

**THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE
(LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022**



Registered company number: 2839815

Registered charity number in England and Wales: 1024741

Charity registered in Scotland: SC038598

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

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THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Legal and Administrative Information for the year ended 31 July 2022

Board structure

Chair

Mrs Trudy Norris-Grey

Directors

Professor Edward Peck CBE	(Deputy Chair)
Mr Thomas Chambers	(Senior Independent Director)
Professor Colin Bailey CBE	
Mr Mark Felix	
Mr Andrew Forbes	(resigned 15 March 2022)
Ms Pat Carvalho	(appointed 09 May 2022)
Ms Caroline Hoddinott OBE	
Professor Dame Sally Mapstone	
Mr Thomas Newman	(resigned 24 August 2022)
Professor Malcolm Press CBE	
Mrs Katharine Purser	(resigned 05 October 2022)
Professor Colin Riordan	(appointed 10 August 2021)
Mr Shuvo Saha	
Ms Melody Stephen	(appointed 27 October 2022)
Mr Simon Bates	(appointed 17 October 2022)

Co-opted Board members

Mr Simon Bates	(06 May 2022 to 17 October 2022)
Mr Alistair Jarvis CBE	(appointed 10 October 2022)

Company secretary

Mrs Tessa Yates

Executive team

Mrs Clare Marchant	Chief Executive
Mr Kevin Allison	Chief Financial Officer
Dr Katie Bell	Chief Marketing Officer
Mrs Elaine Chandler	Executive Director of People
Mr John Cope	Executive Director of Strategy, Policy and Public Affairs
Ms Fiona Johnston	Chief Product Officer
Mr Sander Kristel	Chief Operating Officer
Mr Chris Kirk	Director of UCAS International (appointed 20 June 2022)
Mr Aaron Powell	Chief Digital and Data Officer and MD UCAS International Limited (resigned 31 October 2021)

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Legal and Administrative Information for the year ended 31 July 2022

Registered office

Rosehill
New Barn Lane
Cheltenham
Gloucestershire
GL52 3LZ

Auditors

External auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Internal auditor

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Bankers

Barclays plc
128 High Street
Cheltenham
Gloucestershire
GL50 1EL

Solicitors

Wiggin LLP
Jessop House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3WG

Actuary

Little & Company Actuaries & Consultants Ltd
i2 Office
450 Brook Drive
Green Park
Reading
RG2 6UU

Investment managers

Rathbone Greenbank Investments
8 Finsbury Circus
London
EC2M 7AZ

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Report of the Directors for the year ended 31 July 2022

The Directors of The Universities and Colleges Admissions Service, also known as UCAS (the 'Charity'), who are also Trustees of the Charity, are responsible for the financial and organisational control and management of UCAS.

The Directors present their report for the year ended 31 July 2022. This report is deemed to encompass all matters which are required to be included in both the Strategic and Directors' Reports of the Charity.

Governance, organisational structure, and management

UCAS was incorporated on 27 July 1993. It is a private company limited by guarantee, without share capital. It is registered as a company in England (number 2839815), as a charity in England and Wales (number 1024741), and as a cross-border charity in Scotland (number SC038598). Its governing document is the Articles of Association (the 'Articles'). UCAS is also a registered trademark.

UCAS is governed by a Board of thirteen Directors (the 'Board') supported by one co-opted member, which usually meets four times a year to discharge its duties. It delegates to UCAS' Executive Team such powers as are necessary for the day-to-day management of the Charity. The Board adopts the Charity Governance Code.

The Board is supported by four subcommittees (the Finance, Audit, Remuneration, and Nominations Committees). They meet regularly to carry out responsibilities delegated by the Board.

The Board also receives advice from the UCAS Council, an advisory body comprising around 36 members, that represents the interests of UCAS' customers, and other key stakeholders. The role of the UCAS Council is to challenge and inform the work of the Board, give feedback to the Board on UCAS' performance, and inform the strategic direction of UCAS.

The 'Matters Reserved for the Board', 'Terms of Reference' for the subcommittees and UCAS Council, and details of UCAS Council members, are published on ucas.com.

Subcommittee membership during 2021/22 was (*Co-opted Committee member):

Audit Committee:

Ms Sarah Randall-Paley (Chair)*^
Professor Colin Bailey CBE
Mr Mark Felix
Ms Caroline Hoddinott OBE
Professor Wendy Robinson*

Nominations Committee:

Mrs Trudy Norris-Grey (Chair)
Mr Andrew Forbes (resigned 15 March 2022)
Professor Dame Sally Mapstone
Professor Edward Peck CBE
Mrs Katharine Purser (resigned 05 October 2022)
Mr Mark Felix (appointed 15 March 2022)

Finance Committee:

Mr Thomas Chambers (Chair)
Ms Pat Carvalho (appointed 09 May 2022)
Ms Joanne Jones*
Mr Thomas Newman (resigned 24 August 2022)
Ms Liz Rylatt* (resigned 21 April 2022)
Mr Simon Bates (appointed 17 October 2022)
Ms Camille Stallard (appointed 14 October 2022)*

Remuneration Committee:

Mr Thomas Chambers (Chair)
Mr Thomas Newman (resigned 24 August 2022)
Mrs Trudy Norris-Grey
Mrs Katharine Purser (resigned 05 October 2022)

^ The Chair of Audit Committee attends a Board meeting on an annual basis and upon request from the Chair if required.

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Report of the Directors for the year ended 31 July 2022

Other Directors' report disclosures

Disclosures required by the Companies Act 2006 to be included in the directors' report about engagement with employees, suppliers, customers and other stakeholders, and energy and carbon reporting have been included below in the Strategic Report section of this report.

Directors' recruitment, appointment, and training

UCAS' Articles determine the constitution of the Board and appointment of Directors.

All Directors and co-opted Committee members are independently selected, and formally appointed on merit for an initial fixed term of up to four years. This is based on their specific skills, experience, and expertise, against objective criteria. With due regard for the benefits of diversity on the Boards and Committees, UCAS' recruitment processes are formal, rigorous, transparent, proportionate, and appropriate to each vacancy. This enables the widest choice of candidates to be considered.

All new Board and Committee members receive an induction pack of essential governance (including managing conflicts), and UCAS documents. They are also invited to attend a formal induction session, covering UCAS' operations. This includes meeting members of the Executive Team. Thereafter, they receive updates which can include legal and regulatory developments, Charity Commission, and other relevant guidance. Board and Committee members are given the opportunity to have ongoing learning and development, as well as visits to the Rosehill site to expand their knowledge of UCAS' operational developments.

UCAS regularly conducts a skills gap analysis, to inform succession planning, and enable specific training needs to be identified.

UCAS also conducts annual Board effectiveness reviews, which enable the Board to regularly consider its effectiveness, and that of its subsidiaries and Committees.

Subsidiaries

UCAS owns 100 per cent of the share capital of its subsidiaries, UCAS Media Limited, UCAS International Limited and UCAS Consultancy and Insights Limited. UCAS Media Limited is used for non-primary purpose trading activities, while UCAS International Limited and UCAS Consultancy and Insights Limited are not trading.

During 2021/22, a business review of UCAS International was conducted. The review concluded that Myriad by UCAS is well placed to support the delivery of UCAS' strategic objectives, that a close working relationship with UCAS is essential, and that a simplified organisation and governance structure makes future strategic opportunities easier. It was decided that the best way to unlock these benefits was to transfer the trade and assets of UCAS International to UCAS (hive up). This transaction was supported by external legal, tax and accounting advice, and completed in the year.

Profit from the subsidiaries is gift aided back to the charity under deed of covenant for the purposes of investment in new, and improvements to existing, products and services. Our investment is customer led, using insight and data to prioritise those investments that are most important to our customers. In 2021/22 our investment from gift aid was used for a number of developments including but not limited to; admissions reform, and further improvements to our information, advice and insight for all our stakeholders.

The profit before tax and Gift Aid donations, for UCAS Media Limited, during the year ended 31 July 2022, amounted to £1,613,202, which represented a decrease of 21.9 per cent over the profit for the year ended 31 July 2021. The reduction in profit during the year was due to an increase in costs, notably distribution costs.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Report of the Directors for the year ended 31 July 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, the Directors' report, and the accounts, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs, the incoming resources and application of resources, including of income and expenditure, of the Charitable Company, and the Group for that period.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies, and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going concern basis, unless it is inappropriate to presume the Group and Charitable Company will continue in business

The Directors are responsible for keeping proper accounting records that show and explain both the Group's and Charitable Company's transactions, with reasonable accuracy, at any time, and the financial position of the Group and Charitable Company, and enable them to ensure the accounts comply with the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulation 2006. They are also responsible for safeguarding the assets of the Group and Charitable Company, and for taking reasonable steps for the prevention and detection of fraud, and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's websites. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Given the composition of the Board, UCAS does have a relationship with the employing organisations of some of its Directors. However, all Directors have a legal obligation to act in the best interests of UCAS and in accordance with UCAS' governing document, and to avoid situations where there may be a potential conflict of interest. On accepting membership as a Director of the UCAS Board or a Director of a UCAS trading subsidiary, a Director shall supply to the Company Secretary an entry to the Declarations of Interests Register. The Company Secretary is responsible for maintaining the register and each Director is to communicate with the Company Secretary any significant additions or deletions from his/her entry as soon as practicable.

Notwithstanding any declaration made on the register, a Director shall make a further declaration of any duality or conflict of interests or conflict of loyalty at any meeting of the Board meeting where decisions are to be made on the supply of goods or services to the Company or other matters with potential financial consequences, and shall be bound by the provision of the Companies Act 2006. All such declarations are minuted.

Third Party Indemnity Provision for Directors

The Charitable Company paid a premium of £6,307 (2021: £5,215) to indemnify Directors and officers against legal liabilities arising through wrongful acts in the performance of their duties. The policy excludes claims arising through malicious or intentional breach of conduct, dishonesty, or fraud.

Statement of disclosure of information to auditors

Each Director confirms, in so far as he or she is aware, that there is no relevant information of which UCAS' auditors are unaware. As Directors, they have taken all the steps they ought to have taken, to make themselves aware of any relevant audit information, and to establish that UCAS' auditors are aware of that information.

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Auditors

RSM UK Audit LLP was reappointed as auditor for the year ended 31 July 2022 and has indicated their willingness to continue in office.

Remuneration

UCAS operates a structured pay framework, which rewards employees based on performance. All salary levels are benchmarked externally, to ensure consistency and alignment with the sector and national markets. Every 3 years each role is benchmarked, and this was conducted in 21/22. The remuneration for UCAS' Executive Team is subject to external benchmarking, with a separate meeting held regarding CEO remuneration. Awards given are reviewed and approved by UCAS' Remuneration Committee.

Objectives and activities:

Public benefit

The Directors have reviewed the Charity's aims and objectives, and complied with their duties in the Charities Act 2011, with due regard to the Charity Commission's guidance on public benefit exercising any powers or duties where the guidance is relevant.

UCAS is an independent charity, focused on connecting people to their future. The charitable objectives are 'to advance and to assist in the advancement of education in universities and other higher, further, or secondary establishments, insofar as such advancement and assistance shall be exclusively charitable in nature, in particular, but without prejudice to the foregoing, by providing and maintaining an organisation to facilitate the consideration by such universities and other higher, further, or secondary education establishments of applications for admission to, and to assist applicants in gaining access to, such universities and educational establishments'.

UCAS does not conduct any fundraising activities, nor use any fundraising agencies, and has received no complaints in this regard in this or the prior period.

UCAS provides public benefit by providing information, advice, and admissions services to inspire and facilitate progression in education. The section below outlines how UCAS delivers public benefit through these services.

Information and advice services

Our aim is to support people in making well-informed choices about their post-secondary education, using our in-depth insight about how and when students make their decisions to make this as personalised, engaging and informative service as possible.

UCAS supports students throughout their journey to post-secondary study, from initial research, refinement of options, final decision-making, and transition to their chosen destination. We provide information and advice through our national programme of exhibitions, enabling students to meet representatives from universities, colleges and employers, explore and narrow down their choices. Our online content expands beyond traditional Higher Education (HE), covering the range of destinations available to students, including apprenticeships, employment and gap years.

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We attract over 32 million people from across the world to our website, ucas.com, where visitors can use our search tool to explore and filter over 50,000 undergraduate (UG), postgraduate (PG), and conservatoire courses. Students can also explore the latest degree and higher apprenticeship opportunities through the 'UCAS Hub' which provides students with all the tools and information they need, in one place, and for free. When it comes to exploring subjects, considering apprenticeships, shortlisting options, and writing an impactful personal statement or CV, the 'UCAS Hub' has comprehensive, personalised and engaging content. Each student has their own dashboard which they can customise and tailor to their needs, organise tools, and tick off their to do list. The 'UCAS Hub' is their space to explore and prepare for their future.

Not everyone has access to the same levels of support and advice, either from parents/guardians or their school and college advisers when considering what to do when they leave secondary education, or when thinking about higher education as an adult. We work in partnership with charities and other organisations to provide practical and inspiring information, advice, and resources for underrepresented groups, including students with disabilities, care leavers, those with parental or caring responsibilities, and estranged students.

Enabling people to make the right choices about their post-secondary education delivers public benefit by enabling people to fulfil their potential. Choice of the right subject, university, college or employer contributes to improving widening participation, student retention, and successful progression to a degree, employment, or further study, and, ultimately, value for money for the taxpayer.

Admissions services

While our core purpose is to provide an accessible and trusted undergraduate admissions service, we also provide admissions services for conservatoires and postgraduate courses as well as a route through to applying for apprenticeships.

In offering centralised services, UCAS enables universities, colleges and employers to connect with a wide range of potential students in a more efficient and effective way across the UK and globally. We help to manage risks from fluctuating numbers of applications, and deliver cost-effective, efficient services to help universities and colleges plan and manage admissions decision-making. For undergraduate admissions, we provide data and services to support contextualised admissions that take account of students' educational backgrounds, and help universities evaluate the effectiveness of widening participation activities. Our centralised services, with a common application process, and agreed timescales and business rules, also facilitates student choice, and supports fairness and transparency.

