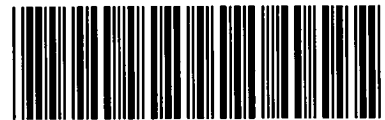


REGISTERED COMPANY NUMBER: 03465914 (England and Wales)
REGISTERED CHARITY NUMBER: 1066956

**Report of the Trustees and
Audited financial statements for the year ended 31 March 2017
for**

The Council for Industry and Higher Education

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THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

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THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (Charities SORP (FRS 102)) issued in September 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03465914 (England and Wales)

Registered Charity number

1066956

Registered office

Studio 11
Tiger House
Burton Street
London
WC1H 9BY

Trading name

The charity is trading as National Centre for Universities and Business (NCUB).

Website: www.ncub.co.uk

Trustees

Mr. William Laidlaw (Chairman)

Sir Roger Bone

Professor Janet Beer (resigned 24 January 2017)

Professor Julia Buckingham

Professor Sir Keith Burnett (appointed 8 June 2016)

Professor Julie Lydon

Ms. Francesca McDonagh (resigned 6 June 2017)

Professor Anton Muscatelli (resigned 24 March 2017)

Professor Richard Parker

Professor David Phoenix

Mr. Phil Smith

The Rt Hon. the Lord Willetts

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Company Secretary

Dr Joe Marshall

Chief Executive Officer

Dr David Docherty

Auditors

Sayer Vincent LLP

Chartered Accountants and Statutory Auditors

Invicta House, 108-114 Golden Lane,

London

EC1Y 0TL

Bankers

Barclays Bank PLC

Bedford Square Branch

27 Soho Square

London

W1A 4WA

CAF Bank Limited

25 Kings Hill Avenue

West Malling

Kent

ME19 4JQ

Metro Bank

120 Cheapside

London

EC2V 7JB

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. Structure and governance

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The charity is trading as the National Centre for Universities and Business (NCUB).

The Trustees of the charitable company (The Charity) are its Trustees for the purposes of charitable law and throughout this report are collectively referred to as the Trustees. For the purposes of Company Law, Trustees are the Directors of the Charity. The Trustees serving during the year and since the year end are given on page 1.

A Chief Executive is appointed by the Board to manage the day-to-day operation of the Charity.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

1.1 Trustee selection, appointment and competence

Trustees are selected for appointment from the “members of the Council” by general agreement of the Board of Trustees. Two independent Trustees are appointed by the Board of Trustees.

The Board does not conduct a formal review of annual review of board members although discussions are held on the approaching retirement of current members.

New Trustees are provided with an introduction and induction through meetings with the Chair of Trustees, the Chief Executive and senior members of staff.

1.2 Investment Powers

Under the Memorandum and Articles of Association, the Charity has the power to make any investments which the Trustees see fit. As a practical matter such investments have been confined to those that clearly meet the charity’s aims and objectives.

2. Aims and Objectives

The objects for which the Company is established are for the advancement of education, training, research and all kinds of learning by the fostering and promotion of mutual understanding, co-operation and support both in the UK and overseas between educational institutions and industry and commerce.

More specifically the National Centre for Universities and Business (NCUB) promotes, develops and supports university-business collaboration across the UK. NCUB is the only organisation bringing together universities and business to influence government and solve the country’s challenges.

It does so by:

- Co-operating to produce graduates with the right expertise, strengths and talent for modern business environment;
- Promoting best practice collaborative research between companies and universities to increase the competitive strengths of business in the UK;
- Working on the UK’s grand challenges through Task Forces that provide thought leadership and breakthroughs in policy and practice; and
- Influencing on behalf of the business-university partnerships at the highest levels of government.

Areas of Research and Policy focus:

- University-Business Collaboration;
- Making the most of the UK’s research base;
- Growing and development the talent and leadership within Engineering and Manufacturing;
- The important role of SME within the innovation ecosystem and collaboration with Higher Education Institutions;
- Role of higher education in meeting the UK’s competitive needs.

