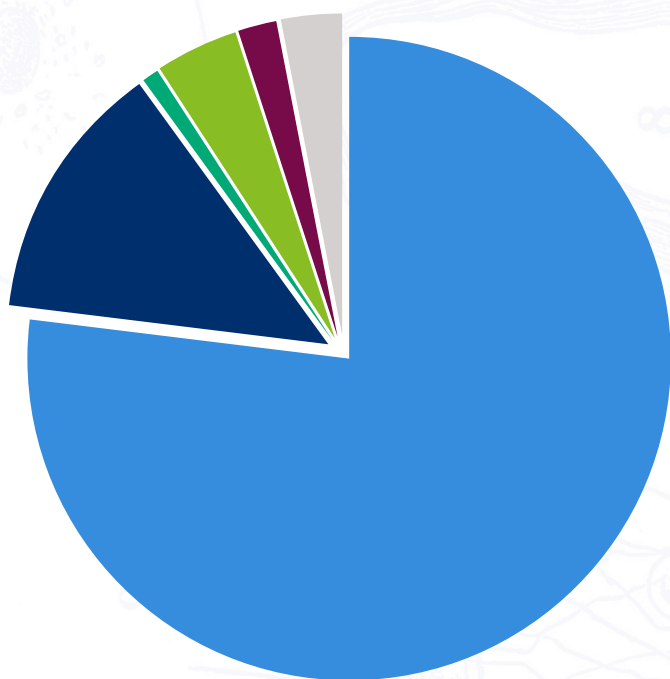
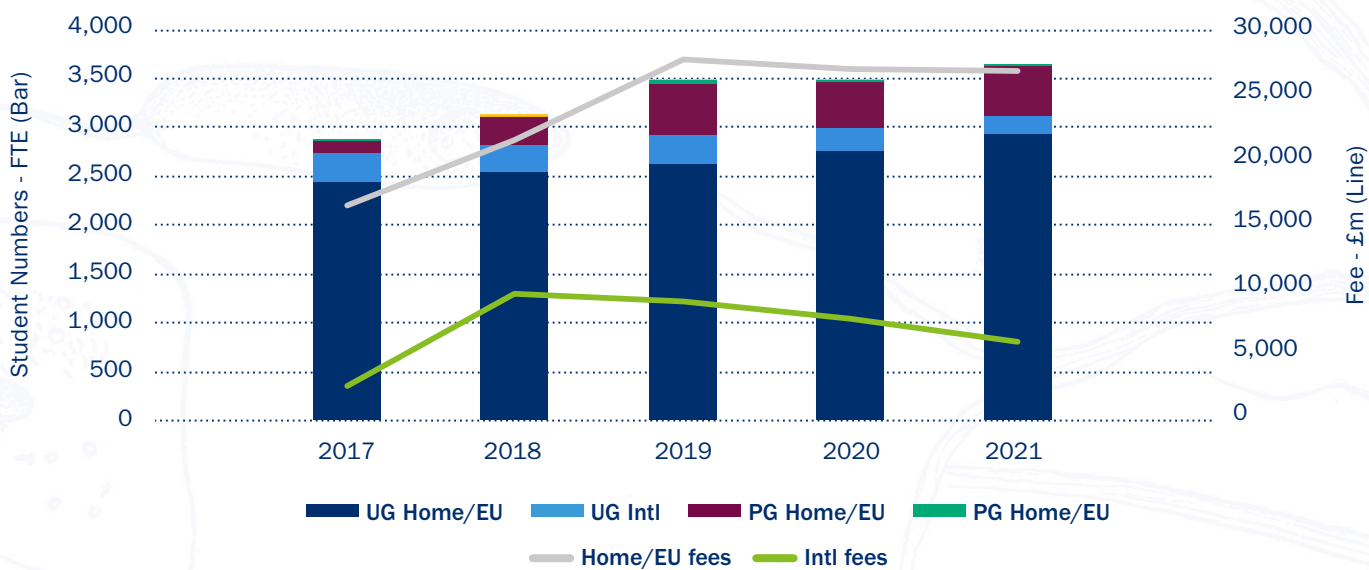
**TOTAL INCOME (£86.7M) 2019/20**

	<b>£M</b>
Tuition Fees	38.8
Funding body	18.3
Research grants & contacts	11.3
Other operating income	17.6
Investment and donations income	0.7

Student numbers have seen a steady upward trend with the introduction of new postgraduate courses and new cohorts of Occupational Therapy and the revised Biomedical Sciences programmes. 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 2020/21 - £16.8M**

Teaching	77%
Mainstream	13%
Business	1%
HEIF	4%
PhD Support	2%
Charity	3%

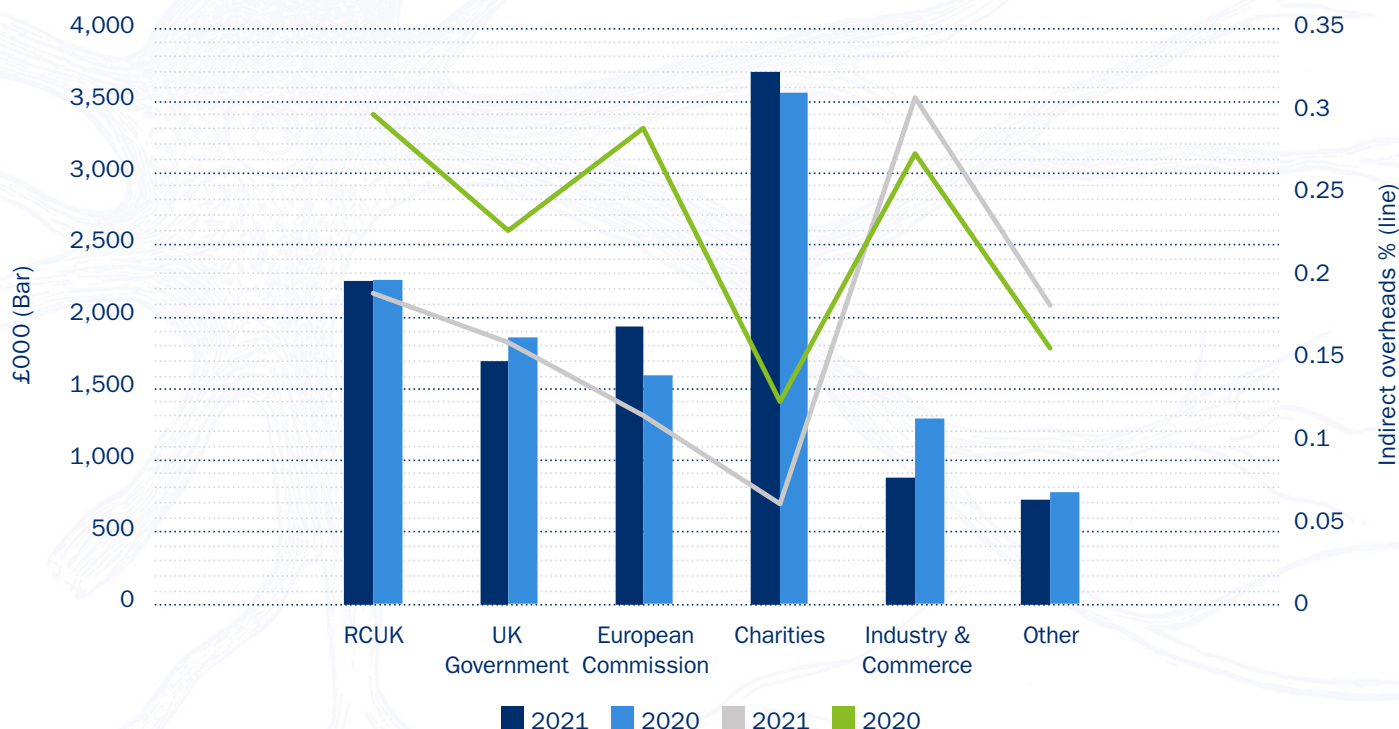


The amount of Quality-Related (QR) funding received increased from £2.9m to £3.3m with increases to mainstream and business QR and PhD support.

