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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: 0330 109 3602**

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
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX**

**For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG**

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 2018

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	Mr G Dawson		30/09/2017
Director		Professor M Spyer	01/10/2017
Director	Mrs S Atkinson		31/07/2018
Director	Mr C Brodie		31/07/2018
Director	Professor J Hughes		31/07/2018

OFFICERS IN POST AS AT 31 JULY 2018

DIRECTORS:

- Professor G Baldwin
- Mr J Cope
- Professor S Corbridge
- Professor J Crampton
- Dr F Dow
- Professor K Lamberts
- Professor J Lydon
- Professor F McCormac
- Professor A Nolan
- Professor S Palmer
- Professor E Peck
- Professor N Petford
- Professor M Spyer
- Professor M E Smith
- Professor S Wonnacott

Senior Management

Chief Executive

Helen Fairfoul

Company Secretary

Roshan Israni

**EVERY EMPLOYERS' ASSOCIATION IS REQUIRED BY LAW TO COMPLETE THIS RETURN.
THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.**

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,376,860	From Members	Subscriptions, levies, etc		1,400,733
20,732	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)		22,284
5,085	Other income	Rents received	6,027	
173,515		Remuneration Survey	175,080	
275,532		Seminars / Events	313,626	
0		HEFCE Gender Pay Gap project	10,050	
6,760		Consultancy	12,140	
2,235		Membership Event Income	2,115	
				519,038
463,127				
1,860,719	TOTAL INCOME			1,942,055
	EXPENDITURE			
	Administrative expenses			
1,181,979		Remuneration and expenses of staff	1,171,576	
113,283		Occupancy costs	135,378	
139,361		Surveys & Seminars expenditure	140,320	
3,549		Research & Consultancy	6,096	
93,424		Operating expenditure	133,440	
12,671		Pensions Strategy Project	486	
47,825		Other Professional Charges	59,299	
25,566		Communications	22,992	
21,094		JNCHES expenditure	17,793	
16,037		Meeting expenses	15,503	
18,958	Other charges	Depreciation	6,013	
61,269		Irrecoverable VAT	68,921	
7,330		Other finance costs	7,383	
3,036	Taxation		4,326	
1,745,382	TOTAL EXPENDITURE			1,789,526
115,337	Surplus/Deficit for year			152,529
1,609,395	Amount of fund at beginning of year			1,724,732
1,724,732	Amount of fund at end of year			1,877,261

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 4		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 5		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)	

BALANCE SHEET AS AT 31/07/2018

(see notes 19 and 20)

Previous Year		£	£
6,413	Fixed Assets (as at page 8)		180
	Investments (as per analysis on page 9)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
49,818	Other Assets	57,504	
	Sundry debtors		
1,988,060	Cash at bank and in hand	2,191,018	
	Stocks of goods		
	Others (specify)		
2,037,878	Total of other		2,248,522
	assets		
2,044,291		TOTAL ASSETS	2,248,702
	Liabilities		
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Revaluation Reserve		
9,197	Trade Creditors	20,238	
47,199	Taxation & social security	43,619	
52,216	Other sundry creditors	132,226	
210,947	Provision for liabilities	175,358	
319,559		TOTAL LIABILITIES	371,441
1,724,732		TOTAL ASSETS	1,877,261

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	1,400,733		1,400,733
From Investments	22,284		22,284
Other Income (including increases by revaluation of assets)	519,038		519,038
Total Income	1,942,055		1,942,055
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	1,789,526		1,789,526
Funds at beginning of year (including reserves)	1,724,732		1,724,732
Funds at end of year (including reserves)	1,877,261		1,877,261
ASSETS			
Fixed Assets			180
Investment Assets			0
Other Assets			2,248,522
		Total Assets	2,248,702
LIABILITIES			
		Total Liabilities	371,441
NET ASSETS (Total Assets less Total Liabilities)			1,877,261

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 2018

ACCOUNTING POLICIES

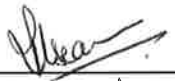

(see notes 37 and 38)

Attached - see UCEA Director's report and financial statements to 31 July 2018

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>14.11.18</u>	Chief Executive's Signature: <u></u> (or other official whose position should be stated) Name: <u>HELEN FAIRFOUL</u> Date: <u>15/11/18</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2)	YES	✓	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2)	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.

