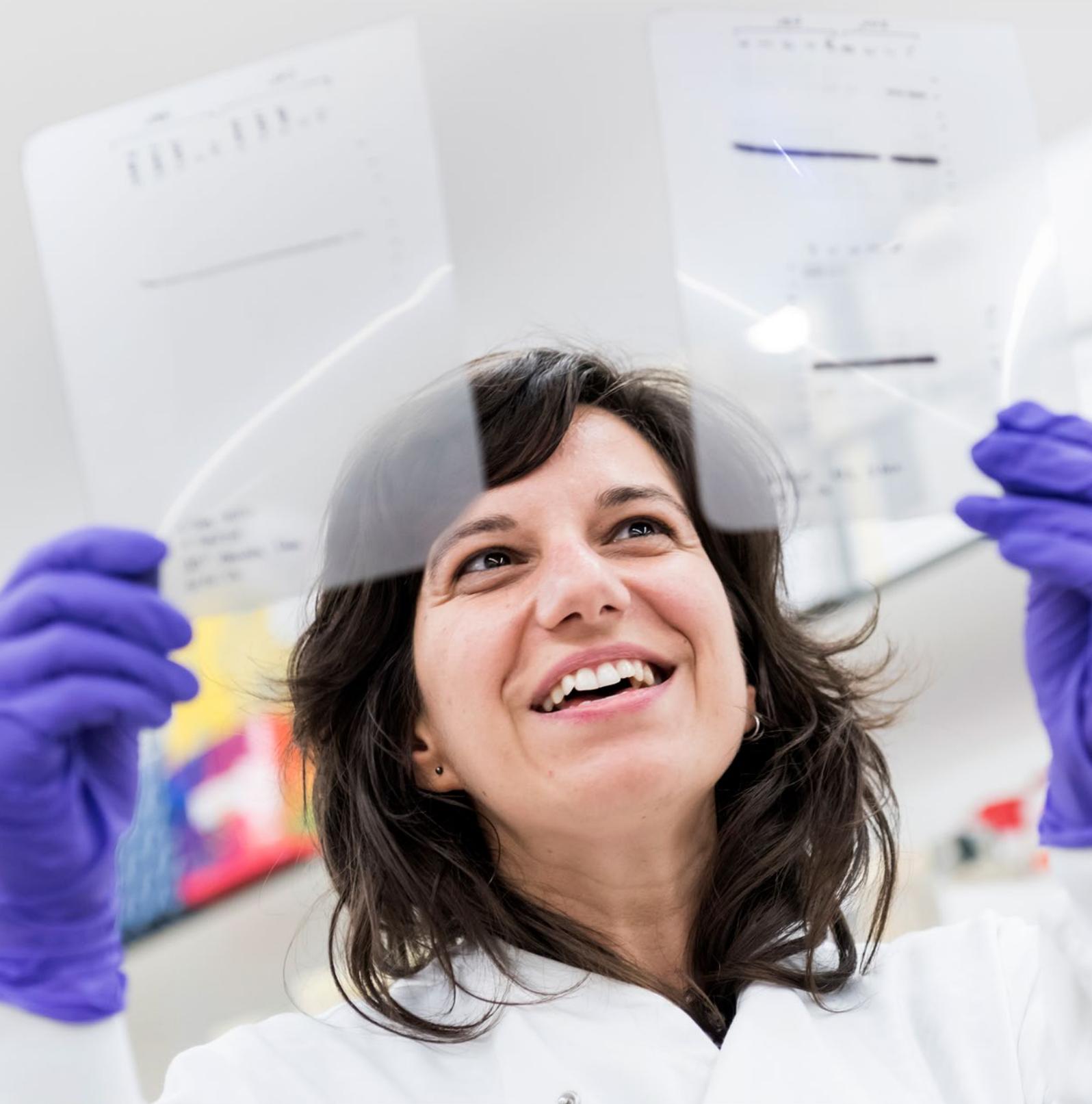


2019/20

ANNUAL REPORT
AND FINANCIAL STATEMENTS





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STRATEGIC REVIEW FROM THE PRINCIPAL

This has been a year of unprecedented change for St George's and the wider higher education sector. The Covid-19 pandemic has brought with it many hardships and the University community has shown great resilience and fortitude.



The changes that have taken place over the last six months have been both complex and profound. At the end of March, teaching and assessments moved online which saw the University adopt new approaches for educating students in a matter of weeks. This was a major undertaking and inspired innovations across the University, such as the development of the framework for online education, which presents a blueprint for online teaching, learning, and assessment delivery. Students have also been spurred on to develop their own initiatives, such as Study Hub, which is an online revision platform offering sessions, resources and study groups.

During the pandemic, I have been deeply impressed by the altruism and care our community of staff and students has shown. Many students responded to the call for volunteers to use the skills and knowledge they have gained through their courses to support NHS Trusts local to St George's. Students also established a Covid-19 response group to provide assistance to the Trust and those in need in the community.

Our staff have also gone above and beyond in their work, and their dedication has ensured that students have been able to continue their training and complete the academic year, maintaining the pipeline of future science and healthcare professionals.

Many of our staff have played a key role working on the frontline to help tackle the pandemic, including delivering vital intensive care training to NHS staff and taking up roles at the Nightingale Hospital in East London. Others have shared their expertise via Covid-19 related FutureLearn courses.

More broadly, staff have adapted to home working and supporting each other through various channels, including the Thrive Project which saw a host of resources such as knitting, exercise and cooking classes being made available.

The University has also been a centre of activity for research into Covid-19. In May 2020, National Institute for Health Research (NIHR) data highlighted St George's, University of London and St George's University Hospitals

NHS Foundation Trust as the site running the largest number of urgent public health studies into coronavirus.

There have been numerous studies carried out on site, including trials to improve treatment, prevention and diagnosis of the disease. The research spans many fields such as developing vaccines as part of the Oxford and Imperial vaccine trials and testing different treatments as part of the national RECOVERY trial. St George's also received approval to use the live virus in Covid-19 experiments and is leading on studies to develop and evaluate rapid antibody tests for the disease and to understand whether pregnant mothers can pass coronavirus onto their babies in the womb.

As we begin the academic year and look to a new normal, we are adopting a blended model for teaching and learning that combines online learning with practical, skills-based sessions on campus. In June, we also launched an institutional review of race equality, which is part of a wider strategic approach to equality, diversity and inclusion. We are committed to ensuring that St George's is an anti-racist environment.

The sector has undergone huge change this year and these recent events have created uncertainty around student recruitment and retention which will influence our future financial certainties. However, as a community we will continue to positively respond to these challenges so that we can deliver our academic and community mission, helping our staff and students work, train, study and progress.

PROFESSOR JENNY HIGHAM
PRINCIPAL

I am both delighted and honoured to have been appointed as the Chair of Council for St George's, University of London, from October 2020.



This is an extraordinary time to be joining St George's and the uncertainties that surrounded the sector in 2018/19 have now paled in comparison to those that have emerged from the Covid-19 pandemic. It is gratifying to see how St George's has risen to the challenges however and some of that positive response is detailed in the following pages. As we look ahead to this new academic year, I am confident that St George's will continue to play an important role in developing the future healthcare workforce, providing students with a rich experience and supporting research in critical areas.

During the 2019/20 academic year our students and staff have continued to excel within their fields. The impact they have made in tackling the Covid-19 pandemic has been extraordinary, with many in the St George's community working on the front line within the NHS or leading vital research to improve treatment, prevention and diagnosis of the disease. While Covid-19 has been a significant focus, our community make a difference in a wide range of ways to people and populations locally and globally.

Examples include Malone Mukwende, a third year medical student, who has worked with Senior Lecturer in Diversity and Medical Education, Margot Turner, and Clinical Lecturer in Clinical Skills, Peter Tamony, to publish a handbook of clinical signs and symptoms in black and brown skin called Mind the Gap. This was part of a student-staff partnership project and began after Malone identified that the images shown during clinical skills training weren't representative of people with darker skin tones. The handbook is now recommended reading at more than eight UK medical schools and Malone has featured in news stories around the world.

Demonstrating the commitment held at St George's to nurturing talent, Professor Deborah Bowman, Deputy Principal (Institutional Affairs) and Professor of Medical Ethics, won Mentor of the Year at the Women of the Future Awards. This award recognised the significant impact Deborah made to both colleagues and students within St George's and the wider sector, empowering and supporting the next generation of women.

Pioneering initiatives to support Black, Asian and Minority Ethnic students and nurses also received high profile recognition when Judith Francois, Senior Lecturer in Clinical Leadership and Management in the Faculty of Health, Social Care and Education, was awarded a National Teaching Fellowship from Advance HE. Judith's work utilised innovative techniques such as storytelling and reflective tools to help students and nurses to build self-resilience and progress in their careers.

As a specialist university, we are well placed to meet the challenges of living through a pandemic, through a clear focus on pursuing our strategic aims in excellence in medicine, healthcare and science and staying true to our values of commitment, openness, respect and engagement.

Christine Swabey

CHRISTINE SWABEY
CHAIR OF COUNCIL

STRATEGIC REVIEW

OUR YEAR IN HIGHLIGHTS 2019/20

SEPTEMBER 2019

BSC CLINICAL PHARMACOLOGY LAUNCHES AT ST GEORGE'S

Our brand new UG course launched with a cohort of 58 students embarking on an exciting learning experience. Studies cover fundamental science concepts of physiology, pathophysiology and cellular mechanisms with applied topics of drug development, clinical trials, regulation of medicines and governance.



NOVEMBER 2019

DR TIHANA BICANIC AWARDED EMERGING LEADERS PRIZE

Dr Tihana Bicanic from the Institute for Infection & Immunity was awarded an Emerging Leaders Prize by the Medical Research Foundation, to fund her research into antifungal resistance.



JANUARY 2020

ST GEORGE'S RESEARCHERS RESPOND TO GOVERNMENT CONSULTATION ON FOLIC ACID FORTIFICATION IN FOODS

Professors Sir Nicholas Wald and Joan Morris, along with Sir Colin Blakemore, former Chief Executive of the British Medical Research Council, authored a piece indicating that the UK government should fortify foods with folic acid to prevent spina bifida, a cause of serious lifelong disability, and anencephaly, a fatal birth defect.



OCTOBER 2019

PROFESSOR ANNETTE BOAZ NAMED AS FELLOW OF THE ACADEMY OF SOCIAL SCIENCES

Professor Annette Boaz, Professor of Health Care Research, was named among 65 leading social scientists announced as Fellows of the Academy of Social Sciences.

NOVEMBER/ DECEMBER 2019

FINDINGS FROM EPILEPSY TRIAL COULD IMPROVE PATIENT SAFETY

Professor Hannah Cock co-authored a study - the largest trial for more than twenty years - into the epileptic seizure condition, status epilepticus, which showed that two unlicensed drugs (levetiracetam and valproate) are just as effective as the only current licensed drug for the condition (fosphenytoin /phenytoin).



