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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

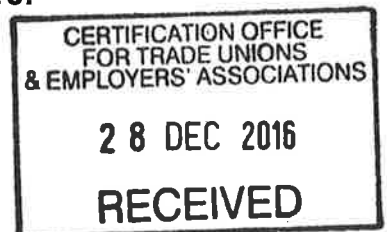
Name of Employers' Association:	Universities and Colleges Employers' Association
Year ended:	31/07/2016
List No:	1581E
Head or Main Office:	Woburn House Tavistock Square London WC1H 9HU
Website address (if available)	www.ucea.ac.uk
Has the address changed during the year to which the return relates?	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 2016

### **DIRECTORS:**

Mr K Bloomer  
Mr C Brodie  
Mr J Cope  
Professor Sir P Curran  
Mr G Dawson  
Professor C Gaskell  
Professor J Hughes  
Mr P Jagger  
Professor K Lamberts  
Professor J Lydon  
Professor F McCormac  
Professor A Nolan  
Professor E Peck  
Professor N Petford  
Professor M E Smith  
Professor J Weinberg  
Professor 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				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 persons office.

## 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
Director		Professor Mark E. Smith	01.02.2016
Director	Keir Bloomer		31.07.2016
Director	Paul Jagger		31.07.2016
Director	Professor Chris Gaskell		31.07.2016
Director	John Jeans		21.12.15
Director	Tony Pedder (28.03.16)	Jerry Cope (01.06.2016)	28.03.16

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
1,331,839	From Members	Subscriptions, levies, etc		1,358,162
18,910	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)		21,056
9,134	Other income	Rents received	7,898	
143,050		Remuneration Survey	159,005	
7,612		Pensions Strategy Project	0	
287,694		Seminars / Events	344,215	
8,375		Consultancy	3,675	
24,325		EC Research Project	0	
0		Membership Event Income	2,305	
				517,098
480,190				
1,830,939		<b>TOTAL INCOME</b>		1,896,316
	<b>EXPENDITURE</b>			
	Administrative expenses			
1,089,274		Remuneration and expenses of staff	1,024,454	
126,503		Occupancy costs	133,279	
109,479		Surveys & Seminars expenditure	157,374	
10,161		Research & Consultancy	2,208	
99,980		Operating expenditure	95,065	
405		Pensions Strategy Project	435	
49,674		Other Professional charges	42,021	
20,981		Communications	23,213	
22,336		JNCHES expenditure	13,134	
60,997		EC Research Project	0	
14,525		Meeting expenses	12,003	
23,344	Other charges	Depreciation	22,235	
74,000		Irrecoverable VAT	62,145	
0		Other finance costs	8,419	
3,782	Taxation		4,211	
1,705,441		<b>TOTAL EXPENDITURE</b>		1,600,196
125,498		Surplus/Deficit for year		296,120
1,428,334		Amount of fund at beginning of year		1,313,275
1,553,832		Amount of fund at end of year		1,609,395

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 2</b>		<b>Fund Account</b>	
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)	

<b>ACCOUNT 3</b>		<b>Fund Account</b>	
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 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)

<b>ACCOUNT 6</b>		<b>Fund Account</b>	
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)	

<b>ACCOUNT 7</b>		<b>Fund Account</b>	
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)	
	<b>TOTAL QUOTED (as Balance Sheet)</b>	
	<b>*Market Value of Quoted Investments</b>	
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	<b>TOTAL QUOTED (as Balance Sheet)</b>	
	<b>*Market Value of Unquoted Investments</b>	