Income from consultancy and other enterprise activity is a key part of the 2017-2022 strategy and it is expected that HEIF funding will increase in the future.

	2021	2020
	£K	£K
Teaching	12,882	12,619
Mainstream QR	2,155	1,850
Charity QR	553	600
Business QR	149	115
PhD Support	392	359
HEIF	663	746
	<b>16,794</b>	<b>16,289</b>

### RESEARCH INCOME AND OVERHEADS



Total **research income**, stayed fairly static at £11.2m (£11.3m 2020). A total of 64 new grants (73 - 2020) have been won during the year, worth £21.6m (£18.2m - 2020)). The overhead recovery rate has decreased since last year to 17% from 22% with an improvement in recovery from Research Councils offset by a decrease in UK Government and Industry. This continues to be an active area of review over the last year and is a KPI in the strategic plan.

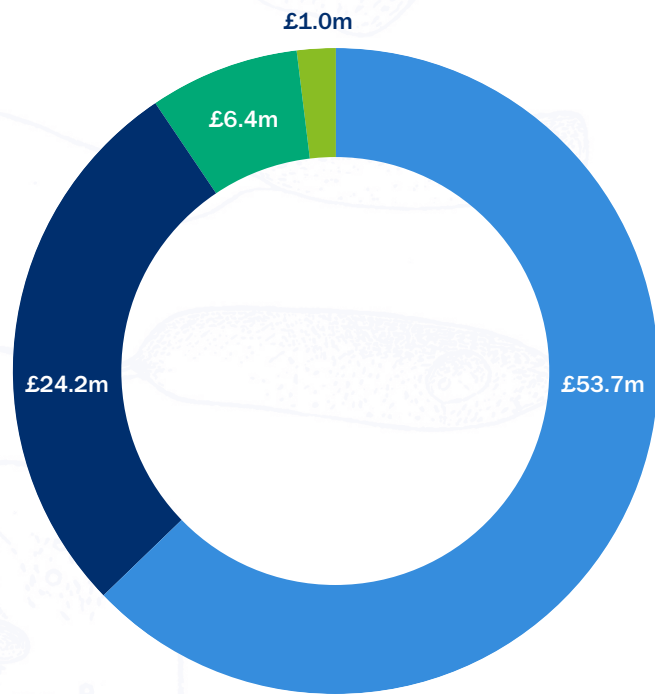
The main sources of income within **residences, catering and conferences** is from the Horton Halls, St George's halls of student residence, comprising 486 ensuite rooms which are a short walk from the campus, rented to our students, together with a small amount of income from commercial lets and media services. Income is £0.5m higher than in 2020 as students

were in residence throughout the year.

**Other services rendered** (£7.6m) income includes staff recharges to the NHS, mainly SGUHFT, and recharge income from our 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 (£0.6m) 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 2020/21

	£M
Staff costs	53.7
Other operating expenses	24.2
Depreciation & Amortisation	6.4
Interest and other finance costs	1.0

Controls over **other operating expenditure** remain and the decrease in research funding means a decrease 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 2018 valuation was completed with the following higher contribution rates agreed, with deficit recovery contributions set at 6% from October 2021.

	October 2019	October 2021
Member	9.6%	9.8%
Employer	21.1%	21.4%

The impact of current deficit recovery period has reduced the pension provision for USS by £0.4m to £8.2m as at 31 July 2021.

The 2020 valuation has been signed and filed with the Pensions Regulator with an effective date of 1 October 2021. The changes to the deficit provision from that could be substantial.

**Capital expenditure** continues with £2.9m spent on fixed assets in 2021. Planned capital works were reduced in 2020/21 to ensure liquidity was preserved following the effects of the pandemic on the 2019/20 position.

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

St George's **cash** position has increased over the year to £11.1m, with the measures put in place to preserve liquidity after the initial effects of the pandemic proving successful.

St George's has long-term loans, with Barclays Bank plc and Santander UK plc, repayable between 8 and 30 years as well as 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. As of the date of these financial statements St George's is compliant with all of the covenants agreed with its banks.

## CORPORATE GOVERNANCE

### PUBLIC BENEFIT STATEMENT

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 inter-personal skills and team-based working. Sharing a clinical environment 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 range of facilities and methods, from laboratory based examinations of virus samples to studies in the general population.

These include:

- **Image Resource Facility** providing advanced bio-imaging technology.
- **Clinical Research Facility** a custom-built centre where we work in association with St George's University Hospitals NHS Foundation Trust (SGUHFT) to facilitate research programmes and clinical trials.
- **Specialist Biological Research** Facility where researchers study diseases and how to treat them. (temporarily closed)

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, religions, 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 2020/21 was £0 with all meetings taking place virtually.

Related party transactions are set out in note 28 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.

## CORPORATE GOVERNANCE

### 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 and
- the Faculty of Health, Social Care and Education (FHSCE), our joint venture with Kingston University.

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

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

### CONSTITUTION AND GOVERNING BODY

St George's is a member institution of the University of London (UoL) and acquired Degree Awarding Powers in 2009. 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 UoL, came into force on 30 September 2014. 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.

St George's has applied for University Title, alongside other UoL Member Institutions, following the University of London Act receiving Royal Assent in December 2018. Owing to the Covid-19 pandemic, the application process has been delayed and a response from the Department for Education and the OfS is yet to be received.