We employ robust eligibility criteria to our higher education provider customers, to ensure students, parents, teachers, and advisers can be confident the universities and colleges applied to are bona fide course providers, offering quality courses of educational benefit.

To support public and policy debate about participation trends including widening access, UCAS publishes comprehensive analysis and insight about who is applying to higher education, receiving offers, and securing places. Taking into account the characteristics of the applicant population, and patterns of applications, offers, and acceptances, our analysis shows that at an aggregate level, admissions to full-time, undergraduate higher education are fair.

UCAS published a specific impact report in 2022 which is available on ucas.com. The report provides an overview of the last year to give our stakeholders a sense of the value UCAS has delivered on behalf of our customers. UCAS' role in providing a UK-wide admissions service, on behalf of all its customers, is not taken for granted. We continue to innovate and reform. We have a critical role in proactively helping shape current and future HE admissions reform. We strive to ensure that students from more than 200 countries have fair and transparent choice and can make aspirational choices, regardless of their background or circumstance.

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Strategic Report

Achievements and performance

UCAS' core purpose is to run an accessible, trusted, and personalised undergraduate admissions and information service. UCAS' vision is to be the go-to place for UK higher education, apprenticeships, and lifelong learning. Its mission is to inspire and empower people, providers, and employers to achieve their potential and thrive through choices in education, skills, and learning.

UCAS' strategy *Discover Your Future* (2020 to 2025) focuses on delivery of six strategic objectives. Examples of progress against these objectives during 2021/22 are outlined below.

1. Inspire and empower people to make aspirational choices about higher education and learning

- The strategy to be the 'go to place for information, advice and guidance' for students, advisors, learning providers and business is moving forwards at a pace and UCAS' ambition to drive parity of student-choice amongst the variety of higher education options remains high. The website, UCAS.com, has received over 135 million page views from around 22 million users in the last year.
- UCAS is proud of its unrivalled reach across the student audience: in the last year it has registered over 1.5 million users on its pre-applicant database, around 1 million users on its student and graduate databases, and has placed around 600,000 students in universities, conservatoires and colleges across the United Kingdom.
- The user audience for UCAS.com extends beyond students themselves, and UCAS has over 30,000 users who are schools or college advisors and parents. New content supporting their desire to give better and more independent advice and guidance has been generated for this important group of people who are critical influencers in the student journey.
- UCAS has increased its reach across learners from all socio-economic backgrounds, nationally and internationally, with over 81,000 UK applicants from the most deprived areas being accepted into higher education in 2021 and will continue to develop innovative tools to engage and inform students, whoever they are and wherever they are.
- Adding more relevant and aspirational information to the UCAS.com website is key in the enablement of learner choice. In the last year UCAS has significantly invested in the user experience and ease of access.
- The addition of subject guides, city guides and jobs guides has significantly enhanced the search experience, and many of the university's profiles have now been enhanced with more dynamic content.
- A new suite of information and advice about jobs and careers has been exceptionally well received by potential students and early careers' employees: with over 1.2m users completing the Careers Quiz (<https://www.ucas.com/explore/career-quiz>) which was launched late Summer 2021.
- The careers section of the website has been further developed with the launch of a new section on apprenticeships and the addition of 50 employer profiles which explain their organisations and the types of roles they are looking to hire. Of the 750,000 registered on UCAS this year, 342,000 (46%) said they were also interested in an apprenticeship. UCAS will be continuing to enhance the provision of interactive materials and tools to enable the students to make an informed choice about their Post 18 options.
- The UCAS 'Create your future' and 'UCAS fairs' returned with high energy and unprecedented levels of attendance this year. 48 face to face events were held in venues across the country including large 'flagship' events in London, Birmingham and Manchester, as well as taking the universities fair to locations such as Belfast, Cardiff and Inverness. UCAS has engaged with over 150,000 students across these events. This year, for the first time, employers were also invited to attend, and not only did they raise awareness of their corporate product and services but they were also able to provide face to face insight about their apprenticeships and graduate employment roles. This was extremely well received by the audience and their advisors, and 99% of the attendees have asked that UCAS continue to invite businesses and public sector employers to the UCAS fairs.

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Report of the Directors for the year ended 31 July 2022

- The admissions service remains at the core of UCAS, and the availability of information, advice and guidance during the critical Clearing period is of utmost importance to the students. This year, UCAS has launched a series of podcasts, and Facebook-live sessions which cover everything that a student needs to know about the journey to university and the choices available to them should they need to use the Clearing service.
- Another area of further expansion this year has been the accommodation section on the website, where information about accommodation in the university or college locations is provided, as well as a 'help-list' of what a student needs to do to apply for accommodation, and other topics such as 'what they need to pack'.
- Student satisfaction, an example of a KPI used to track this strategic objective, remains high at over 90%.

2. Deliver trusted and flexible admissions services for the digital age

- Successfully delivered the UCAS Undergraduate, UCAS Conservatoires, and UCAS Postgraduate admissions services, supporting over 749,000 applicants, with 562,000 of those securing a place and almost 414,000 securing their first choice on an undergraduate degree course.
- New widening participation data was developed and incorporated into the application process, such as refugee status, military family background and care status. With these new questions and improvements, students can tell us more about their personal background, such as whether they have left care or are estranged from families. This means that universities and colleges have access to invaluable contextual information about an applicant and can offer them tailored support to make their transition into higher education experience much improved.
- The new application interface for students has been continuously improved, supporting a more seamless student journey and leading to a 10% reduction in calls.
- Products were continually improved such as Clearing Plus and the Record of Prior Acceptance, vastly improving the digital clearing experience. Over 56,000 students were successfully placed through Clearing in a higher education institution.
- Engagement throughout the year continued on UCAS' ambitious programme of student centered reform for undergraduate admissions, including on personal statements, numbers of choices and references. During the year complexity in the process was reduced and cycle dates have been simplified.
- Single sign-on has been extended so our customers only need to log-in once to access our platforms, including externally hosted ones, again reducing confusion and call-volumes.
- A new payment service has been implemented to provide enhanced support for peak transaction requirements and fewer duplicate transactions, reducing both costs and administration effort, but, most importantly, improving the customer journey.
- Provider satisfaction, a KPI for this strategic objective, increased during the year and is in excess of 90%.

3. Be the go-to place for higher education data-driven insights

- UCAS provides valuable insight and efficiencies for the education and training sector through analytics, open access data, and policy research, including for the Department for Education, regulators, devolved nations, employers, apprenticeship providers, universities, colleges, think tanks, and awarding organisations. This continues to expand, especially through user friendly and transparent data dashboards freely available to the public. In 2021/22 over 8 million data points were published for public good benefit.
- We have continued to dramatically expand our external outputs and ability to influence government policy. This year UCAS covered the following areas:
 - To align with National Inclusion Week, we worked with LGBT+ charity Stonewall to release research into the experiences of LGBT+ students preparing to start college and university. This discovered a positive picture, with many viewing university or college an opportunity to be themselves. This was not however the case for trans people who reported having a much tougher time and facing greater discrimination.

**Report of the Directors
for the year ended 31 July 2022**

- Welcomed by the Minister for Disabled People, we published *What is the experience of disabled students in education?* in collaboration with international education business, Pearson. It provided new insight into disabled students in education, examines each impairment category and looks at how disability intersects with other personal characteristics to understand patterns and preferences.
- To support the growing profile of UCAS International, we published *Where Next? What influences the choices international students make?*, in conjunction with US-based charity College Board. This research provides new and interesting insight into the attributes and mindset of undergraduate international students in a changing landscape.
- In collaboration with Health Education England we considered how to improve recruitment of nurses given the shortages in this occupation. *Next Steps: Who are the 'future nurses?* explored how to improve the recruitment of the tens of thousands of people considering the nursing profession, including those looking to retrain into Nursing later in their career. This included considering greater use of Nursing Apprenticeships to increase choice.
- Our impact in shaping government's handling of results across the four nations through regular meetings with Ministers and their officials was expanded. This included direct briefings with the Secretary of State and HE/FE Minister on numerous occasions in the lead up to Results Day on UCAS' insight and data around applicant behaviour, predicted grade inflation, rising demand, increased interest in apprenticeships, and potential risks in a dynamic Clearing.
- A number of insightful, real time surveys were conducted using UCAS expertise or third parties when needed; informing both products and services, and on behalf of external customers, stakeholders or government; helping to position UCAS as the go to place for student insight. In particular, in the run up to Confirmation and Clearing we ran a number of pulse surveys, with fast turnaround times, to capture real time student insight on intentions and emotions.
- Qualitative KPIs are in place such as UCAS' policy outputs (as outlined above), in addition to quantitative KPIs with an increase to 8 million data points published during the year.

4. Connect the world to UK higher education

- 2021/22 saw a record number of non-EU applicants apply to UK universities through UCAS, with 112,000 UG applicants (a 10% increase on the previous year) with the most significant growth from China, India and Nigeria. EU UG applications continue to decline, down by over 50% since 2019 to 23,880.
- In October 2021, to support the Department for Education's (DfE's) International Education Strategy, Myriad by UCAS went live, UCAS' mobile-first platform connecting international students to UK post-graduate higher education. Myriad is now directly referenced by the DfE in the latest versions of the strategy.
- The formal launch event of Myriad by UCAS took place in February 2022. This was a major step in building UCAS' global reputation for admissions and opened by the Minister for Higher and Further Education.
- Myriad by UCAS is growing to become a one-stop-shop to help prospective International PG students. In Spring 2022 UCAS also launched a partnership with Pearson for users to book and take the required English language tests required for any Visa application
- Over 2021/22 Myriad by UCAS has had downloads from individuals in 186 markets and by the end of 2021/22 we had onboarded a number of providers on to Myriad's advance service.
- To further ensure the Myriad platform was created through a journey with the UK Higher Education sector, to meet both expectations and needs, UCAS undertook a wide-reaching and comprehensive series of engagement activity with universities, including: delivering several group information sessions, liaison with university Vice Chancellors, representation at mission groups and forums, running a sequence of platform-shaping focus groups, working closely with The British Universities' International Liaison Association (BUILA) International Directors, and hosting approximately 70+ 1-to-1 meetings.

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Report of the Directors for the year ended 31 July 2022

- Throughout 2021/22 UCAS also supported international advisers and undergraduate applicants with information and advice, including Facebook Live sessions, WeChat updates, adviser webinars and joint virtual activities with stakeholders.
- A KPI for this strategic objective is the number of markets of active users. This was 186 markets which demonstrates the extensive early reach of the products.

5. Embed efficiency and value in everything we do

- Commercial planning was put in place across the organisation but notably linked to both the technology decommissioning plan and programme increment (PI) planning, with this driving a proactive approach to reviewing business need, engaging with the market and benchmarking to develop and execute the appropriate sourcing model, delivering value for money.
- UCAS partnered with a new supplier to implement a new omnichannel platform to support customer contact. This platform routes all contacts to staff via a single source, embedding the contact application through UCAS' CRM system directly. UCAS will continue to innovate to provide more and more comprehensive self-serve options 24/7 – meeting customers' needs.
- The internal volunteering programme where staff from all over UCAS work on the phones in the customer experience centre during results and deadline days was expanded. This increases knowledge, customer service, as well as delivering savings.
- New frameworks were put in place to procure external resource to support initiatives in an effective and efficient manner.
- A new Record of Prior Acceptance API was developed to enable automated transfers of pre-accepted applicant data from providers' student record systems to UCAS.
- Income, surplus and cash are KPIs which are reported at each Board meeting, and these results (outlined in this report) are broadly in line with expectations.

6. Be an employer of choice where people flourish, perform, achieve and belong

- Improvements were made to ways of working, wellbeing and pay and benefits, resulting in a staff survey where 82% of UCAS colleagues would recommend UCAS to friends and family as a great place to work, 90% of colleagues state that UCAS truly supports flexible ways of working and 89% of UCAS' workforce state their managers genuinely care about their wellbeing. 85% of colleagues state they are proud to work for UCAS.
- Following extensive engagement with the workforce regarding the future of UCAS' workplace, UCAS have re-shaped its ways of working, with all colleagues choosing either a hybrid or home-working contract. UCAS have upgraded its technology and made significant investment in the workspace to offer a best in class, collaborative hybrid experience for its people, both those in the office and at home.
- UCAS have invested in career pathways as well as developing a digital career academy and a sales and marketing academy. These academies provide technical and professional development, allowing UCAS colleagues to progress and develop their professional careers.
- UCAS provided a cost of living support package to staff which included a range of non-financial support measures alongside extraordinary, goodwill payments payable across three months starting in December.
- UCAS continued its focus on colleague wellbeing, with several online events and collaborative sessions including resilience, managing anxiety, financial wellbeing, and the continuation of our Mental Health First Aider scheme. UCAS also merged wellbeing events and challenges with fund raising for the events in Ukraine.
- UCAS has increased its focus on equality, diversity, and inclusion (EDI). UCAS completed an independent EDI accessibility audit to make sure its office facilities are inclusive. Changes that resulted from this audit included, new gender-neutral facilities, a new 'quiet' room that is used for well-being purposes as well as a multi-faith prayer room and inclusion of multi-level surfaces and desk spaces for those with mobility issues. EDI champions have been appointed to support employee well-being and inclusivity which has led to colleagues establishing groups and networks such as the Menopause at work group.

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- There are a number of people KPIs in place including FTE, unplanned turnover, and absence. Year on year improvements across these measures have been made. UCAS also met the target for achieving and maintaining an employee advocacy score of 80% (Actual 82%).

Plans for the future

UCAS is on an ambitious journey to be the go-to place for UK higher education, apprenticeships, and lifelong learning.

It aims to do this by inspiring and empowering people, providers, and employers to achieve their potential and to thrive through making choices that are right for them in education, skills, and learning.

The delivery of the 2020-2025 Strategy is well underway, and while ensuring that UCAS continues to provide an outstanding admissions service, UCAS is now further investing in areas of technology and digital marketing that will establish it as the first port of call for students, advisors and employers for data, insights, advice and guidance.

Over the coming two years, UCAS will enhance its engagement across the devolved nations and continue to seek customer and stakeholder feedback to push forward on reimagining the admissions service, following the implementation of both a significant improvement to the look and feel of the application process – and the data captured. This is particularly key in the context of the lifelong learning policy, with the lifelong loan entitlement an area of development, recognising that the building blocks for reforming the apprenticeships offer help UCAS prepare for a landscape where modular and bite size learning is the norm.