\* 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

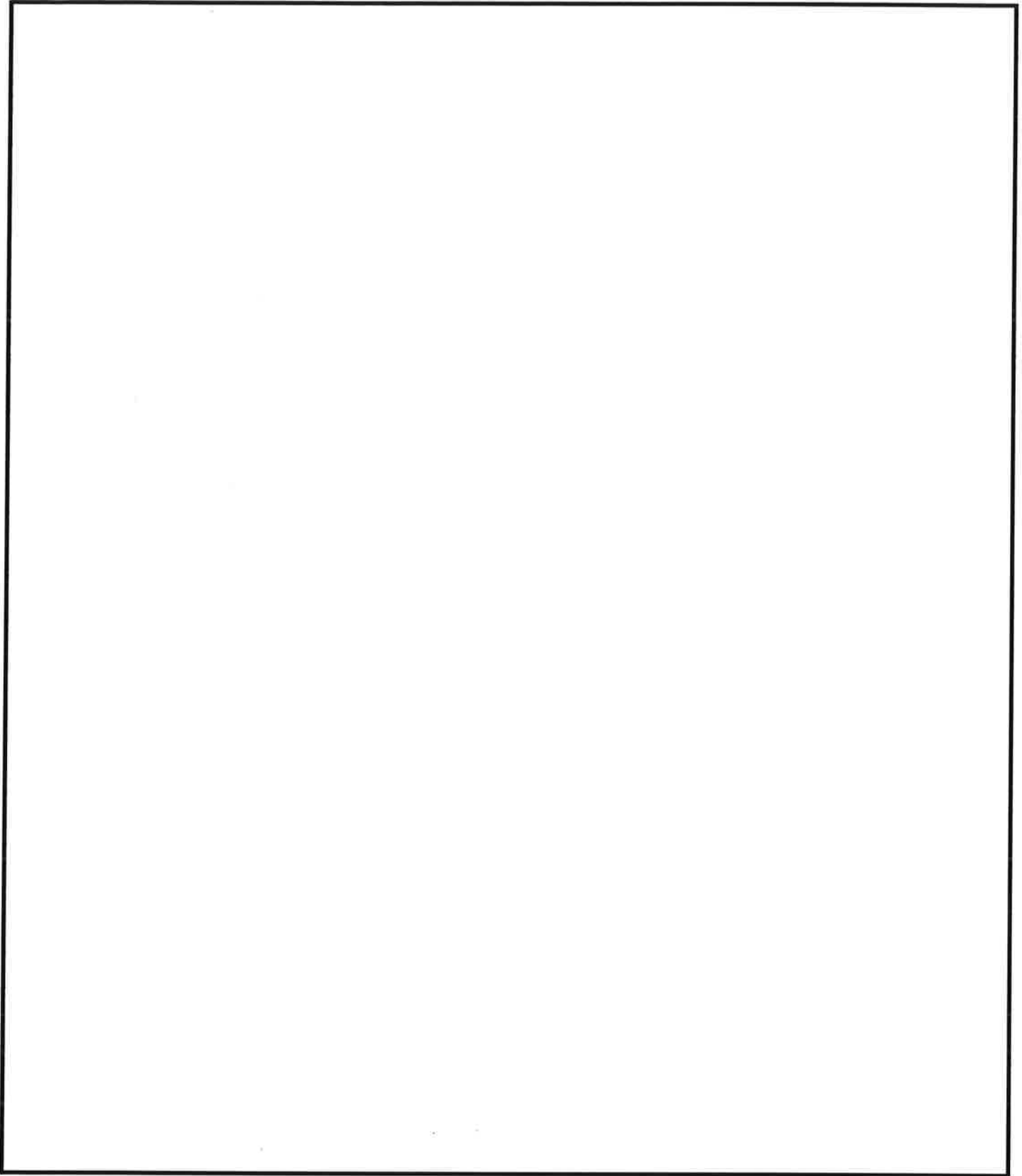
(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	1,358,162		1,358,162
From Investments	21,056		21,056
Other Income (including increases by revaluation of assets)	517,098		517,098
<b>Total Income</b>	1,896,316		1,896,316
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	1,600,196		1,600,196
<b>Funds at beginning of year</b> (including reserves)	1,313,275		1,313,275
<b>Funds at end of year</b> (including reserves)	1,609,395		1,609,395
<b>ASSETS</b>			
Fixed Assets			25,371
Investment Assets			
Other Assets			1,913,104
		<b>Total Assets</b>	1,938,475
<b>LIABILITIES</b>		<b>Total Liabilities</b>	329,080
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			1,609,395

# NOTES TO THE ACCOUNTS

(see note 36)

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

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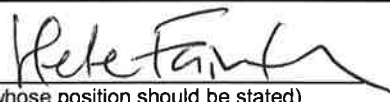
# ACCOUNTING POLICIES

(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>16/12/16</u>	<sup>CEO</sup> Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>HELEN FAIRFOUL</u> Date: <u>16/12/16</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/NO

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/NO

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/NO

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:		
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:	16 <sup>th</sup> December 2016	
Contact name and telephone number:	Stephen Anderson 01442218309	

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





**Report of the Directors and  
Financial Statements for the Year Ended 31 July 2016**

**for**

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Contents of the Financial Statements  
for the Year Ended 31 July 2016**

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**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Company Information  
for the Year Ended 31 July 2016**

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**DIRECTORS:**

Professor G Baldwin  
Mr C Brodie  
Mr J Cope  
Professor S Corbridge  
Professor Sir P Curran  
Mr G Dawson  
Dr F Dow  
Professor J Hughes  
Professor K Lamberts  
Professor J Lydon  
Professor F McCormac  
Professor A Nolan  
Professor E Peck  
Professor N Petford  
Professor M E Smith  
Professor J Weinberg  
Professor 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

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Company Information  
for the Year Ended 31 July 2016**

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**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 2015 to 31 July 2016:

<b>Name</b>	<b>Joined/left in the year</b>	<b>Nominating body</b>
Professor Sir P Curran (Chair) City University London		UUK
Mr K Bloomer (Chair of Finance and Audit Committee) Queen Margaret University	Resigned 31 July 2016	CUC
Mr C Brodie University of Sussex		CUC
Mr J Cope London South Bank University	Appointed 1 June 2016	CUC
Mr G Dawson Sheffield Hallam University		CUC
Professor C Gaskell Royal Agricultural University	Resigned 31 July 2016	GuildHE
Professor J Hughes Bangor University		UUK
Mr P Jagger (Deputy Chair)	Resigned 31 July 2016	CUC
Mr D Jeans Cardiff University	Resigned 21 December 2015	CUC
Professor K Lamberts University of York		UUK
Professor J Lydon (Deputy Chair) University of South Wales		UUK
Professor F McCormac University of Stirling		Universities Scotland
Professor A Nolan Edinburgh Napier University		Universities Scotland
Professor E Peck Nottingham Trent University		UUK
Mr A Pedder University of Sheffield	Resigned 28 March 2016	CUC