### 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.

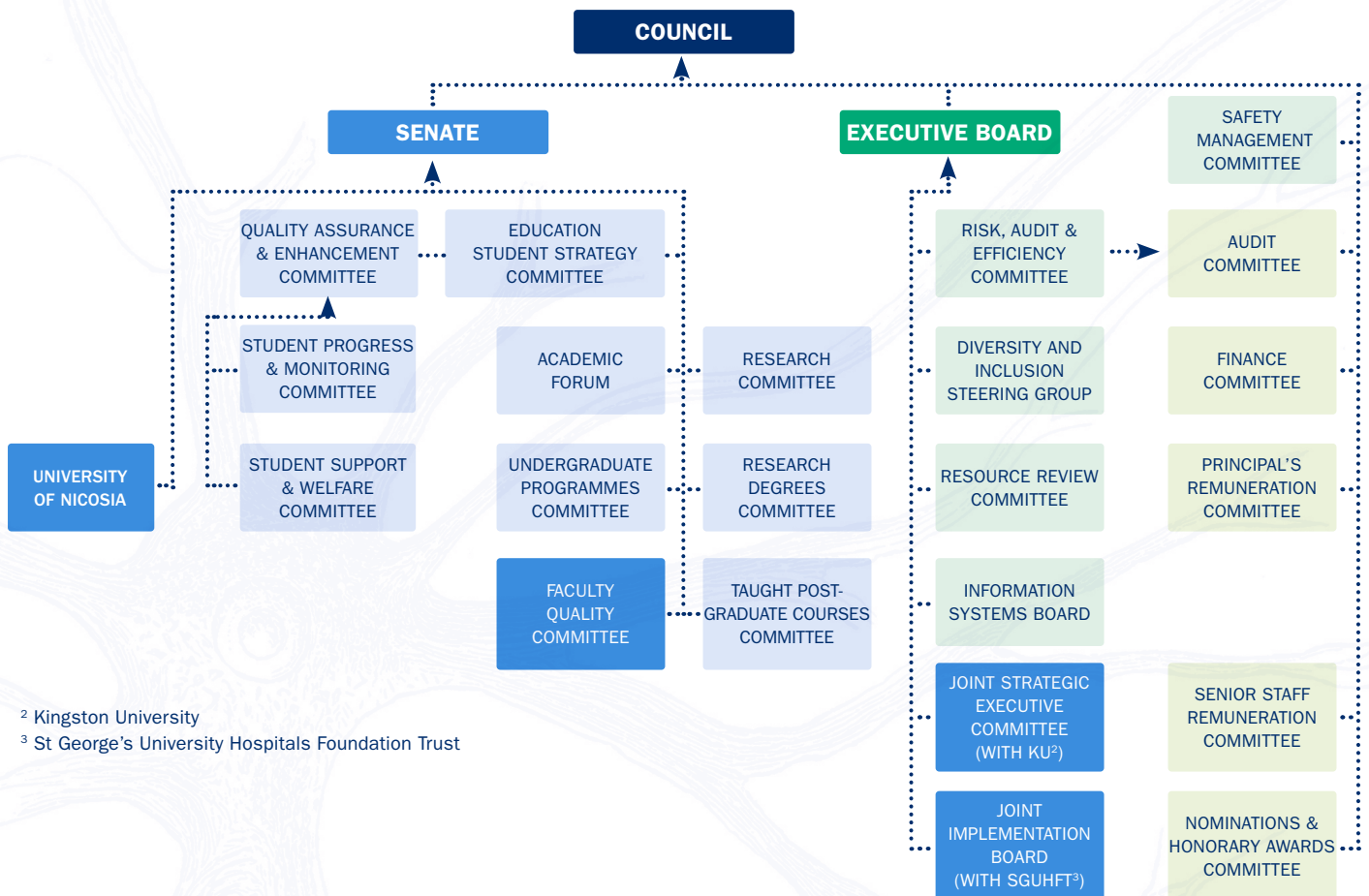
Council is made up of 21 members with a majority of Independent Members, as well as representatives of St George's staff and student body. The Independent Members come from a wide range of backgrounds across the private and public sectors and collectively offer expertise in legal, financial, organisational 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 Principal is appointed by the Council as the academic and administrative head of St George's and is an ex officio member of Council. The Principal 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 Principal is the nominated accountable officer.
- The Deputy Principals 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 2020/21 it met on six occasions. Following the Covid-19 lockdown and other Government Restrictions all Council meetings were held virtually rather than in person. The following are some of the key activities that our Council reviewed, supported and/or approved in 2020/21, 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.



<sup>2</sup> Kingston University

<sup>3</sup> St George's University Hospitals Foundation Trust

- 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 2021/22, subject to the successful recruitment of students
- Considering the outcome of a number of reviews of partnership activity, including the approval of the dissolution of the partnership with Kingston University
- Approval of the updated constitution for the St George's Students' Union. The new constitution seeks to ensure effective and efficient mechanisms for governance and representation across the Union.

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.

## **CORPORATE GOVERNANCE**

### **COUNCIL AND ITS COMMITTEES**

#### **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 has adopted the CUC HE Audit Code of Practice in 2020-2021, 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 Principal, 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 Principal'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 Principal is the Chair of Senate and other members of Senate are; the Deputy Principals, the Deans, the Associate Deans, Institute Directors, Head of the Graduate School, Heads of schools in FHSCE and Heads of Departments in the School of Allied Health, Midwifery and Social Care. 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 Principal 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	From 01/07/2021	Independent Member
Mr David Carter	Until 31/12/2020	Finance Committee
Mr Jonathan Curtiss	From 01/10/2020	Audit Committee, Remuneration Committees Member
Mr Michael Draper	Until 30/09/2020	Chair of Council, Remuneration Committees Member, Chair NHAC, Finance Committee Attendee
Professor Sian Harding		Independent Member
Mr M (Josh) Joshi		Independent Member, Treasurer, Chair of Finance Committee, Remuneration Committee
Ms Gillian Norton		Independent Member, NHAC
Mr Damian Reid		Independent Member, Finance Committee
Ms Sue Rimmer		Vice Chair of Council, Chair of Audit from 01/10/21 until 28/02/2021, Finance Committee from 01/03/2021
Professor Steven Spier	Until 29/06/2021	Independent Member
Mrs Christine Swabey	From 01/10/2020	Chair of Council, Remuneration Committee Member, Chair NHAC*, Finance Committee
Ms Catherine Swarbrick	Until 30/09/2020	Chair of Audit Committee, Remuneration Committees, NHAC
Ms Sarah Wilton	From 01/10/2020	Independent Member, Chair of Audit Committee from 01/03/2021
Mr Ewart Wooldridge		Chair of Remuneration Committees, Audit Committee, NHAC
Dr Sally Jackson		Independent Member
INTERNAL MEMBERS OF COUNCIL		
Dr Baba Sheba	From 01/10/2021	Elected Academic Staff
Mr Ken Morrison	Until 30/09/2021	Elected Support Staff
Dr John Hammond	Until 30/09/2021	Elected Academic Staff
Ms Becky Kemp-Arnold	From 01/10/2021	Student Representative
Ms Sarah Jones	From 01/01/2021	Student Representative
Mr Muhammad (Omar) Hijazi	Until 30/09/2021	Student Representative
Mr Eoin Jardine	From 01/08/2020 to 31/12/2020	President, Students' Union
Ms Sandra Ashton	From 01/10/2021	Elected Support Staff
Professor Jenny Higham		Principal, (Ex Officio)
Professor Jon Friedland		Deputy Principal (Research), (Ex Officio)
Professor Jane Saffell		Deputy Principal (Education) & Director of IMBE, (Ex Officio)
Professor Deborah Bowman	Until 05/11/2020	Deputy Principal (Institutional Affairs), (Ex Officio)
Dr Aileen O'Brien		Dean for Students, (Ex Officio)
IN ATTENDANCE		
Mr Paul Ratcliffe		Chief Operating Officer
Mr Derek Baldwinson	From 01/01/2021 to 25/04/2021	Clerk to Council
Ms Sian Marshall	From 26/04/2021	Clerk to Council
Ms Susan Trubshaw	Until 31/12/2020	Clerk to Council
Mr Graham Schofield	From 07/12/2020	Director of Estates
Ms Susan McPheat		Director of Finance
Ms Jenny Winters		Director of Human Resources and Organisational Development

## CORPORATE GOVERNANCE

### 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.

This statement of corporate governance relates to the 2020/21 financial year and covers the period up to the date of the signing of the financial statements.

#### 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 2021, Council, through the Principal, 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 Principal 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 Principal is responsible for advising the Council if, at any time, any action or policy under consideration by Council appears to the Principal 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 follows the Higher Education Senior Staff Remuneration Code (the Code) published by the Committee of University Chairs (CUC), June 2018. The Code provides that the Vice Chancellor/Principal 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 (professors and professional services directors) and another to consider the Principal'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 2020/21 financial year.

Members of the Principal's RemCom for 2020/21 until September 2020 comprised the following independent members of Council: Ewart Wooldridge (Chair), Michael Draper (Chair of Council), Josh Joshi (Treasurer) and Catherine Swarbrick (Chair of Audit Committee), with the Director of HR and OD in attendance (Jenny Winters). After September 2020 the members were Ewart Wooldridge (Chair), Christine Swabey (Chair of Council) Josh Joshi and Jonathan Curtiss. The Principal's RemCom met three times in 2020/21 in August 2020, March 2021 and July 2021. Ewart Wooldridge and Josh Joshi attended all meetings. Michael Draper and Catherine Swarbrick attended the August meeting but ceased to be Council members in September. Christine Swabey attended the March and July meetings and Jonathan Curtiss attended the March meeting.