FEBRUARY 2020

NEW STATE-OF-THE-ART LECTURE THEATRE OPENS

St George's alumnus and Government Chief Scientific Adviser, Sir Patrick Vallance, officially opened a new flagship lecture theatre at the University. It marked the first stage of a long-term plan to refresh and renew the St George's estate.

MARCH 2020
THREE ST GEORGE'S RESEARCHERS WIN ACADEMY OF MEDICAL SCIENCES SPRINGBOARD AWARDS

Dr Sally Hargreaves, Lecturer in Global Health; Dr Laura Southgate, Lecturer in Cell Sciences; and Dr Síle Molloy, Lecturer in Epidemiology were awarded Springboard Awards by the Academy of Medical Sciences, which provide support to enable early-career researchers to launch an independent research programme.

MAY 2020
ST GEORGE'S, UNIVERSITY OF LONDON AND ST GEORGE'S HOSPITAL LEAD COUNTRY FOR CORONAVIRUS RESEARCH

According to National Institute for Health Research (NIHR) data, St George's, along with St George's Hospital, led the country for urgent public health studies into coronavirus, with 14 studies ongoing to improve treatment, prevention and diagnosis of Covid-19.

APRIL 2020
UNIVERSITY TRANSITIONS TO ONLINE TEACHING AND LEARNING

With lockdown restrictions in force, the University rapidly transformed its teaching and learning using a range of digital technologies. Virtual clinics for medical students at St George's were referenced by the Universities Minister, Michelle Donelan, in a speech in September 2020.

JUNE 2020
MIND THE GAP

Second year medic Malone Mukwende worked with St George's staff Margot Turner and Peter Tamony to design and publish a booklet to raise awareness of how symptoms and signs can present differently on darker skin, as well as highlighting the different language that needs to be used in descriptors. The trio worked as part of a student-staff partnership project looking at clinical teaching on black and brown skins.

JULY 2020
REVIEW OF RACE EQUALITY

The St George's Review of Race Equality, commissioned by the Principal, is underway. It aims to review race equality and inclusion at St George's, University of London; and identify short, medium and longer-term priorities and actions for the University. Reports on the progress and implementation of actions arising from the review will be to the most senior University committees, including Council.

MIND THE GAP

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 set 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 780 staff are vital to realising our ambitions. During the Covid-19 pandemic, staff across St George's have worked tirelessly to both transform and ensure continuity in the University's key functions.

As lockdown was implemented across the UK, the University activated its business continuity structures to ensure rapid decision-making to manage its response to the pandemic. Academic and teaching colleagues worked to rapidly transition teaching and learning online; and a significant proportion of professional services staff moved to successfully working remotely. The University's research capacity pivoted to rapidly support the national and international response to tackling Covid-19, with a number of colleagues continuing to engage in lab-based work on-site throughout lockdown.

As mitigation measures eased, the University enacted a four phases return to site plan. Phases One and Two, enacted towards the end of the financial year, covered the return of all laboratory-based research to site, as well as the restoration of basic student services including the computer room, study spaces, the Radiography Suite and OSCE cubicles.

Throughout the Covid-19 pandemic, St George's has made staff wellbeing and engagement a priority. A new wellbeing project, Thrive during Covid-19, was initiated with this in mind; and to keep staff connected, delivery of 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.

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

In June, as the death of George Floyd in the USA sparked a global wave of anger and protest, St George's initiated an institutional review of racial equality to consider what could be done to make a real difference to Black, Asian and Minority Ethnic staff and students and put policies and procedures in place which embed lasting change at the University.

STUDENTS

Our 4,416 students make up a diverse population from over 70 countries. They are at the heart of many of our activities and business decisions and we seek to engage with our students in order to enhance teaching and learning, improve their experience and support them to reach their full potential.

This year, St George's achieved 77.8% overall student satisfaction in the National Student Survey (NSS), an improvement of 3.2% on the previous year. However, this has fallen short of the interim target for 2020 of achieving 90% overall student satisfaction.

The target is ambitious; in 2020 two universities reached 92% overall satisfaction, and a score of above 85.5% was required to be in the most satisfied quartile. The University continues to invest heavily in both time and resources in improving the experience for all our students, with actions underpinned by the 2017-22 strategic plan for enhancing student experience; we anticipate further improvements.

St George's continues to explore new ways to engage students and improve the way their voice is heard. We engage with our students in a variety of ways, most formally through our governance structures. Students are asked to elect representatives who attend student-staff liaison groups, providing a dedicated space for the student voice to be heard, acted upon and feedback on actions given.

This year, as part of its institutional review into racial equality at the University, a student workstream has been providing input into the Review. We also have student representation on Council, Finance Committee and on Education and Student Strategy Committee, facilitating conversations directly with senior management.

ALUMNI

We have an alumni community of more than 20,000 members. In 2019/20, prior to Covid-19 significantly impacting the usual functions of the team and the University, the Development and Alumni Relations team organised or facilitated 13 events, which included one course anniversary, two reunions and one alumni reception. The team was particularly excited to welcome alumnus Sir Patrick Vallance, the UK's Chief Scientific Advisor, to the University to open its new state-of-the-art lecture theatre in early 2020.

As the full impact of Covid-19 became clear in the UK, the University established the Coronavirus Action Fund, enabling alumni, donors and other supporters of the University to contribute to vital research taking place at St George's to understand more about the disease and research vital pathways for treatment and prevention.

At a time when many alumni were themselves on the frontline of efforts to tackle the pandemic, the team has sent regular updates from our Principal, Professor Jenny Higham as a way of highlighting key developments at the University and helping alumni stay connected.

The alumni newsletter, The Dragon, increased in frequency from quarterly to every 4-6 weeks to ensure that alumni were well-informed of the University's response to the pandemic and the challenges it has presented. This included sharing stories and career profiles highlighting our alumni's response to Covid-19 as part of the 'Proud to care' page of the St George's website.

While graduation could not take place this year, we collected written messages from existing alumni giving advice and congratulations to our newest graduates, as well as a video message from alumna and Chair of the Academy of Medical Royal Colleges, Professor Helen Stokes-Lampard.

STRATEGIC REVIEW

STRATEGY AND STAKEHOLDERS

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.

During 2019/20, we have continued to make progress towards our Access and Participation Plan commitments, but the Covid-19 pandemic has meant the postponement of some of our planned activities, the effects of which remain to be seen on this year's cohort of students.

ST GEORGE'S UNIVERSITY HOSPITALS NHS FOUNDATION TRUST

We have a unique relationship with SGUHFT, with which we share our campus. The University worked in very close collaboration with the Trust at a time when the clinical service undertook rapid and wide-ranging changes to respond to the Covid-19 pandemic.

In the early stage of the pandemic, the University's academics and the Trust medical teams worked closely together, such that more NIHR-prioritised trials were being carried out at St George's than anywhere else in the UK. Several other local studies were also completed in partnership.

The University provided a space in Hunter Wing, too, for a recuperation area for Trust staff, and arranged for staff with joint academic and clinical contracts to increase their clinical commitments whilst some research fellows returned full-time to the wards at a time of unprecedented pressure on the NHS.

Since then, University and Trust staff have worked closely together on a range of collaborative efforts to tackle the pandemic, including recruiting patients for clinical trials of both major UK vaccines where we are the South-West London hub for early and late-stage trials. In addition, the Trust, supported by the University, have launched the Institute for Clinical and Translational Research to strength our translational research portfolio. In areas of special joint excellence for both the University and the Trust, new Clinical Academic Groups (CAGs) have been formed in cardiovascular medicine, neurosciences, infection and genetics, each with a newly appointed Director.

In terms of formal governance structures, we engage with SGUHFT both through reciprocal membership on each other's Boards, and - since its relaunch in 2017/18 - the Joint Strategy Board, providing an improved engagement mechanism with SGUHFT for discussion of both strategic and operational matters.

OUR LOCAL COMMUNITY

Our campus is located in Tooting, South London, and we are proud of the strong connections we have with our local community. Much of our engagement with the local community supports our widening participation and outreach work, through which we encourage applicants and students from groups that are currently under-represented at university.

The Widening Participation team were delighted to deliver the Science Stars initiative to a group of year 11 pupils at a local secondary school in Tooting for a second year. Between October and March, the school pupils met weekly with trained St George's student ambassadors to receive customised science tutoring, with the aim of boosting year 11 pupils' GCSE grades. Local 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.

The team also runs a shadowing scheme in collaboration with St George's University Hospitals NHS Foundation Trust and the Royal College of General Practitioners (RCGP). The Healthcare Shadowing Scheme offers local Year 12 students from underrepresented backgrounds the opportunity to shadow a doctor for up to a week during the summer and provides support during the placement along with preparation and post-event reflection workshops. While the 2020 scheme was cancelled due to Covid-19, thirty-four young people took part in the project in August 2019.

Public Engagement is also a strategic priority for St George's. During 2019/2020 we developed a wide-ranging programme of work and introduced initiatives to build on our existing engagement, capacity and reputation in public engagement. Our highlights include welcoming the second cohort of our Public Engagement Champions, broadening the membership of our cross-University public engagement working group, establishing a Public Engagement Network and awarding a dedicated prize at Research Day.

We created two posts to strengthen our work in public and civic engagement: an Associate Dean for Public and Civic Engagement and a Public Engagement Officer. We published the St George's Public Engagement Strategy for the period 2020-2024 following a period of engagement and consultation. Its content and approach reflect our existing strengths whilst providing leadership, clear goals and commitments.

In 2019-2020, St George's has been able to enhance our support, training and opportunities for public engagement activities, to build on existing partnerships and to develop new community relationships. The Covid-19 pandemic, whilst interrupting our planned programme of events in 2020, prompted us to develop new ways of engaging online, with our online "Spotlight on Science" coronavirus updates reaching a large virtual audience.

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). We engage with the joint faculty both formally through representation on committees as well as less formally through our day to day activities.

STRATEGIC REVIEW
 REALISING OUR VISION

Inputs

Pursuing excellence in medicine, healthcare and science

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

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 the best in the country for graduate employment rates, currently at 93.6%. 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.