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Company Information  
for the Year Ended 31 July 2016**

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<b>Name</b>	<b>Joined/left in the year</b>	<b>Nominating body</b>
Professor N Petford University of Northampton		UUK
Professor M E Smith Lancaster University	Appointed 1 February 2016	UUK
Professor S Wonnacott Leeds College of Art		GuildHE
Professor J Weinberg Kingston University		UUK

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

**Senior Management**

**Chief Executive**

Helen Fairfoul

**Company Secretary**

Sue Endean

# THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION

## Report of the Directors for the Year Ended 31 July 2016

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The Directors present their annual report and the audited financial statements for the year ended 31 July 2016. The administrative information on pages one to three 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 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 membership to other sector organisations. In 2015/16 membership totalled 172 organisations (163 HE institutions and nine associate members).

### UCEA's purpose and Plan

UCEA's purpose is to support our member organisations in delivering excellent and world-leading higher education (HE) and research by representing their interests as employers and facilitating their work in delivering effective employment and workforce strategies.

The UCEA Plan 2015-2020 sets out the aims and priority themes for the period in question. Implementation remains the responsibility of UCEA's senior team. The UCEA Board monitors progress and this is reported annually to members. UCEA's three main aims are:

- To contribute to excellence and effectiveness in human resource management, anticipating, listening and responding to the shared needs of members.
- To enhance knowledge from within and beyond the sector and facilitate dialogue and learning.
- To represent the collective interests of our members.

UCEA's Programme of Work for 2015/16 presented a summary of the key activities and projects that were to be undertaken in the year. These were grouped under the same three priority themes identified in the Plan:

- Supporting HE organisations in taking forward their recruitment, reward and recognition strategies.
- Assisting HE organisations in achieving effective employment practice and employee relations.
- Seeking and supporting movement towards sustainable solutions in HE pensions provision.

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

- Representing higher education employers' interests and assisting in effective employment practice.
- Supporting and delivering negotiations and effective employee relations.
- Gathering and sharing knowledge and information from within and beyond higher education.
- Providing stimuli and opportunities for sector-wide issues to be explored and better understood, in the UK and in international contexts.
- Delivering and supporting effective communications with stakeholders and partner organisations in the UK, its nations and beyond.

## **Summary of the Year**

Presented below is a summary of the key activities undertaken in 2015/16 described under the three priority themes.

Communications activities and core membership services have also provided support across all three themes. More information about these services is available on UCEA's website (<http://www.ucea.ac.uk/en/about/services/index.cfm>) and in the Making the Most of UCEA Membership document (<http://www.ucea.ac.uk/en/publications/index.cfm/making>).

### **Assisting HE organisations in achieving effective employment practice and employee relations**

During the year, UCEA represented and promoted the interests of HE employers throughout the UK to relevant stakeholders, including the Government. This included working, where appropriate, with other sector bodies to provide a co-ordinated response on behalf of the sector and involved responding to a significant number of consultations on proposed legislation and policy development. Examples of UCEA's consultation responses include: Trade Union Bill, Migration Advisory Committee Tier 2 consultations, Apprenticeship Levy, Gender Pay Gap reporting and the HE Green Paper.

UCEA continued to brief, consult, seek information and run events and network meetings to help HEIs prepare for new regulatory change such as the introduction of the National Living Wage, the new State Pension and cessation of contracting out and new immigration controls. In addition, UCEA endeavoured to convey the good reputation of HE employers via an evidence based approach, advising key stakeholders and the media on important topics such as gender pay gaps, casual working and senior pay. Taking particular account of the increasing divergence between the nations, this included working closely with Scottish institutions and Universities Scotland in responding to the Scottish Government's 'Fair Work' agenda and 'Business Pledge'.

Through gathering feedback and undertaking surveys, UCEA was able to provide member institutions participating in national negotiations with data on the level of union membership, staff participation in industrial action and on the impact of the action on institutions' activities. UCEA continued to maintain positive dialogue and deliver joint working with the sector trade unions, even during times of dispute and industrial action, maintaining progress on the 2015/16 agreed joint work of the New Joint Negotiating Committee for Higher Education Staff (New JNCHES) as well as holding a successful New JNCHES Strategic Issues Conference in early 2016.

UCEA, working jointly with the five HE trade unions, together with input from the Equality Challenge Unit, completed a robust examination of the sector-level gender pay gap data to include enhanced analysis of gaps between job levels and information on occupational segregation. The data presented in the final report provide greater insight into the nature of the pay gaps observable in HE and also provide a platform from which future HE sector benchmarking can be done.

As agreed within the 2015/16 settlement UCEA also established with the trade unions a roundtable for dialogue and engagement with the Higher Education Statistical Agency (HESA) on the collection of data on hourly-paid and casual staff with a view to improving analyses and evidence for employment of these staff groups.

UCEA conducted a survey on Shared Parental Leave and Shared Parental Pay policy and practices and published the findings in a report that provided members with an updated review of practice one year on from the change in legislation. Furthermore, the fourth annual UCEA survey report on sickness absence in the HE sector was published, expanded this year to include an analysis of absence according to staff

age profiles. Work was commenced on a literature review, supported by case studies, on the performance management of academic staff with a view to highlighting key considerations for practitioners in designing and delivering effective performance management systems and practice in HEIs.

