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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

e-mail:

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
22nd 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 2017

DIRECTORS:

Mrs S Atkinson
Professor G Baldwin
Mr C Brodie
Mr J Cope
Professor S Corbridge
Professor J Crampton
Dr F Dow
Professor J Hughes
Professor K Lamberts
Professor J Lydon
Professor F McCormac
Professor A Nolan
Professor Stuart Palmer
Professor E Peck
Professor N Petford
Professor M E Smith
Professor S Wonnacott

Senior Management

Chief Executive

Helen Fairfoul

Company Secretary

Roshan Israni

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.

Attached - see UCEA Director's report and financial statements to 31 July 2017

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 J Weinberg (31/12/2016)	Mrs S Atkinson	01.01.2017
Director	Professor Sir P Curran (11/10/2016)	Professor S Corbridge	11.10.2016
Director		Professor G Baldwin	01.08.2016
Director		Professor J Crampton	01.11.2016
Director		Dr F Dow	01.08.2016
Director		Professor S Palmer	01.01.2017

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,358,162	From Members	Subscriptions, levies, etc		1,376,860
21,056	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)		20,732
7,898	Other income	Rents received	5,085	
159,005		Remuneration Survey	173,515	
0		Pensions Strategy Project	0	
344,215		Seminars / Events	275,532	
3,675		Consultancy	6,760	
0		EC Research Project	0	
2,305		Membership Event Income	2,235	
				463,127
517,098				
1,896,316	TOTAL INCOME			1,860,719
	EXPENDITURE			
	Administrative expenses			
1,024,454		Remuneration and expenses of staff	1,181,979	
133,279		Occupancy costs	113,283	
157,374		Surveys & Seminars expenditure	139,361	
2,208		Research & Consultancy	3,549	
95,065		Operating expenditure	93,424	
435		Pensions Strategy Project	12,671	
42,021		Other Professional charges	47,825	
23,213		Communications	25,566	
13,134		JNCHES expenditure	21,094	
0		EC Research Project	0	
12,003		Meeting expenses	16,037	
22,235	Other charges	Depreciation	18,958	
62,145		Irrecoverable VAT	61,269	
8,419		Other finance costs	7,330	
4,211	Taxation		3,036	
1,600,196	TOTAL EXPENDITURE			1,745,382
296,120	Surplus/Deficit for year			115,337
1,313,275	Amount of fund at beginning of year			1,609,395
1,609,395	Amount of fund at end of year			1,724,732

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)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
			Total Expenditure
		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)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
			Total Expenditure
		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:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
		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:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
		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
	£	£	£	£
COST OR VALUATION				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
BOOK AMOUNT at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	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	
UNQUOTED	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)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		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		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		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 £
INCOME			
From Members	1,358,162		1,376,860
From Investments	21,056		20,732
Other Income (including increases by revaluation of assets)	517,098		463,127
Total Income	1,896,316		1,860,719
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	1,600,196		1,745,382
Funds at beginning of year (including reserves)	1,313,275		1,609,395
Funds at end of year (including reserves)	1,609,395		1,724,732
ASSETS			
Fixed Assets			6,413
Investment Assets			
Other Assets			2,037,878
		Total Assets	2,044,291
LIABILITIES		Total Liabilities	319,559
NET ASSETS (Total Assets less Total Liabilities)			1,724,732

NOTES TO THE ACCOUNTS

(see note 36)

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

Attached - see UCEA Director's report and financial statements to 31 July 2017

ACCOUNTING POLICIES



(see notes 37 and 38)

Attached - see UCEA Director's report and financial statements to 31 July 2017

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>ROSHAN ISRANI</u> Date: <u>19 DECEMBER 2017</u>	Chief Executive's Signature: <u></u> (or other official whose position should be stated) Name: <u>HELEN FAIRFOUL</u> Date: <u>19 DECEMBER 2017</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

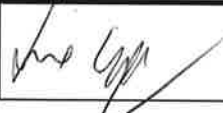
If "No" please explain below.

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)

Attached - see UCEA Director's report and financial statements to 31 July 2017

AUDITOR'S REPORT (continued)

Attached - see UCEA Director's report and financial statements to 31 July 2017

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:		
Contact name and telephone number:	Neil Wilkinson 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.



