

Financial Statements Higher Education Careers Services Unit

For the year ended 31 July 2020



AA2MCE06

A09

17/04/2021

#56

COMPANIES HOUSE

Company no: 03155620

Charity no: 1055300

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Company information

Company registration number 03155620

Charity registration number: 1055300

Registered office: 4 Portwall Lane
Bristol
England
BS1 6NB

Trustees: Professor M E Smith (resigned 30 April 2020)
Mr W Archer (resigned 30 April 2020)
Mr G Nicholson (resigned 30 April 2020)
Ms E Stuart (resigned 31 March 2020)
Dr T Westlake (resigned 30 April 2020)
Mrs T Smyth (resigned 30 April 2020)
Mr A S Isherwood (resigned 30 April 2020)
Mr R A Renton (resigned 30 April 2020)
Mr F M Campbell (resigned 31 December 2019)
Mrs F Bola (appointed 6 December 2019, resigned 30 April 2020)
Ms T Goldfield (appointed 6 December 2019, resigned 30 April 2020)
Mr A Hever (appointed 1 February 2020, resigned 30 April 2020)
Mr M Stow (appointed 1 February 2020, resigned 30 April 2020)
Ms A J Colban (appointed 1 May 2020)
Ms A J Woodward (appointed 1 May 2020)

Secretary: Ms A J Woodward

Bankers: NatWest Bank plc
Spinningfields Square
182 Deansgate
Manchester
M3 3LY

Solicitors: DLA Piper UK LLP
101 Barbirolli Square
Manchester
M2 3DL

Auditors: Grant Thornton UK LLP
Seacourt Tower
Botley
Oxford
OX2 0JJ

Principal officers: A J Woodward - Chief Executive

Investment advisors: Barclays Wealth
1 Churchill Place
London
E14 5HP

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Index to the financial statements

Report of the trustees	3-7
Independent auditor's report to the members of Higher Education Careers Services Unit	8-9
Consolidated statement of financial activities incorporating the summary income and expenditure account	10
Consolidated balance sheet	11
Charitable company balance sheet	12
Notes to the financial statements	13 - 28

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Report of the Trustees

The Trustees present their annual report and the audited consolidated financial statements for the year ended 31 July 2020. The charity merged with Jisc (charity number 1149740) on 1 May 2020. All assets and liabilities, excluding the shares held by HECSU in Graduate Prospects (HECSU's wholly owned subsidiary) transferred to Jisc on 1 May 2020, and are accounted for in the Jisc Trustees' Report and Financial Statements 2019-20. The business transacted through Graduate Prospects was also transferred to Jisc on 1 May 2020. Both the HECSU and Graduate Prospects entities will be wound up during 2020-21.

As the ongoing activity has been transferred to Jisc effective 1 May 2020, the charity is no longer operating as a going concern and these accounts have been prepared on a break-up basis.

Reference and administrative details

Details of the registered office, trustees, principal officers and other relevant information are given on page 1.

The governing documents of the company are its Memorandum and Articles of Association.

The financial statements have been drawn up in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities (SORP FRS102) and comply with the current statutory requirements and the company's Memorandum and Articles of Association.

Structure, governance and management

The board of trustees has overall administrative responsibility. Prior to the merger with Jisc, the board met three times per year to consider reports and papers from the organisation's management. Day to day responsibility was delegated to the Chief Executive Officer (CEO), supported by an executive team. No staff or management were Higher Education Careers Services Unit (HECSU) trustees. From 1 May 2020, the activity of HECSU transferred into Jisc, where a new Student Services directorate was established to run the services that had transferred from HECSU. The HECSU CEO became a member of the Jisc Executive Leadership Team in charge of the Student Services directorate.

The HECSU Articles of Association were amended in April 2020 to reduce the number of trustees required. Ms Amanda Woodward and Ms Alice Colban were appointed as trustees to oversee the winding up of the charity during 2020-21.

HECSU owns Graduate Prospects Limited, the commercial subsidiary. Until 30 April 2020, day to day operational decisions were made by Graduate Prospects management and key strategic decisions were discussed and agreed at board meetings and minuted accordingly.

Until 30 April 2020, a number of staff worked for both HECSU and Graduate Prospects Limited, and their costs were allocated accordingly. The charity did not depend on any unpaid volunteers, nor did it have any other income other than that declared in the accounts.

Until 30 April 2020, the CEO, in consultation with the Chairman and other key stakeholders, invited prospective new trustees to join the board and provided an induction where they were informed about HECSU and Graduate Prospects. Trustees also received written confirmation from HECSU and the Charity Commission of what was expected of them in the role, dates of board meetings and the company expense policy. Ongoing guidance and support was available to them from the CEO.

Most board members were vice-chancellors, registrars and similar and as such had substantial experience of board responsibilities, which together with their initial induction provided them with sufficient knowledge of their roles and responsibilities. The CEO and experienced board colleagues were always available to provide additional support as required.