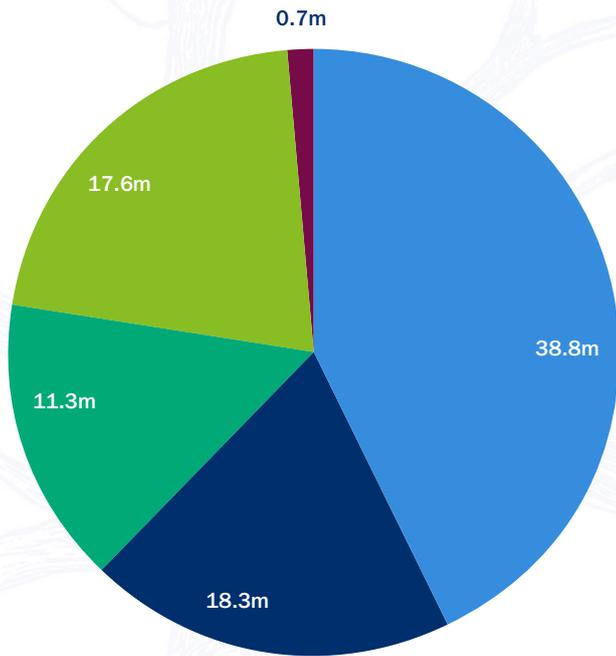
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	2020	2019
	£M	£M
Tuition fees and education contracts	38.8	41.0
Funding body grants	18.3	17.2
Research grants and contracts	11.3	13.1
Other operating income	17.6	18.8
Investment income, donations and endowments	0.7	1.3
Income	86.7	91.4
Operating expenditure	(90.7)	(91.0)
Operating (deficit)/surplus before movement in pension provision	(4.0)	0.4
Decrease/(increase) in pension provision	4.8	(10.7)
Operating surplus/(deficit)	0.8	(10.3)
Loss on investments	(1.3)	-
Taxation	-	(0.1)
(Deficit) for the year	(0.5)	(10.3)
Non-current assets	90.9	95.4
Current assets	19.4	19.1
Creditors falling due in less than one year	(31.4)	(27.6)
Net current liabilities	(12.0)	(8.5)
Creditors falling due in more than one year	(36.2)	(39.3)
Pensions provision	(13.4)	(17.8)
Total net assets	29.3	29.8
Restricted reserves	6.2	6.7
Unrestricted reserves	23.1	23.1
Total reserves	29.3	29.8
Cash and cash equivalents	5.6	7.0

This year's operating position was significantly affected by the Covid19 Pandemic.

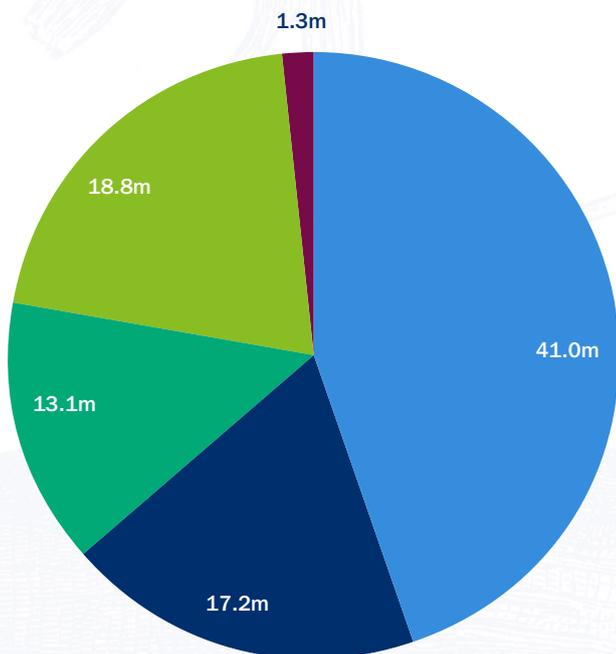
A decrease in the USS provision following the completion of the 2018 valuation has improved the position. This has been partially offset by an increase to the provision in relation to the LGPS

INCOME decreased by £4.7m between 2019 and 2020. The decrease has largely been the effects of the Covid-19 pandemic with halls income reduced, some CPD and summer school activities canceled and some research activity paused for a number of months.



TOTAL INCOME (£86.7M) 2019-20

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



TOTAL INCOME (£91.4M) 2018-19

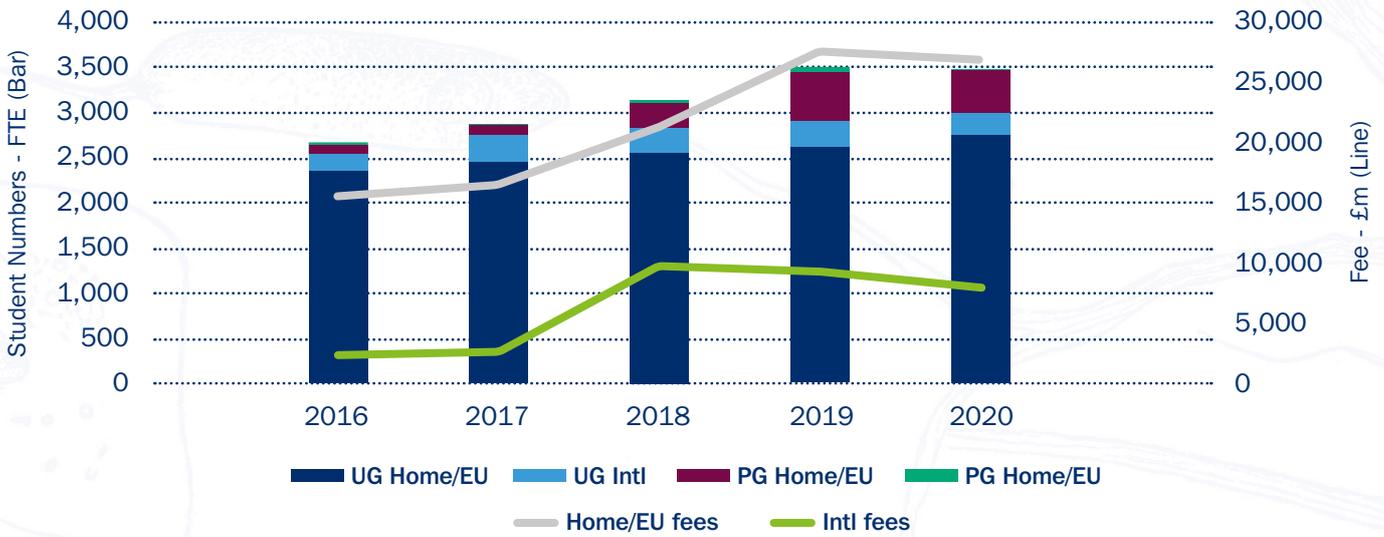
	£M
Student fees	41.0
Funding body	17.2
Research grants & contacts	13.1
Other operating income	18.8
Investment and donation income	1.3

STRATEGIC REVIEW
FINANCIAL REVIEW

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

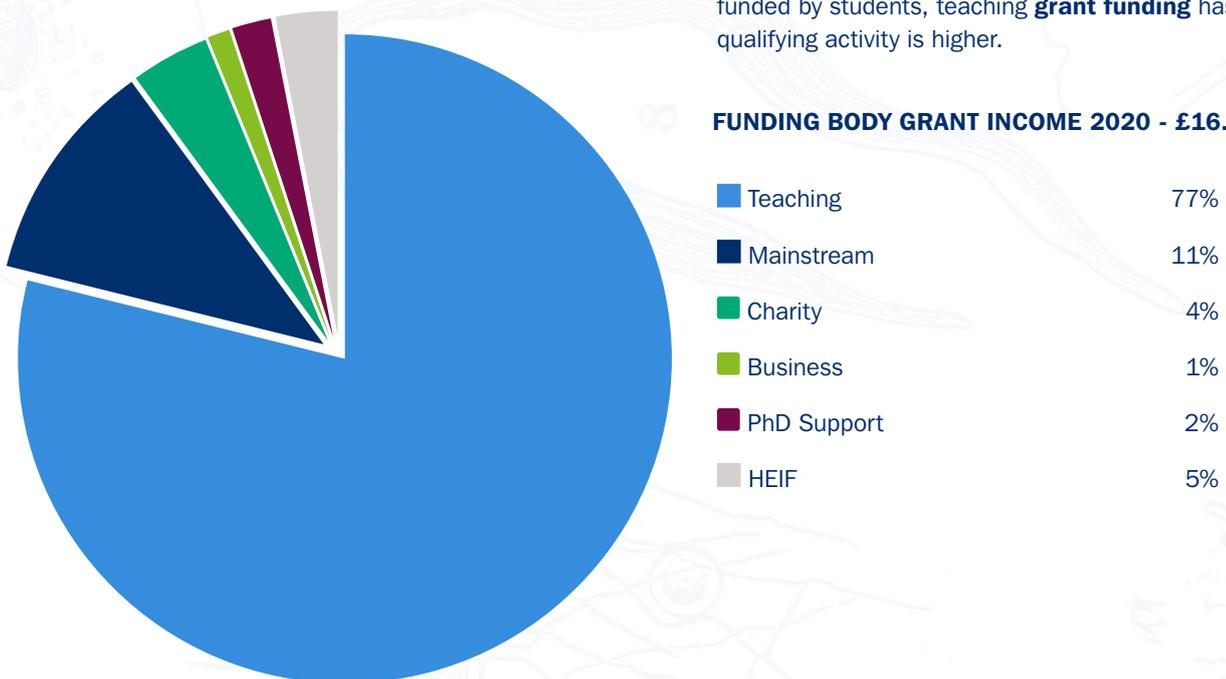
International MBBS teachout continues and due to the nature of our programmes, most of which are validated and regulated by UK bodies, and not recognised overseas, means that international students are not replaced in such high numbers.

STUDENT NUMBER AND FEES



As FHSCE programmes move away from bursaries to being funded by students, teaching **grant funding** has increased as qualifying activity is higher.