THE CHECKLIST BELOW IS FOR GUIDANCE. A REPORT IS STILL REQUIRED EITHER SET OUT OVERLEAF OR BY WAY OF AN ATTACHED AUDITOR'S REPORT THAT COVERS THE ABOVE 1992 ACT REQUIREMENTS.

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 2018

AUDITOR'S REPORT (continued)

Attached - see UCEA Director's report and financial statements to 31 July 2018

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:	20 November 2018	
Contact name and telephone number:	Stephen Anderson 01442 218309	

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



UNIVERSITIES & COLLEGES
EMPLOYERS ASSOCIATION

**Report of the Directors and
Financial Statements for the Year Ended 31 July 2018**

for

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

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for the Year Ended 31 July 2018**

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**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Company Information
for the Year Ended 31 July 2018**

DIRECTORS: Professor G Baldwin
Mr J Cope
Professor S Corbridge
Professor J Crampton
Dr F Dow
Professor K Lamberts
Professor J Lydon
Professor F McCormac
Professor A Nolan
Professor S Palmer
Professor E Peck
Professor N Petford
Professor M E Smith
Professor M Spyer
Professor A Tickell
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 2018**

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 2017 to 31 July 2018:

Name	Joined/left in the year	Nominating body
Professor M E Smith (Chair) Lancaster University		UUK
Mrs S Atkinson University of Sunderland	Resigned 31 July 2018	UUK
Professor G Baldwin Solent University		GuildHE
Mr C Brodie University of Sussex	Resigned 31 July 2018	CUC
Mr J Cope (Chair of Finance and Audit Committee and Deputy Chair) London South Bank University		CUC
Professor S Corbridge Durham University		UUK
Professor J Crampton University of Gloucestershire		CUC
Mr G Dawson Sheffield Hallam University	Resigned 30 September 2017	CUC
Dr F Dow Queen Margaret University Edinburgh		CUC
Professor J Hughes Bangor University	Resigned 31 July 2018	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
Professor S Palmer Cardiff University		CUC

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Company Information
for the Year Ended 31 July 2018**

Name	Joined/left in the year	Nominating body
Professor E Peck Nottingham Trent University		UUK
Professor N Petford University of Northampton		UUK
Professor M Spyer	Appointed 01 October 2017	CUC
Professor S Wonnacott Leeds University of Art		GuildHE

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

THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION

Report of the Directors for the Year Ended 31 July 2018

The Directors present their annual report and the audited financial statements for the year ended 31 July 2018. 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 2017/18 membership totalled 171 organisations (163 HE institutions and eight 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 2017/18 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:

- Assisting HE organisations in achieving effective employment practice and employee relations in the context of change in workplaces, the economy and in higher education delivery
- Supporting higher education organisations in taking forward recruitment, reward and recognition strategies that are fit for their evolving employment environments
- Seeking and supporting movement towards sustainable solutions to higher education employers' future pensions provision within a complex and changing pensions landscape

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

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Report of the Directors
for the Year Ended 31 July 2018**

organisations in the UK, its nations and beyond.

Summary of the Year

Presented below is a summary of the key activities undertaken in 2017/18 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 Gender Pay Gap (GPG) reporting regulations, General Data Protection Regulation (GDPR), and an examination of the gig economy and immigration.

Significant activity has continued in relation to EU exit, in particular the implications for EU staff and immigration systems. UCEA held four 'Key considerations when recruiting overseas' workshops, two in London, one each in Belfast and Manchester, and contributed to the sector Migration Advisory Committee submission which was developed in collaboration with UUK and GuildHE. UCEA participated in CBI evidence gathering, proposal development and lobbying and played an active role in an immigration policy steering group run by RCUK and MRC, to develop principles for a post-Brexit immigration system supportive of the HE/Research sector. UCEA also partnered on a Department for Education-funded research project on EU-staff in higher education with the Institute for Employment Studies and the Careers and Research Advisory Centre (CRAC).

UCEA held an event on Understanding and Planning for GDPR for HR leads in London in November. A webinar took place in February which saw 78 member institutions sign up, with between one and 20 participants at each institution.

UCEA submitted evidence to the Low Pay Commission on minimum wage rates and implementation of the Taylor Review recommendations. UCEA also gave support to member HEIs on GPG data submission, including timing and provision of legal advice on certain issues (Clinical Excellence Awards). UCEA worked with the devolved nations providing support to The Higher Education Funding Council for Wales on senior pay and GPG reporting; and offering support to Universities Scotland on responses to Scottish Trade Union Committee.