Objectives and Activities

HECSU's charitable object is: "The advancement of education of applicants to, and students and graduates of any establishment of higher education, by supporting and assisting the work of careers advisory services, employers, academic staff and others." In meeting its charitable object, the HECSU Board develop agreed aims and objectives that are informed by current and emergent priorities within higher education and which will guide the work of HECSU in relation to its research and development. HECSU's vision is to advance graduate careers research, knowledge and services for the higher education sector and its mission is to improve the employability of all students and graduates by supporting higher education staff, stakeholders and recruiters with expert research, career-planning tools and services to students. In 2019-20, the board agreed that the delivery of its object would best be accomplished by merging with Jisc.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Graduate Prospects is the trading subsidiary of HECSU and the implementer of its charitable object. Its vision is to guide all students to a brilliant career and its mission to provide all students with expert careers information, advice and opportunities leading to a bright future.

In delivering the charitable object it operates Luminate, the new sector practitioner digital platform powered by Prospects featuring research, LMI, news and features. This replaced Graduate Market Trends and the LMI area of the HECSU website.

During the year there were 56 million views of the careers guidance and information pages on Prospects.ac.uk. There are over a thousand pages of job profiles and advice on what students can do with their degree. This content from careers practitioners is delivered through AGCAS and funded by HECSU at over £100,000 per annum. An in-house content team produces additional content.

Over 945,000 students are registered with Prospects for advice and guidance with regular engagement throughout the year.

During the year there were over 205,000 users of the career planning tool Planner and 310,000 users of Job Match. Each year 123,000 and 77,000 students sign up to Planner and its related tool, Job Match respectively.

Unlike commercial competitors, Graduate Prospects is not responsible to a remote body of shareholders and instead reinvests profits back into the higher education system to the benefit of all careers services, students, graduates and recruiters.

Graduate Prospects' employment and postgraduate study guides are available online, digitally and in print from all UK careers services, careers fairs and on campuses across the UK. Prospects.ac.uk is the UK's biggest and busiest graduate careers website, with over 1.9 million students and graduates visiting each month.

The Prospects portfolio provides employers and postgraduate course providers with a targeted audience of unrivalled breadth and depth.

Managing the national postgraduate course database and the Higher Education Degree Datacheck (Hedd) verification service are two of HECSU's strategic functions as an agency of Universities UK.

Through Hedd, Graduate Prospects also campaigns to combat degree fraud and shut down bogus providers and diploma mills and operates the Graduate Talent Pool national internship website, both on behalf of the Department for Education.

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning the future activities. In order for HECSU's work to be of public benefit, they ensure that publications, presentations and communications with (and beyond) the sector are aimed at advancing the education of students and graduates; this they strive to do.

Further, HECSU is required to ensure that two conditions of achieving public benefit are met: i) that there is an identifiable benefit(s) of its work and ii) that the benefits must be to the public or a section of the public. It is for these reasons in particular that it continues to seek PR and wide dissemination of all its research findings as well as maintaining its independence.

Achievements and performance

HECSU received £nil (2019: £154,182) of subscription income from higher education provider members. This income is redistributed back into the higher education sector.

HECSU's policy is to pay monies for educational bursaries and small research projects directly to careers services. HECSU is then responsible for collation and dissemination of the findings. It also supports AGCAS, the professional body representing higher education careers services as a key partner.

This year's financial disbursements comprised:

- £100,000 – Funding for careers content provided by higher education careers professionals for Prospects.ac.uk, managed by AGCAS.
- £13,000 – sponsorship and support for AGCAS events.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Status of charitable company and liability of members

HECSU is a registered charity and a company limited by guarantee. Each member undertakes to contribute to the assets of the company in the event of being wound up. The sum shall not exceed £1 each. The financial statements are filed annually with the Registrar of Companies and the Charity Commission.

Reference and administration details

HECSU was incorporated on 1 August 1996 and is governed by its Memorandum and Articles of Association. The organisation had previously operated as an unincorporated association operated by Universities UK (UUK) and the Standing Conference of Principals (SCOP). On 1 August 1996, the unincorporated association transferred all of its assets and liabilities amounting to £2,497,713 by deed of gift to HECSU.

The company's board of trustees is responsible for its affairs. The board is appointed as follows:

- 11 trustees appointed by UUK (Universities UK).
- 1 trustee appointed by Guild HE.
- 6 trustees co-opted by the board.
- 1 student representative.

The trustees constitute directors of the company for Companies Act purposes.

Strategic Report

As set out in the report of the trustees and in note 2 to the financial statements, the charity and its subsidiaries merged with Jisc from 1 May 2020 and all activity was transferred to Jisc and its subsidiaries. As both HECSU and Graduate Prospects are to be wound up in 2020-21, it is not appropriate to consider either to be a going concern as at 31 July 2020 and accordingly the charity has adopted the break-up basis of accounting for the year. As a consequence, the remaining assets and liabilities have been disclosed at values at which they are expected to be realised.

Financial review

For nine months of the year HECSU was undertaking activity independently.

HECSU's net movement in funds for the year was -£2,067,521 (2019: -£106,769).