FUNDING BODY GRANT INCOME 2020 - £16.3M



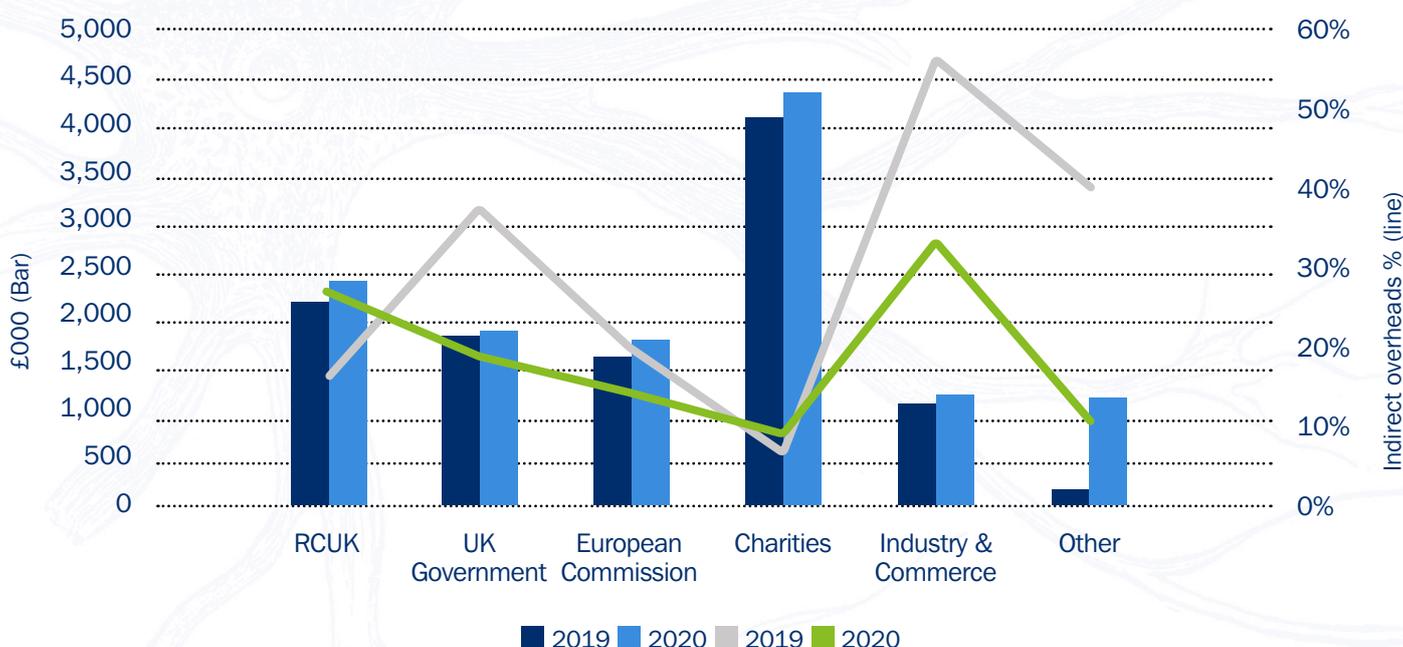
The amount of Quality-Related (QR) funding received increased from £2.6m to £2.9m with increases to mainstream and charity QR.

Income from the Higher Education Innovation Fund (HEIF) has seen an increase from £524k to £746k as additional funding to help deliver the government’s industrial strategy has been allocated across the sector.

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.

	2020	2019
	£K	£K
Teaching	12,619	11,680
Mainstream QR	1,850	1,627
Charity QR	600	554
Business QR	115	112
PhD Support	359	346
HEIF	746	524
	16,289	14,843

RESEARCH INCOME AND OVERHEADS



Total **research income**, decreased by 14% to £11.3m (£13.1m – 2019). A total of 73 new grants (62 – 2019) have been won during the year, worth £18.2m (£16.4m – 2019). 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.

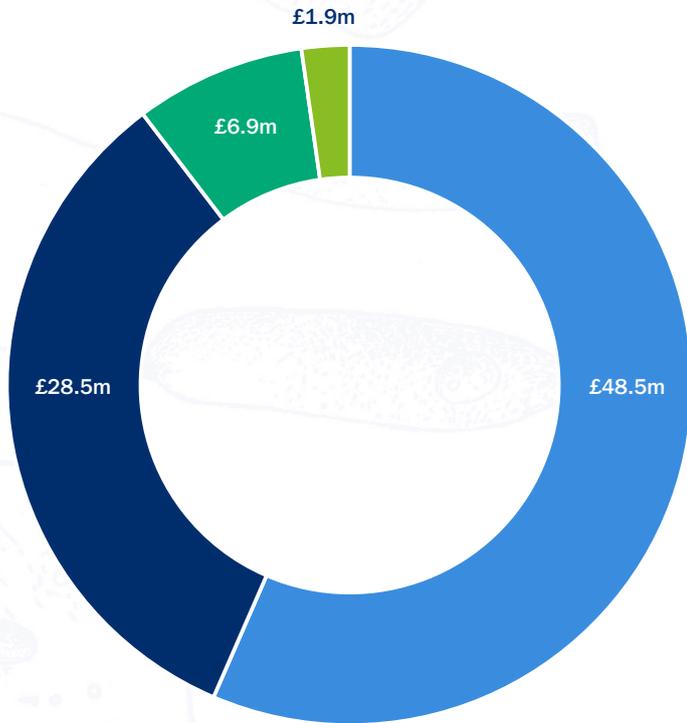
The main sources of income within **residences, catering and conferences** is from the Horton Halls, St George’s halls of student residence, comprising 486 ensuite rooms which are a short walk from the campus, rented to our students, together with a small amount of income from commercial lets and media services. Income is £1m less than in 2019 as students largely

moved out of halls during the pandemic lockdown. The decrease in research income was a result of some research being paused during Covid19 pandemic.

Other services rendered (£7.2m) 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.

STRATEGIC REVIEW
FINANCIAL REVIEW



EXPENDITURE BY TYPE 2019/20

	£m
Staff costs	48.5
Other operating expenses	28.5
Depreciation & Amortisation	6.9
Interest and other finance costs	1.9

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.

Controls **over other operating expenditure** remain and the decrease in research funding means a decrease in related spend.

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

Interest and finance costs include the provision for bad and doubtful debt. This provision has been increased this year in light of a deterioration in the financial situation of some debtors caused by the pandemic.

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%.

	October 2019	October 2021
Member	9.6%	11.6%
Employer	21.1%	23.7%

The impact of these contribution rates, along with the length of the recovery period has reduced the pension provision for USS by £6.4m to £8.6m as at 31 July 2020.

The 2020 valuation is currently underway with an effective date of 31 March 2020. The deficit position is likely to be worse when that is completed.

Capital expenditure continues with £4.6m spent on tangible assets in 2020. Work continued on the Estates Masterplan the completion of the Curve lecture theatre, teaching room refurbishments and improvements to the chilled water and other infrastructure in Hunter and Jenner wings.

In Information Services, a major upgrade to Windows 10 of computers across the site was undertaken along with network upgrades and the completion of the website project.

St George's **cash** position has decreased over the year to £5.6m, with liquidity affected by the pandemic as some debtors took longer to pay than usual and also because of reduced income from halls.

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 renewed 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.

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 2021 Times Higher Education World University Rankings St George's was ranked twenty-fourth 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.

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.

The St George's Opportunity Fund offers students from lower income households an annual bursary. 64% of bursary recipients surveyed in 2016/17 said that it was a very important factor in helping them continue at St George's, with the majority of the students saying that it helped them feel more satisfied about their life as a student, and less anxious than they would have felt otherwise. We also offer an Access to Learning Fund, disbursed on a case-by-case basis to students who encounter unexpected, short-term financial difficulty.

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

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.

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). Council members can claim reasonable expenses such as travel. The total amount of expenses claimed in 2019/20 was £611.

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.

Last year we reported on the progress of the University of London Bill, which would allow St George's and other Member Institutions to apply for University Title in their own right. The University of London Act received Royal Assent in December 2018. St George's application for University Title, alongside other UoL Member Institutions, is currently being reviewed by the OfS before consideration by the Department for Education. The applications were submitted in April 2018 but, at the time of writing, a response had not been received from the OfS.

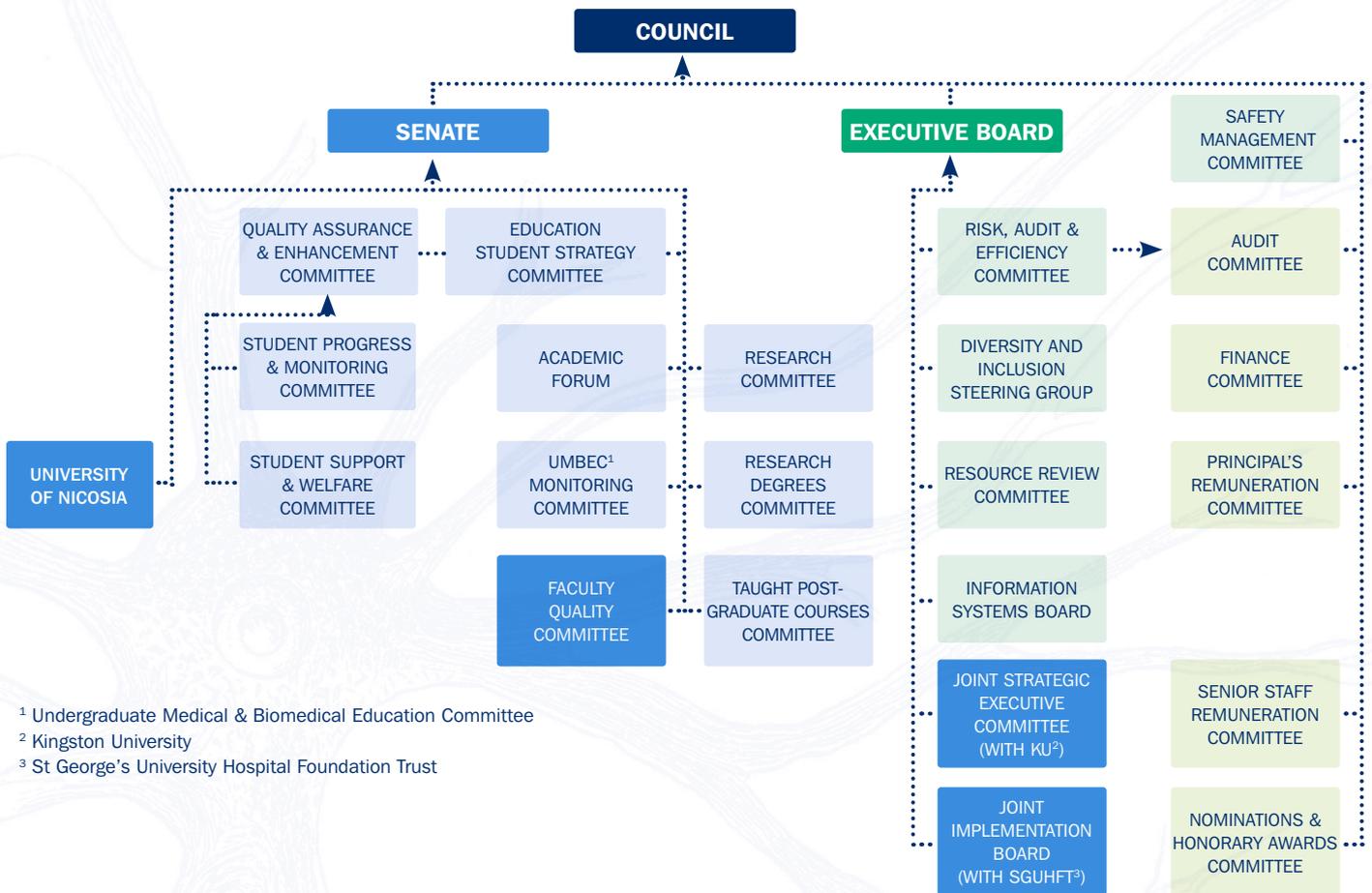
COUNCIL

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, and it has agreed a Statement of Primary Responsibilities as set out in the Code, and which accords with the Scheme and Statutes. It will continue to adhere to the updated code issued in September 2020.