In partnership with the Universities Safety and Health Association, UCEA also produced new guidance on the Leadership and Management of Health and Safety in Higher Education institutions. The guidance is aimed at all levels of management in HEIs and presents a practical framework around creating a positive health and safety culture. A working group of the UCEA Health and Safety Committee also developed a new HE sector-level Health, Safety and Wellbeing Strategy 2016-20 that reflects the Health and Safety Executive's new strategy for the occupational health and safety system set out in Helping Great Britain Work Well (launched in February 2016) to ensure coherence with the regulator's strategic priorities.

In relation to the Prevent Duty, UCEA held a round-table event for members with HEFCE on the HR implications and kept members updated on guidance and training available on the Duty. UCEA also continued to facilitate active member networks on both employee immigration and clinical academic staffing, enabling face-to-face and email networking and the formulation of suitable workshops and other events.

### **Supporting HE organisations in taking forward their recruitment, reward and recognition strategies**

The 2015/16 collective negotiations on the pay spine uplift were successfully concluded with a settlement in the autumn of 2015, after UCEA worked through the dispute resolution procedure with the sector trade unions, avoiding any industrial action in relation to the round.

Starting in February 2016, UCEA began the facilitation of the New JNCHES process for the 2016-17 negotiating round, including the three-stage consultation process with members, exploratory talks with the trade unions and the provision of contextual briefings to communicate the significant financial challenges facing the sector in 2016-17 and the need for financial sustainability. UCEA has negotiated on behalf of 148 participating HEIs in this 2016-17 voluntary collective negotiating round, which also involved working through the dispute resolution procedure. Working to a mandate UCEA arrived at a full and final offer, made early at the request of the five trade unions, and concluded the dispute resolution procedure in May. Throughout this process, UCEA continued to communicate the context for the employers' final offer and the financial constraints facing HEIs, including to the media and key stakeholders such as the NUS. In addition, UCEA continued to provide support to members on all aspects of reward strategy including the provision of advice and support to those involved in local negotiations.

In partnership with HEFCE, UCEA published the Workforce Survey 2015 report on recruitment, retention and labour turnover in the sector, which included data on apprenticeships, staffing flow, approaches to talent management and international staff recruitment. UCEA also worked with UUK and HEFCE on the development of appropriate sector level metrics relating to pay and the higher education workforce to help demonstrate progress on efficiency and value for money.

This year, the Senior Staff Remuneration Survey 2015 was completed by a record 146 HEIs, the highest number of participants since the survey was established. A new benchmarking tool for participants was also developed to accompany the survey report. The joint UCEA/XpertHR Salary Survey for Higher Education Staff 2016, covering staff on the pay spine, also attracted its highest number of participants



**Report of the Directors  
for the Year Ended 31 July 2016**

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(101) since the survey was established in 2007. In addition, bespoke pay benchmarking projects for members continued to be provided, often targeting hard-to-recruit roles.

UCEA published a report for members on the short and long-term challenges associated with the voluntary living wages and the new National Living Wage. The report drew on discussions at three roundtable events organised by UCEA as well as additional research carried out by the UCEA research team and considered implications for HEIs as well as for the 51-point pay spine. Following on from the living wages roundtable events, UCEA formed a members' working group to look at possible grading structure solutions for HEIs with input from ECC (HERA), Eversheds and Korn Ferry Hay Group.

During the year a suite of events looking at pay and reward was delivered. This included a new series of reward practitioner workshops to review and discuss practical reward issues and a two-day residential masterclass on the development of a reward strategy. UCEA also organised successful conferences in the areas of performance management, staff recruitment in HE, workforce planning and talent management. In addition, a conference on academic career pathways was organised in collaboration with the Higher Education Academy.

In a year of exceptional turbulence regarding NHS contractual reform, UCEA has worked closely with NHS Employers and the Department of Health to seek to ensure that HE employer interests and the implications for clinical academics were taken into account in the NHS contract negotiations for doctors and dentists in training and for consultants. A second survey of policy and practice relating to the employment of clinical academics was undertaken and the results published for members.

**Seeking and supporting movement towards sustainable solutions in HE pensions provision**

During the year, UCEA continued to provide support to members across all the HE sector's pensions schemes, working in collaboration with Universities UK colleagues on USS matters and in developing a longer-term pensions strategy.

UCEA represented employers on the USS Institution Implementation Working Group (IIWG) and was involved in the work emanating from the IIWG. In addition, UCEA supported UUK as the formal employer representative in discussions with UCU on the new hybrid scheme design and participated in the Valuation Discussion Forum with UCU to engage on issues relating to the upcoming valuation. UCEA also produced a briefing note on the implications of USS reform on the post-92s with a particular focus on staff wishing to transfer from USS to TPS and produced a note for members on the implications of industrial action on USS. Furthermore, UCEA provided technical input and a review of communications for employers issued by both USS and UUK and provided data, analysis and insight on the HE workforce to inform USS's Defined Contribution (DC) product development strategy.