The membership of the Senior Staff RemCom is the same as the Principal's RemCom, with the Principal, Professor Jenny Higham, and Director of HR and OD in attendance. The Senior Staff RemCom met twice in 2020/21 in August 2020 and July 2021. Ewart Wooldridge and Josh Joshi attended both meetings. Michael Draper and Catherine Swarbrick attended the August meeting. Christine Swabey attended the July meeting. Jonathan Curtiss was unable to attend.

## APPROACH TO REMUNERATION

In determining senior staff pay, RemCom take into account the need to attract, develop and retain high calibre professors and senior staff working within professional services functions, 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.

As a result of the financial uncertainty created by the Covid-19 pandemic, there was no national pay award for the higher education sector in 2020/21. Staff who do not form part of the senior 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 continued to be paid for this group of staff in October 2020.

In June 2019, a new Professorial Pay Review Committee was formed and considered the criteria to be applied in determining pay increases, in addition to the national pay award, and/or bonuses, for the professorial cohort. However, due to the financial constraints experienced by the university as a result of the Covid-19 crisis, the Professorial Pay Review Committee did not sit in 2020 and RemCom ratified the decision not to make discretionary pay awards to professors or other senior staff in 2020/21.

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 2020/21, 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 58 Thank you awards were given in 2020/21, which comprise a retail voucher and thank you certificate signed by the Principal 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.

## CORPORATE GOVERNANCE

### PRINCIPAL'S PAY

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

The Principal was not awarded any bonus/performance related pay in 2020/21, nor does she receive any additional benefits such as accommodation or car. St George's has not contributed to the Principal'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 Principal, 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 Principal's salary might 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 Principal. In 2020/21 he concluded that she had continued to make a strong contribution to St George's, and that her response to Covid-19 had been outstanding. She had positioned St George's in the best place it could be in the circumstances. She had also reviewed some of St George's partnership arrangements, in order to ensure that they were operating effectively. The Chair noted that the Principal does not receive any other benefits and also contributes in other ways, for example by being on the Board of the St George's University Hospitals NHS Foundation Trust and through her clinical work. However, RemCom and the Principal herself, were acutely aware of the financial constraints on the sector.

RemCom therefore agreed not to make a pay increase for the Principal for 2020/21. RemCom acknowledged that the Principal's strong contribution warranted a pay rise but had reached the conclusion that none should be paid based on there being no pay rise agreed for the sector as a whole and the Principal's own strong view that she did not wish to be treated differently. RemCom commend her stance.

<b>EMOLUMENTS OF THE PRINCIPAL</b>	<b>JULY 2021 £</b>	<b>JULY 2020 £</b>
Salary	256,421	256,421
Performance related pay	-	-
Benefits	-	-
	256,421	256,421
Pension costs	-	-
<b>TOTAL</b>	<b>256,421</b>	<b>256,421</b>

In note 8 of the financial statements, the amounts disclosed as emoluments of the Principal 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:

	<b>£'000</b>
Salary	256
National Insurance	35
Apprenticeship Levy	1
	<b>292</b>

The CUC Code recommends that a pay multiple for the Principal'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 2020/21. This compares to 5.9 for 2018/19 and 6.6 in note 8 in 2019/20.



## CORPORATE GOVERNANCE

### RISK MANAGEMENT

#### EXTERNAL APPOINTMENTS AND EXPENSES

All staff are required to declare potential conflicts of interest under St George's Conflicts of Interest and Financial Dealings Policy (available on the website) and register consultancy and other private earnings related to their position or role at St George's. The Principal receives no income from external bodies related to her role as head of the university. All staff are also required to follow St George's expenses policy (also available on the website). In 2020/21 331 expenses claims were made by staff amounting to £86,591.84 in total. The largest expenses claims were generally for attendance at overseas conferences. The Principal incurred expenses in relation to her employment at St George's of £528 in 2020/21.

#### 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.

Following publication of its first gender pay report in 2018, St George's created a Pay Gap Working Group to take an institutional look at the gender pay gap and, more broadly, to consider equality, diversity and inclusion in the context of reward. In 2020, St George's voluntarily published its ethnicity pay gap and the Pay Gap Working Group are focusing on initiatives that may improve the ethnicity pay gap. RemCom are kept informed of the work undertaken by the working group, in particular where it may have an impact on senior staff remuneration. 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; our current biggest risk. 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; failure to ensure optimal processes supported by our corporate systems. Examples of some of the mitigating actions taken against these risks across 2020/21 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.

**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.

**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.

**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.

**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.

## CORPORATE GOVERNANCE

### 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 2021, 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 2021 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 nine years up to and including 2020/21. 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.

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 will be implemented during 2021/22.

**GOING CONCERN**

The 2020/21 financial year has seen our financial position recover from the effects of the Covid-19 pandemic on 2019/20. Our student recruitment campaign for the 2021/22 intake has been successful. 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.

We do not anticipate that there would be a repeat of the lockdowns or other circumstances experienced in 2019/20 which would give rise to similar revenue shortfalls, but Management are well prepared to mitigate these should they arise.

The decision to dissolve the joint faculty we have with Kingston University from 1 August 2022 will affect our ongoing forecasts. The work on the dissolution is still at an early stage but the updated forecasts do not indicate a breach of our loan covenants going forward.

We have modelled a reverse stress test on the cash flow projections. The reverse stress test demonstrated that the changes necessary to exhaust liquidity would need to be extreme. This is because of some financial protection afforded by access to significant liquid investments and an arranged £2m overdraft facility.

Therefore, after making appropriate enquiries, which include the review of short and medium-term forecasts and cash flow projections 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.

**CHRISTINE SWABEY**

CHAIR OF COUNCIL - 30 NOVEMBER 2021

## 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 2021 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 2021 which comprise the Consolidated and St George's Statement of Comprehensive Income and Expenditure, Consolidated Statement of Changes in Reserves, 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 board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 board 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).

### 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

The 2020/21 financial year has seen our financial position recover from the effects of the Covid-19 pandemic on 2019/20. Our student recruitment campaign for the 2021/22 intake has been successful. 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.

We do not anticipate that there would be a repeat of the lockdowns or other circumstances experienced in 2019/20 which would give rise to similar revenue shortfalls, but Management are well prepared to mitigate these should they arise.

The decision to dissolve the joint faculty we have with Kingston University from 1 August 2022 will affect our ongoing forecasts. The work on the dissolution is still at an early stage but the updated forecasts do not indicate a breach of our loan covenants going forward.

We have modelled a reverse stress test on the cash flow projections. The reverse stress test demonstrated that the changes necessary to exhaust liquidity would need to be extreme. This is because of some financial protection afforded by access to significant liquid investments and an arranged £2m overdraft facility.

Therefore, after making appropriate enquiries, which include the review of short and medium-term forecasts and cash flow projections 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 2021. 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 have a joint arrangement that constitutes a jointly controlled operation, the Faculty of Health, Social Care and Education (FHSCE) which provides education for radiographers, physiotherapists, paramedics, occupational therapists and other allied health professionals. The arrangement is governed by a Joint Venture Agreement (JVA) dated October 1998. No separate legal entity is established by this arrangement and the accounting and administration for it is 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 and its 50% share of assets and liabilities is reflected on the balance sheet.

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 via St George's Enterprises 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 subdivided 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 participates 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 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

## FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### STATEMENT OF ACCOUNTING POLICIES

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.