HECSU incurred £263,464 (2019: £499,490) of charitable expenditure in the year, including £457 (2019: £3,415) of governance costs. Other areas of charitable expenditure were as follows:

- Distributions to careers services and careers services staff
- Provision, free of charge, of information to graduate career services
- Funding of education research
- Funding of careers content written by careers professionals.

The main source of income for the group is from its subsidiary, Graduate Prospects Limited, which generates income from graduate recruitment advertising and verification services. This income amounted to £3,599,773 in the year (2019: £4,995,643) and subsidiary expenditure amounted to £3,568,433 (2019: £4,915,713).

As part of the merger, HECSU sold its commercial customer listing for £8,200,000 to Jisc and there are exceptional costs which relate to leaving the UMSS pension scheme.

Investment policy and performance

The investment sub-committee met with and received reports from, Barclays Wealth investment managers on a quarterly basis during the year. The sub-committee has the role of managing the investment managers, assessing their performance and ensuring that the strategy is being followed. The investment sub-committee reports to each board meeting.

The investments were sold on 31 March 2020.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Reserves strategy

Implementation of the group's reserves strategy involved HECSU's charitable object being implemented, largely via appropriate activity in Graduate Prospects. The goal is to maintain net charitable spend, fund this via withdrawals from the equity investment and gift aid, so that reserves remain at healthy levels.

Total reserves as at 31 July 2020 were £0 (2019: £2,067,521). All funds are unrestricted.

Plans for future periods

The charity is no longer operating as a going concern and the ongoing activity has been transferred to Jisc and its subsidiaries effective 1 May 2020.

Going concern

Due to the charity transferring its activity to Jisc, these financial statements are prepared on a basis other than that of a going concern. The financial statements have been prepared on a break-up basis at the year end. All activities of the charity and its subsidiaries were transferred to Jisc on 1st May 2020.

Statement of trustees' responsibilities

The trustees, (who are also directors of HECSU for the purpose of company law), are responsible for preparing the Report of the trustees (incorporating the strategic report) and the financial statements in accordance with applicable law and regulations, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102. Under company law the trustees 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

Appointment of Independent Auditors

A procurement process was undertaken in Autumn 2019 to appoint external auditor for the 2019-20 audit. Grant Thornton UK LLP were successful in this process and were appointed as our external auditor.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

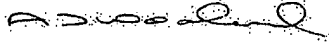
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

In so far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Amanda Woodward
Trustee

Date: 14 April 2021

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Independent auditor's report to the members of Higher Education Careers Services Unit

Opinion

We have audited the financial statements of Higher Education Careers Services Unit (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its 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 requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with 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 the 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.

Emphasis of matter – basis of preparation of the financial statements

We draw attention to Note 2 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the company has ceased to trade and accordingly the directors have prepared the financial statements on a break-up basis. Our opinion is not modified in this respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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. 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Strategic Report and the Directors' Report, prepared for the purpose of company law, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Trustees.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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's 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 the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, 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 misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the 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.

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

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and 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 and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Mark Bishop FCA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

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

16/4/2021

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

**Consolidated Statement of Financial Activities
Incorporating the Income and Expenditure Account**

	Note	Unrestricted and total funds 2020 £	Unrestricted and total funds 2019 £
Income			
Income from trading activities:			
Commercial trading operations	3	3,599,773	4,995,644
Investment income	7	286	605
Income from charitable activities	4	-	154,182
Total income		3,600,059	5,150,431
Expenditure			
Costs of raising funds:			
Commercial trading operations	3	(3,491,716)	(4,915,713)
Charitable activities	4	(462,020)	(499,490)
Total resources expended		(3,953,736)	(5,415,203)
Net expenditure before gains and losses on investments		(353,677)	(264,772)
Gain on disposal of building	25	529,151	-
Loss on transfer of pension	24	(3,531,797)	-
Transfer of trade and assets to parent charity		1,281,288	-
Net gain or (loss) on investments	13	7,514	158,003
		(1,713,844)	158,300
Net movement in funds		(2,067,521)	(106,769)
Total funds brought forward		2,067,521	2,174,290
Total funds carried forward		-	2,067,521

The statement of financial activities includes all gain and losses recognised in the year.

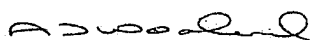
All income and expenditure derive from discontinued activities.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Consolidated Balance Sheet

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	-	1,125,243
Investments	13	-	2,140,762
			<u>3,266,005</u>
Current assets			
Debtors	15	-	872,377
Cash at bank and in hand	14	-	316,446
			<u>1,188,823</u>
Creditors: amounts falling due within one year	16	-	<u>(1,352,898)</u>
Net current (liabilities)		-	<u>(164,075)</u>
Total assets less current liabilities		-	3,101,930
Provisions	17	-	(1,034,409)
Net assets		-	<u><u>2,067,521</u></u>
Unrestricted funds		-	<u><u>2,067,521</u></u>

These financial statements were approved by the board of trustees on 14 April 2021 and were signed on its behalf by:



Amanda Woodward
Trustee

Company no: 03155620
Charity no: 1055300

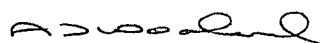
Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Charitable Company Balance Sheet

		2020	2019
	Note	£	£
Fixed assets			
Tangible fixed assets	11	-	12,129
Investment properties	12	-	1,600,000
Investments	13	-	2,782,197
			<u>4,394,326</u>
Current assets			
Debtors	15	-	9,991
Cash at bank and in hand	14	-	52,219
			<u>62,210</u>
Creditors: amounts falling due within one year	16	<u>(5,793,882)</u>	<u>(146,209)</u>
Net current assets / (liabilities)		<u>-</u>	<u>(83,999)</u>
Total assets less current liabilities		<u>(5,793,882)</u>	<u>4,310,327</u>
Provisions	17	-	(398,571)
Net assets		<u><u>(5,793,882)</u></u>	<u><u>3,911,756</u></u>
Revenue reserves	18	(5,793,882)	3,505,148
Revaluation reserve		-	406,608
Unrestricted funds		<u><u>(5,793,882)</u></u>	<u><u>3,911,756</u></u>

The charitable company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The loss for the year in the company was (£9,299,030).

These financial statements were approved by the board of trustees on 14 April 2021 and were signed on its behalf by:



Amanda Woodward
Trustee

Company no: 03155620
Charity no: 1055300

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Notes to the financial statements

1. Accounting policies

Company information

Higher Education Careers Services Unit is a charitable company limited by guarantee, incorporated in the United Kingdom under the Companies Act 2006 (registration number 03155620).

The Group's charitable object is the advancement of education of applicants to, and students and graduates, of any establishment of higher education by supporting and assisting the work of careers advisory services, employers, academic staff and others.

The registered address is 4 Portwall Lane, Bristol, England, BS1 6NB.

2. Basis of preparation

As set out in the report of the trustees, due to the charity transferring its activity to Jisc, the financial statements have been prepared on a basis other than that of a going concern. The financial statements have been prepared on a break-up basis at the year end. In adopting the break-up basis at the year end the following policies and procedures were implemented.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The company meets the definition of a public benefit entity under FRS102, and meets the requirements for FRS102 1A, reduced disclosures for small entities. The financial statements are presented in Sterling (£).

The individual entity financial statements for HECSU are prepared with the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes
- Financial instrument disclosures including categories of financial instruments
- Items of income, expense, gains and losses relating to financial instruments
- Exposure to and management of financial risks

Going concern

The trustees have considered the appropriateness of the going concern basis for the preparation of these financial statements. The trade and assets of the entity were transferred to Jisc effective 1 May 2020 after which the entity was non-trading. To provide clarity to users of the financial statements and to avoid giving a misleading impression regarding the trading status of the entity, the financial statements are prepared on a basis other than that of a going concern, which is described as the break-up basis.

Basis of consolidation

The consolidated financial statements include financial statements of the charitable company and its wholly owned subsidiary, Graduate Prospects, made up to 31 July 2020. Intra-group transactions and balances are eliminated fully on consolidation.

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off for impairment.

Listed investments are included at market value as at the year-end using the mid-market price quoted on the relevant markets and any increases are reinvested in the portfolio. The movements in market

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

value are shown in the consolidated statement of financial activities as an unrealised gain or loss on investment assets.

Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

Tangible fixed assets and depreciation

Fixed assets are included at cost and it is group policy not to capitalise expenditure below £100. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold buildings	-	2% per annum
Plant and equipment	-	20% per annum
Computer equipment	-	20% per annum
Fixtures and fittings	-	20% per annum

Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

Unrestricted funds

These are funds which can be used in accordance with charitable objects at the discretion of the trustees.

Income

Income is recognised when the group has entitlement to funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from trading activities comprises income generated from the commercial trading operations of the group. Income is recognised when the group has entitlement to it, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Investment income comprises interest receivable on cash balances held in interest-bearing accounts and is recognised in the period in which it falls due.

Income from charitable activities comprise income generated from membership subscriptions and research work carried out and is recognised in the period to which it relates.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Deferred income

Deferred income represents the value of goods and services that has been invoiced but is not considered delivered or completed at the year end. Deferred income is carried forward within creditors and released to the income and expenditure account in the period in which delivery or completion occurs.

Expenditure

Costs of raising funds comprise costs relating to the commercial trading operations of the group.

Resources expended relating to charitable activities are analysed as follows:

Grants payable are paid in stages as work is completed and negative funding in the year can arise when the previous year's provisions were higher than the actual costs.

Costs of charitable activities in furtherance of the charity's object consists of costs relating to the research work carried out.

Support costs which are attributable to more than one activity are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on these activities.

Governance costs represent the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Provision has been made, where appropriate, for relevant expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 Section 21.

Taxation

The company is a registered charity and by virtue of its trading activities being in fulfilment of the objects of the charitable company, the charitable company is exempt from corporation tax on all charitable activities. No such exemption applies to its subsidiaries.