UCEA responded to the draft NHS Workforce Strategy to 2027, highlighting the omission of clinical academic staffing and the importance for NHS services of nurturing the current and future clinical academic workforce.

UCEA maintained its popular Living Wages toolkit, providing members with extensive modelling tools for institutional use. A revised briefing including communications relating to the Living Wage was also published. UCEA also provided members with a web-based GPG toolkit containing a range of resources including publications, infographics, briefings, data and case studies.

UCEA's Chair published an opinion piece in Research HE on partnership working in HE: 'We can work it out - Employers and unions must celebrate their joint progress—and tell the world about it too'. The Head of Communications and Membership published a Wonkhe blog: 'Tackling the sector's gender pay gap'.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Report of the Directors
for the Year Ended 31 July 2018**

UCEA continued to hold informal and formal dialogue with the trade unions across a range of issues. UCEA also commenced joint work looking at institutional gender pay gap action planning with the HE trade unions. UCEA held a successful New JNCHES Strategic Issues conference with the trade unions in March 2018; and conducted a special autumn New JNCHES meeting, to maintain dialogue at the request of the trade unions in December 2017.

UCEA completed a major updating of UCEA's Industrial Action (IA) guidance for employers. UCEA conducted teleconferences with HR leads to help them consider responses to action short of a strike. Further, UCEA provided technical legal advice to members on specific issues arising in the USS dispute, seeking expertise as necessary.

In addition, UCEA provided support to HEIs affected by the USS industrial action, working in close collaboration with UUK, and collected monitoring data, shared this with HEIs and worked alongside UUK in regular briefings of DfE. Support included notifying members of the union ballot timetables, results and dispute timelines and providing the conduit for UUK to relay its information for employers to HRDs and COOs relating to the USS dispute.

UCEA concluded work examining arrangements for variable hours staff in HE and support to fixed-term staff engaged in delivering teaching. A report was published in June 2018 (this work was begun as joint work with trade unions in March 2017 and continued after the trade unions withdrew in autumn 2017). UCEA also coordinated sector responses to consultations regarding the Taylor Review recommendations.

UCEA completed work with the trade unions to publish revised New JNCHES Equal Pay Review and Gender Pay Gap reporting guidance, holding three successful joint launch events in Glasgow, Manchester and London in January 2018. UCEA also published a gender pay gap data report in October 2017 with support of four trade unions. The sector pay gap benchmarks were updated and published in May 2018 with UCEA members receiving a customised dashboard enabling them to compare their HEI's data against the benchmarks.

UCEA continued to support and attend the regional engagement networks. Having consulted on taking forward a Sector Engagement Benchmark Indicator and secured sufficient interest, UCEA launched the process for the first round of collection and analysis.

UCEA provided members with regular updates on developments regarding implementation of provisions in the Trade Union Act and ran a conference in October 2017 on Managing employee relations and employment disputes in a post TU Act world. A DOCAS framework was developed with the trade unions and made available ahead of regulations coming into force. UCEA provided ad-hoc support to members on trade union Facilities Time Reporting requirements and shared Government guidance as and when it was produced.

UCEA published the 2018 Health, Safety and Wellbeing report and Action Plan, against which the Health and Safety Committee reviewed progress at its meeting in May. UCEA also held a successful conference on the future of work, health and disability. UCEA continued with meetings of the Higher Education Health and Safety (HESH) forum, and concluded work with the sector trade unions on a new Stress Resource Pack which was launched in June 2018. Additionally, UCEA represented members' views and practices to the Government in responding to its green paper on health, work and disability.

Supporting higher education organisations in taking forward recruitment,

reward and recognition strategies that are fit for their evolving employment environments

UCEA's HE Workforce Survey was published in July 2017 in conjunction with HEFCE, providing an extensive view of data trends for the whole workforce. UCEA was involved in the HE Apprenticeship Trailblazer consortium and was able to inform HEIs of developments for new HE apprenticeship standards (Academic Professional, HE Professional and HE Technician). UCEA updated and maintained the detailed briefing for employers on the apprenticeship levy, advising of regulatory and procedural changes.