#### 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 and 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 2021**  
**CONSOLIDATED AND ST GEORGE'S STATEMENT OF COMPREHENSIVE INCOME**

	NOTE	2021		2020	
		CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
<b>INCOME</b>					
Tuition fees and education contracts	1	39,697	39,697	38,811	38,811
Funding body grants	2	18,395	18,395	18,315	18,315
Research grants and contracts	3	11,173	11,173	11,300	11,300
Other income	4	16,667	16,667	17,549	17,531
Investment income	5	394	354	710	663
Donations and endowments	6	340	340	38	38
<b>TOTAL INCOME</b>		<b>86,666</b>	<b>86,626</b>	<b>86,723</b>	<b>86,658</b>
<b>EXPENDITURE</b>					
Staff costs	8	53,731	53,661	48,524	48,457
Other operating expenses	10	24,249	24,249	29,119	29,089
Depreciation and amortisation	12/13	6,378	6,378	6,923	6,923
Interest and other finance costs	9	1,004	1,004	1,315	1,315
<b>TOTAL EXPENDITURE</b>		<b>85,362</b>	<b>85,292</b>	<b>85,881</b>	<b>85,784</b>
<b>Surplus before share of operating loss in associates</b>		<b>1,304</b>	<b>1,334</b>	<b>842</b>	<b>874</b>
Exceptional Items		-	-	(10)	(10)
Share of operating loss in associates	16	(32)	-	(2)	-
Gain/(loss) on investments	14	2,507	2,261	(1,362)	(1,221)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>3,779</b>	<b>3,595</b>	<b>(532)</b>	<b>(357)</b>
<b>REPRESENTED BY:</b>					
Endowment comprehensive income/(loss)		399	183	(451)	(310)
Restricted comprehensive (loss)/income		(97)	(67)	7	27
Unrestricted comprehensive income		2,289	2,291	841	855
Revaluation reserve comprehensive income/(loss)		1,188	1,188	(929)	(929)
		<b>3,779</b>	<b>3,595</b>	<b>(532)</b>	<b>(357)</b>

All items of income and expenditure relate to continuing operations.

The notes on pages 48 to 66 form part of these financial statements

**FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021**  
**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**

	Income and Expenditure Account			Revaluation	Total
	Endowment £000	Restricted £000	Unrestricted £000	Reserve £000	£000
<b>BALANCE AS AT 1 AUGUST 2019</b>	<b>5,711</b>	<b>932</b>	<b>12,292</b>	<b>10,889</b>	<b>29,824</b>
Surplus/(deficit) from the income and expenditure statement	(290)	286	(528)	-	(532)
Transfers between revaluation and income and expenditure reserve	-	-	929	(929)	-
Release of restricted funds spent in the year	(161)	(279)	440	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>(451)</b>	<b>7</b>	<b>841</b>	<b>(929)</b>	<b>(532)</b>
<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/(deficit) 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	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>399</b>	<b>(97)</b>	<b>2,289</b>	<b>1,188</b>	<b>3,779</b>
<b>BALANCE AS AT 31 JULY 2021</b>	<b>5,659</b>	<b>842</b>	<b>15,422</b>	<b>11,148</b>	<b>33,071</b>

The notes on pages 48 to 66 form part of these financial statements

**FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021**  
ST GEORGE'S STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure Account			Revaluation Reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
<b>BALANCE AS AT 1 AUGUST 2019</b>	<b>4,105</b>	<b>595</b>	<b>12,163</b>	<b>10,889</b>	<b>27,752</b>
Surplus/(deficit) from the income and expenditure statement	(216)	94	(235)	-	(357)
Transfers between revaluation and income and expenditure reserve	-	-	929	(929)	-
Release of restricted funds spent in the year	(94)	(67)	161	-	-
Total comprehensive income/(loss) for the year	(310)	27	855	(929)	(357)
<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/(deficit) 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 31 JULY 2021</b>	<b>3,978</b>	<b>555</b>	<b>15,309</b>	<b>11,148</b>	<b>30,990</b>

The notes on pages 48 to 66 form part of these financial statements

**FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021**  
**CONSOLIDATED AND ST GEORGE'S BALANCE SHEET**

		2021		2020	
	NOTES	CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
<b>NON-CURRENT ASSETS</b>					
Intangible assets	12	4,058	4,058	4,327	4,327
Fixed assets	13	66,569	66,569	69,741	69,741
Investments	14	19,349	17,390	16,671	14,971
Investment in associates	16	91	-	123	-
		<b>90,067</b>	<b>88,017</b>	<b>90,862</b>	<b>89,039</b>
<b>CURRENT ASSETS</b>					
Stock		5	5	4	4
Trade and other receivables	17	11,913	11,982	13,862	13,931
Cash and cash equivalents	28	11,084	11,021	5,556	5,461
		23,002	23,008	19,422	19,396
Less: Creditors: amounts falling due within one year	18	(32,431)	(32,468)	(31,381)	(31,429)
<b>NET CURRENT LIABILITIES</b>		<b>(9,429)</b>	<b>(9,460)</b>	<b>(11,959)</b>	<b>(12,033)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>80,638</b>	<b>78,557</b>	<b>78,903</b>	<b>77,006</b>
Creditors: amounts falling due after more than one year	19	(34,300)	(34,300)	(36,193)	(36,193)
<b>PROVISIONS</b>					
Pension provision	20	(13,267)	(13,267)	(13,418)	(13,418)
<b>TOTAL NET ASSETS</b>		<b>33,071</b>	<b>30,990</b>	<b>29,292</b>	<b>27,395</b>
<b>RESTRICTED RESERVES</b>					
Income and expenditure reserve - endowment reserve	21	5,659	3,978	5,260	3,795
Income and expenditure reserve - restricted reserve	22	842	555	939	622
		<b>6,501</b>	<b>4,533</b>	<b>6,199</b>	<b>4,417</b>
<b>UNRESTRICTED RESERVES</b>					
Income and expenditure reserve – unrestricted reserve		15,422	15,309	13,133	13,018
Revaluation reserve		11,148	11,148	9,960	9,960
		<b>26,570</b>	<b>26,457</b>	<b>23,093</b>	<b>22,978</b>
<b>TOTAL RESERVES</b>		<b>33,071</b>	<b>30,990</b>	<b>29,292</b>	<b>27,395</b>

The Financial Statements were approved by Council on 30 November 2021 and were signed on its behalf on that date by:

**CHRISTINE SWABEY**  
CHAIR OF COUNCIL

**PROFESSOR JENNY HIGHAM**  
PRINCIPAL

**M. (JOSH) JOSHI**  
TREASURER

The notes on pages 48 to 66 form part of these financial statements

	NOTES	2021 £'000	2020 £'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Surplus/(deficit) for the year		3,779	(532)
<b>ADJUSTMENT FOR NON-CASH ITEMS</b>			
Depreciation	13	5,676	6,216
Amortisation of intangibles	12	702	707
(Gain)/Loss on investments	14	(2,507)	1,362
Increase/(Decrease) in stock		1	(1)
Decrease/(increase) in debtors	17	1,950	(1,708)
Increase in bad debt provision		604	623
Increase in creditors	18/19	664	2,126
Increase/(decrease) in pension provision	8	(280)	(4,371)
Share of operating deficit in associate	16	32	2
Pension provision interest	9	129	303
Receipt of donated shares		(150)	-
Other non-cash items		(39)	153
<b>ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES</b>			
Investment income	5	(394)	(710)
Interest payable	9	899	961
Deferred capital grants released	2,4	(1,735)	(2,185)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>9,331</b>	<b>2,946</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital grants received		1,554	725
Investment and endowment income	5	394	710
Payments made to acquire fixed assets		(2,896)	(4,252)
Payments made to acquire intangible assets		(448)	(821)
Sale of non-current asset investments	14	-	1,730
		<b>(1,396)</b>	<b>(1,908)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid	9	(899)	(961)
New unsecured loans		-	-
Repayments of amounts borrowed	18	(1,508)	(1,479)
		<b>(2,407)</b>	<b>(2,440)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>5,528</b>	<b>(1,402)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>5,556</b>	<b>6,958</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>11,084</b>	<b>5,556</b>