Post-retirement benefits

The group participates in two pension schemes providing benefits based on final pensionable pay. The assets of these schemes are held separately from those of the group. As the company is unable to identify its share of the underlying assets and liabilities of these schemes on a consistent and reasonable basis it therefore, as required by FRS 102 Section 28 "Employee Benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the statement of financial activities represents contributions payable to the schemes in respect of the accounting period. Contributions payable under the terms of the funding agreement for past deficits are recognised as a liability in the group's financial statements.

In addition, the company operates a defined contribution scheme with Scottish Widows. The pension costs charged to the statement of financial activities represent the amount of contributions payable to the scheme in respect of the accounting year.

Pensions

A liability is recorded within provisions for any contractual commitment to fund past deficits within the multi-employer schemes as determined by the scheme management. The associated expense is recognised in the SOFA.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at transaction price.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

- the useful expected lives of property, plant and equipment;
- the residual values of tangible fixed assets;
- the carrying value of the investments;
- valuation of investment properties; and
- assumptions relating to provisions, including the discount rate applied;

Provisions

The costs of the USS deficit recovery plans have been estimated based on a model devised by USS and the British Universities Finance Directors Group. The model uses the additional costs included in the deficit recovery plan, management's judgement of estimated changes in staffing levels and pay increases and is discounted based on corporate bond levels having a maturity of a similar length to the recovery plan. The scheme actuary reviews the funding of the USS every year and undertakes a formal actuarial valuation every three years, at which time the deficit recovery plan may be amended.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

3. Net income from trading activities of subsidiaries

The charitable company has one wholly owned trading subsidiary, which is incorporated in the United Kingdom. Graduate Prospects Ltd operates in the publishing and software support industry. A summary of the trading results and Balance Sheet of the subsidiary are provided below:

Profit and loss account

	2020 £	2019 £
Turnover	3,599,773	4,995,644
Cost of sales	(2,501,089)	(3,380,313)
Gross profit	1,098,684	1,615,331
Selling and distribution costs	(582,344)	(767,372)
Administration expenses	(485,000)	(752,422)
Operating profit/(loss)	31,340	95,537
Interest payable and similar charges	-	(15,620)
Interest receivable	286	438
Net profit/(loss)	31,626	80,355
Exceptional income for the year	8,409,704	-
Exceptional costs for the year	(1,973,804)	-
Profit/(loss) retained by subsidiary	6,467,526	80,355

The assets and liabilities of the subsidiary were:

	2020 £	2019 £
Fixed assets	-	42,264
Current assets	5,793,882	1,100,472
Creditors: amounts falling due within one year	-	(1,180,541)
Provisions	-	(635,839)
Total net assets / (liabilities)	5,793,882	(673,644)

The administration expenses of Graduate Prospects Ltd include a charge of £84,231 (2019: £112,308) for rent of a building from HECSU. They also include income of £299,341 (2019: £396,511) charged to HECSU for costs incurred by Graduate Prospects Ltd on their behalf. These amounts have been excluded from the consolidated statement of financial activities.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

3. Net income from trading activities of subsidiaries (continued)

The commercial trading operations expenditure reported in the Consolidated Statement of Financial Activities is arrived as follows:

	2020 £	2019 £
Cost of sales	2,764,553	3,380,313
Selling and distribution costs	582,344	767,372
Administration expenses	606,839	754,422
Interest payable and similar charges	-	15,620
Expenditure per Statement of Financial Activities	3,953,736	4,915,713

4. Financial performance of the charity

	2020 £	2019 £
Income	-	154,182
Expenditure on charitable activities	(263,464)	(499,490)
Intercompany income	84,231	158,170
Overheads	(198,566)	-
Exceptional items – settlement of pension scheme	(1,151,385)	-
Exceptional items – transfer of activity to Jisc	(7,769,856)	-
Net movement in funds	(9,299,030)	(187,138)
 Total funds brought forward – unrestricted	 3,505,148	 4,098,894
Total funds brought forward – unrestricted (revaluation reserve)	406,608	406,608
Total funds carried forward – unrestricted	(5,793,882)	3,505,148
Total funds carried forward – unrestricted (revaluation reserve)	-	406,608

Income from charitable activities:

	2020 £	2019 £
Membership Income	-	154,182
	-	154,182

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

4. Financial performance of the charity (continued)

Analysis of resources expended - charitable expenditure

Total charitable expenditure	Support Costs 2020 £	Direct costs 2020 £	Total costs 2020 £	Total Costs 2019 £
Grants payable	-	-	-	70,961
Costs of activities in furtherance of the charity's object	198,556	263,464	462,020	429,215
	<u>198,556</u>	<u>263,464</u>	<u>462,020</u>	<u>499,490</u>

Support costs are apportioned based on total direct costs.