UNIVERSITIES & COLLEGES
EMPLOYERS ASSOCIATION

**Report of the Directors and
Financial Statements for the Year Ended 31 July 2017
for
THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

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for the Year Ended 31 July 2017**

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**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Company Information
for the Year Ended 31 July 2017**

DIRECTORS: Mrs S Atkinson
Professor G Baldwin
Mr C Brodie
Mr J Cope
Professor S Corbridge
Professor J Crampton
Dr F Dow
Professor J Hughes
Professor K Lamberts
Professor J Lydon
Professor F McCormac
Professor A Nolan
Professor Stuart Palmer
Professor E Peck
Professor N Petford
Professor M E Smith
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 2017**

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 2016 to 31 July 2017:

Name	Joined/left in the year	Nominating body
Professor M E Smith (Chair from 11 October 2016) Lancaster University		UUK
Mrs S Atkinson University of Sunderland	Appointed 1 January 2017	UUK
Professor G Baldwin Southampton Solent University	Appointed 1 August 2016	GuildHE
Mr C Brodie University of Sussex		CUC
Mr J Cope (Chair of Finance and Audit Committee and Deputy Chair) London South Bank University		CUC
Professor S Corbridge Durham University	Appointed 11 October 2016	UUK
Professor J Crampton University of Gloucestershire	Appointed 1 November 2016	CUC
Professor Sir P Curran (Chair) City, University of London	Resigned 11 October 2016	UUK
Mr G Dawson Sheffield Hallam University	Resigned 30 September 2017	CUC
Dr F Dow Queen Margaret University Edinburgh	Appointed 1 August 2016	CUC
Professor J Hughes Bangor University		UUK
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

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Company Information
for the Year Ended 31 July 2017**

Name	Joined/left in the year	Nominating body
Professor S Palmer Cardiff University	Appointed 1 January 2017	CUC
Professor E Peck Nottingham Trent University		UUK
Professor N Petford University of Northampton		UUK
Professor S Wonnacott Leeds University of Art		GuildHE
Professor J Weinberg Kingston University	Resigned 31 December 2016	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

Roshan Israni (from 1 August 2017)

Sue Endean (to 31 July 2017)

THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION

Report of the Directors for the Year Ended 31 July 2017

The Directors present their annual report and the audited financial statements for the year ended 31 July 2017. 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 2016/17 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 2016/17 presented a summary of the key activities and projects that were to be undertaken in the year. These were grouped under the 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 as:

- 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

2016-17 was a particularly successful year for UCEA not only in terms of delivery on the challenging priorities that were set out at the start of the year but also in terms of the external validation of our work.

UCEA, working with DJS Research, ran its triennial membership survey at the end of 2016. For an online survey the response rate was excellent with nearly half of HR Directors and nearly a fifth of Vice-Chancellors/CEOs taking part. DJS, who also worked with UCEA on its 2013 survey, noted UCEA's consistently high satisfaction score which outperformed other membership associations they had worked with. The feedback from the survey has been reviewed by UCEA officers alongside feedback from the Board and a summary of the results was circulated to members in July 2017. The key findings included a 98% overall satisfaction level and 93% of members agreeing strongly or agreeing that UCEA is alert to challenges and risks. The information gathered has already proved valuable in shaping UCEA's plans for future priorities and services.

The Bell Review of UK Higher Education Sector Agencies also ran during 2016-17. UCEA's Board and officers were pleased that the review has recognised that 'the service offered by UCEA is of fundamental importance to members' and recorded that UCEA 'is very highly regarded across the sector'. There were no substantive recommendations relating to the structure or governance of UCEA and the Review confirmed UCEA's unique contribution to the sector and value for money offering. As the review's recommendations are taken forward UCEA will be contributing to a framework to improve coordination and working collaboratively with all the sector agencies and bodies.

Presented below is a summary of the key activities undertaken in 2016/17 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/publications/index.cfm/about>).

Assisting higher education (HE) organisations in achieving effective employment practice and employee relations in the context of change in workplaces, the economy and in higher education delivery

During the year, UCEA continued to help HEIs to prepare for significant regulatory change, including the new requirement to report on the gender pay gap, the Apprenticeship Levy and the Trade Union Act.