Our values:

- We adopt a partnership approach in everything we do and respect the often appropriately different drivers of the business and academia;
 - We focus on where that partnership approach can add particular value;
 - We argue our case with integrity and commission impartial quality research;
-

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

- We constantly review our work and approach to uphold the political neutrality and independence from any interest group;
- We want to be inclusive, outward looking and draw on international experience; and
- We seek to secure the close involvement and commitment of all our members.

2.1 Vision and Mission

Growing the value of university-business collaboration to increase prosperity and productivity.

AMBITION:	Working to make the UK the best place in the world to do university-business collaboration.
REMIT:	Increasing the volume, quality and intensity of university-business collaboration across the UK.
FOCUS:	Driving more innovation and effective graduate talent development through collaboration.
TOOLKIT:	Unique high-level business leadership network, digital brokerage and guidance, high quality success stories, independent research and analysis, collaborative change management programmes.
SUPPORT:	137 corporates and universities, and UK-wide funding from the four higher education funding councils, and Innovate UK.

3. Significant Activities

Much of the work focused on engaging NCUB members, public funders and key stakeholders around issues affecting university-business collaboration and in enhancing the UK knowledge economy. The NCUB Task Forces continue to be a vehicle by which to focus on the great challenges of our society through in-depth research, influencing stakeholders and government policy whilst developing a programme of practical change.

3.1 Taskforces

a. Digital Health Task Force

Co-chaired by John Jeans, Chairman, EM Imaging; Chairman, UK Biocentre and advisor to the Prime Minister on Medical Technology; Beverly Bryant, Director of Digital Transformation, NHS Digital, NHS England and up to May 2017 Professor Patrick Johnston, Vice Chancellor of Queen's University Belfast.

The digital health and healthy living market is forecast to be worth £296bn by 2021. Furthermore, there has been a dramatic increase in the cost of healthcare over the past decades and a consequent drive for real and sustainable productivity gains. There are, of course, many causes and solutions, but there is broad global consensus that digital health and healthy living solutions will play a vital and transformational role in solving the 21st century healthcare challenge.

The UK must, therefore, become an innovation hothouse for digital solutions and ensure that the partnership between universities, UK Research and Innovation, business, the NHS, and government are maximised and coherent. And that the capital markets are confident enough in the UK's long-term healthcare strategies to invest in start-ups and UK growth firms, as well as our established healthcare companies.

The Task Force brings together business, university and public health leaders to make a small number of recommendations on challenges for the next ten years. This field is enormously complex, both in

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

scale and scope, and we have concentrated on three issues that we believe will illustrate pathways to broader solutions:

Topics addressed by the Task Force:

- Digital Games for Mental Health.
- Health Data Integration and Interoperability.
- Driving Transformation of Healthcare Delivery through a partnership with medical professionals in training

Developed out of the work for the Task Force the opportunity to work with NHS Digital and develop a digital platform emerged. Reconn Health uses web technologies to aggregate information into one place and create networking opportunities to make buying and selling health technologies more efficient by helping you find information about products, companies and opportunities. NCUB has provided consultancy support to setting up the project.

b. Growing Value Scotland

NCUB announced the launch of Growing Value: Scotland Task Force in September 2014. Supported by NCUB, and Co-chaired by Rob Woodward (Chief Executive, STV Group Plc) and Professor Sir Ian Diamond (Principal & Vice-Chancellor, University of Aberdeen), the Growing Value: Scotland Task Force comprises of leading experts and leaders from across industry and academia to identify and prioritise actions specific to Scotland that will enhance the value of publicly-funded research and business-university collaboration.