UCEA continued to represent the sector on public sector schemes, participating in the LGPS deficit working group to discuss strategies for monitoring and managing deficits alongside the cost management process and in the PLSA LGPS steering group which has issued guidance for scheduled and admitted bodies joining LGPS. The PLSA LGPS steering group is working on two further pieces of guidance for employers participating in, and those exiting, LGPS. UCEA presented at the PLSA LGPS employer forum and conference to educate scheme stakeholders on the characteristics of HE and the sector's employers and engaged with LPFA and HEFCE through the HE employers' forum to encourage data sharing to streamline current processes and avoid duplication of effort.

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Report of the Directors  
for the Year Ended 31 July 2016**

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In addition, UCEA undertook case studies with HEIs that are managing their LGPS participation and facilitated the sharing of experience and practice between HEIs. UCEA also conducted and published a members' survey of LGPS employers on a range of issues relating to their participation in the scheme, including contribution rates, affordability, funding levels and the use of subsidiaries and prepared an accompanying report setting out the findings.

UCEA facilitated the appointment of a new HE representative to the TPS Pensions Board during the year and continued to attend meetings of the LGPS and TPS Scheme Advisory Boards. We continued to build relationships with other employers including those in the charity sector and housing associations as well as other education employers. UCEA also attended TPS Administration Forum meetings and met TPS ERM where issues impacting HEIs that participate in the TPS were highlighted and solutions sought. In addition, UCEA developed links with the NHS Scheme Advisory Board and NHS Employers, particularly to ensure that the pensions impact of contract negotiations was considered.

UCEA attended SAUL Employer Forums and regular meetings to keep up to date with scheme developments. Furthermore, UCEA continued to monitor changes across the SATs available in the sector and undertook a review of SATs' funding levels, contribution rates and upcoming reforms. UCEA also worked with UUK, as key partner in the Employers Pension Forum, to scope out the first stage of the HE pensions strategy project and to produce written material for HEIs to gain their buy-in to the project. In addition, UCEA applied to become a RESAVER consortium member and continued to stay up to date with progress on the project.

UCEA produced regular pensions Updates on topics relevant to HE employers including the cessation of contracting-out and its implications for HE pensions, pension tax reforms and new protections, changes to the State Pension and technical changes to auto enrolment. UCEA also provided communications materials in the form of a poster and FAQs for HEIs to adopt and adapt for their employee communications in the lead up to 6 April 2016. These addressed the changes to National Insurance (NI) due to the Government introducing a new single tier State Pension, and explained the consequent changes to NI for members of defined benefit pension schemes. UCEA responded to four government consultations on behalf of the sector including on the public sector exit payment cap and succeeded in confirming that the cap does not apply to HE. A third updated version of UCEA pensions tax guidance was published and several pension webinars were held for USS and public sector scheme employers.

Pensions related events organised for members during the year covered various topics, including pensions auto re-enrolment, pensions tax, as well as an updated A to Z of Pensions event to update new joiners to the HE sector or non-pensions specialists on the basics of HE pension provision and on upcoming issues of which employers should be aware. UCEA continued to support employers with both email and telephone guidance and advice in relation to pension specific queries and continued to present to institutions and sector bodies on relevant issues in this area.

**Activities running across all three themes**

In 2015/16 UCEA continued to provide a comprehensive and varied programme of value for money events in a range of formats designed to meet the needs of members. The programme for the year included conferences, workshops, webinars, network meetings as well as bespoke in-house provision. Additions were made to the UCEA library of case study research with examples of practice from HE and elsewhere to help enhance sector skills and knowledge.

## **THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION**

### **Report of the Directors for the Year Ended 31 July 2016**

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UCEA continued to manage media relations at sector level on matters relating to HE employers, both pro-actively and reactively, seeking to achieve balanced and accurate representation. Releases during the year covered areas such as pensions, the national collective pay negotiations, industrial action, the gender pay gap, living wages and the benefits of working in HE. UCEA also updated the 'Pay in HE' infographic and continued to develop the UCEA library of infographics that are designed to provide members with highly accessible material to convey key issues that can be difficult to explain. These included infographics on 'Pensions' and 'How HE institutions invest in their staff'.

UCEA continued to support members with effective communications on employment issues via member briefings on topics such as the employment of fixed-term and casual staff, financial surpluses and senior staff remuneration. Updates on our specialist areas of Pay and Negotiations, Employment Policy and Law, Pensions, Clinical Academics, Research and Surveys and Health and Safety were issued regularly and an Employment Bulletin giving a round-up of employment matters relevant to the sector continues to be published bi-monthly.

UCEA continued to respond to HEI communications enquiries and responded with one to one support relating to local and national media focusing on member HEIs. UCEA also responded to many other enquiries via phone and email providing advice and guidance on the employment of clinical academics, industrial action, employment law, media and communications issues, pensions, pay and reward and equality matters. UCEA also continued to participate in European sectoral social dialogue in education through the European Federation of Education Employers (EFEE), including chairing the Higher Education Working Group.

#### **UCEA's organisational effectiveness**

UCEA retained 163 HEI members and nine associate member organisations in 2015/16 and achieved a high level of interactions with and visits to member institutions. UCEA officers attended numerous national and regional sector group meetings. UCEA continues to build and retain a highly skilled and engaged team and in 2015/16 worked within budget and delivered on income generation, to ensure all the planned activities for the year were supported and delivered.

