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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	Universities and Colleges Employers' Association
Year ended:	31/07/2014
List No:	1581E
Head or Main Office:	Woburn House Tavistock Square London WC1H 9HU
Website address (if available)	www.ucea.ac.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	Helen Fairfoul
Contact name for queries regarding the completion of this return:	Sue Endean
Telephone Number:	020 7383 2444
e-mail:	s.endean@ucea.ac.uk

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**  
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

**For Employers' Associations based in England and Wales:**  
Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ  
**For Employers' Associations based in Scotland:**  
Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG



## **OFFICERS IN POST AS AT 31 JULY 2014**

### **DIRECTORS:**

Mr K Bloomer  
Professor J Brooks  
Mr R Bullock  
Professor Sir R Burgess  
Professor S Chapman  
Professor P Curran  
Mr G Dawson  
Professor C Gaskell  
Mr P Jagger  
Mr J Jeans  
Professor K Lamberts  
Professor J Lydon  
Professor A Nolan  
Professor D Nutbeam  
Mr A Pedder  
Professor N Petford  
Professor P Webley  
Ms S Wonnacott

### **Senior Management**

#### **Chief Executive**

Helen Fairfoul

#### **Company Secretary**

Sue Endean

# RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
4	0	0	0	4

## OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each person's office. See Annex 1

## CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Company Secretary	Alison Cross	Susan Endean	6 March 2014
Director		Professor Andrea Nolan	Appointed 1 September 2013
Director		Mr Anthony Pedder	Appointed 1 September 2013
Director		Professor Koenraad Lamberts	Appointed 1 January 2014
Director	Professor Sir Robert Burgess		Resigned 31 July 2014
Director	Professor Paul Webley		Resigned 31 July 2014

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
1,278,880	From Members	Subscriptions, levies, etc		1,317,194
34,022	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)		30,232
11,537	Other income	Rents received	13,577	
128,980		Remuneration Survey income	141,296	
13,049		Pensions Strategy project	13,049	
326,368		Seminars/events	271,691	
14,611		Consultancy	13,325	
nil		EC research project	38,751	
nil		Miscellaneous receipts (specify)		
494,545				491,689
1,807,447	<b>TOTAL INCOME</b>			1,839,115
	<b>EXPENDITURE</b>			
	Administrative expenses			
991,745		Remuneration and expenses of staff	1,126,236	
163,495		Occupancy costs	135,534	
144,589		Survey and Seminar Expenditure	145,600	
45,677		Research and Consultancy	5,226	
106,559		Operating expenditure (inc. Corp Tax)	103,979	
85		Pensions Strategy Project	149	
20,469		Other Professional Charges	94,023	
16,181		Communications	34,261	
8,950		JNCHES expenditure	6,435	
nil		EC research project	16,198	
	Other charges			
15,988		Depreciation	22,555	
nil		Irrecoverable VAT	71,041	
12,797		Meeting expenses	17,647	
1,526,535	<b>TOTAL EXPENDITURE</b>			1,778,884
280,912	Surplus/Deficit for year			64,431
1,082,991	Amount of fund at beginning of year			1,363,903
1,363,903	Amount of fund at end of year			1,428,334

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 5		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 7		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	





# FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
<b>BOOK AMOUNT at end of period</b>				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>				

# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
<b>QUOTED</b>	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

\* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		YES	NO ✓
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>INCORPORATED EMPLOYERS' ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
<b>UNINCORPORATED EMPLOYERS ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	1,317,194		1,317,194
From Investments	30,232		30,232
Other Income (including increases by revaluation of assets)	491,689		491,689
<b>Total Income</b>	1,839,115		1,839,115
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	1,778,884 4,684		1,778,884 4,684
<b>Funds at beginning of year</b> (including reserves)	1,363,903		1,363,903
<b>Funds at end of year</b> (including reserves)	1,428,334		1,428,334
<b>ASSETS</b>			
Fixed Assets			69,460
Investment Assets			
Other Assets			1,601,983
		<b>Total Assets</b>	1,671,443
<b>LIABILITIES</b>		<b>Total Liabilities</b>	243,109
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			1,428,334

# NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for the user to enter or attach notes to the accounts.

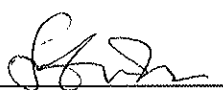
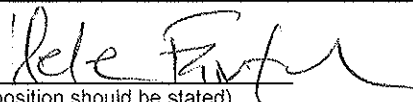
# ACCOUNTING POLICIES

(see notes 37 and 38)

## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u>  Name: <u>Susan Endean</u> Date: <u>19/12/2014</u>	Chief Executive's Signature: <u></u> (or other official whose position should be stated)  Name: <u>Helen Fairfoul</u> Date: <u>19/12/2014</u>
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## CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	✓	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	✓	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	✓	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	✓	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	✓
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	✓	NO	

# AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

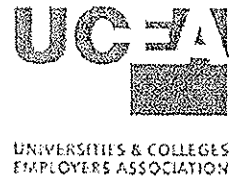
1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)  
  
YES  
If "No" please explain below.
  
2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
  - (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?(See section 36(3) of the 1992 Act, set out in note 43)  
  
YES  
If "No" please explain below.
  
3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
  - (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.(See section 36(4) of the 1992 Act set out in note 43)  
  
YES  
If "No" please explain below.
  
4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 45)

## AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	<i>Knox Cropper</i>	
Name(s):	Knox Cropper	
Profession(s) or Calling(s):	Chartered Accountants and Registered Auditors	
Address(es):	153-155 London Road Hemel Hempstead Hertfordshire HP3 9SQ	
Date:	17 December 2014	
Contact name and telephone number:	01442 218309	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.





**The Universities and Colleges Employers' Association**

**Annual Report of the Directors and  
Financial Statements**

**Year ended 31 July 2014**



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## Company Information

**DIRECTORS:**

Mr K Bloomer  
Professor J Brooks  
Mr R Bullock  
Professor Sir R Burgess  
Professor S Chapman  
Professor P Curran  
Mr G Dawson  
Professor C Gaskell  
Mr P Jagger  
Mr J Jeans  
Professor K Lamberts  
Professor J Lydon  
Professor A Nolan  
Professor D Nutbeam  
Mr A Pedder  
Professor N Petford  
Professor P Webley  
Ms S Wonnacott

**REGISTERED OFFICE:**

Woburn House  
20 Tavistock Square  
London  
WC1H 9HU

**REGISTERED NUMBER:**

02914327 (England and Wales)

**BANKERS:**

National Westminster Bank Plc  
PO Box 83  
Tavistock House  
Tavistock Square  
London  
WC1H 9XA

**AUDITORS:**

Knox Cropper  
Chartered Accountants and Statutory Auditors  
153 – 155 London Road  
Hemel Hempstead  
Hertfordshire  
HP3 9SQ

## Directors

The members of the UCEA Board (the Directors of the Company) and the member by whom they were nominated are shown below for the year from 1 August 2013 to 31 July 2014:

	Joined/left in the year	Nominating body
Professor P Curran (Chair) City University London		UUK
Mr K Bloomer Queen Margaret University		CUC
Professor J Brooks (Deputy Chair) Manchester Metropolitan University		UUK
Mr R Bullock Nottingham Trent University		CUC
Professor Sir R Burgess University of Leicester	Resigned 31 July 2014	UUK
Professor S Chapman (Chair, UCEA Scottish Committee) Heriot Watt University		Universities Scotland
Mr G Dawson (Chair, Finance and Audit Committee) Sheffield Hallam University		CUC
Professor C Gaskell Royal Agricultural University		GuildHE
Mr P Jagger (Deputy Chair) Bradford University		CUC
Mr J Jeans Cardiff University		CUC
Professor J Lydon University of South Wales		UUK
Professor D Nutbeam University of Southampton		UUK
Professor N Petford University of Northampton		UUK
Professor P Webley School of Oriental and African Studies	Resigned 31 July 2014	UUK
Ms S Wonnacott Leeds College of Art		GuildHE
Professor A Nolan Edinburgh Napier University	Appointed 1 September 2013	Universities Scotland
Mr A Pedder University of Sheffield	Appointed 1 September 2013	CUC
Professor K Lamberts University of York	Appointed 1 January 2014	UUK

No member of the UCEA Board had a beneficial interest in any contracts with the company.