There has been significant activity relating to Brexit, and in particular the implications for EU staff and immigration systems. UCEA worked with Research Councils UK and the Medical Research Council (MRC) to develop HE/Research sector supportive principles for a post-Brexit immigration system and responded to a number of government consultations. UCEA has represented the sector on the CBI's Brexit strategy steering group and facilitated meetings between the CBI and UUK. The findings from UCEA's survey on the impact of Brexit on staffing and actions taken to support staff were used to support submissions made with the Royal Society, UUK, Russell Group, HEFCE and other stakeholders. In addition, UCEA held two joint events on the impact of Brexit on the workforce with NHS Employers as well as a webinar on the implications of Brexit for HR.

UCEA has kept HEIs updated on the Apprenticeship Levy and provided extensive materials to members. We have briefed on the different apprenticeship levy approaches in Scotland, Wales and Northern Ireland and kept members informed about developments on new apprenticeship standards for the sector (Academic Professional, HE Professional and HE Technician) as well as opportunities to contribute to policy development. This included alerting members to consultations on the Institute for Apprenticeships and Apprenticeship funding; as well as to the opportunity to test the Digital Apprenticeship system.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Report of the Directors
for the Year Ended 31 July 2017**

UCEA provided data on behalf of sector employers relating to the use of certain metrics to assess teaching quality in the TEF and also facilitated debate and responses to HEFCE on the employment issues associated with proposed changes around staff selection for the next REF.

UCEA responded to media interest in the use of casual contracts in HE and the gender pay gap in HE and provided briefings to members and wider stakeholders. In addition, UCEA developed member briefings on the Living Wage and held workshops on gender pay gap reporting. UCEA also responded to a wide range of consultations on employment policy on behalf of the sector. These included the House of Commons BEIS Committee Inquiry into the Future World of Work and Rights of Workers and the Welsh Assembly Consultation on the Trade Union (Wales) Bill.

UCEA maintained positive dialogue with the sector trade unions and held a successful New JNCHES Strategic Issues conference in March 2017. The joint report on gender pay gap data, agreed as part of the 2015-16 settlement, was published in October 2016, with the support of four trade unions. Proposed pay gap metrics developed as part of this project were published in December 2016, and updated national data benchmarks arising from this work were published in May 2017. In addition, three out of four proposed changes to the staff record developed jointly by UCEA and the trade unions were accepted by HESA for the 2017-18 staff record, with the fourth to be considered in the next major review. Joint work agreed with the unions as part of the 2016/17 settlement, on variable hours staff in HE, fixed-term staff engaged in delivering teaching and on updating the New JNCHES Equal Pay review guidance, also began during the year.

UCEA's Guidance on Managing Industrial Action was comprehensively updated to incorporate all the changes from the Trade Union (TU) Act and related regulations. Additional guidance was also provided to members on the Facility Time reporting requirements as well as on the anticipated changes to DOCAS.

In January, UCEA published the 2017 Health, Safety and Wellbeing Action Plan and in May, held a successful conference on Supporting Mental Health and Managing Stress in the HE Workforce. Together with Universities HR, UCEA held a conference on Employee Engagement and Wellbeing: Sector Projects and Wider Perspectives. Also jointly, UCEA concluded, with two pilot studies, a project commissioned through the Institute for Employment Studies to develop an engagement indicator for the HE sector.

UCEA joined the steering group for the new Technician Commitment, designed to improve employment, career development and recruitment of technicians in HE and provided guidance to members on the new English Language requirement in public services and its application to HEIs.

Supporting higher education organisations in taking forward recruitment, reward and recognition strategies that are fit for their evolving employment environments

The 2016-17 pay settlement was implemented in the autumn (backdated to August 2016), when four of the five trade unions confirmed the conclusion of the pay round. EIS decided not to settle the round, though its call to its 1,200 members in some Scottish HEIs to take action short of a strike has not been actively pursued. In addition, the 2017-18 negotiating round was successfully undertaken between March and April 2017, with a largely new UCEA negotiating team. The pay round was concluded by all five trade unions between July and September 2017 and the agreed pay uplift was implemented by

THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION

Report of the Directors for the Year Ended 31 July 2017

employers in August or September. UCEA supported members throughout this process with proactive, positive communications briefings and regular Updates.