The 2017-18 pay round was concluded in August 2017 when a settlement was reached with all five trade unions, and UCEA was able to advise members to implement in August. UCEA supported members throughout this process with proactive communications briefings and regular Updates.

A detailed briefing paper on the 2018-19 pay round was provided to members in early February 2018. UCEA liaised with BUFDG on mutually supportive work on understanding sector finances and reporting.

Five New JNCHEs negotiating round consultation events were held throughout February in Manchester, Cardiff, London and Edinburgh. The survey of participating members was undertaken during February and March, enabling a detailed report to the UCEA Board on the findings from the 147 employers who opted to participate. Headline findings from non-mandate items were circulated to members in June 2017 with separate cuts of data provided for the Russell Group and Scotland.

UCEA undertook negotiations from March to May 2018, with regular Updates for members. A final offer was made in May, with trade unions conducting their initial consultation processes through to early July. A dispute having been called by four of the five unions, the parties conducted two dispute resolution meetings in the summer to try and resolve the matter. However, with no resolution in sight and both parties agreeing that the dispute resolution process had been exhausted, UCEA advised HEIs to implement the pay offer, noting that the round was settled with only one trade union.

Keeping an eye on the future landscape, UCEA established a new Board Advisory Group on Bargaining Futures, the first meeting of which was held in April 2018.

UCEA held a fifth repeat of its successful 'Developing your reward strategy masterclass' together with three refreshed Reward practitioner workshops on Pay data and benchmarking, Pay structures and progression, and Total reward. Workshops were also held on Equal pay reviews and gender pay audits in Edinburgh; and Gender pay gap reporting in London. UCEA published new in-depth case studies on employee benefits and held a roundtable on aligning pensions and pay.

UCEA updated its forecasts on the Living Wage Foundation rates and produced detailed analysis of pay settlements, data and public sector pay policies as part of an annual briefing paper.

UCEA also introduced a new 'executive pay briefing' as part of our Senior Staff Remuneration Survey and published an analysis of 2017-18 London allowances at London HEIs in June. The Senior Staff Remuneration Survey attracted 145 participants this year and, for the third 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 2018, covering staff up to professor and equivalent, was published in June 2018 with 107 participant institutions, supported by a user group meeting in London and a webinar.

**THE UNIVERSITIES AND COLLEGES
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**Report of the Directors
for the Year Ended 31 July 2018**

UCEA updated its interactive presentation on pay in higher education with ONS and HESA data and published related infographics drawing on these data. Additionally, UCEA updated international salary data on heads of institutions and monitored pay and bargaining developments in other countries.

UCEA worked with NHS Employers, BMA and Department of Health and Social Care to promote the need to include clinical academic staff in revisions to the local clinical excellence award scheme. Additionally, UCEA advised members of changes to the award scheme via UCEA Updates, network meetings and the annual clinical academic conference in January 2018.

UCEA provided substantial input to CUC during its development of and consultation on a new Senior Remuneration Code. In addition, UCEA contributed significantly to the Office for Students consultation with specific reference to Senior Pay transparency proposals; and liaised with members over CUC, OfS and ICO proposals. UCEA continued to provide customised data analysis to member HEIs to assist in examination and benchmarking of pay ratios; and has made widely available its data series and its methodology for pay multiple reporting to enable its use by all HE providers.

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 worked in close collaboration with Universities UK colleagues on USS matters, especially around the dispute called by UCU. This has included attending the USS Institutions Implementation Working Group and holding regular calls with UUK and the USS administration team to manage issues as they arose. UCEA also attended the quarterly regional USS Institution Administrator Panels (IAPs) to monitor the hybrid implementation process and understand HEI issues to ensure they were escalated with USS where necessary. Regular UCEA updates were provided to pension managers at the IAPs on the EPF strategy project, employer covenant work and 2017 valuation process.

UCEA officers continued to attend meetings of the USS Funding and Benefits Sub-Committee (both formal and informal meetings with UCU) to provide comments on technical aspects of the scheme and the 2017 valuation process. UCEA participated in additional meetings with the USS Executive and actuarial advisers as necessary and in UUK/USS employer events relating to the 2017 valuation.

UCEA supported UUK in drafting communications to scheme stakeholders, particularly in relation to UCU engagement with individual institutions. UCEA provided new Employer Debt and Deferred Debt Arrangement briefings to members and liaised with USS over the scheme processes. Further, UCEA issued advice on scheme comparability considerations updating this to include additional information on easements designed to protect HEIs from paying an employer debt.