Council is made up of 22 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 very important and both the President of the Students' Union and one other student representative are members of Council.



¹ Undergraduate Medical & Biomedical Education Committee

² Kingston University

³ St George's University Hospital Foundation Trust

Council meets at least five times each year, and in 2019/20 it met on six occasions. Following the Covid-19 lockdown and other Government Restrictions three 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 2019/20, that will help St George's to add value to our outputs and meet our strategic goals:

- Ensuring that the On-going Conditions of Registration have been met, through an Assurance Framework to enable the monitoring of compliance. A separate Assurance Framework was established for monitoring Covid-19 related matters and any new Conditions of Registration.
- Monitoring the regeneration of our Estate, through reports, visits to building works and by monitoring KPIs. The plans strive to give a clearer sense of identity, provide more collaborative space for staff, enhance the student experience and create a focal point for the community to facilitate discussion and collaboration across the research disciplines. Progress in 2019/20 remained on time and on budget, until the implementation of the Government lockdown in response to the Covid-19 pandemic.

- Monitor 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 2020/21, subject to the successful recruitment of students, in the light of the Covid-19 pandemic.

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 and the Principal's Remuneration Committee.

The decisions of all five of these committees are reported formally to Council (see Senior Committee Structure on previous page).

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, value for money studies 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 will monitor 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 our finance, accounts and financial regulations and the management of our investments and borrowings. 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. Following a review in 2017/18 and reflecting changes to the CUC's Higher Education Senior Staff Remuneration Code, Council agreed to establish 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.

CORPORATE GOVERNANCE
MEMBERS OF COUNCIL & COMMITTEE MEMBERSHIP

INDEPENDENT MEMBERS OF COUNCIL		
Mr Anthony Bicknell	Until 30/09/2019	Treasurer, Chair of Finance Committee, Remuneration Committees
Mr David Carter		Finance Committee
Mr Jonathan Curtiss	From 01/10/2020	Independent 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		Treasurer, Chair of Finance Committee, Remuneration Committee
Dr Rima Makarem	Until 30/09/2019	NHAC
Ms Gillian Norton		Independent Member
Dr Bina Rawal	Until 31/07/2020	Independent Member
Mr Damian Reid		Finance Committee
Ms Sue Rimmer		Vice Chair of Council, Chair of Audit Committee, NHAC (From 01/10/2020)
Professor Steven Spier		Independent Member
Mrs Christine Swabey	From 01/10/2020	Chair of Council, Remuneration Committee Member, Chair NHAC*, Finance Committee Attendee
Ms Catherine Swarbrick	Until 30/09/2020	Chair of Audit Committee, Remuneration Committees, NHAC
Ms Sarah Wilton	From 01/10/2020	Independent Member, Audit Committee
Mr Ewart Wooldridge		Chair of Remuneration Committees, Audit Committee
Dr Sally Worth		Independent Member
INTERNAL MEMBERS OF COUNCIL		
Mr Ken Morrison		Elected Support Staff
Dr John Hammond		Elected Academic Staff
Mr Muhammad (Omar) Hijazi		Student Representative
Mr Eoin Jardine	From 01/08/2020	President, Students' Union
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
Ms Susan Trubshaw		Clerk to Council
Ms Nicola Arnold	Until 31/12/2019	Director of Finance
Ms Susan McPheat	From 01/01/2020	Director of Finance
Ms Jenny Winters		Director of Human Resources and Organisational Development

CORPORATE GOVERNANCE

STATEMENT OF COUNCIL'S RESPONSIBILITIES

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 terms and conditions of funding for higher education providers for the period to 31 July 2020, 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, 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; and
- secure the economical, efficient management of St George's and the Group's resources and expenditure.

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.

OTHER MATTERS

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 outcomes;
- 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 Audit and 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.

CORPORATE GOVERNANCE

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 2019/20 financial year.

Members of the Principal's RemCom for 2019/20 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).

Members of the Senior Staff RemCom 2019/20 were Ewart Wooldridge (Chair), Michael Draper (Chair of Council), Josh Joshi (Treasurer) and Catherine Swarbrick (Chair of Audit Committee), with the Principal, Professor Jenny Higham, and Director of HR and OD, Jenny Winters, in attendance. Both RemComs met once during the 2019/20 academic year, in September. All members attended, although Professor Deborah Bowman attended the Senior Staff RemCom as the Principal's alternate.

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.

All staff who are not on clinical salary scales receive the national pay award, which was 1.8% effective from 1 August 2019 for grades 4 and above and an increase of up to 3.65% for grades 1-3.

RemCom agreed in March 2019 that a new, more systematic and transparent approach to professorial pay should be introduced. As part of this it is intended to introduce professorial pay bands in 2022, allowing the opportunity to consult fully with staff and address pay anomalies in the meantime. Pay increases for senior professional services staff (in addition to the national pay award) will continue to be made on an individual basis reflecting their specific role and market relativities. In June 2019, a new Professorial Pay Review Committee was formed and considered the criteria to be applied in determining additional pay increases and/or bonuses for the professorial cohort, as well as whether any awards should be made for 2019/20. These recommendations were reviewed and, where appropriate, ratified by RemCom in September 2019 and implemented in October, the same time as pay increments for other staff are paid. In total, three professors received a pay award in 2019/20. In addition, one other senior staff member received a bonus. 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 it is not expected that discretionary pay awards will be made to professors or other senior staff in 2020/21.

Staff who do not form part of the senior staff cohort (salary scales 1-8) receive an incremental pay rise up to the top of their salary scale, normally paid in October, in addition to the national pay award. Staff in salary scales 1-4 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.

Staff in salary scales 1-8 are also eligible to be nominated for merit awards, which are designed to recognise and reward members of staff who have made an exceptional contribution to St George's and demonstrated, over a sustained period of time, a standard of work significantly over and above the normal expectations of their role. However, due to the financial constraints experienced as a result of the Covid-19 crisis, the merit award round was suspended for 2019/20. Nevertheless, St George's continued to offer "Thank you awards", 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 45 Thank you awards were given, which comprise a retail voucher and thank you certificate signed by the Principal. This was a higher number than usual reflecting that 2019/20 was an exceptional year as a result of Covid-19.

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 2019/20, 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, Professor Higham was not given any lump sum or other compensation on leaving the pension scheme. In setting the pay of the Principal, the RemCom considers her contributions and achievements in leading the university and benchmarking information about the salaries of Vice Chancellors at comparable institutions.

The Chair of Council undertakes an annual appraisal with the Principal. In determining her pay for 2019/20 he concluded that she had continued to make a strong contribution to St George's, including creating cultural change, showing demonstrable leadership and good appointments to her leadership team and improving the University's infrastructure, both physical and virtual. 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 and University of East Anglia have been chosen. While they are all 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 Professor Higham's salary might be considered broadly comparable, although she receives no additional benefits when many others receive accommodation.

With effect from 1 August 2019, an increase of 2% was proposed and agreed by Council, taking into account Professor Higham's strong contribution over the year.

EMOLUMENTS OF THE PRINCIPAL	JULY 2020 £	JULY 2019 £
Salary	256,421	251,393
Performance related pay	-	-
Benefits	-	-
Pension costs	-	-
TOTAL	256,421	251,393

In note 7 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:

	£'000
Salary	256
National Insurance	35
Apprenticeship Levy	1
	292

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 5.7 in 2019/20. This compares to 5.9 for 2018/19 and 5.8 in 2017/18.

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 2019/20 259 expenses claims were made by staff amounting to £91,178 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 £1,631 in 2019/20 including travel to meet with international partners.

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. One such action includes the introduction of Fair Recruitment Specialists, a pool of volunteer staff from Black, Asian and minority ethnic backgrounds who will sit on interview panels to try to address issues of underrepresentation of Black, Asian and minority ethnic groups in St George's recruitment activities. RemCom are kept informed of the work undertaken by the working group, in particular where it may have an impact on senior staff remuneration.

CORPORATE GOVERNANCE

RISK MANAGEMENT

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 addition of a new risk around significant disruption caused by the Coronavirus (Covid-19) pandemic; our current biggest risk. In the early stages of the national lockdown we responded well to the pandemic with a rapid move to online education and assessment ensuring the progression or graduation of student and maintained a presence on site to pursue essential Covid research. The latter part of the academic year saw us move from a business continuity planning situation into a new 'return to site' structure to prepare for the safe return of students and staff for the 2020/21 academic year, 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. A high-level overview of our current strategic risks is set out below, together with some examples of some of the mitigating actions taken against these risks across 2019/20.

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 and became even more important during the Covid-19 pandemic when most communication had to move online. The rapid movement of teaching online and the early graduation our MBBS final year students into the healthcare workforce in the spring was a major undertaking.

The current situation has presented new challenges to improving the student experience and we continue to working closely with the Student Union to achieve that.

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 capital programme over the past year included infrastructure upgrades and also saw the delivery of the first stage of the estates masterplan with a refurbished entrance area, along with the opening of our new state-of-the-art lecture theatre by alumnus Sir Patrick Vallance, the Government Chief Scientific Advisor, at the end of February 2020. The Covid-19 pandemic put some of our non-essential capital work on hold as we assessed the potential impact of the pandemic.

Research Excellence - We continue to prepare for the delayed Research Excellence Framework (REF) 2021. Some of our research focus has switched to Covid-19 and the outbreak has affected current levels of research income through delays to new grants and the suspension of some projects for around three months.

Our research strategy aims to increase our success in winning research awards and build our research income.

Operational Excellence - We have continued working on a range of measures to ensure that our programmes are well organised and running smoothly. The first series of Operational Excellence Projects, which address the root cause of some of the issues around our systems, policies and procedures are coming to an end and will be embedded, which will cause an improvement in this area.

We remain cognisant of the need to ensure we continue to meet all conditions of registration to the highest standard despite the challenging climate and uncertainty.

People and Partners - St. George's benefits greatly from a number of partnerships, including SGUHFT, the Faculty of Health, Social Care and Education that it operates jointly with Kingston University and the MBBS franchise programme at the University of Nicosia. It is important to ensure these relationships are managed carefully to ensure that each party get the best out of the partnerships and the Quality and Partnerships ensures a focused approach to existing partnerships and consideration of new partnerships.

CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

INTERNAL CONTROL AND RISK MANAGEMENT

Council is responsible for ensuring that a 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, while 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 based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. Council is of the view that the process has continued to identify, evaluate and manage significant risks throughout the year to 31 July 2020, 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
- 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
- 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.