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

The UCEA Board meets six times a year, supported by standing committees covering finance, audit and remuneration. The Board continues to review UCEA's risk register at regular intervals, advising on the appropriate action to mitigate any significant issues. The Board also commissioned a full board effectiveness review, considering and acting on the outcomes and recommendations as reported to it in April 2016.

#### **Review of Business**

The results for the year ended 31 July 2016, set out on page 13, show a surplus, after taxation, of £296,120 (31 July 2015: £64,541). UCEA's financial performance was better than expected this year and the organisation does not expect the same level of performance in future years.

**Statement of Directors' Responsibility  
for the Year Ended 31 July 2016**

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**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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

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.

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

**On behalf of the Board:**



.....  
Professor Sir Paul Curran - Director

11 October 2016

## **Independent Auditors' Report**

We have audited the financial statements of The Universities and Colleges Employers Association for the year ended 31 July 2016 on pages thirteen to twenty-one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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.

**Independent Auditors' Report  
for the Year Ended 31 July 2016**

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**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 from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



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: ..... 11 October 2016 .....

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Income statement  
for the Year Ended 31 July 2016**

		2016		2015 as restated	
	Notes	£	£	£	£
<b>TURNOVER</b>			<b>1,875,260</b>		1,812,029
Staff Costs	3	<b>1,005,419</b>		1,116,295	
Depreciation		<b>22,235</b>		23,329	
Other operating expenses		<b>559,912</b>		616,706	
			<b>1,587,566</b>		1,756,330
<b>OPERATING PROFIT</b>	4		<b>287,694</b>		55,699
Interest receivable and similar income			<b>21,056</b>		18,910
			<b>308,750</b>		74,609
Other finance costs			<b>8,419</b>		6,286
<b>PROFIT BEFORE TAXATION</b>			<b>300,331</b>		68,323
Tax on profit	5		<b>4,211</b>		3,782
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>296,120</b>		64,541

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

**Balance Sheet  
31 July 2016**

		2016		2015 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>			<b>25,371</b>		<b>46,116</b>
Tangible assets	10				
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	11	<b>58,101</b>		52,919	
Cash at bank		<u><b>1,855,003</b></u>		<u>1,626,977</u>	
		<b>1,913,104</b>		<b>1,679,896</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u><b>119,638</b></u>		<u>172,180</u>	
<b>NET CURRENT ASSETS</b>			<u><b>1,793,466</b></u>		<u>1,507,716</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,818,837</b>		<b>1,553,832</b>
<b>PROVISIONS FOR LIABILITIES</b>	13		<u><b>209,442</b></u>		<u>240,557</u>
<b>NET ASSETS</b>			<u><b>1,609,395</b></u>		<u>1,313,275</u>
<b>RESERVES</b>					
Retained earnings			<u><b>1,609,395</b></u>		<u>1,313,275</u>
			<u><b>1,609,395</b></u>		<u>1,313,275</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 11 October 2016 and were signed on its behalf by:



.....  
Professor Sir Paul Curran - Director



## **1. STATUTORY INFORMATION**

The Universities and Colleges Employers Association is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

## **2. ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Following a review of forecasts and projections, the Directors are satisfied that the company will continue operations for the foreseeable future and hence the accounts have been drawn up on a going concern basis.

### **Significant judgements and estimates - pensions**

Actuarial assumptions are made in valuing future defined benefit pension obligations as set out in note 8 and are updated periodically. The principal assumptions relate to the rate of wage inflation and the discount rate. The discount rate is equal to the yield on high-quality corporate bonds that have a term to maturity approximating that of the related liability, and is potentially subject to significant variation. As a result, there is uncertainty that these assumptions will continue in the future. For example, if the discount rate for the UK fund decreased by a quarter of a percent, the liability would increase by approximately £4k, and vice versa. A similar change in the assumption surrounding wage inflation would increase or decrease the liability by £3k respectively.

### **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 income or expenses on a straight line basis over the period of the lease.

### **Pension costs and other post-retirement benefits**

#### **Universities Superannuation Scheme**

The company participates in the Universities Superannuation Scheme (USS), which is a funded, defined benefit scheme. The scheme was contracted out of the State Second Pension (S2P) until April 2016. The scheme is valued formally every three years by a professionally qualified independent actuary using the projected unit method. Informal reviews of the scheme's position are carried out in the period between formal valuations.

The latest triennial actuarial valuation of the scheme was at 31 March 2014. The value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits, which had accrued to members after allowing for expected future increases in earnings.

Under the terms of a recovery plan between the Trustees of USS and the participating employers, participating employers must make employer contributions of 18% of pensionable salary. 2.1% of these contributions are deficit funding contributions.

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements  
for the Year Ended 31 July 2016**

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These changes took effect from 1 April 2016.

The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union.

Under FRS 102, where a scheme is a multi-employer defined benefit pension scheme that is in deficit, and the employer has entered into an agreement to fund the deficit, the entity shall recognise a liability for the contributions payable that arise from the agreement. As the agreement runs for a period of 15 years, a discount rate of 3.5% has been applied in determining the net present value of the contributions made in the period. Additionally, the Directors have assumed that wages will increase by 2.7% per annum during the course of the agreement.