The joint 2017 HE Workforce Survey with HEFCE was published in July 2017 which included an analysis of HESA data on employee turnover and staffing flows. UCEA also produced for members the 2015-16 Sickness Absence in Higher Education survey, and survey reports on the use of 'flying faculty' as well as an analysis of London allowances. In addition, UCEA developed a new Living Wages toolkit to support sector employers following the introduction of the National Living Wage and continuing increases to Living Wage Foundation rates. UCEA also updated its Toolkit for employing staff overseas.

UCEA officers and a number of delegates from member HEIs contributed to a successful joint international conference on The University Workforce of the Future – Global Perspectives hosted by AHEIA in Sydney in May 2017. UCEA hosted its own conference on Overseas HE Operations – the HR Implications for HEIs – and alerted members to a series of roundtables delivered jointly by HEGlobal, the Equality Challenge Unit, and the HEI Staff Working Abroad group, to consider staffing issues in the delivery of transnational education.

The Senior Staff Remuneration Survey attracted 145 participants this year and, for the second year, provided participating members with an interactive pay benchmarking tool to compare their data against the market. Meanwhile, the joint UCEA/XpertHR Salary Survey for Higher Education Staff 2017, covering staff up to professor and equivalent, was published in June 2017 with the highest ever participation (107 participant institutions) and included a new report on labour market hot spots.

UCEA supported members with medical schools throughout the process of transitioning to the new contract for clinical academics below consultant, including commissioning and publishing model contract clauses to support the implementation of the new pay system and publishing new guidance explaining national variation in the terms and conditions of clinical academics across the UK. UCEA also maintained dialogue with NHS Employers and the Department of Health on the (delayed) consultant contract changes and published updated guidance on clinical academic appraisal as well as a new checklist on the Follett principles.

Seeking and supporting movement towards sustainable solutions to higher education employers' future pensions provision within a complex and changing pensions landscape

During the year, UCEA provided support to members across all the HE sector's pensions schemes, and continued to work in collaboration with Universities UK colleagues on USS matters and in developing a longer-term pensions strategy. This included working with Ignition House, as consultants supporting the project, to arrange focus groups of HEIs, gather additional input from the HR Director community and co-draft the Employers Pensions Forum (EPF) strategy report. The EPF report, Suitability and Sustainability: Pensions in the HE sector, was published in July 2017.

UCEA continued to support sector employers and UUK on USS, attending the Institutions Implementation Working Group and the regional Institution Administrator Panels (IAPs). UCEA was able to provide feedback to USS on the technical detail of the new hybrid scheme and monitored the implementation of the scheme, assisting with escalating issues to USS where necessary. In addition, UCEA has contributed alongside UUK colleagues on the USS Funding and Benefits Sub-Committee and was a member of the Valuation Discussion Forum. Throughout UCEA has supported UUK in its

THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION

Report of the Directors for the Year Ended 31 July 2017

communications and materials for scheme stakeholders and kept HR and pensions leads informed of developments on the 2017 valuation.

In conjunction with the Association of Colleges (AoC), UCEA developed a joint position on HE/FE participation in LGPS and a policy on managing deficits. UCEA has attended regular LGPS Scheme Advisory Board (SAB) and Deficits Working Group meetings, and met with DCLG and LGA representatives to discuss HE participation in the scheme. UCEA also assisted in drafting the specification for an LGPS SAB project on "third tier" employers (i.e. scheduled bodies without tax raising powers, which includes FE and HE) seeking consultancy input to assess the risk that LGPS is open to and the possible future needs of these employers.

In addition, UCEA supported HE employers in LGPS through the 2016 valuation process and issued guidance on engaging with their fund and how to negotiate the outcome, including obtaining legal advice on the rights of HEIs in the valuation process. UCEA undertook a survey of HE employers in LGPS in May 2017 to gather information on 2016 valuation results and views on future participation. UCEA participated in a Pensions and Lifetime Savings Association (PLSA) steering group that produced guidance on "best practice for employers participating in the LGPS" to help employers fulfil the requirements associated with the scheme.