The notes on pages 48 to 66 form part of these financial statements

# FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

## NOTES TO THE ACCOUNTS

### 1 TUITION FEE AND EDUCATION CONTRACTS

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Full-time students charged home fees	26,922	26,923
Full-time students charged overseas fees	6,025	7,828
Part-time fees	1,224	448
Non-medical education and training funded by the NHS	4,328	3,170
Research training support grants	250	305
Short course fees	948	137
	<b>39,697</b>	<b>38,811</b>

### 2 FUNDING BODY GRANTS

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>

#### RECURRENT GRANT

Office for Students/Research England	16,132	15,543
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#### SPECIFIC GRANTS

Higher Education Innovation Fund	663	746
Skills Funding Agency	26	-

#### DEFERRED CAPITAL GRANTS RELEASED IN THE YEAR:

Buildings	1,436	1,868
Equipment	138	158
	<b>18,395</b>	<b>18,315</b>

### 3 RESEARCH GRANTS AND CONTRACTS

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Research Councils UK	2,253	2,256
UK government grants – other	1,705	1,891
European Commission	1,930	1,612
Charitable bodies	4,213	4,101
Industry and commerce	855	1,261
Other	217	179
	<b>11,173</b>	<b>11,300</b>

### 4 OTHER INCOME

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Residences, catering and conferences	2,841	2,378
Other services rendered	7,599	7,172
Release from deferred capital grant	162	160
Undergraduate tariff income	2,029	1,939
Franchise income	556	626
Other income	3,480	5,274
	<b>16,667</b>	<b>17,549</b>



**5 INVESTMENT INCOME**

	CONSOLIDATED		ST GEORGE'S	
	2021	2020	2021	2020
	£000	£000	£000	£000
Investment income on endowments	128	171	89	104
Other investment income	266	539	265	559
	<b>394</b>	<b>710</b>	<b>354</b>	<b>663</b>

**6 DONATIONS AND ENDOWMENTS**

	CONSOLIDATED		ST GEORGE'S	
	2021	2020	2021	2020
	£000	£000	£000	£000
New Endowment	150	(205)	150	(205)
Restricted donations	160	239	160	239
Unrestricted donations	30	4	30	4
	<b>340</b>	<b>38</b>	<b>340</b>	<b>38</b>

**7 SOURCES OF GRANT AND FEE INCOME**

	CONSOLIDATED		ST GEORGE'S	
	2021	RESTATED 2020	2021	RESTATED 2020
	£000	£000	£000	£000
Grant income from the OfS	13,075	12,962	13,075	12,962
Grant income from other bodies	16,648	15,235	16,648	15,235
Fee income for taught awards	38,445	38,425	38,445	38,425
Fee income for research awards	54	59	54	59
Fee income from non-qualifying courses	947	380	947	380
<b>TOTAL GRANT AND FEE INCOME</b>	<b>69,169</b>	<b>67,002</b>	<b>69,169</b>	<b>67,002</b>

The 2020 figures have been restated for the reclassification of £11,300k from Fee income for research awards to Grant Income from other bodies.

**8 STAFF COSTS**

	CONSOLIDATED		ST GEORGE'S	
	2021	2020	2021	2020
	£000	£000	£000	£000
Salaries	42,451	41,788	42,381	41,721
Social security costs	4,181	4,174	4,181	4,174
Movement on pension deficit provision	(280)	(4,674)	(280)	(4,674)
Other pension costs	7,379	7,236	7,379	7,236
	<b>53,731</b>	<b>48,524</b>	<b>53,661</b>	<b>48,457</b>

Included in the amounts shown above are compensation payments for loss of office totalling £59k (£81k – 2020) to 20 individuals (19 individuals - 2020). None of these served as Principal or key management personnel.

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

	2021	2020
	£000	£000
Emoluments of the Principal		
Professor Jenny Higham		
Basic Salary	256	256
	<b>256</b>	<b>256</b>
Principal's remuneration as a multiple of median staff pay	<b>6.4</b>	<b>6.6</b>

The Principal 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.

## FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 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 Principal. 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 Principal's salary might 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.

	<b>2021</b>	<b>2020</b>
	<b>NO.</b>	<b>NO.</b>
£100,000 to £104,999	2	4
£105,000 to £109,999	4	3
£110,000 to £114,999	3	4
£115,000 to £119,999	-	-
£120,000 to £124,999	1	1
£125,000 to £129,999	-	1
£130,000 to £134,999	1	-
£145,000 to £149,999	-	1
£150,000 to £154,999	1	-
£155,000 to £159,999	1	1
£255,000 to £259,999	1	1
	<b>14</b>	<b>16</b>

	<b>2021</b>	<b>2020</b>
	<b>NO.</b>	<b>NO.</b>
Average staff FTE by major category:		
Academic	265	260
Research	104	113
Management and specialist	13	18
Technical	34	42
Other	338	347
	754	780

### 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.

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Key management personnel compensation	1,671	1,749

Compensation consists of salary and benefits including any employer's pension contribution. Posts included within the definition of key management personnel are: Principal, Deputy Principals (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. No independent members of Council claimed any expenses in 2020/21. 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, but all meetings were held virtually in the year.

### 9 INTEREST AND OTHER FINANCE COSTS

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Loan interest	899	961
Net charge on pension schemes	129	303
Other charges	(24)	51
<b>TOTAL</b>	<b>1,004</b>	<b>1,315</b>

The 2020 charge for the movement in the bad debt provision (£604k) has been reclassified from Interest and other finance costs (Note 9) to Other operating expenses by activity (Note 10).

**10 OTHER OPERATING EXPENSES BY ACTIVITY**

	CONSOLIDATED		ST GEORGE'S	
	2021 £000	2020 £000	2021 £000	2020 £000
Academic and related expenditure	9,916	11,777	9,916	11,777
Research grants and contracts	2,510	2,960	2,510	2,960
Premises	6,964	8,028	6,964	8,028
Residences, catering and conferences	1,155	1,344	1,155	1,344
Other operating expenses	3,704	5,010	3,704	4,980
	<b>24,249</b>	<b>29,119</b>	<b>24,249</b>	<b>29,089</b>
Other operating expenses include:			<b>2021 £000</b>	<b>2020 £000</b>
Internal auditor remuneration			70	60
External auditor remuneration in respect of statutory audit services			105	100
External auditor remuneration in respect of other audit services			6	6
External auditors remuneration in respect of non-audit services			18	-
Corporate subscriptions			547	582
Software licences			667	663
Operating lease rentals			198	183
Grants to Student Union			329	329
Other			1,764	3,087
			<b>3,704</b>	<b>4,980</b>

**11 ACCESS AND PARTICIPATION**

	YEAR ENDED 31 JULY 2021		YEAR ENDED 31 JULY 2020	
	CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
Access investment	341	341	407	407
Financial Support	1,281	1,281	1,367	1,367
Disability Support (excluding costs included in the categories above)	172	172	177	177
Research and Evaluation*	141	141	119	119
	<b>1,935</b>	<b>1,935</b>	<b>2,070</b>	<b>2,070</b>

£598,309 of these costs are already included in the overall staff costs figures in 2020/21 (2019/20 £583,951) within the financial statements (see Note 8)

The full Access and Participation plan for 2020/21 to 2024/25 can be accessed here:

**Access and Participation plan for 2020/21 to 2024/25**

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

## FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### NOTES TO THE ACCOUNTS

#### 12 INTANGIBLE ASSETS 2021 £000

Software	
As at 1 August 2020	4,327
Additions in the year	433
Amortisation charge for the year	(702)

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**AS AT 31 JULY 2021** **4,058**