**Superannuation Arrangements of the University of London**

The company participates in the Superannuation Arrangements of the University of London (SAUL), which is a funded, defined benefit scheme. The scheme was contracted out of the State Second Pension (S2P) until April 2016. The scheme is valued formally every three years by a professionally qualified independent actuary using the projected unit method. Informal reviews of the scheme's position are carried out in the period between formal valuations.

Under FRS 102, where a scheme is a multi-employer defined benefit pension scheme that is in deficit, and the employer has entered into an agreement to fund the deficit, the entity shall recognise a liability for the contributions payable that arise from the agreement. In the case of SAUL, the calculated liability is not material to the Company and no provision has been made for deficit funding contributions.

UCEA has therefore accounted for the scheme as if it were a defined contribution scheme.

**Income**

Income received from subscriptions is recognised in the period to which the subscription relates.

Income received from seminars and remuneration surveys provided to subscribing members is recognised at the time of supply.

All income is recognised net of VAT.

**Vat**

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

**3. EMPLOYEES AND DIRECTORS**

	<b>2016</b>	2015
	£	as restated £
Wages and salaries	<b>831,230</b>	843,225
Social security costs	<b>77,031</b>	75,769
Other pension costs	<b>97,158</b>	197,301
	<hr/> <b>1,005,419</b> <hr/>	<hr/> 1,116,295 <hr/>

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements  
for the Year Ended 31 July 2016**

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

	<b>2016</b>	2015
	<b>17</b>	17

Included in "wages and salaries" is the salary paid to the Chief Executive

	<b>2016</b>	2015
	<b>£</b>	£
Salary	<b>123,500</b>	120,500
Social security costs	<b>14,153</b>	12,992
Other pension costs	<b>14,038</b>	19,160
	<b>151,691</b>	152,652

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:

	<b>2016</b>	2015
	<b>£</b>	£
Depreciation - owned assets	<b>22,235</b>	23,344

**5. TAXATION**

**Analysis of the tax charge**

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

	<b>2016</b>	2015
	<b>£</b>	£
Current tax:		
UK corporation tax	<b>4,211</b>	3,782

**6. PRIOR YEAR ADJUSTMENT**

The company has had to comply with the requirements of FRS 102 for the first time this year. As a result the accounting policy on multi-employer defined benefit pension schemes that are in deficit has been changed. The comparative figures for the year ended 31 July 2015 have been restated in line with the new policy. The changes made have been set out below.

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements  
for the Year Ended 31 July 2016**

	<b>Income and expenditure account</b>	<b>Balance Sheet</b>
	<b>£</b>	<b>£</b>
As originally stated at 31 July 2015	<b>125,498</b>	1,553,832
Restatement of opening reserves at 1 August 2014 for USS pension liability	-	(179,600)
<b>Adjustments for the year ended 31 July 2015</b>		
Deficit funding contributions made to USS	<b>27,177</b>	27,177
Finance cost	<b>(6,286)</b>	(6,286)
Increase in provision due to new deficit funding agreement	<b>(81,848)</b>	(81,848)
	<hr/>	<hr/>
Restated as at 31 July 2015	<b>64,541</b>	1,313,275

There are no other changes to the figures stated in the income statement or balance sheet.

**7. OTHER OPERATING EXPENSES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Administration	<b>55,860</b>	61,454
Board meetings and expenditure	<b>12,003</b>	14,525
Remuneration surveys expenditure	<b>64,340</b>	15,796
Research and data collection	<b>2,208</b>	10,161
Communications	<b>23,213</b>	20,981
IT support	<b>31,570</b>	43,040
Other staff costs	<b>2,198</b>	15,120
Seminars & International Conference expenditure	<b>93,034</b>	93,684
Premises costs	<b>133,279</b>	126,503
Other professional charges	<b>49,656</b>	45,174
JNCHES expenditure	<b>13,134</b>	22,336
Pension strategy project	<b>435</b>	405
Recruitment, training & secondment	<b>16,837</b>	12,530
Irrecoverable VAT	<b>62,145</b>	74,000
EC research project	-	60,997
	<hr/>	<hr/>
	<b>559,912</b>	616,706

## **8. PENSION SCHEMES**

### **a) Universities Superannuation Scheme (USS)**

The company participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and was contracted out of the State Second Pension (S2P) until April 2016. 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 2014. This was the third valuation for USS under the 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits, which had accrued to members after allowing for expected future increases in earnings.

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.

The company participates in the salary sacrifice pension scheme. The staff costs (note 3) show the pensionable salary which includes the employee salary sacrifice element. The company contribution rate payable was 16% of pensionable salaries until 31 March 2016. On 1 April 2016 the company contribution rate payable rose to 18%.

As at 31 July 2016 the institution had 12 active members participating in the scheme.

The total pension cost (excluding the salary sacrifice pension element and deficit funding contributions) for the company was £80,971 (2015: £182,565).

At 31 July 2016 the liability provided for in respect of the USS pension deficit amounted to £209,442 (2015: £240,557).

### **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 2014. The market value of the scheme's assets was £1,927 million representing 97% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustees' long-term investment strategy, the Trustees and Employers agreed to increase Employer contributions from 13% of salaries to 16% of salaries from 1 April 2016. Members' contributions remain at 6% of salaries. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2017) are known.