Grants payable

	2020 £	2019 £
Recipient		
Delivery of Careers Education to pre-experience students	-	1,500
Exploring experiences of the value of email guidance	-	5,000
The 4Cs: A Wellbeing-Aligned Model of Employability	-	4,300
Perceptions of Placements Within Widening Participation Student Groups	-	4,003
Perception of Employing Grads on the Autistic Spectrum/Neuro Diverse	-	5,000
Reverse and "Traditional" Career Mentoring programmes	-	2,738
What shapes career interest during university?	-	4,977
Careers provision to meet the needs of post-graduate taught students	-	4,664
Developing the Employability of Sociology students	-	5,000
The 21st Century Higher Education Careers Professional	-	5,000
Benefits of peer support principals in frontline careers and employability	-	5,000
Engaged Newcastle	-	2,500
Support Costs	-	21,279
	<u>-</u>	<u>70,961</u>

All grants payable have been made to institutions.

Grants were made for the following:

	2020 £	2019 £
Research in the furtherance of the charity's objects	<u>-</u>	<u>49,682</u>

Costs of activities in the furtherance of the charity's object

	2020 £	2019 £
Other project costs	<u>215,388</u>	<u>300,026</u>

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

4. Financial performance of the charity (continued)

Charitable expenditure -support and other professional fees

Support costs	2020 £	2019 £
Payroll charges	60,932	74,830
Depreciation	2,190	2,467
Other (incl. pension deficit)	118,384	22,770
Premises costs	16,593	46,300
	<u>198,099</u>	<u>146,367</u>
Audit & Governance costs		
Tax and audit fees	-	33
Legal	-	2,052
Trustee meetings	457	1,330
	<u>457</u>	<u>3,415</u>

Audit costs are included in the management recharge from the commercial entity to the charity. Total charge for the Group was £20,000 (2019 £17,500).

5. Staff numbers and costs

Group

The average number of full-time equivalent persons employed by the group (excluding trustees) during the year, analysed by category, was as follows:

	Number of employees	
	2020	2019
Office and management	<u>84</u>	<u>90</u>
	2020 £	2019 £
Gross wages and salaries	2,286,721	2,911,891
Employer's national insurance	218,645	295,367
Pension contributions (see note 20)	220,401	324,994
	<u>2,725,767</u>	<u>3,532,252</u>

Remuneration of higher paid staff earning in excess of £60,000, excluding employer's pension contributions in the year to 31 July 2020 were in the following ranges:

	Number of employees	
	2020 No.	2019 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
	<u>1</u>	<u>3</u>

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

5. Staff numbers and costs (continued)

One employee earning more than £60,000 accrued benefits under a defined benefit scheme during the year. Employer contributions of £13,723 (2019: £40,538) were made in the year in respect of the higher paid staff member.

None of the trustees, nor any persons connected with them, received any remuneration in respect of their services to the group in the current or preceding year. Expenses paid to trustees are covered in Note 9.

6. Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging:		
Auditors' remuneration (predecessor)	-	15,000
Auditors' remuneration (current)	20,000	-
Auditors' remuneration – Non-audit	-	2,500
Depreciation	21,275	66,777
Other operating lease rentals	-	21,472
	<u>-</u>	<u>21,472</u>

7. Investment income

	2020 Group £	2020 Charitable Company £	2019 Group £	2019 Charitable Company £
Charitable company	-	-	585	585
Trading subsidiaries	286	-	20	-
	<u>286</u>	<u>-</u>	<u>605</u>	<u>585</u>

8. Interest payable and similar charges

	2020 Group £	2020 Charitable Company £	2019 Group £	2019 Charitable Company £
Unwinding of discount on provisions	-	-	-	26,760
	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,760</u>

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

9. Related parties

The trustees received no remuneration in connection with their duties as trustees. The trustees received reimbursement of £457 (2019: £1,330) for travel costs and accommodation incurred for board meetings.

There are trustees who are vice-chancellors of universities with whom both HECSU and its subsidiary Graduate Prospects Ltd transact. No other payments were made directly to or for the benefit of the trustees.

Related Party Transactions in the year

Institution/Company	Revenue	Payments
Lancaster University	3,670	3,272
Dundee University	1,080	-
University of Bedfordshire	-	-
Bath Spa University	9,580	-
Manchester University	29,960	40,309
Cranfield University	23,070	1,890
ISE	-	3,540
Worcester University	933	-
St Mary's University Twickenham	2,000	-
	70,293	49,011

Transactions between HECSU and its 100% subsidiary undertaking, Graduate Prospects Ltd, have not been disclosed, in accordance with FRS 102 Section 33 'Related Party disclosures'.