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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 2020	10,330	26,567	107,029	4,516	551	148,993
Additions	-	59	121	808	1,516	2,504
Transfers	-	1	1,911	(15)	(1,897)	-

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**AS AT 31 JULY 2021** **10,330** **26,627** **109,061** **5,309** **170** **151,497**

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#### DEPRECIATION

As at 1 August 2020	-	6,112	70,107	3,033	-	79,252
Charge for the year	-	545	4,536	595	-	5,676

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**AS AT 31 JULY 2021** **-** **6,657** **74,643** **3,628** **-** **84,928**

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#### NET BOOK VALUE

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**AS AT 31 JULY 2021** **10,330** **19,970** **34,418** **1,681** **170** **66,569**

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AS AT 31 JULY 2020 10,330 20,455 36,922 1,483 551 69,741

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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 2020	16,671	16,671
Additions	150	150
Expenditure for the year	21	21
Realised gain	708	708
Unrealised gain	1,799	1,799
<b>AS AT 31 JULY 2021</b>	<b>19,349</b>	<b>19,349</b>

<b>St George's</b>	<b>Other fixed asset investments £000</b>	<b>Total £000</b>
As at 1 August 2020	14,971	14,971
Additions	150	150
Expenditure for the year	8	8
Realised gain	646	646
Unrealised gain	1,615	1,615
<b>AS AT 31 JULY 2021</b>	<b>17,390</b>	<b>17,390</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	4,682	4,208
International equities	8,630	7,756
Bonds	1,316	1,183
Multi-asset funds	851	765
Hedge funds	271	243
Property	2,032	1,826
Others	1,567	1,409
	<b>19,349</b>	<b>17,390</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 2021 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.

## FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 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	2021 £000	2020 £000
TiKa Diagnostics Ltd (40%)	42	53
BUGS Biosciences Ltd (35%)	49	70
	<b>91</b>	<b>123</b>

#### 17 TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	CONSOLIDATED		ST GEORGE'S	
	2021 £000	2020 £000	2021 £000	2020 £000
Research grants receivables	2,684	2,791	2,684	2,791
Trade receivables	2,825	2,787	2,825	2,787
St George's University Hospital NHS Foundation Trust	4,433	5,743	4,433	5,743
Prepayments and accrued income	1,783	2,233	1,783	2,233
Other receivables	188	308	188	308
Amounts due from subsidiary companies	-	-	69	69
	<b>11,913</b>	<b>13,862</b>	<b>11,982</b>	<b>13,931</b>

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

	CONSOLIDATED		ST GEORGE'S	
	2021 £000	2020 £000	2021 £000	2020 £000
Unsecured loans	1,533	1,508	1,533	1,508
Research grants and contracts	9,341	8,110	9,341	8,110
Deferred capital grants	1,530	1,543	1,530	1,543
Trade payables	3,555	3,107	3,555	3,107
Other payables	6,090	5,204	6,090	5,204
St George's University Hospital NHS Foundation Trust	367	374	367	374
Accruals and deferred income	9,021	10,553	9,021	10,553
Other tax & social security	994	982	994	982
Amounts due to subsidiary companies	-	-	37	48
	<b>32,431</b>	<b>31,381</b>	<b>32,468</b>	<b>31,429</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.

	2021 £000	2020 £000
Undergraduate tariff income	1,213	109
Funding body income	91	269
Other deferred income	1,121	1,124
	<b>2,425</b>	<b>1,502</b>



## FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### 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:

	2021	2020
Discount rate	0.87%	0.73%
Salary growth	2.0%	2.0%

#### 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 2021

	Approximate impact
0.5% pa decrease in discount rate	£165k
0.5% pa increase in salary inflation over duration	(£161k)
0.5% pa increase in salary inflation year 1 only	(£40k)
0.5% increase in staff changes over duration	(£165k)
0.5% increase in staff changes year 1 only	(£41k)
1% increase in deficit contributions from October 2021	(£680k)
1 year increase in term	(£1,358k)

#### 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 2020</b>						
Capital	2,582	3,455	<b>6,037</b>	1,145	3,455	<b>4,600</b>
Accumulated income	317	(1,094)	<b>(777)</b>	289	(1,094)	<b>(805)</b>
	<b>2,899</b>	<b>2,361</b>	<b>5,260</b>	<b>1,434</b>	<b>2,361</b>	<b>3,795</b>
<b>INCOME FOR THE YEAR</b>						
Investment income	72	57	<b>129</b>	32	57	<b>89</b>
Expenditure	(73)	(91)	<b>(164)</b>	(3)	(91)	<b>(94)</b>
Increase in market value of investments	314	120	<b>434</b>	68	120	<b>188</b>
<b>TOTAL ENDOWMENT INCOME FOR THE YEAR</b>	<b>313</b>	<b>86</b>	<b>399</b>	<b>97</b>	<b>86</b>	<b>183</b>
<b>AS AT 31 JULY 2021</b>	<b>3,212</b>	<b>2,447</b>	<b>5,659</b>	<b>1,531</b>	<b>2,447</b>	<b>3,978</b>

#### REPRESENTED BY:

Capital	2,896	3,575	<b>6,471</b>	1,213	3,575	<b>4,788</b>
Accumulated income/(excess expenditure)	316	(1,128)	<b>(812)</b>	318	(1,128)	<b>(810)</b>
	<b>3,212</b>	<b>2,447</b>	<b>5,659</b>	<b>1,531</b>	<b>2,447</b>	<b>3,978</b>



## ENDOWMENT RESERVES CONTINUED

	CONSOLIDATED	ST GEORGE'S
Analysis by type or purpose	£000	£000
Lectureships	1,681	-
Scholarships and bursaries	1,179	1,179
Research support	1,601	1,601
Prize funds	630	630
General	568	568
<b>AS AT 31 JULY 2021</b>	<b>5,659</b>	<b>3,978</b>
<b>Analysis by asset</b>		
UK equities	1,369	963
International equities	2,524	1,774
Bonds	385	271
Multi-asset funds	249	175
Property	594	418
Others	538	377
<b>AS AT 31 JULY 2021</b>	<b>5,659</b>	<b>3,978</b>

## 22 RESTRICTED RESERVES

Consolidated	Donations	Eleanor Peel restricted I&E	2021 Total	2020 Total
	£000	£000	£000	£000
As at 1 August 2020	622	317	939	932
New donations	160	40	200	286
Expenditure	(227)	(70)	(297)	(279)
<b>TOTAL RESTRICTED COMPREHENSIVE INCOME</b>	<b>(67)</b>	<b>(30)</b>	<b>(97)</b>	<b>7</b>
<b>AS AT 31 JULY 2021</b>	<b>555</b>	<b>287</b>	<b>842</b>	<b>939</b>

St George's	Donations	2021 Total	2020 Total
	£000	£000	£000
As at 1 August 2020	622	622	595
New donations	160	160	239
Expenditure	(227)	(227)	(212)
<b>TOTAL RESTRICTED COMPREHENSIVE INCOME</b>	<b>(67)</b>	<b>(67)</b>	<b>27</b>
<b>AS AT 31 JULY 2021</b>	<b>555</b>	<b>555</b>	<b>622</b>

	2021 £000	2020 £000
Analysis by type or purpose		
Lectureships	287	317
Research support	142	235
Student support	413	387
<b>AS AT 31 JULY 2021</b>	<b>842</b>	<b>939</b>

## FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### NOTES TO THE ACCOUNTS

#### 23 CAPITAL AND OTHER COMMITMENTS

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Commitments approved but not contracted for	2,757	1,463
Commitments contracted for	1,742	1,039
	<b>4,499</b>	<b>2,502</b>

#### 24 OPERATING LEASES

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Total rentals payable under operating leases		
Payable during the year	148	122
Future minimum lease payments due		
No later than one year	131	132
Later than one year and no later than five years	179	124
	<b>310</b>	<b>256</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.