Therefore, UCAS will be continuing to enhance and develop apprenticeship services that will provide students and their advisors with information, advice and guidance on this alternative higher education learning route. A 'state-of-the-art' jobs portal will enable students to search for apprenticeships and graduate jobs, and which will provide a streamlined application facility akin to the university admissions service.

UCAS will also engage with industry to ensure that the apprentice jobs are brought to the attention of these students at the right time and in the right place. Employers will also be able to engage with potential apprenticeships through a 'jobs matching service'.

Further growth in active users and students registering on the 'pre applicant database' will be achieved by continuing to improve the student engagement and interactive student experience on the UCAS.com website. The student 'discovery' journey, from initial awareness of higher education through to making choices and applications, will see further changes regarding personalisation and higher interactivity. New sections of the website will be evolved, such as the Careers, and student finance, health and wellbeing.

A 'course personalisation engine' has been developed for implementation to recommend courses to students based on their specific needs, which will further help support students make the choices that are right for them.

The UCAS Fairs and Events will be further developed, with more activities and presentations for the students to partake in when they attend. UCAS is also planning to ensure that students from all parts of the UK are able to attend a fair within an hour's commute: this is an ambition as part of the Fair Access initiative.

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A programme of work focused on fair access is developing services and tools to engage with schools and colleges to ensure that students from all backgrounds are supported through their considerations leading to post 18 decisions. UCAS is also working with local area 'widening access' groups to provide data and insights particularly as in the context of a growing UK 18 year old population, and a likely shift towards more selectivity in admissions, it is critical that UCAS proactively supports this by reaching those that are 'hard to reach'. In particular, UCAS is developing an 'Outreach Connection Service' to raise awareness of the support available to less advantaged students, and to make it easier for schools and students to navigate and connect to the range of help on offer from universities and third sector charities.

UCAS will also continue to work with Universities UK, UKCISA, DfE, DfT and other representative bodies to grow the demand for UK HE in emerging markets globally. While the UCAS International subsidiary has begun the dissolution process, an international advisory subgroup has been established to continue to benefit from the skills and expertise of its members.

UCAS data products and services will continue to mature, and more products are being developed that will address the needs of both its Higher Education and its industry customers. This includes enhancing the ability to gather, interpret and provide customer insights with a focus on driving value from internal surveys capabilities to become the go to place for youth insights.

Section 172 Statement

The Board of Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company in achieving its charitable purpose and, in doing so, to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

Throughout this report, we have summarised our governance framework and how we are engaged with stakeholders during the year. The Trustees have considered the views and needs of key stakeholders in Board discussions and decision making. The following points are not intended to be an exhaustive list but are illustrative of how the Trustees have fulfilled these duties during the year.

Engagement with stakeholders

- As stakeholder engagement is key to the delivery of the strategy, the Chief Executive provides an update at each Board meeting which includes all the customer and stakeholder engagement that has occurred at an Executive level since the last meeting for discussion. Additional key updates are also provided to Trustees between meetings.
- Trustees are briefed on their duties during their induction and draw upon the regular updates from the Chief Executive to assist in their decision making. In addition to this, the risk management framework is used to identify and manage risks and a risk heatmap is provided at each Board meeting.
- The Chair of the Board continues to meet relevant stakeholders. On results day, some of the Trustees were present at the Cheltenham office and met with students, government, sector agencies and suppliers, and listened to calls from applicants.
- External speakers focussing on the external environment are now a standing item for each UCAS Council meeting. All Trustees are invited to join for this item.
- The process for providing feedback from the UCAS Council to Trustees has been reviewed and strengthened to enable key stakeholders' input on upcoming Board discussions.

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Report of the Directors for the year ended 31 July 2022

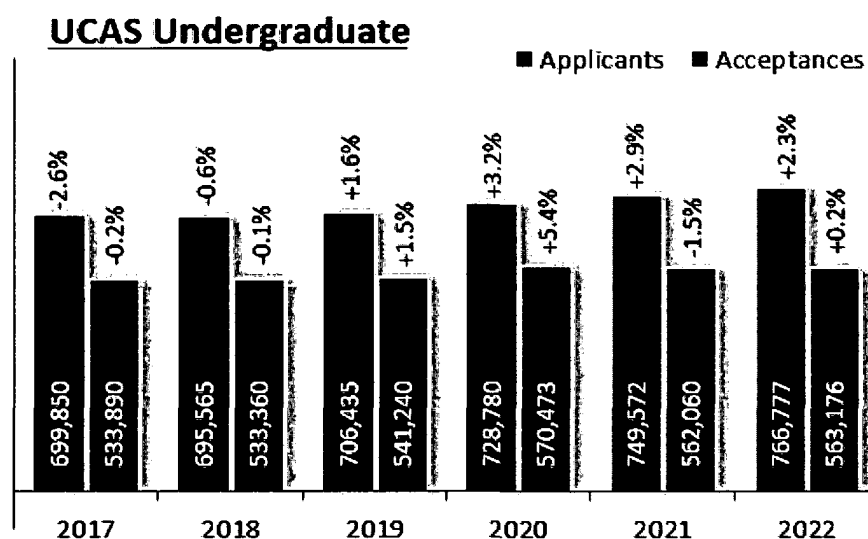
- The Trustees review financial and operational performance, as well as information covering areas such as external drivers which includes the number of applications, staff including UCAS' people plans, pensions, delivery, and key risks. This information is provided to the Trustees through routine reports circulated in advance of each Board meeting which were then reviewed, discussed and approved, as necessary.
- A number of key publications were issued over the course of the year across a range of subjects as outlined in the achievements and performance section of the Directors report.
- Conferences and exhibitions have restarted face to face with record numbers for the annual Teachers and Advisers Conference in February, a successful, in person launch of Myriad, by UCAS, and a record attendance at the Manchester student facing exhibition. Over 400 people from the admissions community also came together in person at UCAS' Annual Admissions conference.
- UCAS continues to work closely with DfE officials, UUK, and the devolved nations on a range of topics.

Engagement with employees

- The UCAS Values in Action Framework was refreshed which sets the tone of our business. It defines our culture, by describing how our values should play out in our day-to-day working lives. The framework provides behavioural indicators for each of the values, to give clarity about what is expected. The new values are Be Ambitious; Be Smart; Be Inclusive; Be Trusted.
- How and where employees work is a contributing factor when choosing whether to work for UCAS. A significant proportion of the office has now been refurbished to support our hybrid way of working with the latest technology and workstations. UCAS also completed an independent EDI accessibility audit to make sure our office facilities are inclusive.
- The Executive team are actively involved in the engagement of staff through frequent briefings, use of internal communication tools, and regular CEO stand ups and newsletters to provide updates on business developments and to answer questions directly.
- One of the main focuses in EDI is improving talent acquisition and implementing inclusive attitudes and structures to ensure we eradicate any form of bias throughout the recruitment process. EDI champions have been appointed to support employee well-being and inclusivity. This has also led to staff establishing groups and networks, such as the Menopause at Work group, with their own events and Q&A's.
- Approved the cost of living support package to staff.

**Report of the Directors
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Applicant numbers for the undergraduate scheme

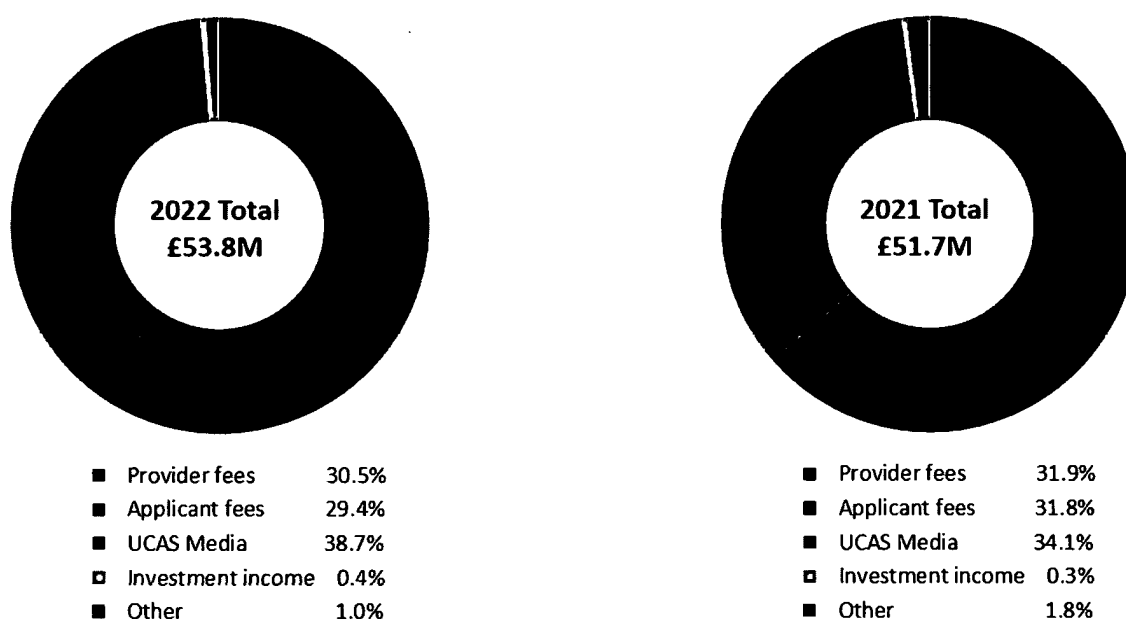


Financial review

The applicant numbers detailed above, and the associated income disclosed below, are some of the key performance indicators used to measure the performance of the charity. The performance of UCAS Media Limited, as detailed below, is also considered a key indicator of the Group's performance.

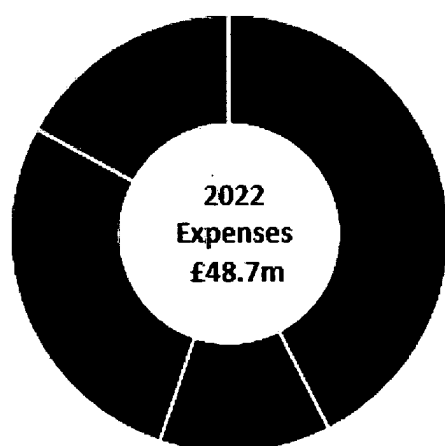
Total group income increased by 4.1 per cent, to £53.8m. The increase in income was driven by trading activities primarily due to the return of physical events as the Covid-19 restrictions were lifted.

Total income (note 3) in 2022 vs. 2021 is shown below:

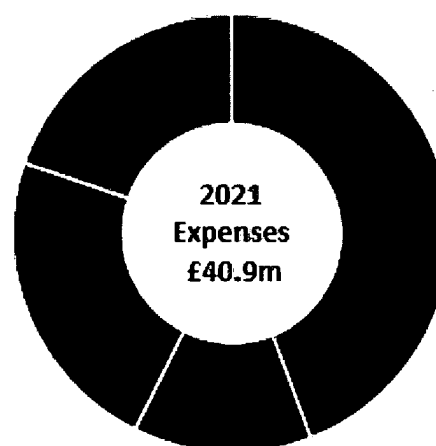


**Report of the Directors
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Expenditure (note 4) is further broken down below, showing expenditure by business area.



■ Digital and Data	42%
■ Operations	13%
■ IAG*, Marketing, and Sales	28%
■ Support**	17%



■ Digital and Data	44%
■ Operations	13%
■ IAG*, Marketing, and Sales	23%
■ Support**	20%

* IAG - Information, advice and guidance

** Support includes pension gains/losses

Expenditure increased during the year primarily due to an increased level of investment to accelerate the progress of the strategy. It is also worth noting that there were some cost reductions in 2020/21 linked to the lockdown impositions of Covid-19, notably physical events, which have now returned.

Looking ahead, UCAS will continue to manage its expenditure in order to deliver the strategy in an effective and efficient manner.

Cash reserves for the Group decreased from £26.3m to £25.9m due to a transfer to the investment fund.

UCAS also holds a liquid investment portfolio, containing a combination of bonds, equities, and property. This year has seen the investment increase by 8.5 per cent to a value of £9.1m as at 31 July 2022 (2021: £8.5m value) due to a transfer from the cash reserves offsetting a decline in performance linked to market conditions.

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Details of UCAS' pension arrangements, including two final salary schemes, and two money purchase arrangements, are set out in note 18 of the accounts. The net charge for the UCAS Pension and Life Assurance Scheme (PLAS) for the year ended 31 July 2022 is £0.1m (2021: £0.2m), included in note 18, after cash contributions of £1.0m (2020: £1.0m). The contributions were made under a formal agreement with the Trustees of the pension scheme, to alleviate the pension Trustees' measure of the deficiency of net assets in the scheme. In the year ended 31 July 2022, the actuarial gain on the scheme liabilities more than offset the return on scheme assets, totalling £5.6m, were recognised in other comprehensive income (2021: gain £4.8m). As a result, the scheme is now in surplus (£2.9m) compared with a deficit of £6.6m in 2021. As this surplus is not recoverable, it has not been recognised on the Balance Sheet. In the coming year, a triennial valuation will be completed and as part of this process, the formal agreement regarding the additional contributions will be reviewed. While the scheme is in surplus at year end, no changes can be made to the additional contributions until the triennial valuation process is completed.

Under FRS 102, the Group has also recognised the present value of future deficit contributions payable to the Universities Superannuation Scheme (USS) pension scheme, resulting in a deficit of £2.8m (2021: £1.3m) being recognised on the balance sheet.

The Group's financial reserves mainly comprise cash at bank, and liquid investment funds. The main purpose of these reserves is to maintain sufficient finance for the Group's planned future operations and activities. The main financial risk arising from the Group's operations and activities, is liquidity risk. The Group funds its operations and activities from operating income and cash reserves.

The Group made no political contributions or donations during the two years ended 31 July 2022. As a registered charity, UCAS seeks to benefit from the appropriate tax exemptions where it can.