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 have arisen during the year ending 31 July 2020 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 detection of fraud and other irregularities. St George's also has a Whistleblowing Policy which can also be used to report on suspected cases of fraud, misconduct and other irregularities, and an annual report on whistleblowing cases is made to the Chair of 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 eight years up to and including 2019/20. 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.

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.

An effectiveness review of Audit Committee was completed in 2019/20. The results showed continuous improvement in many aspects of the Audit Committee's work including the understanding of the role of the Audit Committee, ensuring an effective programme of work, and understanding and reviewing risk management arrangements.

GOING CONCERN

The 2019/20 financial year was adversely impacted by the Covid-19 pandemic and, as at the date of this report, England has just emerged from being locked down for the second time. St George's response to the Covid-19 pandemic included action such as the closure of student halls for the summer term; the pausing of certain research activity; and, the cancellation of short courses and other commercial activity. The financial impact of these prudent decisions to protect our students and faculty negatively impacted our financial expectations and led to a deficit in the year. As we adjusted our financial planning to reflect the impact of Covid-19, it became clear that one or both of St George's loan covenants were at risk of being breached at the year end and, as a prudent measure, waivers or amendments to the covenants were formally agreed with our lenders before the year end.

Financial management processes have been tightened in response to the Covid-19 pandemic including an increased frequency of its financial forecast review processes for both the short and medium term and in addition modelling 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 even after taking into account potential future closures due to lockdown. This is because of some financial protection afforded by access to significant liquid investments and an arranged £2m overdraft facility. It is possible that loan covenants could be breached by a similar change in circumstances as the Initial lockdown, but given the success of our 2020/21 student recruitment program and the continued support of the Government, allowing Universities to remain open despite a second lockdown, management do not anticipate a similar effect and therefore do not forecast any breaches in covenants. Management are more prepared in mitigating any potential revenue shortfalls should they arise and management do not currently project any loan covenant breach in the next twelve months from the approval of these financial statements. However, if a breach were projected to occur we fully expect our lenders would be open to granting amendments or waivers again, given the ongoing communication and demonstrated by their previous support.

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 - 9 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL OF ST GEORGE'S UNIVERSITY OF LONDON

OPINION

We have audited the financial statements of St George's University of London (the 'parent institution' or 'St George's') and its subsidiaries (the 'group') for the year ended 31 July 2020 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, notes to the financial statements and the statement of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent institution's affairs as at 31 July 2020 and of the group's and parent institution's income and expenditure, gains and losses, changes in reserves and group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

BASIS FOR OPINION

We have been appointed as auditor under the Institution's schemes and statutes and report in accordance with regulations made under those schemes and statutes. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE IMPACT OF MACRO-ECONOMIC UNCERTAINTIES ON OUR AUDIT

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess

and challenge the reasonableness of estimates made by the Council and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and parent institution's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and parent institution's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group and parent institution associated with these particular events.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent institution's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Council's conclusions, we considered the risks associated with the group's and parent institution's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's and parent institution's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group and parent institution will continue in operation.

OTHER INFORMATION

The Council are responsible for the other information.

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

The other information comprises the information included in the annual report set out on pages 4 to 63, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 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 PRESCRIBED BY THE OFFICE FOR STUDENT'S ('OFS') ACCOUNTS DIRECTION (ISSUED OCTOBER 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the parent institution for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them, and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

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

RESPONSIBILITIES OF COUNCIL FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of responsibilities of the Council set out on page 26, the Council is responsible

for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Council 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 are responsible for assessing the group's and the parent institution's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

This report is made solely to the Institution's Council, as a body, in accordance with Statute 20 – External Auditors, paragraph (i) to (iv) of the Institution's schemes and statutes. Our audit work has been undertaken so that we might state to the Institution's Council those matters we are required to state to it 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 Institution and the Institution's Council as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

GRANT THORNTON UK LLP

STATUTORY AUDITOR, CHARTERED ACCOUNTANT LONDON
9 DECEMBER 2020

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

STATEMENT OF ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The Financial Statements have been prepared on the historical cost basis except for the modification to a deemed cost basis for certain fixed assets, the inclusion of investments at market value and on a going concern basis.

GOING CONCERN

The 2019/20 financial year was adversely impacted by the Covid-19 pandemic and, as at the date of this report, England has just emerged from being locked down for the second time. St George's response to the Covid-19 pandemic included action such as the closure of student halls for the summer term; the pausing of certain research activity; and, the cancellation of short courses and other commercial activity. The financial impact of these prudent decisions to protect our students and faculty negatively impacted our financial expectations and led to a deficit in the year. As we adjusted our financial planning to reflect the impact of Covid-19, it became clear that one or both of St George's loan covenants were at risk of being breached at the year end and, as a prudent measure, waivers or amendments to the covenants were formally agreed with our lenders before the year end.

Financial management processes have been tightened in response to the Covid-19 pandemic including an increased frequency of its financial forecast review processes for both the short and medium term and in addition modelling 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 even after taking into account potential future closures due to lockdown. This is because of some financial protection afforded by access to significant liquid investments and an arranged £2m overdraft facility. It is possible that loan covenants could be breached by a similar change in circumstances as the Initial lockdown, but given the success of our 2020/21 student recruitment program and the continued support of the Government, allowing Universities to remain open despite a second lockdown, management do not anticipate a similar effect and therefore do not forecast any breaches in covenants. Management are more prepared in mitigating any potential revenue shortfalls should they arise and management do not currently project any loan covenant breach in the next twelve months from the approval of these financial statements. However, if a breach were projected to occur we fully expect our lenders would be open to granting amendments or waivers again, given the ongoing communication and demonstrated by their previous support.

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.

2. BASIS OF CONSOLIDATION

The consolidated Financial Statements include St George's and all its subsidiaries for the financial year to 31 July 2020. 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

The consolidated Financial Statements incorporate the Financial Statements of St George's and its subsidiary company St George's Enterprises Limited. 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 Fund, a separate charity, are consolidated into the Group Financial Statements on the basis that St George's exercises control over the charity.

The results of subsidiaries acquired or disposed of during the year are included from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. 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. Where part of the 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.

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

STATEMENT OF ACCOUNTING POLICIES

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

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when St George's is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure under donations on entitlement to the income.

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

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

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

4. ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for St George's are the Universities Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL). Through the Faculty of Health, Social Care and Education, St George's also 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 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 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 three months without penalty.

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

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020**STATEMENT OF ACCOUNTING POLICIES****13. BASIC FINANCIAL INSTRUMENTS****TRADE AND OTHER DEBTORS /CREDITORS**

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

INTEREST-BEARING LOANS AND BORROWINGS

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

14. PROVISION FOR LIABILITIES

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

15. FOREIGN CURRENCY

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

16. TAXATION

St George's is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, St George's is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The trading subsidiary companies, St George's Enterprises Ltd and St George's Global Partners Ltd, are subject to corporation tax, whilst 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. Deferred tax assets are more likely than not to be recovered. Deferred tax liabilities are not discounted.

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.

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020
CONSOLIDATED AND ST GEORGE'S STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	NOTE	2020		2019	
		CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
INCOME					
Tuition fees and education contracts	1	38,811	38,811	41,015	41,015
Funding body grants	2	18,315	18,315	17,229	17,229
Research grants and contracts	3	11,300	11,300	13,095	13,095
Other income	4	17,549	17,531	18,820	18,820
Investment income	5	710	663	510	464
Donations and endowments	6	38	38	789	789
TOTAL INCOME		86,723	86,658	91,458	91,412
EXPENDITURE					
Staff costs	7	48,524	48,457	62,210	62,146
Other operating expenses	9	28,497	28,467	30,405	30,405
Depreciation and amortisation	11/12	6,923	6,923	7,027	7,027
Interest and other finance costs	8	1,937	1,937	2,082	2,082
TOTAL EXPENDITURE		85,881	85,784	101,724	101,660
Surplus/(deficit) before share of operating loss in associates		842	874	(10,266)	(10,248)
Exceptional Items		(10)	(10)	-	-
Share of operating loss in associates	15	(2)	-	(28)	-
(Loss)/gain on investments	13	(1,362)	(1,221)	(46)	(40)
TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR		(532)	(357)	(10,340)	(10,288)
REPRESENTED BY:					
Endowment comprehensive income		(451)	(310)	(10)	(5)
Restricted comprehensive income		7	27	57	76
Unrestricted comprehensive income		841	855	(9,147)	(9,120)
Revaluation reserve comprehensive income		(929)	(929)	(1,239)	(1,239)
		(532)	(357)	(10,340)	(10,288)

All items of income and expenditure relate to continuing operations.

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure Account			Revaluation Reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
BALANCE AS AT 1 AUGUST 2018	5,721	875	21,440	12,128	40,164
Surplus/(deficit) from the income and expenditure statement	149	712	(11,201)	-	(10,340)
Transfers between revaluation and income and expenditure reserve	-	-	1,239	(1,239)	-
Release of restricted funds spent in the year	(159)	(655)	814	-	-
Total comprehensive income for the year	(10)	57	(9,148)	(1,239)	(10,340)
BALANCE AS AT 1 AUGUST 2019	5,711	932	12,292	10,889	29,824
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	-	-
Total comprehensive income for the year	(451)	7	841	(929)	(532)
BALANCE AS AT 31 JULY 2020	5,260	939	13,133	9,960	29,292

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020
ST GEORGE'S STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure Account			Revaluation Reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
BALANCE AS AT 1 AUGUST 2018	4,110	519	21,283	12,128	38,040
Surplus/(deficit) from the income and expenditure statement	89	141	(10,518)	-	(10,288)
Transfers between revaluation and income and expenditure reserve	-	-	1,239	(1,239)	-
Release of restricted funds spent in the year	(94)	(65)	159	-	-
Total comprehensive income for the year	(5)	76	(9,120)	(1,239)	(10,288)
BALANCE AS AT 1 AUGUST 2019	4,105	595	12,163	10,889	27,752
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 for the year	(310)	27	855	(929)	(357)
BALANCE AS AT 31 JULY 2020	3,795	622	13,018	9,960	27,395