## Senior Management

### Chief Executive

Ms H Fairfoul

### Company Secretary

Mrs A Cross

Mrs S Endean

Resigned 5 March 2014

Appointed 6 March 2014

## Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 July 2014.

The administrative information on pages 3-5 forms part of this report, which is also the directors' report for the purposes of the Companies Act.

### Organisation

The Universities and Colleges Employers' Association (UCEA) is a company limited by guarantee and the members of the company are the Universities UK (UUK), the Committee of University Chairs (CUC), GuildHE and Universities Scotland. It is one of a number of agencies established on behalf of Higher Education Institutions (HEIs) in the UK to carry out various executive and advisory functions.

### Our subscribers

HEIs are invited annually to subscribe to UCEA in order to make use of the services offered. UCEA also offers Associate Member status to other sector bodies. In 2013/14 membership totalled 166 (162 institutions and four associate members).

### Our mission and Strategic Plan

UCEA's mission is to represent and promote the interests of Higher Education (HE) providers in the UK as employers, recognising their autonomy and diversity; and to anticipate change and support effective employment relations, practice and reward strategies within our member institutions.

UCEA's 2012-15 Strategic Plan sets out our aims and objectives, together with success measures and outcomes. Implementation remains the responsibility of UCEA's senior team. The UCEA Board monitors progress and this is reported annually to members. In brief, our strategic aims are to:

- Support our members in delivering world class higher education and research.
- Enhance knowledge and facilitate dialogue between our members.
- Represent the collective interests of our members.

UCEA's Work Programme for 2013-14 presented a summary of the key activities and projects that were to be undertaken in the year. These were grouped under three themes:

- workforce and organisational change
- pay
- pensions

In addition, UCEA also represents and seeks to enhance the collective voice of HE employers on key issues and collaborates with other sector bodies where this will increase impact. The core services provided to members are summarised below:

- Delivering effective representation and negotiation on behalf of HE sector employers.
- Providing accurate and timely advice to subscribers on issues relating to employment, reward and HR.
- Promoting pay modernisation.
- Providing support to members in respect of all the sector pensions schemes.
- Conducting applied research and surveys to support subscribers and underpin UCEA representation and advice.
- Supporting HEIs employing clinical academics, dentists and other healthcare professionals.
- Supporting HEIs to deliver a safe working environment.
- Meeting the needs of different types of HEIs, in the four UK jurisdictions.
- Providing events and seminars on a range of employment topics.

## Summary of the Year

During the year there was a change of Deputy Chief Executive following the resignation of Alison Cross who moved to the post of Director of Human Resources at Oxford Brookes University. Sue Endean was appointed as Deputy Chief Executive in March 2014.

2013-14 was another year characterised by change and challenge in the UK HE sector as the new student funding regimes continued to bed in and universities reviewed their investment plans to meet the increasing expectations of students and the uncertainties facing the sector. There were particular challenges facing HEIs as employers as they looked to recruit and retain high calibre staff while ensuring future sustainability. As the employers' association, UCEA continued to aim to anticipate those challenges to ensure that its services met the on-going needs of the subscribing institutions.

Presented below are some of the highlights of the activities undertaken in this last year, structured - as in the Work Programme - under three themes. These have been underpinned by extensive communications activities and a full range of membership services and support, as listed on UCEA's website <http://www.ucea.ac.uk/en/about/services/index.cfm> and in the Making the Most of UCEA document to be found at: <http://www.ucea.ac.uk/en/publications/index.cfm/making>

### Theme 1: Workforce and organisational change

During the autumn of 2013, UCEA launched a programme of support and resources for institutions on various aspects of organisational change covering developments in reward and incremental progression, the post-92 contract, flexibility in the workforce, workload allocation and academic career pathways. The programme was designed to offer a range of tailored support to assist HEIs to develop locally appropriate solutions to their own workforce challenges. For example, it included small, action-focused support networks on several key topics (revising contracts of employment, career paths and ways of introducing more flexibility within the workforce), larger member events on reward systems, employee voice, leading on workforce change and the high performing university, together with the production of relevant research, data analysis and the writing up of case studies.