Streamlined energy and carbon reporting

This report was undertaken in accordance with the Streamlined Energy and Carbon ("SECR") Reporting requirements outlined in the Companies Act (2006) for large quoted and unlisted companies which requires the Universities and Colleges Admissions Service (UCAS) to report on its Greenhouse Gas (GHG) emissions. This report contains details on annual GHG emissions, total energy consumption from our Cheltenham office, transport assets, and energy efficiency actions implemented for each financial year. This report contains our SECR disclosure for the 2021/22 financial year.

During the reporting year UCAS built and commissioned a new smaller data centre to support its operations. Compared to the previous data centre, it is expected that energy consumption from supply and cooling will be reduced by 50%, increasing the energy efficiency of our operations. UCAS has completed the retrofit of LED lighting in the east-wing of the Rosehill office. All refurbished office spaces and meeting rooms are now fitted with LED lamps which are forecast to reduce energy consumption from lighting by 50% and have a longer service lifetime.

Previous retrofit of the heating systems at the Rosehill offices have also helped to improve the overall heating efficiency by 20%. This included the replacement of older condensing boilers with new high efficiency condensing units, and the replacement of conventional heating pumps with variable speed inverter drives. In addition, existing gas-fired water heaters have been replaced with efficient electrically heated tanks. Further efficiency updates to the BMS monitoring and control system will allow UCAS to maximise free cooling and heating, further increasing energy efficiency and reducing the annual energy demand.

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Over 2021/22 we have collected primary data for our Cheltenham office site including: electricity consumption (kWh), electricity transmission and distribution (kWh losses) and natural gas consumption (kWh). Transport data has been collated from our small fleet of owned vehicles (business mileage), our grey fleet mileage, and hire and staff car usage. All primary data used within this report is from 1st August 2021 – 31st July 2022, covering our financial year. The scope of our GHG emissions calculation covers all of UCAS' operations from our head office, as a consolidated group report.

Emissions Source	GHG Scope	Reporting Units	2019/20 (1 st Aug – 31 st Jul)	2020/21 (1 st Aug – 31 st Jul)	2021/22 (1 st Aug – 31 st Jul)	% Change vs 2019/20
Electricity	Scope 2	kWh	994,890	951,587	878,861	-11.7%
Natural Gas	Scope 1	kWh	513,883	456,354	352,937	-31.3%
Owned Vehicles	Scope 1	kWh	57,908	1,497	11,559	-80.0%
Grey Fleet	Scope 3	kWh	54,410	2,760	46,869	-13.9%
Total Energy Consumption (kWh)	-	-	1,621,091	1,412,197	1,290,226	-20.4%

In accordance with the SECR Emissions Reporting requirements outlined in the Companies Act for large companies our GHG disclosure for the 2021/22 financial year is listed below. Results have been split by Scope and source as outlined by the GHG Protocol calculation methodology and compared against our 2019/20 baseline results.

GHG Emissions Scope	Reporting Units	2019/20 1 st August – 31 st July	2020/21 1 st August – 31 st July	2021/22 1 st August – 31 st July	% Change vs 2019/20
Scope 1	tonnes CO ₂ e	108.64	84.29	67.56	-37.8%
Scope 2	tonnes CO ₂ e	254.29	221.85	186.51	-26.6%
Scope 3	tonnes CO ₂ e	12.95	0.69	11.54	-10.9%
Total GHG Emissions	tonnes CO₂e	375.89	306.84	265.71	-29.3%
GHG Emissions Intensity	tonnes CO₂e/£M Gross Income	7.54	5.94	4.96	-34.3%
GHG Emissions Intensity	tonnes CO₂e/m²	0.07	0.06	0.05	-28.6%

Moving forwards, UCAS are continuing to implement measures to further reduce UCAS' annual energy demand. For example, the LED replacement program will be rolled out to the west-wing of the Rosehill office by Spring 2023.

Risk management

The Directors have given consideration to the significant risks UCAS is exposed to and have satisfied themselves that controls are in place to mitigate those risks. The UCAS Board seeks to manage and mitigate risk, particularly through the activities of its Audit Committee. Working in conjunction with the Executive Team, the Audit Committee monitors the following activity:

1. Risk management – the Corporate Risk Management Framework sets out UCAS' approach to risk management, covering the end-to-end process, roles, and responsibilities, and defining the scope of its activities.

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Report of the Directors for the year ended 31 July 2022

The Directors consider the key principal strategic risks to be monitored currently are:

- **Compromise of sensitive or personal data** – we continue to make improvements to our technical security, in response to the constantly changing cyber threat landscape. We have robust security incident management procedures, backup and recovery plans, as well as a comprehensive plan for business continuity and recovery which we test. UCAS have engaged with other organisations to share knowledge and learnings regarding cyber security. We also continue to run awareness campaigns, to increase the vigilance and diligence of our employees, and help mitigate the risk of a compromise of sensitive or personal data.
- **Inability to attract and retain a sufficient number of specialist skills** – The recruitment market for certain skills remains competitive and therefore to help mitigate this risk, a more structured approach to sourcing and resourcing has been implemented, along with talent mobility and adjustments to internal processes. The targeted focus from UCAS on headhunting and networking continues to yield more positive results with an increase in offers made for the ‘hard to recruit’ roles.

Strategic risks are reviewed by the Executive Team on a regular basis, and UCAS’ corporate risk exposure is reported to all meetings of the Audit Committee and UCAS Board. Tactical risks at a business unit level are reviewed frequently.

2. Internal audit – PricewaterhouseCoopers (PwC), as UCAS’ internal auditor, undertakes a series of audits in which they review the organisation’s activities and governance functions, and report their findings to the Audit Committee. A risk-based approach is taken to the development of the annual audit plan. This is agreed with, and guided by, the Executive Team and the Audit Committee. The 2021/22 audit programme included reviews such as commercial subsidiaries, cyber security, customer disaffiliation, and financial controls. In addition, PwC also conducted an advisory report regarding ways of workings, as well as right-sourcing. Internal audit is conducted in conjunction with the external audit function, provided by RSM Audit UK LLP.

3. Health and safety – UCAS maintains a dedicated and centrally-managed health, safety, and environmental function. This role undertakes regular reviews of operational activities, and provides advice, including risk assessments, as well as wellbeing developments, reporting to the Chief Executive and Audit Committee, through the Executive sponsor for health and safety. The priorities are to maintain a healthy and safe environment for the UCAS workforce, ensure compliance with relevant health and safety legislation and regulation, ensure the requirements of the Energy Savings Opportunities Scheme (ESOS) are being satisfied, and effectively manage UCAS’ environmental impact and wellbeing.

Reserves policy

The aim of the reserves policy is to protect UCAS from unforeseen financial challenges, while making funds available for investment in future activities.

Due to the cyclical nature of the annual application cycles, UCAS’ income can vary seasonally. By contrast, expenditure is, for the most part, incurred evenly throughout the year. This can cause timing issues, where expenditure exceeds income at certain points within the year. There are also risks which need to be managed.

There is therefore a need for cash at a sufficient level to fund expenditure as noted in the general reserve section below.

The Directors recognise that the sectors in which UCAS operates are constantly evolving and are subject to many external factors. As such, there is a need for reserves. This is highlighted in the income and technology reserve sections below.

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Report of the Directors for the year ended 31 July 2022

The reserves policy sets out the criteria used to designate UCAS' reserves and explains the reasoning behind putting each reserve in place. Where the full value of any reserve cannot be designated from available funds, the reserve will be partially set aside, with the aspiration to build the full reserve in subsequent years.

The policy is reviewed annually, to take account of changes to the external environment and the performance of current operations.

For the purposes of this policy, the calculation of the reserves held in the UCAS Group balance sheet is based on the net assets, excluding the UCAS Pension & Life Assurance Scheme (PLAS) pension scheme liability, minus tangible and intangible fixed assets. The PLAS pension liability has been excluded from the total, as UCAS has committed to a multi-year scheme recovery plan, which can be met from projected future income without significant impact on its planned levels of charitable activity. UCAS has also set aside two years of recovery payments in the general reserve, equivalent to £2.0m as at 31 July 2022.

The value of the reserves target is currently £35.0m (2021 £27.2m) based on the definition in the reserves policy versus actual reserves of £35.1m. (2021 £34.7m). As UCAS has met its reserves policy, significant investment continues to be made to deliver the Discover your Future strategy which is available at ucas.com. The year on year increase in the reserves target (+£7.8m) is largely linked to this significant investment, as there are a number of initiatives/opportunities where expenditure is needed ahead of income being received. As such a new reserve has been established for this. An increase in the technology reserve as well as the USS liability are the other factors behind the increase in target reserves.

The amounts above the reserves policy are likely to be used over the next few years given the investment levels are aligned to the 2020 to 2025 strategy. The level of investment is a further material step up for the organisation and is targeted in areas such as reform, higher and degree apprenticeships service, international, as well as information, advice and guidance. Further examples are outlined in the plans for the future section above.

When considering the appropriateness of the level of reserves for the UCAS Group (the Charity and Subsidiaries), the Directors have regard to the strategic risks facing the business and their possible financial implications, and the current business plan which includes the availability of cash in the bank and investment funds and the need for reserves to offset significant timing differences in the receipt of cash, particularly at the year end, when cash balances are typically at their lowest levels. The establishment of appropriate levels of reserves is therefore considered important to the continued operation of UCAS.

The Directors have noted that UCAS Media and UCAS International are wholly owned subsidiaries of UCAS, which Gift Aid their profits to the Charity. It was therefore not considered appropriate to devise a separate reserves policy for UCAS Media or UCAS International. The total balance sheet fund value is £49.4m.

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Report of the Directors for the year ended 31 July 2022

The following unrestricted reserves have been identified (none of UCAS' reserves are deemed to be restricted):

General reserves

UCAS' income is seasonal, largely due to the application cycles, while expenditure is relatively constant throughout the year. There are also risks to be managed. There is, therefore, a need for cash at a sufficient level to fund expenditure. The total value of liquid assets (cash plus investment fund) that UCAS should look to maintain at any given time as general reserves, is based on the following assumptions:

- Two and half months' working capital
- Two years of PLAS deficit recovery plan payments
- USS liability (as per balance sheet)
- New initiatives or opportunities with expenditure needed ahead of income being received.

As UCAS has entered into a multi-year deficit recovery plan for the PLAS pension scheme, and because two years of PLAS deficit recovery payments and the USS balance sheet liability are now included in the general reserve, it is not considered necessary to designate a separate pension reserve. The value of general reserves (unrestricted reserves minus pension liability) as at 31 July 2022 was £35.9m (2021 £27.2m).

Income reserve

The Directors recognise that the sectors in which UCAS operates are constantly evolving and are subject to many external factors. They therefore consider it important to establish sufficient reserves to protect against any unforeseen reduction in income. The Directors have therefore designated a specific reserve to protect against any strategic risks that could lead to a loss of income. Each risk identified at the corporate level, where a potential financial loss is highlighted, is assigned a likelihood in percentage terms. This percentage is multiplied by the estimated loss, to arrive at a corresponding value. The total of all amounts is reflected in the final value of the income reserve. The value of this reserve as at 31 July 2022 was £4.1m (2021 £4.0m).

Technology reserve

Acknowledging the dependency of technology, coupled with the risks of operational failure and the serious compromise of sensitive or personal data, leading to reputational damage, the Directors believe a designated technology reserve should be held. Investment in technology must continue to ensure successful delivery of core services, as well as security and recovery provision. The Directors therefore consider it essential to hold sufficient reserves for this purpose. UCAS' technology spend can be segmented into three core areas:

- Tier one – architectural building blocks for the future and security and recovery provision
- Tier two – technology suppliers
- Tier three – other smaller technology suppliers

The target value should represent the annual cost of tier one. The value of this reserve as at 31 July 2022 was £9.5m (2021 £8.0m).

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Investment policy

UCAS' Memorandum of Association allows the Group to make such investments, including securities or property as may be thought fit, subject to legal and constitutional conditions and consents. This also allows the Group to subscribe for interests in any company or undertaking established, with the intention of directly or indirectly benefiting the Company. All cash funds generated by UCAS, or any subsidiary companies, will be invested and managed through UCAS, in accordance with all legal requirements, and with regard to UCAS' reserves policy, and both short-term and long-term working capital requirements. The funds to be invested represent the excess of cash reserves over the amount needed to fund investment in the company's infrastructure. The objective for the fund is to achieve a balance of income and capital growth, while at least maintaining the real capital value of the investment funds in the long term. UCAS seeks an annual return equal to three percentage points above the consumer prices index (CPI) over a rolling five years, and the fund is benchmarked against the Asset Risk Consultants (ARC) Charity Sterling Steady Growth Index or suitable equivalent. The investment manager has not been in place for 5 years but the performance of the fund up to September 2022 is below the stated objectives. For managed funds, the appointed investment manager may use their discretion in selecting the most appropriate investments, subject to the risk appetite and ethical parameters set out in UCAS' investment policy which is monitored, along with investment managers performance, by Finance Committee.

Employee engagement

UCAS is driven to be an employer of choice, where our people flourish, perform, achieve, and belong.

This is achieved through:

- providing a performance framework that measures and rewards success
- clear career pathways and growth opportunities
- ensuring all our leaders are role models for the UCAS values in action
- offering learning academies linked to career frameworks, and promoting a balanced approach to development
- having multiple ways to communicate to and engage with colleagues, including through the staff consultation group and our wellbeing group. We also encourage and support our employee community groups (e.g. menopause champions)
- promoting a hybrid way of working where people can work in way which suits both the business and individual success, while also creating a culture space within the office where people can connect and collaborate
- an update and review on people initiatives and metrics at Board and Audit Committee meetings, with a more detailed review also undertaken by Remuneration Committee.

Equality and inclusion

At UCAS everyone, no matter their identity, background or abilities, can Discover their Future. We believe that each individual is different with something unique to offer, and we realise the value this has for our UCAS community and the work we do. We are firmly committed to advancing equality, diversity and inclusion and this will be measured and evident through our workforce demographics and employee experience and satisfaction scores.

UCAS gives full and fair consideration to applications for employment from people with disabilities, having regard to their particular aptitudes and abilities. All reasonable adjustments are made for the continued employment and training, career development and promotion of people with disabilities employed by UCAS. UCAS do not condone or tolerate any form of discrimination in our recruitment or employment practices.