The cost to the Group of individuals that are considered key management personnel was £387,246 (2019: £509,838)

10. Gift aid payments received from subsidiary undertakings

The company's trading subsidiary undertaking made a gift aid payment of £nil (2019: £nil)

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

11. Tangible fixed assets

Group

	Leasehold buildings £	Plant and Equipment £	Computer equipment £	Fixtures and fittings £	Total £
Cost					
At 1 August 2019	1,750,704	156,666	1,365,400	156,668	3,429,438
Additions	-	-	609	-	609
Disposals	(1,750,704)	(17,909)	(1,823)	(864)	(1,771,299)
Transfers to parent undertaking	-	(138,757)	(1,364,186)	(155,822)	(1,658,765)
At 31 July 2020	-	-	-	-	-
Depreciation					
At 1 August 2019	679,855	142,471	1,326,554	155,335	2,304,215
Charge for year	-	2,704	18,084	487	21,275
Disposals	(679,855)	(6,418)	-	-	(686,273)
Transfers to parent undertaking	-	(138,757)	(1,344,638)	(155,822)	(1,639,217)
At 31 July 2020	-	-	-	-	-
Net book value					
At 31 July 2020	-	-	-	-	-
At 31 July 2019	1,070,849	14,195	38,846	1,333	1,125,243

Charitable company

	Plant and Equipment £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 August 2019	34,390	12,566	35,175	82,131
Disposals	(14,598)	-	-	(14,598)
Transfer from subsidiary	118,966	1,351,619	120,647	1,591,232
Transfer to parent undertaking	(138,758)	(1,364,185)	(155,822)	(1,658,765)
At 31 July 2020	-	-	-	-
Depreciation				
At 1 August 2019	22,261	12,566	35,175	70,002
Disposals	(4,660)	-	-	(4,660)
Charge for year	2,190	-	-	2,190
Transfer from subsidiary	118,966	1,332,072	120,648	1,571,686
Transfer to parent undertaking	(138,757)	(1,344,638)	(155,823)	(1,639,218)
At 31 July 2020	-	-	-	-
Net book value				
At 31 July 2020	-	-	-	-
At 31 July 2019	12,129	-	-	12,129

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

12. Investment properties

Charitable company

	Leasehold buildings £	Total £
Valuation		
At 1 August 2019	1,600,000	1,600,000
Disposals	(1,600,000)	(1,600,000)
At 31 July 2020	-	-

Investment properties were valued at disposal on 30 April 2020 based on a directors' valuation. In valuing investment properties, an open Market valuation methodology was adopted taking into account transactions involving similar properties in the area but taking accounting of property specific factors.

13. Investments

Group	Total £
Direct investments in quoted UK investments	
Market value at 31 July 2019	2,140,762
Movement in the period – disposals	(1,998,276)
Movement in the period – change in fair value	(67,486)
Market value at 31 July 2020	-

Charitable company

	Shares in subsidiary undertakings £	Direct Investment in quoted UK investments £	Total £
At 31 July 2019	641,435	2,140,762	2,782,197
Capital disposals	(641,435)	(2,148,276)	(2,789,711)
Profit on investments	-	7,514	7,514
At 31 July 2020	-	-	-

The following companies, all of which are registered in England, are wholly owned by the company, either directly or indirectly.

	Principal Activities	Percentage of ordinary share capital held %	Shareholder's surplus at 31 July 2020 £
National Council for Work Experience	Dormant*	Sole member	-
Graduate Prospects Limited	Trading subsidiary	100%	5,793,882

*The company was dissolved on 29 September 2020.

In the opinion of the directors, the value of the investments are not less than that stated in the financial statements.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

14. Cash and cash equivalents

	Group	Charitable Company	Group	Charitable Company
	2020	2020	2019	2019
	£	£	£	£
Cash at bank and in hand	-	-	316,446	52,219

15. Debtors

	Group	Charitable Company	Group	Charitable Company
	2020	2020	2019	2019
	£	£	£	£
Trade debtors	-	-	568,714	(5,864)
Other debtors	-	-	173,066	-
Prepayments	-	-	130,597	3,579
Amounts due from group undertakings	-	-	-	12,276
	-	-	872,377	9,991

16. Creditors: amounts falling due within one year

	Group	Charitable Company	Group	Charitable Company
	2020	2020	2019	2019
	£	£	£	£
Trade creditors	-	-	175,850	-
Amounts owed to group undertakings	-	5,793,882	-	-
Other creditors	-	-	86,976	-
Social security and other taxation	-	-	231,842	51,974
Pension creditors	-	-	36,885	-
Accruals	-	-	471,437	94,235
Deferred income	-	-	349,908	-
	-	5,793,882	1,352,898	146,209

Deferred income	2020	2019
	£	£
Balance at beginning of year	349,908	330,303
Amount released to incoming resources	(349,908)	(330,303)
Amount deferred in year	84,718	349,908
Transferred to parent undertaking	(84,718)	-
Balance at end of year	-	349,908

Deferred income in the charitable company comprises contributions for membership services to be provided in future accounting period.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

17. Provisions

Group

Defined Benefit Pension Scheme Deficit Contributions

UMSS	£
At 1 August 2019	974,810
Disposal of pension scheme	(884,810)
Contributions in year	(90,000)
At 31 July 2020	-

USS

At 1 August 2019	59,599
Transfer to parent undertaking	(59,599)
At 31 July 2020	-

The pension provision represents the group and charity recognising a liability in relation to its contractual obligation to contribute to covering the USS deficit and the UMSS deficit.