UCEA attended regular TPS Scheme Advisory Board, Administration Review Group, Communications Strategy Group and AVC Management Advisory Group meetings in order to represent members' needs in these areas. For example, we provided input from the employers on administrative issues at TPS Pensions Board pre-meetings and on the issue of mergers and subsidiary companies. Furthermore, UCEA maintained regular contact with the HE representative on the NHS Scheme Advisory Board on issues including Direction Body status and the NHSPS employer administration levy. UCEA also engaged with MSC to provide support on eligibility criteria for NHSPS Scotland.

UCEA continued to track SAT reforms and engaged with HEIs going through local pension reform exercises to provide support where necessary. UCEA also attended regular NEST Employers' Panel meetings and workshops and provided regular updates to HE employers in NEST from the Panel and fed HEI views back to the scheme.

UCEA attended regular SAUL Employer Forums and held meetings with the senior leadership team at SAUL to discuss the valuation process and how UCEA could support HE employers to best engage with the scheme. In addition, UCEA continued to share relevant updates with employers on the RESAVER Consortium and launched a new service for members in the UCEA Pensions Quarterly Newsletter.

UCEA supported a consortium of London HEIs in running a tender exercise to procure an independent financial adviser (IFA) to provide employee assistance with pensions and tax issues. UCEA also prepared guidance documents for HRDs and Remuneration Committees, which was shared with CUC, and presented to a number of HEI governing boards and remuneration committees on tax issues.

UCEA also held a number of pensions related events during the year. These included a conference on moving to defined contribution (DC) pension schemes, a roundtable meeting on pensions tax approaches, and a JNCHES Pensions Discussion Group meeting. UCEA also surveyed HEIs on their approaches to pensions tax issues and alternative benefits and published a report of the findings in January.

Activities running across all three themes

During the year, UCEA ran a total of 63 events for members attended by 1,869 individuals. The programme for the year included conferences, workshops, webinars, network meetings as well as bespoke in-house events on a wide range of topics from pay and reward, and managing organisational change to recruiting using social media. UCEA's HR networks were also very active during the year. The Immigration HR Network supported members with concerns relating to Brexit as well as non-EEA immigration issues in relation to Tiers 1, 2 and 5; and the Clinical Academic HR Network supported

THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION

Report of the Directors for the Year Ended 31 July 2017

members with implementing the new junior doctor pay system, and the new Principles and Obligations for the employment of trainees.

UCEA added ten new case studies to its library, on topics such as health and well-being (University of Chester, University of Strathclyde), DC pension provision (UEL, University of Leicester) and addressing the gender pay gap (University of Essex). UCEA also produced new infographics on pensions; the gender pay gap; and employment contracts in HE; and updated its infographics on life expectancy (pensions); pay; and finances in HE.

UCEA throughout the year provided proactive and timely communications briefings and one-to-one support to members on a full range of issues affecting sector employers from restructuring and redundancy to senior pay. UCEA issued numerous Updates in its specialist areas of Pay and Negotiations, Employment Policy and Law, Pensions, Clinical Academics, Research and Surveys and Health and Safety as well as its bi-monthly Employment Bulletin giving a round-up of employment matters relevant to the sector and launched a new Pensions Quarterly Newsletter.

UCEA's organisational effectiveness

UCEA retained 163 HEI members and nine associate member organisations in 2016/17 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 2016/17 worked within budget and delivered on income generation to ensure that all the planned activities for the year were supported and delivered.

During the year, UCEA formed a cross-functional Technology Project Team to look at how UCEA could make the most effective use of technology to improve services to members as well as internal efficiency. Following the Board's approval of the high level business case UCEA will be implementing a new integrated website and CRM, starting the project in the 2017-18 year.

UCEA Governance and risk management

The UCEA Board meets six times a year, supported by two standing committees which cover finance, audit and remuneration. The Board undertook a process to elect a new Chair and Professor Mark E Smith took up the position on 11 October 2016. The Board held an Away Day in April 2017 to focus in more detail on the strategic challenges for the sector and how they might impact on UCEA. The Board continues to review UCEA's risk register at regular intervals, advising on appropriate actions to mitigate any significant issues. Implementation of the action plan agreed on the recommendations from the 2016 Board Effectiveness review was also completed during the year.