The 'Reward structures and pay progression' briefing paper was published in February 2014, drawing on experience both within and beyond the HE sector and providing access for members to sector-level research and analysis of practice on performance enhancement and pay progression. A highly successful master class took place to assist strategic thinking about reward in the sector and to highlight a range of possible alternative approaches.

In November 2013, the Minister for Universities and Science invited Professor Sir Ian Diamond to lead a second phase of work on efficiency, effectiveness and value for money in universities. The project is led by Universities UK (UUK) and UCEA has co-chaired with Universities Human Resources (UHR) the working group focussing on the higher education workforce and academic practices and processes. Through active engagement with the sector's HR community and other senior staff within institutions, the working group will be delivering the work on this important element, working collaboratively with the key partner bodies.

The sector operates in a global environment and UCEA undertook in the work programme to provide support to members on the employment aspects of international HE provision and academic recruitment. With sister organisations in Australia and Canada, UCEA has been planning and organising a joint HE employers' conference to be held in Canada in autumn 2014. UCEA also contributed to conferences and meetings in the USA, Brussels and at The Association of Commonwealth Universities' HR conference. In collaboration with UUK, UCEA continued to liaise with the Home Office to provide support and guidance to HEIs on the UK's immigration processes for international members of staff. UCEA was also successful in securing a grant to lead a European funded project. The project is looking at the role played by trade unions and employers in supporting early career researchers and the employment relations issues associated with these relationships. The aim is to improve expertise in industrial relations within Higher Education and to promote the exchange of information and experience among the members of both the European Federation of Education Employers (EFEE) and the European Trade Union Committee for Education (ETUCE).

## Theme 2: Pay

After supporting and guiding members through an extended period of dispute with both actual and threatened industrial action, a key priority was to seek an orderly conclusion to the 2013/14 pay round over which four trade unions were in dispute. Following extensive talks, the employers' negotiating team made a full and final offer on 2014/15 pay on 15 April 2014. All five trade unions accepted the final offer on pay over the following weeks after undertaking either member or branch consultations. The union acceptance meant the settlement of the 2014/15 pay round and a line drawn under the 2013/14 dispute and the associated industrial action. This led to a planned assessment boycott being duly called off.

The agreement reached on the pay element allowed further progress to be made on the pay-related aspects of the unions' claim and joint working was agreed with the TUs on aspects of the casual workforce and gender pay equality. The terms of reference agreed for both working groups include a commitment to build a shared understanding of the issues and to promote effective practice via analysis of relevant data, identification of relevant case studies and the production of final reports of findings for dissemination. In addition to securing agreement with the trade unions to take forward the joint work on the gender pay gap, UCEA also participated in the sector agency Diversity summit and action plan and published the outcomes of joint work on HEIs' equal pay reviews and the findings from these.

UCEA has been actively involved in supporting HE employers in negotiating and supporting implementation of the major changes to pay and reward proposed for clinical consultants, ensuring that the interests of clinical academics are properly represented. Regular liaison with NHS Employers on the proposed changes to the NHS junior doctor contract has also helped to ensure that any implications for HE are not overlooked.

Our membership across the UK's diverse higher education sector means that UCEA is well networked, well informed and influential. We seek to maintain channels for dialogue on key employment issues for our members with Government, sector funders and other bodies, raising the profile of employment issues for our members, both proactively and reactively, with decision-makers and influencers, including the media. Topical issues for 2013/14 have included the 'Living Wage' and 'zero hours' contracts. UCEA has issued briefings, submitted evidence to BIS and presented evidence to the Scottish Affairs Committee to give a balanced and accurate picture of the situation in HE. A briefing event was run for members on the Living Wage and guidance published to provide background and forecast information.

UCEA continues to provide support to member institutions on all aspects of reward strategy. This includes the provision of contextual briefings and media and stakeholder management to communicate the continuing challenges of the HE environment and to foster an understanding of HE reward and financial sustainability issues. The XperTHR and Senior Staff Remuneration surveys were enhanced and we saw a record number of participating institutions. The UCEA database of conditions of employment was updated over the year and this will enable individual HEIs to benchmark relevant terms. UCEA also assisted some members with bespoke pay benchmarking needs.

## Theme 3: Pensions

There are continuing issues and challenges facing all pension schemes within the sector and UCEA has continued its work independently and through the Employers' Pension Forum (EPF) to provide broad-ranging support both in relation to scheme-specific issues and the sector-specific impact of wider regulatory changes.