UCEA attended regular LGPS Scheme Advisory Board and Deficits Working Group meetings and engaged with the Association of Colleges (AoC) to share sector approaches where helpful. UCEA assisted in implementing the LGPS SAB project on "third tier" employers i.e. those participating employers without tax raising powers which includes FE and HE institutions, with a survey and 'listening meetings' taking place during 2018.

UCEA issued guidance to Scottish HE employers (late 2017) regarding engaging with their fund through the 2017 valuation process and how to negotiate the outcome. UCEA published survey results from the LGPS Scotland 2017 valuation, and survey results from the LGPS E&W 2016 valuations.

THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION

Report of the Directors for the Year Ended 31 July 2018

In addition, UCEA raised with the Scheme Advisory Board via Aon and the tier 3 project issues relating to poor engagement between administering authorities and HE employers and the need for improvements in this area, particularly in the understanding of the operating environment of HEIs and their healthy financial position/strong covenant and explanations of decisions around covenant assessment outcomes and contribution rates.

UCEA attended regular TPS Scheme Advisory Board, Administration Review Group, Communications Strategy Group, AVC Management Advisory Group and met separately with Stakeholder Engagement Manager to discuss HE employers' feedback and the sector's specific needs.

UCEA supported HEIs on issues around HE participation in TPS in context of mergers/subsidiary companies. UCEA sought clarification and implementation date movement in relation to employer contributions from delayed TPS 2016 valuation outcome.

UCEA liaised with NHS (Business Service Authority and NHS Employers) on the interaction between NHS Directions and scheme enrolment. Legally informed briefing material provided to HEIs.

UCEA continued to track SAT reforms and maintain an up-to-date database and engaged with HEIs going through local pension reform exercises to provide support where necessary.

UCEA attended regular SAUL Employer Forums and administrator meetings and ensured members were kept informed through processes to conclude the 2017 valuation.

UCEA continued to liaise with the HRD at the London School of Economics who is a member of the RESAVER Consortium and an update on latest developments were included in UCEA's Employment Bulletin and shared with employers through the UCEA Pensions Newsletter.

UCEA also held a number of pensions related events during the year including the well-attended annual pensions conference.

Activities running across all three themes

During the year, UCEA ran a total of 60 events for members attended over 1,500 individuals from 180 institutions. The programme for the year included conferences, workshops, webinars and network meetings as well as bespoke in-house events on a wide range of topics from pay and reward, to managing organisational change and GDPR. UCEA's HR networks were also very active during the year. The Immigration HR Network supported members with concerns relating to EU exit as well as non-EEA immigration issues in relation to Tiers 1, 2 and 5 (across four meetings we welcomed almost 100 participants); and the Clinical Academic HR Network supported members with advice on clinical academic staffing issues.

UCEA added 21 new case studies to its library on topics such as tackling gender pay gaps, managing trade union relationships and changing terms and conditions. UCEA also produced new infographics on the gender pay gap; and updated its infographics on contracts in higher education; and finance and expenditure in HE.

Throughout the year, UCEA 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 its quarterly Pensions Newsletter.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Report of the Directors
for the Year Ended 31 July 2018**

UCEA's organisational effectiveness

UCEA retained 163 HEI members and eight associate member organisations in 2017/18 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 2017/18 worked within budget and delivered on income generation to ensure that the planned activities for the year were supported and delivered and that unexpected developments were responded to.

Significant effort and resource were committed to ensuring GDPR compliance; with work successfully completed in advance of the 25 May 2018 deadline. The project to procure and develop a new integrated CRM and website was delayed due to several key staffing changes. With new staff in place, and following a detailed scoping exercise, the Board approved revised expenditure plans reflecting current market rates and UCEA's technical requirements. A supplier was selected through competitive tendering, and the project will now begin in the 2018-19 year, as part of a wider business transformation agenda.

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 held an Away Day in April 2018 to focus in more detail on the strategic challenges for the sector and how they might impact on UCEA. The Board took an opportunity at its away day to carry out a fundamental review of UCEA's risk register, advising on appropriate actions to mitigate any significant issues and establishing arrangements for future regular review by the Executive and the Board.

