



UNIVERSITIES & COLLEGES  
EMPLOYERS ASSOCIATION

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

WEDNESDAY



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22/11/2017  
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**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

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for the Year Ended 31 July 2017**

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**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

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

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

**REGISTERED OFFICE:** Woburn House  
20 Tavistock Square  
London  
WC1H 9HU

**REGISTERED NUMBER:** 02914327 (England and Wales)

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

**AUDITORS:** Knox Cropper  
Chartered Accountants and Statutory Auditors  
153-155 London Road  
Hemel Hempstead  
Hertfordshire  
HP3 9SQ

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

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

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**Directors**

The members of the UCEA Board (the Directors of the Company) and the member by whom they were nominated are shown below for the year from 1 August 2016 to 31 July 2017:

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

**THE UNIVERSITIES AND COLLEGES  
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**Company Information  
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<b>Name</b>	<b>Joined/left in the year</b>	<b>Nominating body</b>
Professor S Palmer Cardiff University	Appointed 1 January 2017	CUC
Professor E Peck Nottingham Trent University		UUK
Professor N Petford University of Northampton		UUK
Professor S Wonnacott Leeds University of Art		GuildHE
Professor J Weinberg Kingston University	Resigned 31 December 2016	UUK

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

**Senior Management**

**Chief Executive**

Helen Fairfoul

**Company Secretary**

Roshan Israni (from 1 August 2017)

Sue Endean (to 31 July 2017)

# **THE UNIVERSITIES AND COLLEGES EMPLOYERS ASSOCIATION**

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

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The Directors present their annual report and the audited financial statements for the year ended 31 July 2017. The administrative information on pages one to three forms part of this report, which is also the Directors' report for the purposes of the Companies Act.

### **Organisation**

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

### **Our subscribers**

HEIs are invited annually to subscribe to UCEA in order to make use of the services offered. UCEA also offers associate membership to other sector organisations. In 2016/17 membership totalled 172 organisations (163 HE institutions and nine associate members).

### **UCEA's purpose and Plan**

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

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

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

UCEA's Programme of Work for 2016/17 presented a summary of the key activities and projects that were to be undertaken in the year. These were grouped under the three priority themes identified in the Plan:

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

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

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

## **Summary of the Year**

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

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

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

Presented below is a summary of the key activities undertaken in 2016/17 described under the three priority themes.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Activities running across all three themes**

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

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

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

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

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

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

UCEA retained 163 HEI members and nine associate member organisations in 2016/17 and achieved a high level of interactions with, and visits to, member institutions. UCEA officers attended numerous national and regional sector group meetings. UCEA continues to build and retain a highly skilled and engaged team and in 2016/17 worked within budget and delivered on income generation to ensure that all the planned activities for the year were supported and delivered.

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

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

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

### **Review of Business**

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

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

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**Statement of Directors' Responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent.

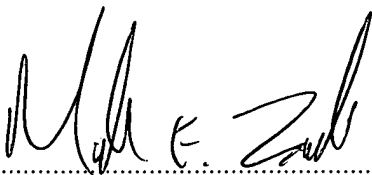
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

**Statement as to Disclosure of Information to Auditors**

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

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

**On behalf of the Board:**



.....  
Professor Mark E Smith - Director

11 October 2017

## **Independent Auditors' Report**

### **Opinion**

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

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

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

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**Other information**

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

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

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

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page ten, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

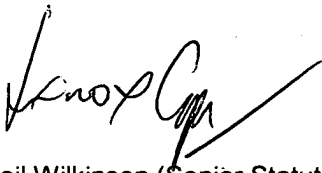
**Independent Auditors' Report  
for the Year Ended 31 July 2017**

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**Our responsibilities for the audit of the financial statements**

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

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



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

11 October 2017

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

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

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



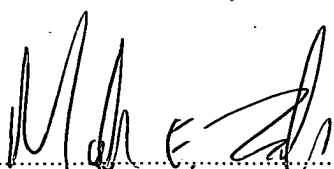
**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION (REGISTERED NUMBER: 02914327)**

**Balance Sheet  
31 July 2017**

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

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

The financial statements were approved by the Board of Directors on 11 October 2017 and were signed on its behalf by:

  
.....  
Professor Mark E Smith - Director

## **1. STATUTORY INFORMATION**

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

## **2. ACCOUNTING POLICIES**

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

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

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

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

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

### **Tangible fixed assets**

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

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

### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to income or expenses on a straight line basis over the period of the lease.

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

**Universities Superannuation Scheme**

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

**Superannuation Arrangements of the University of London**

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

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

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

**Income**

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

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

All income is recognised net of VAT.

**Vat**

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

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

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

**3. EMPLOYEES AND DIRECTORS**

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

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

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

<b>2017</b>	<b>2016</b>
<b>17</b>	17

**4. OPERATING SURPLUS**

The operating surplus is stated after charging:

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

**5. TAXATION**

**Analysis of the tax charge**

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

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

## **6. OTHER OPERATING EXPENSES**

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

## **7. PENSION SCHEMES**

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

The company participates in the Universities Superannuation Scheme, a defined benefit scheme. The assets of the scheme are held in a separate trustee-administrated fund.

The latest triennial actuarial valuation of the scheme was at 31 March 2014. This was the third valuation for USS under then new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

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

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

As at 31 July 2017 the company had 12 active members participating in the scheme.

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

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

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

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

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out as at 31st March 2014. The market value of the scheme's assets was £1,927 million representing 97% of the liability for benefits after allowing for expected future increases in salaries.

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

As at 31 July 2017 the company had 5 active members participating in the scheme.

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

**8. MEMBERS**

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

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

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

**9. TANGIBLE FIXED ASSETS**

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

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

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

**THE UNIVERSITIES AND COLLEGES  
EMPLOYERS ASSOCIATION**

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

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

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

**12. PROVISIONS FOR LIABILITIES**

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