We have advised and represented our members at scheme level to prepare for the implementation of the public sector scheme changes, maximised the sector's input to scheme governance reform and represented HE employers' concerns in respect of scheme valuations, Fair Deal and other such issues. We have continued to provide up to date information to members on the changing pensions tax regime and provided support, including a members' event, to those institutions reaching a later



auto-enrolment staging date. In respect of auto-enrolment UCEA also assisted in the procurement process for the successful selection of an HE Defined Contribution provider.

UCEA played a key role in commissioning research on behalf of EPF members on HEI designation and the scope for flexibility within public sector schemes. Again on behalf of EPF, we also published a new report surveying the sector's SAT schemes (Self-Administered Trusts) and continued to collate and publish case studies. A members' event on SATs was organised to allow the sharing of experience and expertise.

In anticipation of the likely outcome of the March 2014 Universities Superannuation Scheme (USS) valuation, UCEA has, working with UUK and through the EPF USS Group, assisted in securing and delivering actuarial and specialist advice for the employers and exploring the possible options for addressing a significant deficit. We have been supporting negotiations with UCU and provided communications support and assistance with media management.

### **Services to members and other underpinning activities**

UUK, GuildHE, the Leadership Foundation for Higher Education, the Equality Challenge Unit and UHR have all been important partners in our work during 2013/14. UCEA continued to produce authoritative sector submissions to consultations on behalf of our members at both UK and European level. These included consultations on pension scheme changes, policy reform and changes and amendments to employment law. For the first time, UCEA produced a suite of infographics on HEIs' income, expenditure and surpluses; trade union density and support for industrial action and pay in HE. Media relations have also been managed at sector level, both proactively and reactively, to communicate the benefits of working in HE and providing other key employer messages.

UCEA is committed to maximising the efficiency and effectiveness of our own operation for the benefit of our subscribers. A satisfaction survey of our members was conducted in 2013/14 for the first time in a number of years with very positive results as reported to members in January 2014. We have also continued to develop and enhance our website to ensure that resources are relevant and easily accessible to our members. We have retained all existing 162 HEI members and welcomed 4 new associate member organisations. Throughout the year we have had a high level of interactions with and visits to member institutions plus attendance at numerous national and regional sector group meetings. We have continued to run an extensive and highly regarded programme of events and a number of support networks.

### **UCEA Governance and risk management**

The UCEA Board meets six times a year, supported by standing committees for finance, audit and remuneration. In light of the findings of the Review of Board Effectiveness (June 2013) consideration was given to separating the finance and audit functions into two separate committees. The existing arrangements were deemed to be appropriate and proportionate but it was agreed that the Chair of the Board would serve as a full member of the Committee for the finance business but revert to observer status for the audit business and could be asked to withdraw (as could the officers in attendance) at the request of the Chair of the Finance and Audit Committee or the auditors. The Board continues to review UCEA's risk register at regular intervals, advising on the appropriate action to mitigate any significant issues.

### **Review of the Business**

The results for the year ended 31 July 2014, set out on page 14, show a surplus, after taxation, of £64,431 (31 July 2013: £280,912).

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

on behalf of the Board:



.....  
Professor P Curran – Director

Date: ..... 15.10.2014 .....

## Independent Auditors' Report

We have audited the financial statements of The Universities and Colleges Employers' Association for the year ended 31 July 2014 on pages thirteen to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page ten, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

*Stephen Anderson*

Stephen Anderson (Senior Statutory Auditor)  
for and on behalf of Knox Cropper  
Chartered Accountants and Statutory Auditors  
153 -155 London Road  
Hemel Hempstead  
Hertfordshire  
HP3 9SQ

Date: 15/10/14.....