Review of Business

The results for the year ended 31 July 2017, set out on page 14, show a surplus, after taxation, of £115,337 (31 July 2016: £296,120). UCEA's performance was better than expected this financial year, in large part due to the receipt of an unexpected back dated credit from Camden Council when they granted UCEA 80% business rates relief.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Statement of Directors' Responsibility
for the Year Ended 31 July 2017**

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 income or expenditure 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 Mark E Smith - Director

11 October 2017

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Independent Auditors' Report
for the Year Ended 31 July 2017**

Independent Auditors' Report

Opinion

We have audited the financial statements of The Universities and Colleges Employers' Association (the 'company') for the year ended 31 July 2017 on pages 14 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (as amended by the Employment Relations Act 1999); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Independent Auditors' Report
for the Year Ended 31 July 2017**

Other information

The Directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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.

Responsibilities of Directors

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, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Independent Auditors' Report
for the Year Ended 31 July 2017**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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

11 October 2017

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Income statement
for the Year Ended 31 July 2017**

		2017		2016	
	Notes	£	£	£	£
TURNOVER			1,839,987		1,875,260
Staff costs	3	1,145,080		1,005,419	
Depreciation		18,958		22,235	
Other operating expenses		570,978		<u>559,912</u>	
			<u>1,735,016</u>		<u>1,587,566</u>
OPERATING SURPLUS	4		104,971		287,694
Interest receivable and similar income			<u>20,732</u>		<u>21,056</u>
			125,703		308,750
Other finance costs	13		<u>7,330</u>		<u>8,419</u>
SURPLUS BEFORE TAXATION			118,373		300,331
Tax on surplus	5		<u>3,036</u>		<u>4,211</u>
SURPLUS FOR THE FINANCIAL YEAR			<u>115,337</u>		<u>296,120</u>

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

**Balance Sheet
31 July 2017**

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		6,413		25,371
CURRENT ASSETS					
Debtors: amounts falling due within one year	10	49,818		58,101	
Cash at bank		<u>1,988,060</u>		<u>1,855,003</u>	
		2,037,878		1,913,104	
CREDITORS					
Amounts falling due within one year	11	<u>108,612</u>		<u>119,638</u>	
NET CURRENT ASSETS			<u>1,929,266</u>		<u>1,793,466</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,935,679		1,818,837
PROVISIONS FOR LIABILITIES	12		<u>210,947</u>		<u>209,442</u>
NET ASSETS			<u>1,724,732</u>		<u>1,609,395</u>
RESERVES					
Retained earnings			<u>1,724,732</u>		<u>1,609,395</u>
			<u>1,724,732</u>		<u>1,609,395</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 2017 and were signed on its behalf by:


.....
Professor Mark E Smith - Director

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2017**

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

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the income and expenditure account in accordance with section 28 of FRS 102. The Directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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). With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The company is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the company therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the company has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the company recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

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 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.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2017**

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	921,130	831,230
Social security costs	97,946	77,031
Other pension costs	126,004	97,158
	<u>1,145,080</u>	<u>1,005,419</u>

Included in the total employees and directors cost is the remuneration of executive management, of £245,980 (2016: £219,305).

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

	2017	2016
	<u>17</u>	<u>17</u>

4. OPERATING SURPLUS

The operating surplus is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	<u>18,958</u>	<u>22,235</u>

5. TAXATION

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	<u>3,036</u>	<u>4,211</u>
Tax on surplus	<u>3,036</u>	<u>4,211</u>

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2017**

6. OTHER OPERATING EXPENSES

	2017	2016
	£	£
Administration	59,494	55,860
Board meetings and expenditure	16,037	12,003
Remuneration surveys expenditure	56,714	64,340
Research and data collection	3,549	2,208
Communications	25,566	23,213
IT support	38,580	31,570
Other staff costs	-	2,198
Seminars & international conference expenditure	82,647	93,034
Premises costs	113,284	133,279
Other professional charges	43,175	49,656
JNCHES expenditure	21,094	13,134
Pensions strategy project	12,671	435
Recruitment, training & secondment	36,899	16,837
Irrecoverable VAT	61,268	62,145
	570,978	559,912

7. PENSION SCHEMES

a) Universities Superannuation Scheme (USS)

The company participates in the Universities Superannuation Scheme, a defined benefit scheme. 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 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.