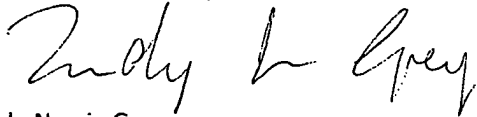
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Key updates which were discussed by the Directors for 2021/22 include:

- One of the strategic objectives of UCAS' strategy 'Discover your Future' is to be an employer of choice, where our people flourish, perform and achieve. At the Board strategy day in December, 'belong' was added to this objective, alongside a new set of workforce outcomes and new targets.
- Workforce metrics such as FTE, absence, turnover, and workforce profile were discussed, along with gender and ethnicity pay gaps. A specific paper was discussed and approved by the Board regarding the EDI framework, the strategy and the speed and scope of ambition in relation to targets.
- This year as the future of hybrid working became a reality, we invested in a digital way of gauging engagement sentiment on an ongoing basis. A new employee experience platform was put in place. As previously mentioned, our higher scoring areas included employer advocacy and wellbeing and well as flexibility, support from managers and communication from the leadership.
- We also continued our elevated focus on wellbeing, with a number of online events and collaborative sessions including, resilience, managing anxiety, financial wellbeing and the continuation of our Mental Health First Aider scheme. Combining wellbeing with our EDI communities, the menopause champion community has put in lots of efforts to improve awareness and support to colleagues and their managers
- UCAS has increased its focus on equality, diversity, and inclusion (EDI). UCAS completed an independent EDI accessibility audit to make sure its office facilities are inclusive. As an example, the office is fully accessible to support current and future employees with a disability with the inclusion of multi-level surfaces and appropriate signage.

The Directors' report and incorporated Strategic report were approved by the Board on 07 December 2022, and signed on its behalf by:



Trudy Norris-Grey
Chair

Date: 07 December 2022

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Independent Auditors' report to the directors and members of the Universities and Colleges Admissions Services for the year ended 31 July 2022

Opinion

We have audited the financial statements of The Universities and Colleges Admissions Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Consolidated and Charity Statements of Financial Activities (incorporating an income and expenditure account), the Consolidated and Charity Statements of Financial Position, the Consolidated and Charity Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2022; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Independent Auditors' report to the directors and members of the Universities and Colleges Admissions Services for the year ended 31 July 2022

Other information

The other information comprises the information included in the Report of Directors other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of Directors. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 directors' report and the strategic report, prepared for the purposes of company law and included within the Report of the Directors, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report and the strategic report, included within the Report of the Directors, have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 27, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Independent Auditors' report to the directors and members of the Universities and Colleges Admissions Services for the year ended 31 July 2022

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable 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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Independent Auditors' report to the directors and members of the Universities and Colleges Admissions Services for the year ended 31 July 2022

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Directors, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing data analytics, analytical review, test of controls and substantive tests of details over a sample of income transactions.

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

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street,
London,
EC4A 4AB

Date: 19th December 2022

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

**Consolidated and charity statements of financial activities
(incorporating an income and expenditure account)
for the year ended 31 July 2022**

	Notes	Group		Charity	
		Unrestricted Funds		Unrestricted Funds	
		2022	2021	2022	2021 (restated)
		£'000	£'000	£'000	£'000
Income from charitable activities:					
Provider and applicant fees	3	32,224	32,943	32,224	32,943
Other income	3	536	954	5,662	6,041
Raising funds:					
Income from trading activities	3	20,836	17,652	-	-
Gift Aid		-	-	1,614	2,066
Investment income	3	226	179	220	179
Total income		53,822	51,728	39,720	41,229
Expenditure					
Raising funds	4	(19,261)	(15,547)	(28)	(63)
Charitable activities	4	(29,430)	(25,368)	(34,556)	(30,354)
Total expenditure		(48,691)	(40,915)	(34,584)	(30,417)
Net (loss) / gain on investments	9	(418)	1,362	(418)	1,362
Net income		4,713	12,175	4,718	12,174
Other recognised gains:					
Remeasurements of defined benefit obligation	18	5,638	4,844	5,638	4,844
Net movement in funds		10,351	17,019	10,356	17,018
Reconciliation of funds:					
Total funds brought forward		39,194	22,175	39,913	22,895
Total funds carried forward		49,545	39,194	50,269	39,913

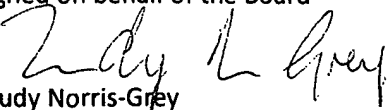
THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Consolidated and charity statements of financial position for the year ended 31 July 2022

	Notes	Group		Charity	
		2022	2021	2022	2021 (restated)
		£'000	£'000	£'000	£'000
Fixed assets					
Goodwill	7	164	204	164	204
Other intangible assets	7	9,005	7,569	7,944	6,513
Total intangible assets		9,169	7,773	8,108	6,717
Tangible assets	8	7,883	6,361	7,844	6,298
Investments	9	9,120	8,403	9,120	8,403
Investment in subsidiaries	10	-	-	1,026	1,026
		26,173	22,537	26,098	22,444
Current assets					
Debtors - falling due within one year	11	9,100	8,455	7,353	5,290
Cash at bank and in hand		25,948	26,325	24,749	25,161
		35,048	34,780	32,102	30,451
Current liabilities					
Creditors amounts falling due within one year	12	(8,809)	(10,150)	(5,083)	(5,007)
Net current assets		26,239	24,630	27,019	25,444
Creditors: amounts falling due after more than one year					
Deposit from property tenant		(80)	(80)	(80)	(80)
		(80)	(80)	(80)	(80)
Net assets excluding pension scheme liability		52,332	47,087	53,037	47,808
Deduct:					
Defined benefit pension scheme liability	18	-	(6,560)	-	(6,560)
Defined contribution pension scheme provision	18	(2,788)	(1,333)	(2,788)	(1,333)
Net assets		49,544	39,194	50,249	39,915
Funds					
Unrestricted funds: designated	15	13,643	12,000	13,643	12,000
Unrestricted funds: general	16	38,689	35,087	39,393	35,785
Pension scheme liability	18	(2,788)	(7,893)	(2,788)	(7,893)
Called up share capital		-	-	1	24
Total funds		49,544	39,194	50,249	39,915

The financial statements on pages 29 to 60 were approved by the Board of Directors, and authorised for issue on 07 December 2022.

Signed on behalf of the Board


Trudy Norris-Grey
Chair

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

**Consolidated and charity statements of cash flows
for the year ended 31 July 2022**

	Notes	Group		Charity	
		2022	2021	2022	2021
		£'000	£'000	£'000	(restated) £'000
Net cash flow from operating activities		6,599	12,379	4,210	11,605
Cash flow from investing activities					
Interest received on bank and cash balances		57	33	51	33
Gift Aid income from subsidiary		-	-	2,066	1,668
Purchase of intangible fixed assets	7	(4,065)	(4,022)	(3,772)	(3,646)
Purchase of tangible fixed assets	8	(1,967)	(574)	(1,967)	(514)
Cash Investment	9	(1,000)	-	(1,000)	-
Net cash used in investing activities		(6,975)	(4,563)	(4,622)	(2,460)
Net increase/(decrease) in cash and cash equivalents		(376)	7,816	(412)	9,146
Cash and cash equivalents at the beginning of the reporting period		26,325	18,508	25,161	16,015
Cash and cash equivalents at the end of the reporting period		25,948	26,325	24,749	25,161
Notes to the statements of cash flows					
	Notes	Group		Charity	
		2022	2021	2022	2021
		£'000	£'000	£'000	(restated) £'000
Operating surplus / (deficit) for the financial year		4,939	10,710	3,336	8,643
Adjustments for:					
(Increase) / decrease in debtors	11	(644)	(27)	(2,535)	786
Increase / (decrease) in creditors	12	(1,342)	(789)	76	(22)
Depreciation and amortisation	7 & 8	3,113	2,870	2,800	2,583
Impairment of fixed assets	7 & 8	-	557	-	557
Remeasurement of USS liability	18	1,435	(120)	1,435	(120)
FRS102 pension adjustment	18	(902)	(822)	(902)	(822)
Net cash flow from operating activities		6,599	12,379	4,210	11,605

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

1. Principal accounting policies

The following accounting policies have been used consistently, in dealing with items that are considered material in relation to the Group's and Charitable Company's accounts.

General information

UCAS is a private limited company by guarantee, without share capital. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company. UCAS is registered as a company in England (number 2839815), as a charity in England and Wales (number 1024741), and as a cross-border charity in Scotland (number SC038598). The address of the Group's registered office and principal place of business is: Rosehill, New Barn Lane, Cheltenham GL52 3LZ.

The Group consists of UCAS and its subsidiaries. The Group's principal activities, and the nature of the Group's operations, are as described in the Report of the Directors.

Basis of accounting

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). The accounts comply with the following:

- The Companies Act 2006
- The Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 01 January 2019
- The Charities and Trustee Investment (Scotland) Act 2005
- The Charities Accounts (Scotland) Regulations 2006 (as amended)

The Charitable Company has availed itself of Section 4 of Schedule 1, Part 1 of the large- and medium-sized Companies and Groups (Accounts and Reports) regulations 2008, and adapted the Companies Act formats, to reflect the special nature of the Charitable Company's activities.

The Charitable Company constitutes a public benefit entity, as defined by FRS 102.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

Throughout the year, the Trustees at the Board meetings and through the relevant Committees review the financial performance, business planning and the financial outlook and scenarios.

Financial modelling of income, surplus and cash has been conducted through to 2024/25 and was presented to the Board as part of the business planning agenda in June. As at July 2022, UCAS has a cash balance of £26m and an investment fund of £9.1m.

As such, the Trustees consider there are no material uncertainties that would cast significant doubt around the Group's and the Charitable Company's ability to operate as a going concern.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

Basis of consolidation

Assets and liabilities of the subsidiaries are consolidated on a line-by-line basis using acquisition accounting. They include the assets and liabilities of UCAS Media Limited, a wholly owned subsidiary of UCAS. All financial statements are made up to 31 July.

All intra-group transactions, balances, and unrealised gains on transactions between group companies, are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the parent Charity.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent consideration acquired is recognised as goodwill.

The transfer of the trade and assets of UCAS International Limited on 27 May 2022 met the definition of a group reconstruction and the criteria of section 27.4 of the Charities SORP (FRS 102) and has therefore been accounted for as a merger within the financial statements of the Charitable Company. By restating the Charitable Company's comparatives, the assets, liabilities and reserves of the Charitable Company and UCAS International Limited have been aggregated as of 20 October 2020 (the date the Charitable Company acquired the share capital of UCAS International Limited) within the Balance Sheet of the Charitable Company and the aggregated results of the two entities have been shown within the activities of the Charitable Company from the acquisition date. The carrying amounts of the assets, liabilities and reserves in UCAS International Limited have been accounted for at their fair value at the date of the original acquisition of shares and the results of UCAS International Limited have not been aggregated within the Charitable Company's activities prior to the date that UCAS International Limited joined the Group.

Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Charitable Company.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies), are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to income or expenditure, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

Income

All income is included in the Statement of Financial Activities, in respect of the services provided during the period, and is stated net of value added tax.

Income is recognised in the accounts when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity.
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity.
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Income is shown in two main categories:

- Income from charitable activities includes capitation fees from higher education providers, application fees, grants, and other income.
- Income from raising funds includes income from trading subsidiaries and investment income.

Provider and applicant income, grants, and other income is accounted for on a receivable basis. Other income includes income from the provision of training, the UCAS search tool facility available to providers, other consultancy work, subscriptions, and student financial assessment. For subscriptions, income is recognised over the life of the subscription, during which time the service is delivered in full. Income received from the Coronavirus Job Retention Scheme (CJRS) is also included in other income.

Income from trading operations includes marketing services and income from events. For these categories, income is recognised in line when the services are delivered, and is deferred as necessary.

The Group and Charitable Company also receive income from investments. This is accounted for on a receivable basis.

Expenditure

All expenditure is accounted for on an accruals basis, and has been classified under the headings:

- costs of charitable activities
- costs of raising funds

Costs of charitable activities relate to costs incurred in delivering UCAS' charitable objects. These costs include those related to operating UCAS' core admissions services, as well as the development, implementation, and maintenance of our infrastructure capabilities.

Costs of raising funds relate primarily to the activities of the trading subsidiary, UCAS Media Limited. These costs are incurred in generating trading income.

Support costs are incurred in the process of supporting the above activities, and are allocated to those activities on the basis set out in note 4.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

Investment policy

Investments in subsidiary undertakings are measured at cost, less any impairments recognised.

Other fixed asset investments are valued at their market value, per the Rathbone Greenbank investment report on the last day of the accounting period. Changes in the valuation of the investments during the year are shown as unrealised gains or losses. Gains or losses arising from the disposal of investment assets are disclosed as being realised, being the difference between the sales proceeds, and the market value at the start of the year.

Tangible fixed assets and depreciation

Tangible fixed assets costing over £5,000 in UCAS and its subsidiaries are capitalised. Tangible fixed assets are initially measured at cost, and subsequently measured at cost, net of depreciation, and any impairment losses. Depreciation is provided against tangible fixed assets, other than freehold land, at the following straight-line rates. This reflects the anticipated useful lives, and estimated residual values:

• Freehold buildings	50 years
• Computer hardware	Three years
• Office equipment	Four years
• Other plant	Ten years
• Motor vehicles	Four years

During the year, the capitalisation policy was reviewed, with no changes made.

Where elements of the freehold buildings are rented under formal lease arrangement, the directors consider whether this element of the buildings is required to be accounted for as mixed-use property under FRS 102.

Intangible assets and amortisation

Intangible fixed assets – goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years, which represents the period over which the goodwill is expected to give rise to economic benefits. Amortisation is charged to the expenditure: charitable activities line on the statement of financial activities.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets – other than goodwill

Internally developed software is initially recognised at cost and, once it becomes available to use, amortised over the expected useful life of that software prior to replacement (up to a maximum of five years, depending on the characteristics of the asset). Ahead of the completion of internally developed software, the cumulative direct cost of resources and services incurred during development are held as Software work in progress.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

Intangible assets arising on a business combination are recognised separately from goodwill if the intangible asset is both separable and arises from legal or contractual rights. Intangible assets acquired on a business combination are initially recognised at cost (the fair value of the asset at acquisition date) and, once it becomes available to use, amortised over the useful life of that software.