The Task Force has commissioned research on Scottish R&D innovation in an international context; the distinctive nature of the Scottish economy; and ways in which businesses, universities, research institutes and Innovate UK can collaborate more effectively in Scotland; and the interactions between cultural institutions and Scottish Innovation. The research has been split into two phases as follows:

- Phase One: an overview of Scotland's R&D expenditure
- Phase Two: understanding sector specific innovation in Scotland

The first taskforce report was published in Oct 2015 'Capability, Culture and Change: Growing the Value of R&D in Scotland'. A key finding was that whilst university-based research spend in Scotland is above the UK average as a percentage of GDP, spending by business in this area lags considerably behind the majority of the UK. The report cites structural reasons for the disparity between Scotland and other areas of the UK, as well as differences within Scotland. It identifies areas to be focused on to enable Scotland's research and development and innovation capability to be enhanced.

The second Growing Value Scotland Task Force report was published in March 2016 and captured the views of business leaders and representatives of six key sectors of the Scottish economy. The report, The Innovation Edge: Business Innovation and University Collaboration in Scotland, found that Scotland needs a step change increase in the scale of the interfaces between universities and business. Drawing on interviews with executives in key industries in Scotland, including creative and digital, oil and gas, life sciences, food and drink, tourism and financial services, the report has identified a range of cross-sector themes that could lead to the research and development capability of the Scottish economy being enhanced.

The final report of the taskforce was launched at an event in Edinburgh in May 2016. The report 'The Step Change, Business-University Collaboration Powering Scottish Innovation' presents recommendations to business, universities, government and public funders on how to build more economically successful collaborative innovation in Scotland.

c. Growing Value Wales

The Growing Value Wales Task Force brings together key individuals from the private and higher education sectors to focus on practical ways of harnessing the talent being developed in our universities and our strength in ground-breaking research and development for the benefit of the nation's economy.

The Task Force is chaired by Dr Drew Nelson, CEO of IQE and Professor Colin Riordan, Vice Chancellor of Cardiff University.

Growing Value Wales builds on the Growing Value Scotland work on the importance of universities to the innovation ecosystem and on guiding policy makers, businesses and the higher education sector towards a simplified ecosystem where industry and research can better collaborate.

The first report from the Growing Value Wales Task Force was published in June 2017 and explored the rapidly changing world of university-business interaction in Wales. It identified the opportunities and threats to collaboration and highlights clusters of excellence, or 'hot spots', in the Welsh innovation landscape with regard to university-business interaction.

3.2 Change management programmes

a. Talent 2030

Talent 2030 is an ambitious campaign to encourage more talented young people to pursue careers in manufacturing and engineering - including software development. Talent 2030 is particularly focused on inspiring more girls to consider careers in these sectors, working jointly with business and universities to undertake outreach into schools and colleges. At present only 8% of the UK's professional engineers are women, the lowest level in Europe. From any perspective this is a huge waste of potential talent.

The three key messages which research shows will encourage young women into engineering are: better knowledge of future earnings; more emphasis on the green and sustainable side of engineering; and more women role models.

Our campaign has these three elements at its heart. As well as direct outreach work with schools, we have been building up the policy case for change within government, business and universities and have published ambitious targets setting out the numbers of young women the UK needs to be studying physics, mathematics and engineering - from GCSE through to PhD.

b. Creative Fuse North East

The 'Creative Fuse North East' project was launched in January 2016. The project will explore how the creative, digital and IT (CDIT) sector in the North East can be developed in order to play a leading role in the region's economy. The project involves all five of the North East's universities – Newcastle, Northumbria, Durham, Sunderland and Teesside – and is funded jointly by the universities and the Arts and Humanities Research Council.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

The universities will work with the 12 local authorities in the North East, businesses, artists, cultural organisations and partners to research how the CDIT sector can ensure it has the right skills for a sustainable future.

3.3 Research, analysis and policy

a. State of the Relationship

State of the Relationship is NCUB's flagship report series which aims to summarise university-business collaboration across the UK and provide an authoritative source on the spread and quality of collaboration activity taking place in the sector. A State of the Relationship report is published each year featuring a range of expert views and case studies.