Review of Business

The results for the year ended 31 July 2018, set out on page 16, show a surplus, after taxation, of £152,529 (31 July 2017: £115,337). UCEA's performance was better than expected this financial year, in large part due to a delay in commencing the CRM and website project, which saw the planned capital expenditure postponed until 2018-19.

**THE UNIVERSITIES AND COLLEGES
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**Statement of Directors' Responsibility
for the Year Ended 31 July 2018**

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 Mark E Smith - Director

10 October 2018

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Independent Auditors' Report
for the Year Ended 31 July 2018**

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 2018 on pages 15 to 23 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit 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 2018**

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 2018**

Auditors' 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.

Use of our report

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.



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

10 October 2018

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Income statement
for the Year Ended 31 July 2018**

		2018		2017	
	Notes	£	£	£	£
TURNOVER			1,919,771		1,839,987
Staff Costs	3	1,141,924		1,145,080	
Depreciation		6,013		18,958	
Other operating expenses		629,880		570,978	
			1,777,817		1,735,016
OPERATING SURPLUS	4		141,954		104,971
Interest receivable and similar income			22,284		20,732
			164,238		125,703
Other finance costs	13		7,383		7,330
SURPLUS BEFORE TAXATION			156,855		118,373
Tax on surplus	5		4,326		3,036
SURPLUS FOR THE FINANCIAL YEAR			152,529		115,337


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

**Balance Sheet
31 July 2018**

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS			180		6,413
Tangible assets	9				
CURRENT ASSETS					
Debtors: amounts falling due within one year	10	57,504		49,818	
Cash at bank		2,191,018		1,988,060	
		2,248,522		2,037,878	
CREDITORS					
Amounts falling due within one year	11	196,083		108,612	
NET CURRENT ASSETS			2,052,439		1,929,266
TOTAL ASSETS LESS CURRENT LIABILITIES			2,052,619		1,935,679
PROVISIONS FOR LIABILITIES	13		175,358		210,947
NET ASSETS			1,877,261		1,724,732
RESERVES					
Retained earnings			1,877,261		1,724,732
			1,877,261		1,724,732

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 10 October 2018 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 2018**

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.

Critical accounting judgements and key sources of estimation uncertainty

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 Universities Superannuation Scheme. 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 profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has 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 actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The company accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provisions surplus at 31 March 2017 there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised.

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.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	972,793	921,130
Social security costs	76,137	97,946
Other pension costs	92,994	126,004
	1,141,924	1,145,080

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

	2018	2017
	19	17

Included in the total employees and directors cost is the remuneration of the executive management, of £248,803 (2017: £245,980).

For the next financial year the Directors will consider how reporting will appropriately take into account the CUC Higher Education Senior Staff Remuneration Code, and also consider the practice of similar organisations.

4. OPERATING SUPLUS

The operating surplus is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	6,233	18,958

5. TAXATION

Analysis of the tax charge

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	4,326	3,036

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

Tax on surplus	4,326	3,036
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6. OTHER OPERATING EXPENSES

	2018	2017
	£	£
Administration	73,974	59,494
Board meetings and expenditure	15,503	16,037
Remuneration surveys expenditure	63,298	56,714
Research and data collection	6,096	3,549
Communications	22,992	25,566
IT support	63,914	38,580
Other staff costs	-	-
Seminars & international conference expenditure	77,022	82,647
Premises costs	135,378	113,284
Other professional charges	54,851	43,175
JNCHES expenditure	17,793	21,094
Pension strategy project	486	12,671
Recruitment, training & secondment	29,652	36,899
Irrecoverable VAT	68,921	61,268
	629,880	570,978

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) shows the pensionable salary which includes the employee salary sacrifice element. The company

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

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 2018 the company had 11 active members participating in the scheme.

The total pension cost (excluding the salary sacrifice pension element and deficit funding contributions) for the company was £74,721 (2017: £106,904).

At 31 July 2018 the liability provided for in respect of the USS pension deficit amounted to £175,358 (2017: £210,947).

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

The company participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

The company is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE Salaries.

As at 31 July 2018 the company had 5 active members participating in the scheme.

The total pension cost for the company (excluding the salary sacrifice pension element) was £18,273 (2017: £19,100).

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

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.