Both provisions are based on the net present value of payments agreed as at the year-end. The USS provision is calculated based on the assumption that salaries will increase by 1% (2019: 1%) per annum and all current members remaining in employment for the repayment period.

The provision is based on the net present value of payments agreed as at the year-end using a discount rate of 2.1% (2019: 2.72%). The provision will be adjusted following the triennial calculations in the pension scheme, either increasing or decreasing the provision with the opposite entry being shown as operating costs within comprehensive income. The unwinding of the discount is shown as a finance cost or income.

Company

Defined benefit pension scheme deficit contributions

UMSS	£
At 1 August 2019	359,141
Contributions in year	(36,843)
Disposal of UMSS deficit via FAA with University of Manchester	(322,298)
At 31 July 2020	-

USS

At 1 August 2019	39,430
Transfer to parent undertaking	(39,430)
At 31 July 2020	-

The provision is based on the net present value of payments agreed as at the year-end. The provision will be adjusted following the triennial calculations in the pension scheme, either increasing or decreasing the provision with the opposite entry being shown as operating costs within comprehensive income. The unwinding of the discount is shown as finance costs.

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

18. Reserves

Unrestricted funds represent the funds to provide for the working capital of the group.
Revenue reserves represent all current and prior year retained profits and losses.
Revaluation reserves represent the increase in fair value of the leasehold buildings.

19. Financial instruments

	Group	Charitable Company	Group	Charitable Company
	2020	2020	2019	2019
	£	£	£	£
Financial assets at amortised cost	-	-	736,781	-
Financial liabilities at amortised cost	-	5,793,882	1,351,607	380,426

Financial assets that are measured at amortised cost consist of investments in subsidiaries, cash, and current debtors other than prepayments.

Financial liabilities that are measured at amortised cost consist of all current liabilities.

20. Pension arrangements

The employees of the Group are members of either the University of Manchester Superannuation Scheme (UMSS) or the Universities Superannuation Scheme (USS), both of which provide benefits based on final pensionable pay. Because the Group is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by S.28 of FRS 102, the scheme has been accounted for, in these financial statements, as if the scheme was a defined contribution scheme. In 2007 the Group decided to close the UMSS scheme to new entrants and replaced it with a defined contribution scheme from Scottish Widows.

The total contribution for the year was £220,401 (2019: £444,994).

	UMSS	USS
Date of latest triennial actuarial valuation	31 July 2016	31 March 2017
Market value of assets at date of last valuation	£501 million	£60.0 billion
Proportion of members' accrued benefit covered by the actuarial value of the assets	71%	89%
(Deficit)/surplus at date of latest actuarial valuation	(£207.4 million)	(£7.5 billion)

These values have been calculated on the scheme specific funding basis, using the projected unit method.

UMSS

From 1 August 2009, employer contributions have been paid at a rate of 19.75% of pensionable salaries. The key assumptions used in the valuation are:

Investment return	4.00%
RPI price inflation increases	3.00%

USS

The contribution rate payable by HECSU was 16% of pensionable salaries, increasing to 18% from 1 April 2016, following the completion of the 2014 actuarial valuation.

The key assumptions used in the valuation are:

Investment return	5.20%
Market derived price inflation increases	3.60%

Higher Education Careers Services Unit
Financial statements for the year ended 31 July 2020

Scottish Widows

The Scottish Widows pension scheme is a money purchase scheme. The scheme costs the Employer 10% of the employee's pensionable salary; 5% goes to the pension scheme and 5% is paid to the employee; historically this was used as an incentive to get employees to join a pension scheme.

21. Operating lease commitments

At 31 July 2020 the group had future minimum lease payments under non-cancellable operating leases as set out below:

	2020 £	2019 £
Within one year	-	21,472
In the second to fifth year	-	85,888
After more than five years	-	1,538,881
	-	<u>1,627,241</u>

22. Controlling party

The ultimate parent undertaking at Balance Sheet date is Jisc. Copies of Jisc consolidated financial statements can be obtained from the Company Secretary at 4 Portwall Lane, Bristol, BS1 6NB.

23. Acquisitions and disposals note

Following agreement by the Boards of Jisc and HECSU there has been a hive up of the operations from Graduate Prospects to HECSU, as part of facilitating the transfer of the group's business to Jisc. The operations transferred relate to the revenue streams of both HECSU and Graduate Prospects, and related net assets. The transfer was completed on 1 May 2020 at fair value.

24 Loss on transfer of the pension

Exceptional costs consist of the following liabilities which have been charged to the consolidated income and expenditure account prior to merger with Jisc. As part of the merger transaction ownership and future management of the USS pension scheme has transferred to an external party.

	£
Total exceptional costs relating to the pension	<u>3,531,797</u>

25 Disposal of property asset

As part of facilitating the transfer of the pension to a third party the building was disposed of at a value which generated the following net gain

	£
Carrying value of the building at disposal	1,070,849
Disposal proceeds	(1,600,000)
Gain / (loss) on disposal	<u>529,151</u>