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 2017 the company had 12 active members participating in the scheme.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2017**

The total pension cost (excluding the salary sacrifice pension element and deficit funding contributions) for the company was £106,904 (2016: £80,971).

At 31 July 2017 the liability provided for in respect of the USS pension deficit amounted to £210,947 (2016: £209,442).

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 Trustee's long-term investment strategy, the Trustee 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 2017 the company had 5 active members participating in the scheme.

The total pension cost for the company (excluding the salary sacrifice pension element) was £19,100 (2016: £16,187).

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

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2017**

9. TANGIBLE FIXED ASSETS

	Improvements to property	Fixtures and Fittings	Computer Equipment	Totals
	£	£	£	£
COST				
At 1 August 2016 and 31 July 2017	72,882	17,110	26,474	116,466
DEPRECIATION				
At 1 August 2016	52,564	16,110	22,421	91,095
Charge for the year	14,577	1,000	3,381	18,958
At 31 July 2017	67,141	17,110	25,802	110,053
NET BOOK VALUE				
At 31 July 2017	5,741	-	672	6,413
At 31 July 2016	20,318	1,000	4,053	25,371

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	6,378	4,352
Other debtors	43,440	53,749
	49,818	58,101

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2017**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	9,197	24,121
Taxation and social security	47,199	36,989
Other creditors	52,216	58,528
	108,612	119,638

12. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Other provisions	210,947	209,442
		Pension scheme liability £
Balance at 1 August 2016		209,442
Unwinding of discounted amount		7,330
Deficit funding contribution		(15,596)
Changes in assumptions		9,771
Balance at 31 July 2017		210,947

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Trading and Income and Expenditure Account
for the Year Ended 31 July 2017**

	2017		2016	
	£	£	£	£
Turnover				
Subscriptions	1,376,860		1,358,162	
Remuneration surveys income	173,515		159,005	
Rental and room hire income	5,085		7,898	
Seminar income	275,532		344,215	
Consultancy income	6,760		3,675	
Membership event income	2,235		2,305	
		1,839,987		1,875,260
Staff costs				
Wages	921,130		831,230	
Social security	97,946		77,031	
Pensions	126,004		97,158	
		1,145,080		1,005,419
GROSS SURPLUS		694,907		869,841
Other income				
Deposit account interest		20,732		21,056
		715,639		890,897
Expenditure				
Depreciation of tangible fixed assets				
Improvements to property	14,576		14,616	
Fixtures and fittings	1,001		1,331	
Computer equipment	3,381		6,288	
Equipment leasing	3,200		2,421	
Rent	94,151		79,526	
Building service charge	19,780		19,854	
Rates	(6,515)		26,196	
Insurance	3,155		4,986	
Other member events expenditure	10,424		7,710	
Staff outside meeting expense	14,185		8,865	
Hospitality	1,110		1,251	
Other staff costs	-		2,198	
Telephone and internet costs	9,317		6,273	
Postage and courier service	336		840	
Printing and stationery	6,203		7,649	
Repairs and renewals	318		184	
Meetings expenditure	16,037		12,003	
Cleaning	2,394		2,533	
Remuneration surveys expenditure	56,714		64,340	
Seminars & international conference	82,647		93,034	
Communication expenditure	25,566		23,213	
External consultancy expenditure	-		12,135	
Sundry expenses	4,721		11,442	
Pensions strategy project	12,671		435	

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Trading and Income and Expenditure Account
for the Year Ended 31 July 2017**

	2017		2016	
	£	£	£	£
Brought forward	375,372	715,639	409,323	890,897
JNCHES expenditure	21,094		13,134	
Other professional charges	43,175		37,521	
Research and data collection	3,549		2,208	
Books, papers and journals	3,693		3,352	
IT support	38,580		31,570	
Recruitment, training & other staff costs	36,899		16,837	
Irrecoverable VAT	61,269		62,145	
Auditors' remuneration	4,650		4,500	
		<u>588,281</u>		<u>580,590</u>
		127,358		310,307
Finance costs				
Bank charges		<u>1,655</u>		<u>1,557</u>
		125,703		308,750
Other finance income/costs				
Interest on pension scheme liabilities		<u>7,330</u>		<u>8,419</u>
NET SURPLUS		<u><u>118,373</u></u>		<u><u>300,331</u></u>