Capitalised software licences are initially recognised at cost and then amortised over the shorter of five years or the agreed licence period.

Intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

- | | |
|-----------------------------------|--|
| • Software (internally developed) | Five years |
| • Licences | The shorter of five years or the period of the licence |

Impairment policy

An assessment is made at each reporting date, whether there are indications a fixed asset may be impaired, or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets, and their recoverable amounts – being the higher of fair value less costs to sell, and value in use – are recognised as impairment losses in income or expenditure.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income or expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted, to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Policy on capitalisation of software development costs

Only expenditure of substantial amounts for enhancements on authorised projects, incurred in direct relation to the project, may be incorporated into capitalised software development costs. In general, costs incurred necessarily, and exclusively, in the creation of an asset that will deliver future economic benefit, are capitalised and amortised over the useful life of that asset, subject to the amortisation periods set out above. This will not generally include any pre-development costs, such as feasibility studies or market research. However, this will include any beta testing period, where an application has been made available to customers in a pre-final version for feedback, with a view to further enhancements before release into production.

Development is deemed to end when the application is released into production. Any subsequent development expenditure is deemed to be continuous improvement, and would not be considered for capitalisation, unless it contributes to a significant increase in the economic value of the asset. Capitalised development expenditure is initially recognised at cost, and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

Leases

The Group as lessee – operating leases, and the annual rentals are charged to income or expenditure on a straight-line basis over the lease term. Rent free periods, or other incentives received for entering into an operating lease, are accounted for as a reduction to the expense, and are recognised on a straight-line basis over the lease term.

Cash and cash equivalents

These amounts comprise cash at the bank and in hand, as well as short-term deposits, typically with a short maturity of three months or less from the date of acquisition.

Financial instruments

The Group has applied the provisions of Section 11 'Basic Financial Instruments' of FRS 102, in full, to all its financial instruments.

Financial assets and financial liabilities are recognised when the Group and Charitable Company become a party to the contractual provisions of the instrument, and are offset only when the Group and Charitable Company currently have a legally enforceable right to set off the recognised amounts, and intend either to settle on a net basis, or to simultaneously realise the asset and settle the liability.

Trade, group, and other debtors

Trade, group, and other debtors (including accrued income), which are receivable within one year, and which do not constitute a financing transaction, are initially measured at the transaction price, and subsequently measured at amortised cost, being the transaction price less any amounts settled, and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected, according to the original terms of the contract. Impairment losses are recognised in profit or loss, for the excess of the carrying value of the trade debtor over the present value of the future cash flows, discounted using the original effective interest rate. Subsequent reversals of an impairment loss, that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Creditors

Trade, group, and other creditors, including accruals, payable within one year, that do not constitute a financing transaction, are initially measured at the transaction price, and subsequently measured at amortised cost, being transaction price less any amounts settled.

Taxation

The parent company is a registered charity and, as such, is exempt from taxation of its income and gains falling within Part II of the Corporation Tax Act 2010, or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that they are applied to its charitable objectives. Any tax charge arising in the subsidiaries are mitigated via the payment of Gift Aid to the parent charity.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

Employee benefits

The costs of short-term employee benefits are recognised as a liability, and an expense.

The Group's holiday entitlement year runs from April to March, and employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the Group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

Retirement benefits

The Group participates in four pension schemes.

- UCAS Pension and Life Assurance Scheme (1993) is a defined benefit scheme. The scheme was closed to future accrual of benefits on 31 December 2017. The assets and liabilities of the scheme are held in a separate trust, and the net defined benefit asset/liability represents the present value of the defined benefit obligation, minus the fair value of plan assets, out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds, with terms and currencies consistent with those of the benefit obligations.

Gains or losses recognised in Statement of Financial Activities:

- The change in the net defined benefit liability arising from employee service during the year, is recognised as an employee cost.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation, and interest income on the plan assets. This is calculated by multiplying the fair value of the plan assets at the beginning of the period, by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
 - The difference between the interest income on the plan assets, and the actual return on the plan assets.
- UCAS participates in Universities Superannuation Scheme (USS). The scheme is 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. UCAS 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', UCAS therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since UCAS has entered into an agreement (the 'Recovery Plan') that determines how each employer in the scheme will fund the overall deficit, UCAS 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.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

- UCAS Group Stakeholder Pension Plan (2007), and UCAS Group Stakeholder Pension Plan (2014), are defined contribution schemes with associated life assurance attachment. The employer liability towards these schemes is limited to the contributions made on a regular monthly basis. These are subject to an upper limit, graduated on the option made by the employee to the scheme. These contributions are charged to the Statement of Financial Activities as they become due.

Further details of the accounting adopted for these schemes is detailed in note 18 to these accounts.

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the Directors, for the general objectives of the Group, and which have not been designated for other purposes.

Designated funds comprise unrestricted funds set aside by the Directors for specific purposes.

2. Staff numbers and costs

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

	Group		Charity	
	2022	2021	2022	2021 (restated)
	No.	No.	No.	No.
Application and administrative services	396	362	396	362
Commercial activities	84	81	-	-
	<u>480</u>	<u>443</u>	<u>396</u>	<u>362</u>

The aggregate payroll costs of these persons were as follows:

	Group		Charity	
	2022	2021	2022	2021 (restated)
	£'000	£'000	£'000	£'000
Salaries	19,618	17,746	12,689	11,558
Social security costs	2,197	1,867	1,840	1,574
Defined contribution pension cost	1,076	1,213	832	1,684
Pensions costs - multi-employer DB scheme	654	674	654	(64)
	<u>23,545</u>	<u>21,500</u>	<u>16,015</u>	<u>14,752</u>
Capitalised	<u>(1,574)</u>	<u>(2,091)</u>	<u>(1,574)</u>	<u>(2,091)</u>
	<u>21,971</u>	<u>19,409</u>	<u>14,441</u>	<u>12,661</u>
Restructure costs	19	444	19	291
	<u>21,990</u>	<u>19,853</u>	<u>14,460</u>	<u>12,952</u>

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

While all staff are employed through the Charity, those staff that are conducting commercial activities through UCAS Media are excluded from the Charity numbers. Group numbers include all staff.

Employer costs relating to Defined Contribution (DC) and Defined Benefit (DB) pension schemes are analysed separately.

During the year, redundancy costs of £19k (2021: £444k) were incurred (of which £19k (2021: £142k) were statutory and non-statutory/voluntary payments), to align staff capability to new roles. Such costs are recognised as expenses immediately within expenditure, and are included in the table below where appropriate. At the reporting date, all such payments had either been made, or were due to be made to employees participating in consultation.

Included in the above table are costs for the following numbers of employees, whose emoluments (including benefits in kind, but not pension costs) fell within the following bands:

	Group		Charity	
	2022	2021	2022	2021
	No.	No.	No.	No.
£60,001 - £70,000	13	14	12	12
£70,001 - £80,000	15	12	14	10
£80,001 - £90,000	8	6	8	5
£90,001 - £100,000	2	2	1	2
£100,001 - £110,000	2	1	2	1
£110,001 - £120,000	2	-	2	-
£130,001 - £140,000	1	1	1	1
£140,001 - £150,000	-	2	-	2
£150,001 - £160,000	1	-	1	-
£160,001 - £170,000	2	-	1	-
£170,001 - £180,000	-	1	-	1
£220,001 - £230,000	1	-	1	-

The key management personnel of UCAS comprises the Executive Team, which includes the Chief Executive, Chief Operating Officer, Chief Financial Officer, Executive Director of People, Chief Product Officer, Chief Marketing Officer, Executive Director of Strategy, Policy and Public Affairs and, Director of UCAS International. Changes above reflect the return of some key management personnel (including the Chief Executive) to full pay following voluntary reductions during the pandemic and the realignment of the performance year resulting in timing changes of payments.

The total employee benefits, including employer pension contributions of the key management personnel of UCAS Group, were £1,275,133, (2021: £1,386,850), and employer NI contributions for these personnel were £149,540 (2021: £128,436).

Pension scheme contributions paid by the Group in respect of the people listed above amounted to £689,422 (2021: £611,105). The pension scheme contributions paid by the Charity in respect of the people listed above amounted to £624,323 (2021: £547,427). In the year 2021/22, the contribution to the USS scheme was £583,058 (2021: £571,205), and to the UCAS Group Stakeholder Pension Plan was £106,365 (2021: £46,008).

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Notes to the Financial Accounts for the year ended 31 July 2022

Directors

None of the Directors received remuneration for services to the Charity (2021: nil). Travelling expenses of £11,905 were reimbursed to the Directors (2021: £nil), in respect of attendance at meetings. During the year, no emoluments were paid to non-executive Directors of UCAS Media Limited (2021: £nil).

Professional indemnity insurance

The Charitable Company paid a premium of £6,307 (2021 £5,215) to indemnify Directors and officers against legal liabilities arising through wrongful acts in the performance of their duties. The policy excludes claims arising through malicious or intentional breach of conduct, dishonesty, or fraud.

3. Income

	2022 £'000	2021 £'000
Institutional and applicant fees		
Provider fees	16,414	16,508
Applicant fees	15,810	16,435
	<u>32,224</u>	<u>32,943</u>
Other income		
Data services sales	72	158
Brand and data charge	3,340	3,001
Management and resourcing recharge	1,786	2,086
Fraud grant	67	67
Other income	397	729
	<u>5,662</u>	<u>6,041</u>
Investment income	220	179
	<u>38,106</u>	<u>39,163</u>
Charity income excluding gift aid		
Trading operations		
UCAS Media Limited	20,841	17,652
Investment income	6	-
	<u>20,847</u>	<u>17,652</u>
Intercompany	(5,131)	(5,087)
Group income	<u>53,822</u>	<u>51,728</u>

UCAS Media's principal business activity is the provision of marketing services to commercial clients, higher education providers seeking to make contact with applicants, and prospective applicants to higher education courses.

The majority of the accounting profits of the trading subsidiary are Gift Aided to the parent company under the deed of covenant. A Gift Aid payment of £1,613k (2021: £2,066k) from UCAS Media to UCAS will be paid by 30 April 2023.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

4. Expenditure

Group:	Direct staff costs £'000	Direct costs £'000	Brand and data £'000	Other support costs £'000	Total 2022 £'000	Total 2021 £'000
Raising funds						
Cost of investments	-	28	-	-	28	63
Commercial activities	6,470	6,608	3,340	2,815	19,233	15,484
	<u>6,470</u>	<u>6,636</u>	<u>3,340</u>	<u>2,815</u>	<u>19,261</u>	<u>15,547</u>
Charitable activities						
Admissions service	10,494	4,035	(3,340)	11,048	22,237	16,452
Special projects	1,263	2,495	-	772	4,530	6,805
Analysis and research	1,202	160	-	1,301	2,663	2,111
	<u>12,959</u>	<u>6,690</u>	<u>(3,340)</u>	<u>13,121</u>	<u>29,430</u>	<u>25,368</u>
Total expenditure of the group	<u>19,429</u>	<u>13,326</u>	<u>-</u>	<u>15,936</u>	<u>48,691</u>	<u>40,915</u>

	Raising funds £'000	Admissions service £'000	Special projects £'000	Analysis & research £'000	Total 2022 £'000	Total 2021 £'000
Analysis of support costs						
Governance	55	661	-	-	716	826
Finance	993	1,045	-	14	2,052	1,727
Human resources	388	934	95	159	1,576	1,222
Information technology	1,352	6,177	542	903	8,974	10,604
Facilities	-	1,880	135	225	2,240	1,036
General management	27	351	-	-	378	283
Total support costs	<u>2,815</u>	<u>11,048</u>	<u>772</u>	<u>1,301</u>	<u>15,936</u>	<u>15,699</u>

	Total 2022 £'000	Total 2021 £'000
Analysis of governance costs		
Internal audit	89	81
External audit	53	41
Legal & professional consulting	427	539
Trustees	53	44
AGM	-	0
Other governance costs	94	121
Total governance costs	<u>716</u>	<u>826</u>

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Notes to the Financial Accounts for the year ended 31 July 2022

Charity:

	Direct staff costs £'000	Direct costs £'000	Other support costs £'000	Total 2022 £'000	Total 2021 £'000
Raising funds					
Cost of investments	-	28	-	28	63
	-	28	-	28	63
Charitable activities					
Admissions service	10,424	4,158	12,781	27,363	21,437
Special projects	1,263	2,495	772	4,530	6,805
Analysis and research	1,202	160	1,301	2,663	2,111
	12,889	6,813	14,854	34,556	30,354
Total expenditure of the charity	12,889	6,841	14,854	34,584	30,417

	Admissions service £'000	Special projects £'000	Analysis & research £'000	Total 2022 £'000	Total 2021 £'000
Analysis of support costs					
Governance	701	-	-	701	796
Finance	1,107	-	14	1,121	1,174
Human resources	1,186	95	159	1,440	1,015
Information technology	7,529	542	903	8,974	10,604
Facilities	1,880	135	225	2,240	1,037
General management	378	-	-	378	283
Total support costs	12,781	772	1,301	14,854	14,907

	Total 2022 £'000	Total 2021 £'000
Analysis of governance costs		
Internal audit	89	81
External audit	43	30
Legal & professional consulting	422	520
Trustees	53	44
Other governance costs	94	121
Total governance costs	701	796

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Notes to the Financial Accounts for the year ended 31 July 2022

5. Taxation

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Current tax				
UK corporation tax	-	-	-	-
Factors affecting the tax charge for the year:				
	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Net income for the year before tax	4,712	12,175	4,718	12,174
Tax on income at standard CT rate of 19%	895	2,313	896	2,313
Effects of:				
Income not taxable for tax purposes	(895)	(2,313)	(896)	(2,313)
Total current tax charge	-	-	-	-