THE UNIVERSITIES AND COLLEGES  
EMPLOYERS' ASSOCIATION

Profit and Loss Account  
for the Year Ended 31 July 2014

	Notes	2014		2013	
		£	£	£	£
<b>TURNOVER</b>	2		1,808,883		1,773,623
Staff costs	3	1,095,335		934,435	
Depreciation		22,555		15,988	
Other operating charges		<u>650,748</u>		<u>569,506</u>	
			<u>1,768,638</u>		<u>1,519,929</u>
<b>OPERATING PROFIT</b>	4		40,245		253,694
Interest receivable and similar income			<u>30,232</u>		<u>34,022</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			70,477		287,716
Tax on profit on ordinary activities	5		<u>6,046</u>		<u>6,804</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u><u>64,431</u></u>		<u><u>280,912</u></u>

The notes form part of these financial statements

THE UNIVERSITIES AND COLLEGES  
EMPLOYERS' ASSOCIATION (REGISTERED NUMBER: 02914327)

Balance Sheet  
31 July 2014

	Notes	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		69,460		80,909
<b>CURRENT ASSETS</b>					
Debtors	10	78,555		137,289	
Cash at bank		<u>1,523,428</u>		<u>1,396,598</u>	
		1,601,983		1,533,887	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>243,109</u>		<u>250,893</u>	
<b>NET CURRENT ASSETS</b>			<u>1,358,874</u>		<u>1,282,994</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,428,334</u>		<u>1,363,903</u>
<b>RESERVES</b>					
Profit and loss account	13		<u>1,428,334</u>		<u>1,363,903</u>
			<u>1,428,334</u>		<u>1,363,903</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on .....15/10/14..... and were signed on its behalf by:



.....  
Professor P Curran - Director

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

### Pension costs and other post-retirement benefits

The company participates in the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL), which are funded, defined benefit schemes. The schemes are contracted out of the State Second Pension (S2P). The schemes are valued formally every three years by professionally qualified independent actuaries using the projected unit method. Informal reviews of the schemes' position are carried out in the period between formal valuations. The company has adopted Financial Reporting Standard No. 17. As it is not possible to identify the company's share of the underlying assets and liabilities of the schemes, the charge to the income and expenditure account is the contributions payable to the schemes for the accounting period, which is the same as it would be if these were defined contribution schemes.

### Income

Income mainly comprises income received from subscriptions, seminars and remuneration surveys provided to subscribing members, net of VAT.

### Vat

Expenditure is stated net of VAT. Irrecoverable VAT is charged as a separate expense within the accounts.

2. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

	2014	2013
	£	£
Subscriptions	1,317,194	1,278,880
Remuneration surveys	141,296	128,980
Rental & meeting room hire	13,577	11,537
Pension Strategy Project	13,049	13,049
Clinical academic consultancy	-	770
Seminars & International Conference	271,691	326,566
Consultancy	13,325	13,841
EC research project	38,751	-
	<u>1,808,883</u>	<u>1,773,623</u>

3. **STAFF COSTS**

	2014	2013
	£	£
Wages and salaries	892,157	760,821
Social security costs	74,020	64,453
Other pension costs	129,158	109,161
	<u>1,095,335</u>	<u>934,435</u>

The average monthly number of employees during the year was as follows:

2014	2013
<u>19</u>	<u>18</u>

Included in "wages and salaries" is the salary paid to Chief Executive of £115,000 (2013: £109,659). The company participates in the salary sacrifice pension scheme and the pensionable salary includes this element of pay.

4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation - owned assets	22,555	16,051
Profit on disposal of fixed assets	-	(63)
Auditors' remuneration	4,200	4,500
Foreign exchange differences	<u>5</u>	<u>(16)</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>



5. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax	<u>6,046</u>	<u>6,804</u>
Tax on profit on ordinary activities	<u>6,046</u>	<u>6,804</u>

6. OTHER OPERATING EXPENSES

	2014	2013
	£	£
Administration	70,936	72,680
Meeting & Board expenditure	17,647	12,797
Remuneration surveys expenditure	52,912	37,105
Research and data collection	5,226	5,808
Communications	34,261	16,181
IT support	26,997	31,773
Other staff costs	4,974	-
Seminars & International Conference expenditure	92,688	107,484
Premises costs	135,534	163,495
Miscellaneous consultancy	-	39,869
Other professional charges	89,823	15,969
JNCHES expenditure	6,435	8,950
Pension strategy project	149	85
Recruitment, training & secondment	25,927	57,310
Irrecoverable VAT	71,041	-
EC research project	16,198	-
	<u>650,748</u>	<u>569,506</u>

## 7. PENSION SCHEMES

### a) Universities Superannuation Scheme (USS)

The company participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administrated fund.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under then new 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 £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits, which had accrued to members after allowing for expected future increases in earnings.