9. TANGIBLE FIXED ASSETS

	Improvements to property	Fixtures and Fittings	Computer Equipment	Totals
	£	£	£	£
COST				
At 1 August 2017	72,882	17,110	26,474	116,466
Disposals	-	-	(7,469)	(7,469)
At 31 July 2018	<u>72,882</u>	<u>17,110</u>	<u>19,005</u>	<u>108,997</u>
DEPRECIATION				
At 1 August 2017	67,141	17,110	25,802	110,053
Charge for the year	5,741	-	492	6,233
Eliminated on disposal	-	-	(7,469)	(7,469)
At 31 July 2018	<u>72,882</u>	<u>17,110</u>	<u>18,825</u>	<u>108,817</u>
NET BOOK VALUE				
At 31 July 2018	-	-	180	180
At 31 July 2017	<u>5,741</u>	<u>-</u>	<u>672</u>	<u>6,413</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	19,367	6,378
Other debtors	38,137	43,440
	<u>57,504</u>	<u>49,818</u>

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Notes to the Financial Statements
for the Year Ended 31 July 2018**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	20,238	9,197
Taxation and social security	43,619	47,199
Other creditors	132,226	52,216
	196,083	108,612

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	74,600	74,600
Between one and five years	298,400	298,400
In more than five years	248,667	323,267
	621,667	696,267

13. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Other provisions	175,358	210,947

	Pension scheme liability £
Balance at 1 August 2017	210,947
Unwinding of discounted amount	7,383
Deficit funding contribution	(16,091)
Changes in assumptions	(26,881)
Balance at 31 July 2018	175,358

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Trading and Income and Expenditure Account
for the Year Ended 31 July 2018**

	2018		2017	
	£	£	£	£
Turnover				
Subscriptions	1,400,733		1,376,860	
Remuneration surveys income	175,080		173,515	
Rental and room hire income	6,027		5,085	
Seminar income	313,626		275,532	
HEFCE - GPG funding	10,050		-	
Consultancy income	12,140		6,760	
Membership event income	2,115		2,235	
		1,919,771		1,839,987
Staff costs				
Wages	972,793		921,130	
Social security	76,137		97,946	
Pensions	92,994		126,004	
		1,141,924		1,145,080
GROSS SURPLUS		777,847		694,907
Other income				
Deposit account interest		22,284		20,732
		800,131		715,639
Expenditure				
Depreciation of tangible fixed assets				
Improvements to property	5,741		14,576	
Fixtures and fittings	-		1,001	
Computer equipment	492		3,381	
Surplus/deficit on sale of tangible fixed assets	(220)		-	
Equipment leasing	2,344		3,200	
Rent	99,806		94,151	
Building service charge	19,855		19,780	
Rates	6,147		(6,515)	
Insurance	5,491		3,155	
Other member events expenditure	5,470		10,424	
Staff outside meeting expense	7,151		14,185	
Hospitality	961		1,110	
Telephone and internet costs	11,879		9,317	
Postage and courier service	315		336	
Printing and stationery	8,222		6,203	
Repairs and renewals	1,550		318	
Meetings expenditure	15,503		16,037	
Cleaning	2,529		2,394	
Remuneration surveys expenditure	63,298		56,714	
Seminars & international conference	77,022		82,647	
Communication expenditure	22,992		25,566	
Sundry expenses	28,277		4,721	

**THE UNIVERSITIES AND COLLEGES
EMPLOYERS ASSOCIATION**

**Trading and Income and Expenditure Account
for the Year Ended 31 July 2018**

	2018		2017	
	£	£	£	£
Brought forward	384,825	800,131	362,701	715,639
Pension strategy project	486		12,671	
JNCHES expenditure	17,793		21,094	
Other professional charges	54,851		43,175	
Research and data collection	6,096		3,549	
Books, papers and journals	3,246		3,693	
IT support	63,914		38,580	
Recruitment, training & other staff costs	29,652		36,899	
Irrecoverable VAT	68,921		61,269	
Auditors' remuneration	4,448		4,650	
		<u>634,232</u>		<u>588,281</u>
		165,899		127,358
Finance costs				
Bank charges		<u>1,661</u>		<u>1,655</u>
		164,238		125,703
Other finance income/costs				
Interest on pension scheme liabilities		<u>7,383</u>		<u>7,330</u>
NET SURPLUS		<u><u>156,855</u></u>		<u><u>118,373</u></u>