The State of the Relationship 2017 focused on growing collaborations: people and places. NCUB's Collaboration Progress Monitor was updated. This provides a basket of hard metrics that will, over time, determine what is successful and where challenges remain. The flagship publication carried the voice of the NCUB public funders and members on the partnership between universities and business, supported by robust evidence gathered from multiple corporate and academics contributors across the UK.

b. Smart Specialisation Hub

The Government announced its intention to establish a Smart Specialisation Hub. This is intended to support effective design, delivery and alignment of EU, national and local Research and Innovation (R&I) policies (especially those that are ESIF co-funded). The Government asked NCUB to progress the design and development of the hub - and possibly to host its establishment.

The Smart Specialisation Hub is managed, and maintained by the National Centre for Universities and Business, in partnership with the Knowledge Transfer Network Ltd (KTN). It is working closely with funding partners from organisations dedicated to encouraging innovation.

c. EU Synergies project

As an extension to the work on the Smart Specialisation Hub, NCUB was approached by the Department for Business, Innovation and Skills to undertake a standalone project to deepen the understanding of European research, development and innovation (RD&I) funds, and how synergies between different EU funding instruments can be maximised to support local innovation strategies. The principal instruments considered were European Structural and Investment Funds (ESIF) and Horizon 2020.

3.4 Digital Platforms

a. Innovation Brokerage: konfer

In 2016, the National Centre for Universities and Business with partners at HEFCE and Research Councils UK launched Konfer, an intelligent brokerage tool that has been created to improve the ease with which university-business collaboration can be enabled and maintained.

More specifically the tool will:

- Enable business to identify potential opportunities for collaboration (research, researchers, facilities/equipment, funding and support)
- Establish opportunities for universities to find potential research partners
- Provide a tool where issues and challenges for industry can be addressed through smart searching and automated brokering.

Driving the creation of such a tool has been a commitment to open up collaborative opportunities within our world leading universities to even more businesses. Traditionally the preserve of large corporates with the capacity to search out and connect with different universities, smaller companies are underrepresented in interactions with the university research base.

The entire UK's university research base presents an extraordinary array of opportunities that are increasingly being utilised by businesses. From the latest in research outputs to access to cutting-edge facilities and equipment, universities are becoming natural collaboration partners. But for a small or even a medium sized company wanting to collaborate and innovate there are almost too many doors to knock on to seek out expertise. Simply knowing where to start can be overwhelming.

The tool has been built with the financial support of HEFCE, Innovate UK and RCUK and developed using an external supplier through 2015 (Tessella) and an alpha version was launched in May 2016. Through 16/17 a team of business development consultants have been working with businesses and universities to demonstrate, test and gain feedback on konfer to make enhancements for a full launch in autumn 2017.

b. Work Experience: BrandU

NCUB is developing a digital service for students and universities which will showcase curated work experience opportunities from a variety of businesses, large and small, across all sectors. The core ethos is creating a national pool of work experiences – a day, a week, a month, a year – with mentors, for students from particularly disadvantaged backgrounds in order to equalise life chances for all. The platform will be delivered in the form of a mobile app targeted to students, with Tinder-style functionality (swipe left/swipe right). The platform also seeks to equalise life chances amongst students of different backgrounds by employing blind screening principles where employers make decisions on personal statements and merit of the student profiles.

Through 2016/17 the executive team at NCUB have been seeking financial support to take forward the developed prototype and scale it up to a full working application. The funding from two corporate members of NCUB (Jisc and UNITE Students) will see the creation of a standalone joint venture.

c. WorkWith

The National Centre is developing a social networking platform, *workwith* which is intended to fill a member engagement need by allowing emerging talent in our member organisations to connect, converse and collaborate. Using networking tools (chat, groups, videos) the *workwith* will be the digital home for business, universities and policy makers to support each other in solving some of the UK's most difficult challenges, such as workforce diversity, increasing productivity, and growing innovation.