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020
CONSOLIDATED AND ST GEORGE'S BALANCE SHEET

	NOTES	2020		2019	
		CONSOLIDATED £000	ST GEORGE'S £000	CONSOLIDATED £000	ST GEORGE'S £000
NON-CURRENT ASSETS					
Intangible assets	11	4,327	4,327	4,214	4,214
Fixed assets	12	69,741	69,741	71,312	71,312
Investments	13	16,671	14,971	19,772	17,931
Investment in associates	15	123	-	125	-
		90,862	89,039	95,423	93,457
CURRENT ASSETS					
Stock		4	4	5	5
Trade and other receivables	16	13,862	13,931	12,154	12,219
Cash and cash equivalents	22	5,556	5,461	6,958	6,834
		19,422	19,396	19,117	19,058
Less: Creditors: amounts falling due within one year	17	(31,381)	(31,429)	(27,639)	(27,686)
NET CURRENT LIABILITIES		(11,959)	(12,033)	(8,522)	(8,628)
TOTAL ASSETS LESS CURRENT LIABILITIES		78,903	77,006	86,901	84,829
Creditors: amounts falling due after more than one year	18	(36,193)	(36,193)	(39,288)	(39,288)
PROVISIONS					
Pension provision	19	(13,418)	(13,418)	(17,789)	(17,789)
TOTAL NET ASSETS		29,292	27,395	29,824	27,752
RESTRICTED RESERVES					
Income and expenditure reserve - endowment reserve	20	5,260	3,795	5,711	4,105
Income and expenditure reserve - restricted reserve	21	939	622	932	595
		6,199	4,417	6,643	4,700
UNRESTRICTED RESERVES					
Income and expenditure reserve - unrestricted reserve		13,133	13,018	12,292	12,163
Revaluation reserve		9,960	9,960	10,889	10,889
		23,093	22,978	23,181	23,052
TOTAL RESERVES		29,292	27,395	29,824	27,752

The Financial Statements were approved by Council on 9 December 2020 and were signed on its behalf on that date by:

Christine Swabey

CHRISTINE SWABEY
CHAIR OF COUNCIL

JM Higham

PROFESSOR JENNY HIGHAM
PRINCIPAL

M. (Josh) Joshi

M. (JOSH) JOSHI
TREASURER

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

CONSOLIDATED CASH FLOW

	NOTES	2020 £'000	2019 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus/(deficit) for the year		(532)	(10,340)
ADJUSTMENT FOR NON-CASH ITEMS			
Depreciation	12	6,216	6,075
Amortisation of intangibles	11	707	952
Loss/(gain) on investments	13	1,362	46
(Decrease)/increase in stock		(1)	(1)
Decrease/(increase) in debtors	16	(1,708)	3,272
Increase in bad debt provision		623	1,092
Decrease in creditors (excluding loans)	17	2,126	(2,524)
Increase/(decrease) in pension provision	19	(4,371)	10,662
Share of operating deficit in associate	15	2	28
Pension provision interest	8	303	163
Other non-cash items		153	176
ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES			
Investment income	5	(710)	(510)
Interest payable	8	961	917
Capital grant income		(2,185)	(2,544)
NET CASH INFLOW FROM OPERATING ACTIVITIES		2,946	7,464
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grants receipts		725	886
Investment and endowment income	5	710	510
Payments made to acquire fixed assets		(4,252)	(7,151)
Payments made to acquire intangible assets		(821)	(650)
Sale of non-current asset investments	13	1,730	2,200
		(1,908)	(4,205)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	8	(961)	(917)
New unsecured loans		-	-
Repayments of amounts borrowed	17	(1,479)	(1,463)
		(2,440)	(2,380)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		(1,402)	879
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		6,958	6,079
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		5,556	6,958

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020**NOTES TO THE ACCOUNTS****1 TUITION FEE AND EDUCATION CONTRACTS**

	2020	2019
	£'000	£'000
Full-time students charged home fees	26,923	27,699
Full-time students charged overseas fees	7,828	9,158
Part-time fees	448	549
Non-medical education and training funded by the NHS	3,170	2,836
Research training support grants	305	436
Short course fees	137	337
	38,811	41,015

2 FUNDING BODY GRANTS

	2020	2019
	£000	£000
RECURRENT GRANT		
Office for Students/Research England	15,543	14,319
SPECIFIC GRANTS		
Higher Education Innovation Fund	746	524
Deferred Capital Grants released in the year:		
Buildings	1,868	2,242
Equipment	158	144
	18,315	17,229

3 RESEARCH GRANTS AND CONTRACTS

	2020	2019
	£000	£000
Research Councils UK	2,256	2,489
UK government grants – other	1,891	1,901
European Commission	1,612	1,753
Charitable bodies	4,101	4,356
Industry and commerce	1,261	1,324
Other	179	1,272
	11,300	13,095

4 OTHER INCOME

	2020	2019
	£000	£000
Residences, catering and conferences	2,378	3,343
Other services rendered	7,172	8,382
Release from deferred capital grant	160	158
Undergraduate tariff income	1,939	2,025
Franchise income	626	754
Other income	5,274	4,157
	17,549	18,820

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

NOTES TO THE ACCOUNTS

5 INVESTMENT INCOME

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Investment income on endowments	171	165	104	100
Other investment income	539	345	559	364
	710	510	663	464

6 DONATIONS AND ENDOWMENTS

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Loss on endowment value	(205)	-	(205)	-
Restricted donations	239	666	239	666
Unrestricted donations	4	123	4	123
	38	789	38	789

7 STAFF COSTS

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Salaries	41,788	41,542	41,721	41,478
Social security costs	4,174	4,115	4,174	4,115
Movement on pension deficit provision	(4,674)	10,499	(4,674)	10,499
Other pension costs	7,236	6,054	7,236	6,054
	48,524	62,210	48,457	62,146

Included in the amounts shown above are compensation payments for loss of office totalling £81k (£158k – 2019) to 19

individuals (26 individuals - 2019). 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 19.

	2020	2019
	£000	£000
Emoluments of the Principal		
Professor Jenny Higham		
Salary	292	286
	292	286
Principal's remuneration as a multiple of median staff pay	6.6	5.9

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

	2020	2019
	NO.	NO.
£100,000 to £104,999	4	3
£105,000 to £109,999	3	3
£110,000 to £114,999	4	1
£115,000 to £119,999	-	1
£120,000 to £124,999	1	-
£125,000 to £129,999	1	1
£130,000 to £134,999	-	-
£135,000 to £139,999	-	1
£140,000 to £144,999	-	1
£145,000 to £149,999	1	-
£150,000 to £154,999	-	-
£155,000 to £159,999	1	-
	15	11

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020**NOTES TO THE ACCOUNTS**

Average staff numbers by major category:	2020 NO.	2019 NO.
Academic	260	251
Research	113	129
Management and specialist	18	13
Technical	42	47
Other	347	350
	780	790

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.

	2019 £000	2018 £000
Key management personnel compensation	1,749	1,849

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 (3), Chief Operating Officer, Director of Finance, Institute Directors (4).

COUNCIL MEMBERS

St George's Council members are the Trustees for charitable law purposes. Due to the nature of St George's operations and the composition of Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arms' length and in accordance with St George's Financial Regulations and usual procurement procedures.

No council member has received any remuneration/waived payments from St George's during the year. Five members of Council claimed expenses to a total of £611. This represents travel and subsistence expenses incurred in attending Council and other events in their official capacity and the costs associated with the meetings.

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 2019 to 31 March 2020. 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 £5,437. This represents 0.01% of our total pay bill. Further information is available on the website.

8 INTEREST AND OTHER FINANCE COSTS

	2020 £000	2019 £000
Loan interest	961	917
Net charge on pension schemes	303	163
Movement in bad debt provision	622	1,092
Other charges	51	(90)
TOTAL	1,937	2,082

9 OTHER OPERATING EXPENSES BY ACTIVITY

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Academic and related expenditure	11,777	13,582	11,777	13,582
Research grants and contracts	2,960	3,962	2,960	3,962
Premises	8,028	6,959	8,028	6,959
Residences, catering and conferences	1,344	1,284	1,344	1,284
Other operating expenses	4,388	4,618	4,358	4,618
	28,497	30,405	28,467	30,405

Other operating expenses include:	2020	2019
	£000	£000
Internal auditor remuneration	60	80
External auditor remuneration in respect of statutory audit services	100	94
External auditor remuneration in respect of other audit services	6	5
Corporate subscriptions	582	437
Software licences	663	597
Operating lease rentals	183	141
Grants to Student Union	329	329
Other	2,465	2,935
	4,388	4,618

10 ACCESS AND PARTICIPATION

	CONSOLIDATED	ST GEORGE'S
	£000	£000
Access investment	407	407
Financial Support	1,367	1,367
Disability Support (excluding costs included in the categories above)	177	177
Research and Evaluation*	119	119
	2,070	2,070

£583,951 of these costs are already included in the overall staff costs figures within the financial statements (see Note 7)

As SGUL has had an Access and Participation plan in place from 1 August 2019 there are no prior year comparatives available for the year ending 31 July. The full Access and Participation plan for 2019/20 and future periods can be accessed here:

Access and Participation plan for 2019/20

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

NOTES TO THE ACCOUNTS

11 INTANGIBLE ASSETS **2020**
£000

Software	
As at 1 August 2019	4,214
Additions in the year	837
Transfers	(17)
Amortisation charge for the year	(707)
AS AT 31 JULY 2020	4,327

12 TANGIBLE FIXED ASSETS	Freehold Land	Freehold Building	Leasehold Building	Fixtures, Fittings & Equipment	Assets in the course of construction	Total
	£000	£000	£000	£000	£000	£000

COST OR VALUATION

As at 1 August 2019	10,330	26,385	99,512	13,286	4,172	153,685
Additions	-	101	3,542	439	563	4,645
Transfers	-	81	4,087	33	(4,184)	17
Disposals	-	-	(112)	(9,242)	-	(9,354)
AS AT 31 JULY 2020	10,330	26,567	107,029	4,516	551	148,993

DEPRECIATION

As at 1 August 2019	-	5,582	65,227	11,564	-	82,373
Charge for the year	-	530	4,975	711	-	6,216
Disposals	-	-	(95)	(9,242)	-	(9,337)
AS AT 31 JULY 2019	-	6,112	70,107	3,033	-	79,252

NET BOOK VALUE

AS AT 31 JULY 2020	10,330	20,455	36,922	1,483	551	69,741
AS AT 31 JULY 2019	10,330	20,803	34,285	1,722	4,172	71,312

As at 31 July 2020 freehold land and buildings included £10.3m (2019 - £10.3m) in respect of freehold land and was 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.

The fixed asset register has been cleansed in 19/20 and fully depreciated assets which are no longer in use removed from both cost and depreciation with no net effect.

13 NON-CURRENT INVESTMENTS

Consolidated	Other fixed asset investments £000	Subsidiary companies £000	Total £000
As at 1 August 2019	19,772	-	19,772
Sale of non-current investments	(1,730)	-	(1,730)
Expenditure for the year	(9)	-	(9)
Realised gain	25	-	25
Unrealised loss	(1,387)	-	(1,387)
AS AT 31 JULY 2020	16,671	-	16,671

St George's	Other fixed asset investments £000	Subsidiary companies £000	Total £000
As at 1 August 2019	17,931	-	17,931
Sale of non-current investments	(1,730)	-	(1,730)
Expenditure for the year	(9)	-	(9)
Realised gain	22	-	22
Unrealised loss	(1,243)	-	(1,243)
AS AT 31 JULY 2020	14,971	-	14,971

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

	Consolidated £000	St George's £000
Analysis by asset		
UK equities	4,768	4,282
International equities	6,318	5,674
Bonds	1,317	1,183
Multi-asset funds	800	719
Hedge funds	383	344
Property	2,267	2,036
Others	818	733
	16,671	14,971

14 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 2020 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 2020**NOTES TO THE ACCOUNTS****15 INVESTMENT IN ASSOCIATES**

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.