6. Net income for the year is stated after charging

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Depreciation of tangible fixed assets	444	70	421	38
Amortisation of intangible assets	2,669	2,748	2,381	2,545
Impairment of intangible assets	-	557	-	557
Operating Lease costs	3	18	3	18
Auditor's remuneration - audit fees	58	41	48	33
Auditor's remuneration - taxation compliance services	8	7	6	4
Internal auditor's remuneration	89	81	89	81
And after crediting:				
Interest on deposits receivable	57	33	51	33
Dividends receivable on investment portfolio	169	146	169	146

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Notes to the Financial Accounts for the year ended 31 July 2022

7. Intangible assets

Consolidated

	Goodwill £'000	Licences £'000	Software £'000	Work in progress £'000	Total £'000
Cost					
At 1 August 2021	1,601	869	24,881	1,868	29,219
Additions	-	-	419	3,646	4,065
Disposals	-	-	(6,321)	-	(6,321)
Transfers	-	-	4,299	(4,299)	-
At 31 July 2022	<u>1,601</u>	<u>869</u>	<u>23,278</u>	<u>1,215</u>	<u>26,963</u>
Amortisation and impairment					
At 1 August 2021	1,397	838	19,210	-	21,445
Disposals	-	-	(6,321)	-	(6,321)
Amortisation charge for the year	40	15	2,614	-	2,669
At 31 July 2022	<u>1,437</u>	<u>854</u>	<u>15,503</u>	<u>-</u>	<u>17,794</u>
Net book value					
At 1 August 2021	204	31	5,671	1,868	7,774
At 31 July 2022	<u>164</u>	<u>15</u>	<u>7,775</u>	<u>1,215</u>	<u>9,169</u>

Charity

	Goodwill £'000	Licences £'000	Software £'000	Work in progress £'000	Total £'000
Cost					
At 1 August 2021	240	869	23,562	1,868	26,540
Additions	-	-	127	3,646	3,772
Disposals	-	-	(6,321)	-	(6,321)
Transfers	-	-	4,299	(4,299)	-
At 31 July 2022	<u>240</u>	<u>869</u>	<u>21,667</u>	<u>1,215</u>	<u>23,992</u>
Amortisation and impairment					
At 1 August 2021	36	838	18,949	-	19,823
Amortisation charge for the year	40	16	2,325	-	2,381
Disposals	-	-	(6,321)	-	(6,321)
At 31 July 2022	<u>76</u>	<u>854</u>	<u>14,953</u>	<u>-</u>	<u>15,884</u>
Net book value					
At 1 August 2021	204	30	4,615	1,868	6,717
At 31 July 2022	<u>164</u>	<u>15</u>	<u>6,714</u>	<u>1,215</u>	<u>8,108</u>

Amortisation charges are reflected in Expenditure: Charitable activities in the Statement of Financial Activities.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

8. Tangible assets

Consolidated

	Land £'000	Freehold Buildings £'000	Hardware and equipment £'000	Vehicles £'000	Work in progress £'000	Total £'000
Cost						
At 1 August 2021	3,150	5,679	4,866	15	-	13,710
Additions	-	1,240	622	-	105	1,967
Disposals	-	(187)	(711)	-	-	(898)
At 31 July 2022	<u>3,150</u>	<u>6,731</u>	<u>4,777</u>	<u>15</u>	<u>105</u>	<u>14,778</u>
Depreciation						
At 1 August 2021	-	2,589	4,745	15	-	7,349
Disposals	-	(187)	(711)	-	-	(898)
Depreciation charge for the year	-	335	109	-	-	444
At 31 July 2022	<u>-</u>	<u>2,737</u>	<u>4,143</u>	<u>15</u>	<u>-</u>	<u>6,895</u>
Net book value						
At 1 August 2021	<u>3,150</u>	<u>3,090</u>	<u>121</u>	<u>-</u>	<u>-</u>	<u>6,361</u>
At 31 July 2022	<u>3,150</u>	<u>3,994</u>	<u>634</u>	<u>-</u>	<u>105</u>	<u>7,883</u>

Charity

	Land £'000	Freehold Buildings £'000	Hardware and equipment £'000	Vehicles £'000	Work in progress £'000	Total £'000
Cost						
At 1 August 2021	3,150	5,637	3,913	15	-	12,715
Additions	-	1,240	622	-	105	1,967
Disposals	-	(187)	(702)	-	-	(889)
At 31 July 2022	<u>3,150</u>	<u>6,690</u>	<u>3,833</u>	<u>15</u>	<u>105</u>	<u>13,793</u>
Depreciation						
At 1 August 2021	-	2,547	3,855	15	-	6,417
Disposals	-	(187)	(702)	-	-	(889)
Depreciation charge for the year	-	335	86	-	-	421
At 31 July 2022	<u>-</u>	<u>2,695</u>	<u>3,239</u>	<u>15</u>	<u>-</u>	<u>5,949</u>
Net book value						
At 1 August 2021	<u>3,150</u>	<u>3,090</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>6,298</u>
At 31 July 2022	<u>3,150</u>	<u>3,995</u>	<u>594</u>	<u>-</u>	<u>105</u>	<u>7,844</u>

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Notes to the Financial Accounts for the year ended 31 July 2022

9. Investments

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Opening value	8,403	6,971	8,403	6,971
Cash Investment	1,000	-	1,000	-
Interest and dividends	169	146	169	146
Net unrealised (loss)/gains	(418)	1,362	(418)	1,362
Charges for the period	(28)	(63)	(28)	(63)
VAT payable on charges	(6)	(13)	(6)	(13)
Closing value	9,120	8,403	9,120	8,403

VAT is payable on investment management charges. Gross charges are deducted from the portfolio, with the VAT element reclaimed via the Charitable Company's VAT return.

Income receivable from dividends and interest is reinvested in the portfolio.

Investments comprise:

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
UK bonds	824	1,084	824	1,084
Overseas bonds	299	-	299	-
Equities				
UK	3,261	3,198	3,261	3,198
Europe	766	549	766	549
North America	1,395	1,062	1,395	1,062
Asia Pacific	133	266	133	266
Emerging markets	127	161	127	161
Property	235	364	235	364
Alternative assets	1,559	1,549	1,559	1,549
Cash	520	170	520	170
	9,120	8,403	9,120	8,403

The Directors do not consider any individual investment to be material in the context of the investment portfolio.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

10. Subsidiary undertakings (Charity only)

Name of undertaking	Class of shareholding	Proportion of nominal value held directly	Cost (£'000)	Nature of business
UCAS Media Limited	Ordinary	100%	1,026	Marketing services
UCAS International Limited	Ordinary	100%	-	Educational support services
UCAS Consultancy and Insights	Ordinary	100%	-	Marketing services

UCAS Media Limited, registered in England, is a wholly owned subsidiary of the Charitable Company, UCAS, with issued share capital of 1,000 ordinary shares (2021: 1,000 shares). This investment is held at a carrying amount of £1,025,768 (2021: £1,025,768). The principal activity of the company is to assist the parent company in achieving its objective, through the provision of marketing services concerned with higher education. Profits of the subsidiary company are transferred under the Gift Aid regime to the parent company.

During the prior year, the Charitable Company acquired 100% of the issued share capital of UCAS International Limited, registered in England. During this financial year, the Charitable Company acquired the entire trade and assets of UCAS International Limited at which point, the company ceased trading (refer to note 20). The transfer of the trade and assets of UCAS International Limited on 27 May 2022 met the definition of a group reconstruction and the criteria of section 27.4 of the Charities SORP (FRS 102) and has therefore been accounted for under merger accounting principles (refer to accounting policies). This investment is held at a carrying amount of £1 (2021: £1 (prior to merger accounting £1,453,282)). The principal activity of the company is now that of a dormant company.

UCAS Consultancy and Insights is not trading.

The registered office of all subsidiaries is Rosehill, New Barn Lane, Cheltenham, Gloucestershire, United Kingdom, GL52 3LZ.

The statutory accounts of UCAS Media Limited are fully audited and published separately. Refer to note 19 for a summary of the trading results of UCAS Media Limited.

11. Debtors

Amounts falling due within one year	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	5,251	4,972	50	167
Amounts owed by subsidiaries	-	-	4,587	2,535
Other debtors	127	116	50	109
Prepayments and accrued income	2,757	3,219	1,971	2,140
Value Added Tax	965	148	695	339
	<u>9,100</u>	<u>8,455</u>	<u>7,353</u>	<u>5,290</u>

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

12. Creditors

Amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	3,212	2,732	2,623	2,290
Social security and other taxes	650	489	650	489
Other creditors	358	314	291	247
Accruals and deferred income	4,589	6,615	1,519	1,981
	<u>8,809</u>	<u>10,150</u>	<u>5,083</u>	<u>5,007</u>

Deferred income

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred income at 1 August	4,252	4,599	38	126
Deferred income released during the year	(4,252)	(4,599)	(38)	(126)
Income deferred during the year	<u>2,503</u>	<u>4,252</u>	<u>44</u>	<u>38</u>
Deferred income at 31 July	<u>2,503</u>	<u>4,252</u>	<u>44</u>	<u>38</u>

Deferred income relates to advertising income, events income, and income from subscriptions. For advertising campaigns and events, income is deferred on the basis of when the service is to be delivered. In the case of subscriptions, income is recognised over the life of the subscription, during which time, the service is delivered in full.

13. Financial Instruments

The carrying value of financial instruments for the Group and the Charitable Company, held at fair value, as at 31 July were:

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Financial assets:				
Cash	25,948	26,325	24,749	25,161
Trade debtors	5,251	4,972	50	167
Other debtors	127	116	4,637	2,644
Accrued income	120	475	10	6
Investments	<u>9,120</u>	<u>8,403</u>	<u>9,120</u>	<u>8,403</u>
Total	<u>40,566</u>	<u>40,291</u>	<u>39,592</u>	<u>36,381</u>
Financial liabilities:				
Trade creditors	3,212	2,732	2,623	2,290
Other creditors	358	314	291	247
Accrued expenditure	<u>2,090</u>	<u>2,367</u>	<u>1,479</u>	<u>1,947</u>
Total	<u>5,660</u>	<u>5,413</u>	<u>4,393</u>	<u>4,484</u>

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

14. Commitments under operating leases

The total future minimum lease payments for both the Group and the Charitable Company, under non-cancellable operating leases of other assets, are as follows:

	2022	2021
Amounts due:	£'000	£'000
Within one year	7	9
Between one and five years	5	13
	<u>12</u>	<u>22</u>

15. Unrestricted funds: designated

	Technology reserve	Income reserve	Total	Total
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Group				
Value at beginning of the year	8,000	4,000	12,000	11,200
Transfer into fund in the year	<u>1,541</u>	<u>102</u>	<u>1,643</u>	<u>800</u>
Value at end of the year	<u>9,541</u>	<u>4,102</u>	<u>13,643</u>	<u>12,000</u>
Charity				
Value at beginning of the year	8,000	4,000	12,000	11,200
Transfer into fund in the year	<u>1,541</u>	<u>102</u>	<u>1,643</u>	<u>800</u>
Value at end of the year	<u>9,541</u>	<u>4,102</u>	<u>13,643</u>	<u>12,000</u>

Designated reserves reflect the Directors' view of the funds required to be allocated to meet future obligations and to ensure the sustainability of the Group's and Charity's core operations. Further detail of the Reserves Policy is given in the Report of the Directors.

16. Unrestricted funds: general

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Value at beginning of the year	35,087	24,654	35,785	25,353
Surplus/(deficit) for the year	4,712	12,175	4,718	12,174
Transfer (to) designated funds	(1,643)	(800)	(1,643)	(800)
FRS102 pension adjustments	533	(942)	533	(942)
Value at end of the year	<u>38,689</u>	<u>35,087</u>	<u>39,393</u>	<u>35,785</u>

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Funds are transferred between unrestricted designated and general funds to maintain key technology contracts, and to protect against loss of income through realisation of strategic risks (note 16) as agreed by the Directors in the Reserves Policy. It's likely that the amounts above the reserves policy will be used over the next few years given the investment levels are aligned to the 2020 to 2025 strategy.

17. Net assets by fund

Group

The consolidated net assets held as at 31 July 2022 for the various funds are as follows:

	Fixed assets (excl. investments)	Net current assets and investments	Long term liabilities	Pension scheme liability	Total	Total
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds: designated	9,541	4,102	-	-	13,643	12,000
Unrestricted funds: general	7,512	31,257	(80)	(2,788)	35,901	27,194
	<u>17,053</u>	<u>35,359</u>	<u>(80)</u>	<u>(2,788)</u>	<u>49,544</u>	<u>39,194</u>

The consolidated net assets held as at 31 July 2021 for the various funds are as follows:

	Fixed assets (excl. investments)	Net current assets and investments	Long term liabilities	Pension scheme liability	Total	Total
	2021	2021	2021	2021	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds: designated	8,000	4,000	-	-	12,000	11,200
Unrestricted funds: general	6,134	29,033	(80)	(7,893)	27,194	10,975
	<u>14,134</u>	<u>33,033</u>	<u>(80)</u>	<u>(7,893)</u>	<u>39,194</u>	<u>22,175</u>

Charity

The net assets held as at 31 July 2022 for the various funds are as follows:

	Fixed assets (excl. investments)	Net current assets and investments	Long term liabilities	Pension scheme liability	Total	Total
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds: designated	9,541	4,102	-	-	13,643	12,000
Unrestricted funds: general	6,411	33,063	(80)	(2,788)	36,606	28,555
	<u>15,952</u>	<u>37,165</u>	<u>(80)</u>	<u>(2,788)</u>	<u>50,249</u>	<u>40,555</u>

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Notes to the Financial Accounts for the year ended 31 July 2022

The net assets held as at 31 July 2021 for the various funds are as follows:

	Fixed assets (excl. investments) 2021 £'000	Net current assets and investments 2021 £'000	Long term liabilities 2021 £'000	Pension scheme liability 2021 £'000	Total 2021 £'000	Total 2020 £'000
Unrestricted funds:						
designated	8,000	4,000	-	-	12,000	10,000
Unrestricted funds: general	5,015	30,874	(80)	(7,893)	27,915	19,499
	<u>13,015</u>	<u>34,874</u>	<u>(80)</u>	<u>(7,893)</u>	<u>39,915</u>	<u>29,499</u>

18. Pension schemes

The Group participates in four pension schemes: one defined benefit pension scheme, one defined benefit scheme that is accounted for as if it were a defined contribution scheme (as required by FRS 102 section 28 'Employee Benefits'), and two defined contribution schemes. Employees join the appropriate scheme, depending on their employment terms. The total cost to the Group for the year ended 31 July 2022, in respect of pension contributions, which have been allocated between expenditure categories in proportion to staff costs, and charged to the consolidated Statement of Financial Activities as appropriate, are as follows:

	2022 £'000	2021 £'000
Defined contribution schemes	1,076	1,213
Multi-employer defined benefit scheme	<u>654</u>	<u>674</u>
	<u>1,730</u>	<u>1,887</u>

At 31 July, there were outstanding employer's and employees' contributions, including any additional voluntary contributions to the schemes, included in social security and other taxes within the creditors note, as follows:

	2022 £'000	2021 £'000
Defined benefit scheme	86	86
Defined contribution scheme	170	135
Multi-employer defined benefit scheme	<u>84</u>	<u>82</u>
	<u>340</u>	<u>303</u>

UCAS Pension and Life Assurance Scheme (1993)

The scheme was closed to future accrual of benefits on 31 December 2017. Active members of the scheme at the closure date became 'active deferred' members, and transferred to UCAS' Group Stakeholder Plan at that time. The UCAS Pension and Life Assurance Scheme currently has 46 active deferred members, 185 preserved members, and 169 pensioners. The assets of the scheme are held in a separate, trustee-administered fund.