As at 31 July 2016 the institution had 4 active members participating in the scheme.

The total pension cost for the company (excluding the salary sacrifice pension element) was £16,187 (2015: £14,737).

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements  
for the Year Ended 31 July 2016**

**9. 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 Universities UK (UUK), the Committee of University Chairs (CUC), GuildHE (formerly the Standing Conference of Principals) and Universities Scotland.

**10. TANGIBLE FIXED ASSETS**

	Improvements to property	Fixtures and Fittings	Computer Equipment	Totals
	£	£	£	£
<b>COST</b>				
At 1 August 2015	72,882	17,110	24,984	114,976
Additions	-	-	1,490	1,490
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2016	72,882	17,110	26,474	116,466
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At 1 August 2015	37,948	14,779	16,133	68,860
Charge for the year	14,616	1,331	6,288	22,235
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2016	52,564	16,110	22,421	91,095
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 31 July 2016	20,318	1,000	4,053	25,371
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2015	34,934	2,331	8,851	46,116
	<hr/>	<hr/>	<hr/>	<hr/>

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements  
for the Year Ended 31 July 2016**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	2015
	£	£
Trade debtors	<b>4,352</b>	-
Other debtors	<b>53,749</b>	52,919
	<u><b>58,101</b></u>	<u>52,919</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	2015
	£	£
Trade creditors	<b>24,121</b>	27,391
Taxation and social security	<b>36,989</b>	42,903
Other creditors	<b>58,528</b>	101,886
	<u><b>119,638</b></u>	<u>172,180</u>

**13. PROVISIONS FOR LIABILITIES**

	<b>2016</b>	2015 as restated
	£	£
Other provisions	<b>209,442</b>	240,557

	<b>Pension scheme liability £</b>
Balance at 1 August 2015	<b>240,557</b>
Unwinding of discounted amount	<b>8,419</b>
Deficit funding contribution	<b>(39,534)</b>
Balance at 31 July 2016	<u><b>209,442</b></u>

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Trading and Income and Expenditure Account  
for the Year Ended 31 July 2016**

	2016		2015 as restated	
	£	£	£	£
<b>Turnover</b>				
Subscriptions	1,358,162		1,331,839	
Remuneration surveys income	159,005		143,050	
Rental and room hire income	7,898		9,134	
Pension strategy project	-		7,612	
Seminar income	344,215		287,694	
Consultancy income	3,675		8,375	
EC research project	-		24,325	
Membership Event Income	2,305		-	
		<b>1,875,260</b>		<b>1,812,029</b>
<b>Staff costs</b>				
Wages	831,230		843,225	
Social security	77,031		75,769	
Pensions	97,158		197,301	
		<b>1,005,419</b>		<b>1,116,295</b>
<b>GROSS PROFIT</b>		<b>869,841</b>		<b>695,734</b>
<b>Other income</b>				
Deposit account interest		<b>21,056</b>		<b>18,910</b>
		<b>890,897</b>		<b>714,644</b>
<b>Expenditure</b>				
Depreciation of tangible fixed assets				
Improvements to property	14,616		14,576	
Fixtures and fittings	1,331		2,625	
Computer equipment	6,288		6,143	
Profit/loss on sale of tangible fixed assets	-		-15	
Equipment leasing	2,421		9,167	
Rent	79,526		82,727	
Building service charge	19,854		11,044	
Rates	26,196		25,745	
Insurance	4,986		4,321	
Other member events exp	7,710		5,927	
Staff outside meeting expense	8,865		12,801	
Hospitality	1,251		3,936	
Other staff costs	2,198		15,120	
Telephone & internet costs	6,273		9,290	
Postage and courier service	840		953	
Printing and stationery	7,649		7,560	
Repairs and renewals	184		55	
Meetings expenditure	12,003		14,525	
Cleaning	2,533		2,611	
Remuneration surveys exp	64,340		15,796	
Seminars & International Conf	93,034		93,683	



**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

**Trading and Income and Expenditure Account  
for the Year Ended 31 July 2016**

	2016		2015	
	£	£	as restated £	£
Brought forward	362,098	890,897	338,590	714,644
Communication expenditure	23,213		20,981	
External consultancy exp	12,135		-	
Sundry expenses	11,442		4,539	
Pension strategy project	435		405	
JNCHES expenditure	13,134		22,336	
Other professional charges	37,521		45,174	
Research and data collection	2,208		10,161	
Books, papers and journals	3,352		731	
IT support	31,570		43,040	
Recruitment, training & other staff costs	16,837		12,530	
Irrecoverable VAT	62,145		74,000	
EC research project	-		60,997	
Auditors' remuneration	4,500		4,500	
Foreign exchange losses	-		114	
		<b>580,590</b>		<b>638,098</b>
		<b>310,307</b>		<b>76,546</b>
<b>Finance costs</b>				
Bank charges		<u>1,557</u>		<u>1,937</u>
		<b>308,750</b>		<b>74,609</b>
<b>Other finance income/costs</b>				
Interest on pension scheme liabilities		<u>8,419</u>		<u>6,286</u>
<b>NET PROFIT</b>		<u><u>300,331</u></u>		<u><u>68,323</u></u>