The main goal of the platform is to connect individuals across sectors, organisations and the public/private divide, using calls to action based around provocative content. We want to introduce people, or rather for them to introduce themselves, with someone they never would have thought of approaching, or would never have known how to approach in the real world, by showing them the problems they have in common.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

For example, what could the Business Engagement Manager at UCL learn about collaborative partnerships from the Head of Innovation at Barclays? Or what does a Project Manager at GSK have in common with a Post-Doc from the University of Cambridge?

Currently it is this level of detail in interaction that we are missing in our membership, given that most of the interaction between our members happens at our Council Level (The CEOs or Chairs of business members and the Vice-Chancellors of University Members).

4. Achievements and Performance

NCUB's expertise and research output continues to be the forefront of guiding Government policy on business-HE relationships. Our reports have been widely welcomed by our business and university members as well as the Government and its agencies. Leading policy makers continue to seek our views, be involved in our groups and invite our participation in a range of strategy and discussions groups.

4.1 NCUB Publications

We continue to influence their policies and actions and have produced a range of key reports including:

- **Degree Apprenticeship Briefing**
(Published 21st April 2016)
Short, insightful briefings on the newly introduced Degree Apprenticeship.
- **State of the Relationship Report 2016**
(Published 9th May 2016)
Our flagship report, State of the Relationship has launched, showing the amazing results of university-business collaboration.
- **Growing Value Scotland – Final Report**
(Published 24th May 2016)
The final report is part of the linked series from the Task Force, and set out the overarching conclusions and recommendations from the Growing Value Task Force.
- **Work Experience as a gateway to talent in the U: assessing business views**
(Published 16th June 2016)
This report draws on original survey evidence collected by the National Centre from 34 businesses during December 2015 to March 2016 and explored business practices and processes around work experience offers and related considerations for student engagement in work experience.
- **UK: Collaboration Progress Monitor**
(Published 2nd August 2016)
The Collaboration Progress Monitor assesses progress across four categories: resources for collaboration, knowledge flows between universities and business, partnerships, and commercialisation activity for each of the countries across the UK.
- **NCUB Annual Review 2015-2016**
(Published 12th September 2016)
Annual Review, highlighting NCUB's achievements throughout the 2015-16 financial year.

- **Talent 2030 Dashboard (2016)**
(Published 26th September 2016)
Talent 2030 runs a unique tracking exercise to monitor the number of female students entering GCSE and A-Level Physics, as well as undergraduate and postgraduate technology studies. The dashboard contains targets to improve these numbers between 2012 and 2030.
- **Knowledge Exchange and Research Council Institutes**
(Published 26th October 2016)
This report provides an analysis of the external engagement activities of research staff at UK Research Council institutes.

4.2 Conveying and influencing

We also held a number of high profile events during the year including:

Boardroom breakfasts - a unique mix of business and university leaders to network and focus on a particular issue or challenge in small groups:

- **Mr John Stewart, Legal & General, L&G LONDON**
 - Increasing private investment into universities & publicly funded innovation
- **Andrew Duff, Chairman, Severn Trent, COVENTRY**
 - Aligning Innovation Outcomes in the Midlands Dynamo
- **Nive Krishnamurthy, CEO Infrastructure Services, CapGemini, LONDON**
 - Applied innovation: business and universities working together
- **John Fallon, Chief Executive, Pearson, London**
 - Pathways and New Ways: Fresh thinking on graduate accreditation and employability
- **National Centre and BIS, London**
 - Consultation for the National Innovation Plan
- **National Centre and Employers, London**
 - Degree Apprenticeships,
- **Chairman's Council**
 - Collaboration, Industrial Strategy, Brexit and Devolution

Networking and Launches:

Networking and launch events provide opportunities to engage a broader network across members, stakeholders and government partners.