- 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

	2020	2019
	£000	£000
TiKa Diagnostics Ltd (40%)	53	72
BUGS Biosciences Ltd (35%)	70	53
	123	125

16 TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Research grants receivables	2,791	2,839	2,791	2,839
Trade receivables	2,787	3,940	2,787	3,940
St George's University Hospital NHS Foundation Trust	5,743	3,176	5,743	3,176
Prepayments and accrued income	2,233	2,092	2,233	2,092
Other receivables	308	107	308	107
Amounts due from subsidiary companies	-	-	69	65
	13,862	12,154	13,931	12,219

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Unsecured loans	1,508	1,479	1,508	1,479
Research grants and contracts	8,110	7,522	8,110	7,522
Deferred capital grants	1,543	1,867	1,543	1,867
Trade payables	3,107	3,241	3,107	3,241
Other payables	5,204	5,280	5,204	5,280
St George's University Hospital NHS Foundation Trust	374	919	374	919
Accruals and deferred income	10,553	6,342	10,553	6,342
Payroll Tax Creditors	982	989	982	989
Amounts due to subsidiary companies	-	-	48	47
	31,381	27,639	31,429	27,686

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.

	2020	2019
	£000	£000
Undergraduate tariff income	109	89
Funding body income	269	231
Other deferred income	1,124	470
	1,502	790

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020**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:

	2020	2019
Discount rate	0.73%	1.58%
Salary growth	2.0%	2.7%

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.

All figures are an increase to the provision.

Change in assumptions at 31 July 2020

	Approximate impact
0.5% pa decrease in discount rate	£613k
0.5% pa increase in salary inflation over duration	£205k
0.5% pa increase in salary inflation year 1 only	£44k
0.5% increase in staff changes over duration	£210k
0.5% increase in staff changes year 1 only	£44k
1% increase in deficit contributions from April 2020	£1,363k
1 year increase in term	£1,368k

20 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
AS AT 1 AUGUST 2019						
Capital	2,839	3,658	6,497	1,261	3,658	4,919
Accumulated income	285	(1,071)	(786)	257	(1,071)	(814)
	3,124	2,587	5,711	1,518	2,587	4,105
INCOME FOR THE YEAR						
Investment income	105	66	171	38	66	104
Expenditure	(73)	(88)	(161)	(6)	(88)	(94)
Increase in market value of investments	(257)	(204)	(461)	(116)	(204)	(320)
TOTAL ENDOWMENT						
INCOME FOR THE YEAR	(225)	(226)	(451)	(84)	(226)	(310)
AS AT 31 JULY 2020	2,899	2,361	5,260	1,434	2,361	3,795
REPRESENTED BY:						
Capital	2,582	3,455	6,037	1,145	3,455	4,600
Accumulated income/(excess expenditure)	317	(1,094)	(777)	289	(1,094)	(805)
	2,899	2,361	5,260	1,434	2,361	3,795

ENDOWMENT RESERVES CONTINUED

	CONSOLIDATED	ST GEORGE'S
Analysis by type or purpose	£000	£000
Lectureships	1,465	-
Scholarships and bursaries	1,125	1,125
Research support	1,527	1,527
Prize funds	601	601
General	542	542
AS AT 31 JULY 2020	5,260	3,795
Analysis by asset		
UK equities	1,504	1,085
International equities	1,993	1,438
Bonds	416	300
Multi-asset funds	252	182
Property	715	516
Others	380	274
AS AT 31 JULY 2020	5,260	3,795

21 RESTRICTED RESERVES

Consolidated	Donations	Eleanor Peel restricted I&E	2020 Total	2019 Total
	£000	£000	£000	£000
As at 1 August 2019	595	337	932	875
New donations	239	47	286	712
Expenditure	(212)	(67)	(279)	(655)
TOTAL RESTRICTED COMPREHENSIVE INCOME	27	(20)	7	57
AS AT 31 JULY 2020	622	317	939	932

St George's	Donations	2020 Total	2019 Total
	£000	£000	£000
As at 1 August 2019	595	595	519
New donations	239	239	666
Expenditure	(212)	(212)	(590)
TOTAL RESTRICTED COMPREHENSIVE INCOME	27	27	(133)
AS AT 31 JULY 2020	622	622	595

	2020	2019
Analysis by type or purpose	£000	£000
Lectureships	317	337
Research support	235	383
Student support	387	212
AS AT 31 JULY 2020	939	932

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

NOTES TO THE ACCOUNTS

22 CASH AND CASH EQUIVALENTS

	AS AT 1 AUGUST 2019 £000	CASH FLOWS £000	AS AT 31 JULY 2020 £000
CASH AND CASH EQUIVALENTS	6,958	(1,402)	5,556

23 CAPITAL AND OTHER COMMITMENTS

	2020 £000	2019 £000
Commitments approved but not contracted for	1,463	4,691
Commitments contracted for	1,039	1,309
	2,502	6,000

24 OPERATING LEASES

	2020 £000	2019 £000
Total rentals payable under operating leases		
Payable during the year	122	141
Future minimum lease payments due		
No later than one year	132	148
Later than one year and no later than five years	124	178
TOTAL LEASE PAYMENTS DUE	256	326

25 SUBSIDIARY UNDERTAKINGS

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

COMPANY	PRINCIPAL ACTIVITY	OWNERSHIP
St George's Enterprises Ltd	Provides consultancy services to the medical sector on behalf of St George's and holds investments in two spin out companies. St George's directly holds 2 ordinary shares of £1	100% owned
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.

St George's total pension costs were:	2020 £000	2019 £000
USS	3,960	3,395
SAUL	611	684
NHSSS	1,597	1,176
TPS	847	602
LGPS	216	193
NEST	5	4
	7,236	6,054

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 is underway but not yet complete.

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.

	2020	2019
Discount rate	2.59%	2.44%
Pensionable salary growth	4.20%	2.11%
Pension increases (CPI)	-	-

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:

	2020	2019
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

	2020 £bn	2019 £bn
Scheme assets	63.7	60.0
Total scheme liabilities	67.3	67.5
FRS 102 total scheme deficit	3.6	7.5
FRS 102 total funding level	95%	89%

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

NOTES TO THE ACCOUNTS

SUPERANNUATION ARRANGEMENTS OF THE UNIVERSITY OF LONDON (SAUL)

The total cost charged to the income and expenditure account is £0.6m (2019: £0.7m). 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 2018 and are due to be reviewed at SAUL's next formal valuation in 2020. At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE Salaries.

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 was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. 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.

NATIONAL HEALTH SERVICE SUPERANNUATION SCHEME (NHSSS)

The total cost charged to the income and expenditure account is £1.6m (2019: £1.2m). The contribution rate payable by St George's was 20.6% of employee salaries.

The NHSSS 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 NHSSS is a multi-employer scheme consequently it is unlikely that it will be 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 £0.8m (2019: £0.6m). 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 that the scheme was in deficit.

LOCAL GOVERNMENT PENSION SCHEME

The total cost charged to the income and expenditure account is £0.2m (2019: £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. The figures disclosed have been derived from the actuarial valuations carried out by Hymans Robertson LLP as at 31 July 2020. The date of the last triennial valuation was 31 March 2016.

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

	2020	2019
Discount rate	1.4%	2.1%
Pensionable salary growth	2.6%	2.0%
Pension increases	2.2%	2.4%

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

	Males	Female
Current pensioners	21.7 years	23.9 years
Future pensioners	22.6 years	25.5 years

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

Reconciliation of movement in the fair value of plan assets	2020 £000	2019 £000
Opening position	7,184	6,464
Interest on plan assets	153	183
Plan participants' contributions	59	59
Employer contributions	215	220
Benefits paid	(150)	(126)
Return on assets excluding amounts included in net interest	(348)	384
CLOSING POSITION	7,113	7,184

Reconciliation of the present value of the defined benefit obligation	2020 £000	2019 £000
Opening position	9,757	8,267
Current service costs	351	335
Interest cost on defined benefit obligation	208	235
Plan participants contributions	59	592
Benefits paid	(150)	(126)
Change in financial assumptions	1,499	987
CLOSING POSITION	11,724	9,757

FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020**NOTES TO THE ACCOUNTS****27 FINANCIAL INSTRUMENTS**

The financial statements have been prepared on the historical cost convention (modified by the revaluation of heritage asset and 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.

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Financial Assets				
Non-current investments	16,671	19,772	14,971	17,931
Trade and other receivables	13,862	12,154	13,862	12,154
Amounts due from subsidiary companies	-	-	-	65
	30,533	31,926	28,903	30,150

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Financial Liabilities				
Unsecured loans	19,904	21,383	19,904	21,383
Trade payables	4,464	5,150	4,464	5,150
Accruals and deferred income	10,699	6,342	10,699	6,342
Other long-term creditors	32,507	34,052	32,507	34,052
Amounts due to subsidiary companies	-	-	48	46
	67,574	66,927	67,622	66,973

28 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. Kingston University and SGUHFT are represented on St George's Council. Income from these organisations is included within Other operating income – services rendered (Note 4) and the balance owed by SGUHFT, being the most material, is set out in Note 16 and amounts due to SGUHFT in Note 17.

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 2018/19). 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 SOURCES OF GRANT AND FEE INCOME

	CONSOLIDATED		ST GEORGE'S	
	2020	2019	2020	2019
	£000	£000	£000	£000
Grant income from the OfS	12,962	12,133	12,962	12,133
Grant income from other bodies	3,935	3,595	3,935	3,595
Fee income for taught awards	38,425	40,233	38,425	40,233
Fee income for research awards	11,300	13,095	11,300	13,095
Fee income from non-qualifying courses	380	782	380	782
TOTAL GRANT AND FEE INCOME	67,002	69,838	67,002	69,838

29 ACCOUNTING ESTIMATES AND JUDGEMENTS

St George's has made the following key assumptions concerning the future and key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year such as:

PENSION

The principal assumptions relate to mortality of members, the rate of staff cost inflation and the discount rate.

OFFICE FOR STUDENTS CLAWBACK

An estimate has been made on the number of non-completing students which may result in a clawback of Office for Students income.

BAD DEBT PROVISION

An estimate has been made on the likelihood of the recoverability of debt outstanding at year end.

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