The most recent comprehensive actuarial valuation of the plan assets, and the present value of the defined benefit obligation, was carried out at 31 July 2019.

THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

Notes to the Financial Accounts for the year ended 31 July 2022

The triennial funding review, as at 31 July 2019, identified an initial deficit in the longer-term assets over liabilities of £6,590k (2016: deficit of £9,216k). The main contributing factor to the decrease in the deficit was the return on investments.

The Directors and the pension scheme Trustees agreed a plan to address the pension deficit. During the year to 31 July 2022, UCAS made additional contributions of £1.0m (2021: £1.0m).

The principal assumptions used in the calculation of the present value of the defined benefit obligation include:

Assumptions	31 July 2022	31 July 2021
	Per cent:	Per cent:
Discount rate	3.52	1.62
Salary increase	3.92	3.84
Inflation (RPI)	3.42	3.34
Inflation (CPI)	2.72	2.84
Pension increases (Pre-April 2005)	4.23	4.22
Pension increases (Post-April 2005)	2.28	2.25
Revaluation in deferment (CPI max 5.0 per cent)	2.72	2.84
Revaluation in deferment (CPI max 2.5 per cent)	3.42	3.14
Mortality base table	S3PxA	S3PxA
Projection basis	CMI 2021	CMI 2020
Long term improvement trend	1.00	1.00
Percentage of death rates applied (m)	101	100
Percentage of death rates applied (f)	103	100

Life expectancies from age 65 years

	31 July 2022	31 July 2021
	Years	Years
Male currently aged 45	22.70	22.70
Female currently aged 45	25.10	25.20
Male currently aged 65	21.70	21.70
Female currently aged 65	23.90	24.10

Amounts recognised in the Statement of Financial Activities (SoFA), in respect of the defined benefit scheme, are as follows:

	2022 £'000	2021 £'000
Past service cost	-	4
Net interest on net defined benefit liability	98	173
Total operating charge	98	177

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Notes to the Financial Accounts for the year ended 31 July 2022

Charges in the fair value of the scheme assets	31 July 2022 £'000	31 July 2021 £'000
Fair value of scheme assets at the beginning of the year	59,283	55,773
Interest income on plan assets	959	819
Employer contributions	1,020	1,020
Benefits paid	(1,161)	(1,088)
Remeasurement gain	(11,263)	2,759
Fair value of scheme assets at the end of the period	<u>48,838</u>	<u>59,283</u>

Changes in the present value of the defined benefit obligation	31 July 2022 £'000	31 July 2021 £'000
Present value of scheme liabilities at the beginning of the period	65,843	68,020
Past service cost	-	4
Interest cost	1,057	992
Benefits paid	(1,161)	(1,088)
Actuarial loss on liabilities	(19,839)	(2,085)
Present value of scheme liabilities at the end of the period	<u>45,900</u>	<u>65,843</u>

Amounts to be recognised in the balance sheet

	2022 £'000	2021 £'000
Fair value of scheme assets	48,838	59,283
Present value of scheme liabilities	(45,900)	(65,843)
Irrecoverable surplus/(deficit)	<u>(2,938)</u>	<u></u>
Balance sheet liability	<u>-</u>	<u>(6,560)</u>

Total Actuarial Loss featured in the Statement of Financial Activities

The Statement of Financial Activities (SoFA) includes a total actuarial gain/loss for the UCAS Pension and Life Assurance Scheme (1993) of £5,638k, gain (2021: £4,844k, loss), comprising a remeasurement loss on scheme assets of £11,263k and an actuarial gain on scheme liabilities of £19,839k.

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Notes to the Financial Accounts for the year ended 31 July 2022

The actuarial loss on plan assets was (£10.3m), (2021: return £3.6m). The analysis of the scheme assets at the reporting date was as follows:

	31 July 2022	31 July 2021
	Per cent:	Per cent:
Equities	37.0	29.7
Bond (non-gilt)	16.7	18.2
LDI funds	18.3	26.4
Multi-asset growth	27.4	25.3
Cash and net current assets	0.6	0.4
	100.0	100.0

The Scheme invests in a mix of equity, bond, diversified growth, and liability-driven investment funds, managed by State Street, BMO, and Baillie Gifford.

Universities Superannuation Scheme (USS)

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 income or expenditure 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 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.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020.

Since the institution cannot identify its share of Retirement Income Builder section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £66.5 billion, and the value of the Scheme's technical provisions was £80.6 billion, indicating a shortfall of £14.1 billion.

Defined benefit liability numbers for the scheme, for accounting purposes, have been produced using the following assumptions as at 31 March 2022 and 2021:

	2022	2021
Discount rate	2.8 per cent	2.15 per cent
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	2.1 per cent	2.50 per cent

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The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2022 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2021 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2022	2021
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5 and a long-term improvement rate of 1.5 per cent p.a. for males, and 1.25 per cent p.a. for females	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8 per cent p.a. for males, and 1.6 per cent p.a. for females

The current life expectancies on retirement at age 65 are:

	31 July 2022 Years	31 July 2021 Years
Male currently aged 45	25.9	26.7
Female currently aged 45	27.3	27.9
Male currently aged 65	23.9	24.7
Female currently aged 65	25.5	26.1

	2022 £bn	2021 £bn
Scheme assets	66.5	80.6
Total scheme liabilities	80.6	95.5
FRS102 total scheme deficit	14.1	14.9
FRS 102 total funding level	83%	84%

Amounts recognised in the Balance Sheet

	2022 £'000	2021 £'000
Liabilities at beginning of the year	(1,333)	(1,432)
Interest costs	(20)	(21)
Remeasurement of the scheme liabilities	(1,435)	120
Balance sheet liability	<u>(2,788)</u>	<u>(1,333)</u>

At 31 July 2022, UCAS had 33 active members participating in the scheme.

The total pension cost for the group was £654k (2021: £674k). This includes £55k (2021: £54k) outstanding employer's contributions at 31 July 2022 included in social security and other taxes within the creditors note. The contribution rate payable by the Company was 21.6 per cent of annual pensionable salaries.

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UCAS Group Stakeholder Pension Plan (2007)

As contributions are treated on the basis of defined contributions, and ultimate benefits are formed from the scheme operated by an external provider, the Group has no underlying liability.

UCAS Group Stakeholder Pension Plan (2014)

UCAS implemented auto-enrolment on 1 January 2014. 148 employees were auto-enrolled in the scheme at that time, and re-enrolment assessments are carried out every subsequent three years. Following the transfer of members from the UCAS Pension and Life Assurance Scheme on its closure, the current scheme membership is 457 (2021: 403).

As contributions are treated on the basis of defined contributions, and ultimate benefits are formed from the scheme operated by an external provider, the Group has no underlying liability.

The total pension cost for the Group, for both contribution schemes, was £1,800k (2021: £1,598k). This includes £168k (2021: £135k) outstanding employer's contributions as at 31 July 2022 included in social security and other taxes within the creditors note.

19. Trading results of UCAS Media Limited

UCAS Media Limited, registered in England, company number 2737300.

	Notes	2022 £'000	2021 £'000
Turnover	2	20,841	17,651
Distribution costs		(8,841)	(5,827)
Brand and data charge	3	(3,340)	(3,001)
		8,660	8,823
Expenses			
Administrative		(7,053)	(6,757)
Total administrative expenses		(7,053)	(6,757)
Operating profit		1,607	2,066
Interest receivable		6	-
Profit before tax	3	1,613	2,066
Taxation	5	-	-
Profit after tax		1,613	2,066

The aggregate amount of the capital and reserves of UCAS Media Limited, as at 31 July 2022, was £256k (2021: £256k). Aggregate assets were £7,179k (2021: £7,066k), and aggregate liabilities were £8,025k (2021: £7,931k).

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Notes to the Financial Accounts for the year ended 31 July 2022

20. Group reconstruction (Charity only)

On 27th May 2022, the trade and assets of UCAS International Limited were transferred to the parent Charitable Company, UCAS, for cash consideration of £1,606,023. As this transaction meets the definition of a group reconstruction and the criteria of section 27.4 of the Charities SORP (FRS 102), it has been accounted for as a merger within the Charitable company financial statements.

Subsequent to the above, the following transactions between the charity and UCAS International Limited took place:

1. Capitalisation of the £1,500,00 loan between the charity and UCAS International Limited.
2. Bonus issue of 1,453,282 £1 shares from UCAS International Limited to the charity.
3. A reduction in UCAS International Limited share capital of £2,976,875 therefore decreasing the number of shares in UCAS International Limited held by the charity.
4. Gift Aid distribution of £1,453,282 taxable profit from UCAS International Limited to the charity.
5. Distribution from UCAS International to the charity by means of Dividend payment of remaining assets £152,740.

The assets, liabilities and reserves of the Charitable Company and UCAS International Limited have been aggregated as of 20 October 2020 (the date the Charitable Company acquired the share capital of UCAS International Limited) within the Balance Sheet of the Charitable Company and the aggregated results of the two entities have been shown within the activities of the Charitable Company from the acquisition date. The assets, liabilities and reserves in UCAS International Limited have been restated to their fair value at the date of the original acquisition to bring these into the Charitable Company at that date. The following table sets out the book values of the identifiable assets and liabilities acquired (at the original acquisition date) and their fair value:

	Book value £'000	Revaluation £'000	Fair value £'000
Fixed assets			
Intangible fixed assets	-	1,260	1,260
Current assets			
Debtors due within one year	12	-	12
Current liabilities			
Creditors: amounts falling due within one year	(59)	-	(59)
Net assets	(47)	1,260	1,213
Goodwill			240
			1,453
Satisfied by:			
Cash consideration			1,453
			1,453

The results of UCAS International Limited have not been aggregated within the Charitable Company's activities prior to the date that UCAS International Limited joined the Group.

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Notes to the Financial Accounts for the year ended 31 July 2022

21. Related party transactions

Directors

The Directors of UCAS hold a variety of senior positions at educational providers, and other organisations, many of which undertake transactions with UCAS on a regular basis. Such transactions are undertaken on an 'arm's length' basis, and the Directors make annual declarations confirming the position they hold in these organisations. The educational providers do not meet the definition of related parties, but the existence of the relationship is included here in the interest of transparency. Therefore, full details of the value of such transactions, or the balances outstanding between UCAS (or its subsidiary undertakings) and these organisations, are not provided.

During the year, no non-executive Director of UCAS Media Limited was paid emoluments (2021: £nil).

The Universities and Colleges Admissions Service, and wholly owned subsidiaries

The following related party transactions and balances are included in the accounts of the Charitable Company, in respect of its related party subsidiary companies:

	2022					
	Intercompany debtor as at 31 July 2022	Conference attendance fees charged to parent	Staff costs recharged to subsidiary	Brand & data charges to subsidiary	Management charge to subsidiary	Gift Aid distribution to parent
	£'000	£'000	£'000	£'000	£'000	£'000
UCAS Media Limited	4,587	(5)	3,584	3,340	1,786	1,614
UCAS International Limited	-	-	406	-	90	-

	2021					
	Intercompany debtor as at 31 July 2021	Conference attendance fees charged to parent	Staff costs recharged to subsidiary	Brand & data charges to subsidiary	Management charge to subsidiary	Gift Aid distribution to parent
	£'000	£'000	£'000	£'000	£'000	£'000
UCAS Media Limited	-	-	3,390	3,001	2,086	2,066
UCAS International Limited	1,200	-	249	50	115	-

**Notes to the Financial Accounts
for the year ended 31 July 2022**

22. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are those used by the actuary in calculating the Group's defined benefit pension scheme liability (see note 18 for details), and those involved in estimating an intangible software asset's likely useful life upon capitalisation and impairment (see policy on capitalisation of software assets for details).

Critical areas of judgement

Senior management exercise judgement in determining that an internally-generated asset may be capitalised as an intangible asset, by reference to the likelihood that future economic benefit will be delivered by the asset, as well as the level of completeness of the asset. Details of UCAS' policy on capitalisation of software development costs is given in note 1.

Senior management also exercise judgement in reviewing any potential impairment of tangible or intangible assets which is determined by future economic value or if the asset is no longer in use.

UCAS participates in Universities Superannuation Scheme (USS), a multi-employer hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. UCAS is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, the scheme is accounted for as if it were a wholly defined contribution scheme (see note 19 for details).

The charity commenced the rental of part of one of the floors at the Rosehill site during 2018/19. Under FRS 102, where a discrete element of a property is leased to a third party, consideration needs to be given as to whether this constitutes a mixed-use property, which would necessitate that the rented element should be accounted for as an investment property and held at market value. It is UCAS' view that this arrangement does not get captured by the mixed-use rules, due to factors including the use of a shared reception, entrance through a shared corridor, and use of certain shared facilities.