- **State of the Relationship Report 2016, Breakfast Preview**
- **State of the Relationship Report 2016, Launch and Drinks Reception**
- **Growing Value Scotland Task Force's Final Conclusions and Recommendations**
- **Summer Keynote and Reception with Sherry Coutu, Scale-ups**
- **Autumn Keynote & Reception with Gavin Patterson, CEO, BT Group, Innovation and Globalisation**
- **Chairman's Reception, House of Commons, Hosted by Lord Willetts**

Sector and Task Force Meetings:

- **Growing Value Wales Steering Group**, Cardiff
- **Growing Value Scotland Legacy Group**, Scotland
- **Engineering Leaders Group**, London
- **Digital Healthcare and Healthy Living**, London

5. Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. There are demonstrable benefits to the public from our work. Our mission advances the public good by:

1. Facilitating a dialogue between businesses, universities and colleges so that individual learners of all ages can be better informed on the benefits of higher level learning including enhanced employability and personal good, cultural understanding and their development as global citizens as well as how such learning and understanding can advance the wider social cohesion of the UK;
2. Advancing research and knowledge and our understanding of how knowledge can address global issues and enhance the UK's productivity and competitiveness;
3. Influencing the Government and its agencies so that policies can better achieve these aims, be more efficient and effective;
4. Seeking to ensure that the UK has an internationally competitive system of higher education without enhanced national prosperity and social cohesion will not be achieved.

Our work benefits all sections of the society in the UK and potentially outside the UK; we do not focus on any social group or geographical area. We try to be reflective of the whole spectrum of British businesses and universities. We continue to distribute all of our publications free of charge initially to as many organisations as possible who we think could benefit even when published only electronically. One of our key aims is to enhance awareness of the wider benefits of higher level of learning so that all can aspire and all who are capable participate. We seek to be international and open in our dialogue and consider that this helps our work to be balanced, informed and evidence-based.

6. Objectives and Activities

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

6.1 Fundraising activities

Factors outside the control of the Charity do have a bearing on our financial position at any one point in time. We endeavour to minimise the risk through securing a rolling (not time bound) funding commitments from our members. The Trustees have actively helped us attract new members who also care about the UK having a world-class system of higher education that meets the needs of businesses and students.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

6.2 Financial Review and Results

Project income came various organisations including the Government and Funding Councils. Funding commitments from member organisations are still reassuringly good in the current economic environment. As always, further commitments are needed and are being sought.

The financial position and performance of the Charity is summarised in the Statement of Financial Activities and Balance Sheet set out on page 19 and 20. Total income for the year amounted to £2,210,961 (2016 - £2,766,580) less total expenditure of £2,321,390 (2016 - £2,931,532) giving an overall net decrease in funds of £110,429 (2016: £164,952).

2016/17 was the first year in the planned stepped down in core public funding. The Charity has made attempts to both replace that income with increases in existing revenue sources and identifying new funding opportunities. The Charity has been able to control its expenditure for 2016/17 and align this with its income however a shortfall of £110,429 arose during the year and it was necessary to draw on designated funds built up in previous years to cover this decrease in funds. The Charity will continue to actively control its expenditure for future years.

6.3 Investment policy

Our policy is to invest the majority of our funds primarily with the CAF Bank which provides both security and flexibility of access.

6.4 Funding Sources

The major elements of our funding comes from the annual donations that our supporting companies, universities and other organisation make to NCUB as a registered Charity. In addition we recover some of our overheads and costs on the projects we undertake. We earn interest on the funds we have on deposits at the banks. We continue to increase wherever possible the amount of our project income and resulting contribution to overheads in absolute and as a proportion of total income.

6.5 Going Concern

The Trustees have acknowledged the latest guidance on going concern. The NCUB has sufficient financial resources to sustain their level of activity and has no external debt. The NCUB will endeavour to secure sufficient funding to meet commitments and enforce stricter controls on costs. The Trustees believe that NCUB is well placed to manage its risks successfully and have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statement. There are no material uncertainties about the charity's ability to continue as a going concern.