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
St George's total pension costs were:		
USS	4,014	3,960
SAUL	641	611
NHSPS	1,644	1,597
TPS	896	847
LGPS	179	216
NEST	5	5
	<b>7,379</b>	<b>7,236</b>

**UNIVERSITIES SUPERANNUATION SCHEME (USS)**

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 has been signed and filed with The Pensions Regulator with an effective date of 1 October 2021.

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

The key financial assumptions used in the 2018 valuation are described below.

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	2.0%	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 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

**Pre-retirement members’ mortality**

71% of AMCO0 (duration 0) for males and 112% of AFC00 (duration 0) for females

**Post-retirement members’ mortality**

97.6% of SAPS S1NMA “light” for males and 102.7% of RFV00 for females

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2017 projections were adopted with a smoothing parameter of 8.5 and long term rates of 1.8% per annum for males and 1.6% per annum for females. The current life expectancies on retirement at age 65 are:

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

	2021 £bn	2020 £bn
Scheme assets	63.7	63.7
Total scheme liabilities	67.3	67.3
FRS 102 total scheme deficit	3.6	3.6
FRS 102 total funding level	95%	95%

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

The total cost charged to the income and expenditure account is £0.6m (2020: £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.

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 (2020: £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 participates 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.

**TEACHERS' PENSION SCHEME**

The total cost charged to the income and expenditure account is £0.9m (2020: £0.8m). 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 (2020: £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 includes the staff of the Joint Faculty. The figures disclosed have been derived from the actuarial valuations carried out by Hymans Robertson LLP as at 31 July 2021. The date of the last triennial valuation was 31 March 2019.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	<b>2021</b>	<b>2020</b>
Discount rate	1.6%	1.4%
Pensionable salary growth	3.3%	2.6%
Pension increases	2.9%	2.2%

The main demographic assumption used relates to the mortality assumptions. The table below shows the life expectancy assumptions based on male and female members employed in the joint faculty at 65.

	<b>Males</b>	<b>Female</b>
Current pensioners	21.9 years	24.3 years
Future pensioners	23.0 years	26.2 years

St George's share of the scheme assets and liabilities are shown below:

<b>Reconciliation of movement in the fair value of plan assets</b>	<b>2021 £000</b>	<b>2020 £000</b>	<b>Reconciliation of the present value of the defined benefit obligation</b>	<b>2021 £000</b>	<b>2020 £000</b>
Opening position	7,113	7,184	Opening position	11,724	9,757
Interest on plan assets	101	153	Current service costs	436	351
Plan participants' contributions	62	59	Interest cost on defined benefit obligation	167	208
Employer contributions	217	215	Plan participants contributions	62	59
Benefits paid	(159)	(150)	Benefits paid	(159)	(150)
Return on assets excluding amounts included in net interest	1,470	(348)	Change in financial assumptions	1,364	1,499
<b>CLOSING POSITION</b>	<b>8,804</b>	<b>7,113</b>	<b>CLOSING POSITION</b>	<b>13,594</b>	<b>11,724</b>

## 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

	<b>CONSOLIDATED</b>		<b>ST GEORGE'S</b>	
	<b>2021 £000</b>	<b>2020 £000</b>	<b>2021 £000</b>	<b>2020 £000</b>
Non-current investments	19,349	16,671	17,390	14,971
	<b>19,349</b>	<b>16,671</b>	<b>17,390</b>	<b>14,971</b>

## FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

### NOTES TO THE ACCOUNTS

#### 28 RECONCILIATION OF NET DEBT

	CONSOLIDATED £000
<b>Net debt at 1 August 2019</b>	(14,325)
Movement in cash and cash equivalents	(1,402)
Repayment of borrowings	1,379
<b>NET DEBT AT 31 JULY 2020</b>	<b>(14,348)</b>
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>
Changes in net debt	7,036

#### 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 and Kingston University were represented until 29 June 2021. 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 provides education for nursing, midwifery and other allied health professions. The Dean of the Faculty is a member of the Executive Board. 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.

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 2019/20). 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 respect of the USS pension scheme, the 2020 valuation has been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. The associated increase in the provision for SGUL's obligation to fund the USS deficit will be reflected in the Financial Statements for the year ended 31 July 2022. The increase could be a substantial figure.

**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		31/07/2021	31/07/2020
			£000s	£000s
CSCR	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	26,570	23,093
21/22	Statement of Financial Position - Net assets with donor restrictions	Restricted reserves	6,501	6,199
	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts owed by related parties	4,443	5,743
	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts owed by related parties	4,443	5,743
13	Statement of Financial Position - Property, Plant and equipment, net	Tangible fixed assets	66,569	69,741
13	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Tangible fixed assets	64,065	65,076
13	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post- implementation with outstanding debt for original purchase. Please note: The implementation date for these purposes is 31 July 2019. The post implementation assets will be the 2020 additions + 2021 additions. This wasn't included in the spreadsheet for this year, but will be updated going forward	Tangible fixed assets	-	-
13	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post- implementation without outstanding debt for original purchase	Tangible fixed assets	5,073	4,085

# FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2021

## NOTES TO THE ACCOUNTS

13	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Tangible fixed assets		1,516	563
	Statement of Financial Position - Lease right-of-use assets, net	Lease right of use assets	-	-	
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right of use assets		-	-
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right of use assets		-	-
12	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets		4,058	4,327
20	Statement of Financial Position - Post- employment and pension liabilities	Pension provision		13,267	13,418
18/19	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	Creditors	18,396		19,904
18/19	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	Creditors		18,396	19,904
	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 tangible fixed assets		-	-
	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 tangible fixed assets		-	-



	Statement of Financial Position - Lease right-of-use asset liability	Lease right of use assets	-	-	
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Lease right of use assets	-	-	
	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Lease right of use assets	-	-	
21/22	Statement of Financial Position - Annuities	Restricted reserves	-	-	
21/22	Statement of Financial Position - Term endowments	Restricted reserves	-	-	
21/22	Statement of Financial Position - Life Income Funds	Restricted reserves	-	-	
21/22	Statement of Financial Position - Perpetual Funds	Restricted reserves	6,501	6,199	
	<b>TOTAL EXPENSES AND LOSSES</b>		<b>31/07/2021</b>	<b>31/07/2020</b>	
			<b>£000s</b>	<b>£000s</b>	
8-10, 12/13	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Expenditure	85,362	85,881	
5, 14, 16	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)	Investments and Associates	-2,869	654	

	MODIFIED NET ASSETS		31/07/2021		31/07/2020	
			£000s		£000s	
	Statement of Activities - Pension related changes other than periodic pension	Other pension related changes		-		
CSCR	Statement of Financial Position - Net assets without donor restrictions	Unrestricted reserves		26,570		23,093
21/22	Statement of Financial Position - total Net assets with donor restrictions	Restricted reserves		6,501		6,199
12	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets		4,058		4,327
	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts owed by related parties		-		-
	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts owed by related parties		-		-
12-14, 16-17 28	Statement of Financial Position - Total Assets	Non current and current assets		113,069		110,284
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right of use assets		-		-
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Lease right of use assets		-		-
12	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets		4,058		4,327
	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts owed by related parties	4,433		5,743	-
	Statement of Financial Position - Related party receivable and Related party note disclosure	Amounts owed by related parties	4,433	-	5,743	-

	NET INCOME RATIO		31/07/2021	31/07/2020
			£000s	£000s
CSCR	Statement of Activities - Change in Net Assets Without Donor Restrictions	Changes in reserves	3,477	-88
CSCI	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Income	86,272	86,013

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