Work on the 2014 valuation is currently underway. The actuary has provided an estimate, based on the assumptions in the 2011 valuation, of the funding level at 31 March 2014. Based on these assumptions the funding level under the new scheme specific funding regime had fallen from 92% to 85%.

Following UK government legislation, from 2011 statutory pensions increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the previous valuation as at 31 March 2011 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

#### **New Entrants**

Other than in specific, limited circumstances, new entrants are now provided on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

#### **Normal pension age**

The normal pension age was increased for future service and new entrants to age 65.

#### **Member contributions increased**

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

#### **Cost sharing**

If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

#### **Pension increase cap**

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If the official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

The next formal triennial actuarial valuation is due as at 31 March 2014. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The company participates in the salary sacrifice pension scheme. The staff costs (note 3) shows the pensionable salary which includes the employee salary sacrifice element. The company contribution rate payable was 16% of pensionable salaries

As at 31 March 2014, USS had over 162,000 active members and the institution had 13 active members participating in the scheme.

The total pension cost (excluding the salary sacrifice pension element) for the company was £115,919 (2013: £96,785).

**b) Superannuation Arrangements of the University of London (SAUL)**

The company participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds.

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out as at 31st March 2011. The market value of the scheme's assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and Trustee's long-term investment strategy, the Trustee and Employers agreed to maintain Employer and Member contributions at 13% of salaries and 6% of salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in deficit at the last formal valuation date (31st March 2011).

The more material changes (the introduction of a Career Average Revalued Earnings, or "CARE", benefit structure) to SAUL's benefit structure will apply from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions as at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the valuation date.

The company participates in the salary sacrifice pension scheme. The staff costs (note 3) shows the pensionable salary which includes the employee salary sacrifice element. The company contribution rate payable was 13% of pensionable salaries

The total pension cost for the company (excluding the salary sacrifice pension element) was £13,239 (2013: £12,376).

**8. MEMBERS**

The company is incorporated as a company limited by guarantee having no share capital and, in accordance with the Memorandum and Articles of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. The members of the company are the Universities UK (UUK), the Committee of University Chairmen (CUC), GuildHE (formerly the Standing Conference of College Principals) and Universities Scotland.

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 August 2013	72,882	17,396	32,123	122,401
Additions	-	-	11,106	11,106
Disposals	-	(286)	(18,245)	(18,531)
At 31 July 2014	<u>72,882</u>	<u>17,110</u>	<u>24,984</u>	<u>114,976</u>
<b>DEPRECIATION</b>				
At 1 August 2013	8,796	9,754	22,942	41,492
Charge for year	14,576	2,686	5,293	22,555
Eliminated on disposal	-	(286)	(18,245)	(18,531)
At 31 July 2014	<u>23,372</u>	<u>12,154</u>	<u>9,990</u>	<u>45,516</u>
<b>NET BOOK VALUE</b>				
At 31 July 2014	<u>49,510</u>	<u>4,956</u>	<u>14,994</u>	<u>69,460</u>
At 31 July 2013	<u>64,086</u>	<u>7,642</u>	<u>9,181</u>	<u>80,909</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	4,962	46,866
Other debtors	<u>73,593</u>	<u>90,423</u>
	<u>78,555</u>	<u>137,289</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	25,766	63,217
Taxation and social security	38,579	32,068
Other creditors	<u>178,764</u>	<u>155,608</u>
	<u>243,109</u>	<u>250,893</u>

12. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2014 £	2013 £
Expiring: Between one and five years	<u>109,984</u>	<u>109,984</u>

13. RESERVES

	Profit and loss account £
At 1 August 2013	1,363,903
Profit for the year	<u>64,431</u>
At 31 July 2014	<u>1,428,334</u>

COMPANY NO: 2914327

**MEMORANDUM AND ARTICLES  
OF ASSOCIATION  
THE UNIVERSITIES AND COLLEGES EMPLOYERS'  
ASSOCIATION**

**(revised 11 December 2013)**

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL



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