6.6 Remuneration Policy

The NCUB pay rate is reviewed annually to take account of cost of living increases. Normally, any changes to the pay rates become effective from 1st July of each year. This is being reviewed for the next financial year to bring changes forward to 1st April.

Pay increments

Employees are assessed annually in line with the performance appraisal scheme and if they have achieved the minimum agreed levels of performance they are entitled to a pay increase up to a maximum of 10% of their basic pay, limited to the maximum pay rate for their role.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

6.7 Reserves Policy

The reserves policy was reviewed and updated at the NCUB Board meeting on 19th March 2014. The Trustees have set a reserves policy which requires:

- i. Reserves are to be built up to a level which ensures that at least 3 months of NCUB's core activity could continue during a period of unforeseen difficulty.
- ii. A proportion of reserves are maintained in a readily realisable form.
- iii. The reserves are regularly reviewed and further contributions to reserves will be determined to maintain the reserve at levels sufficient to cover at least 3 months of NCUB's core activity.

For the current financial year, with a turnover of £2,321,390 then three months of core activities would equate to £580,347.

At 31st March 2017 the free reserves of the charity, defined as unrestricted funds less fixed assets used with the charity's business, were £660,246 (2015: £1,010,029) which is in excess of the target policy, reflecting the success of the charity. This level of funding is prudent given the non-linear nature of funding provides for operational finance for future years.

6.8 Risk Management

The Trustees work with the executive team at NCUB to identify, track and mitigate (wherever possible) risks that could negatively affect the performance of the Charity. At each Board member meeting a risk register is presented and reviewed by the Trustees and the risk ratings are agreed. For each identified risk, a rating for both impact and probability are given (with 1 being low and 5 being high impact or probability). For the purposes of this Trustee Report we provide a summary of the key risks that are reviewed at each Board meeting and the mitigating actions that are being taken.

RISK AREA	RISK DESCRIPTION	MITIGATING ACTIONS
Member engagement	Failing to meet the expectations of members (e.g. through not addressing the major issues or being taken seriously by the Government and devolved administrations) and hence their withdrawing their involvement and financial support.	We aim to mitigate this through undertaking work that is at the forefront of thinking, influencing policy and practice through the power of partnership and in other ways ensuring that the NCUB is seen to be performing a highly valued role that commands attention and respect.
Member recruitment	Failing to attract new members from a suitable range of major organisations when existing members retire or move on.	We aim to mitigate this through the quality of our policy research and the leadership network that we leverage to underpin our work as well as through the provision of more digital services to our members and funders.
Public sector support	Failure to keep close relationship with Government and associated arms-length Public Bodies to support policy priorities.	We aim to continue to work closely with public funders and strive to be considered as a strategic partner that seeks to foster greater collaboration between businesses and universities.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

Scope of delivery	Trying to cover too broad a range of activities either to satisfy members or respond to external invitations.	We have set clear priorities and will focus most of our resources on establishing our strategic Task Forces to achieve a greater university-business collaboration and leadership on the global challenges that will have a bearing on the UK's future competitiveness.
Financial controls	Failure to ensure robust financial controls are in place across the organisation to control, manage and provide real time updates on the Charity's finances.	This has been an area of significant attention and work through 16/17 with the removal of Saffrey Champness as the accountants and bringing in-house much of the finance activities and reviewing and overhauling current operating processes and procedures.
IT and data systems	Failure of our IT systems, serious loss of data with financial and operational limitations.	We mitigate this through regular back-up of our systems, including thorough off-site back up of all our data.
Staff retention	Failure to retain senior staff.	With a small core team working in a vibrant labour market in central London it is important to create the conditions to retain and develop staff within the organisation and continue to offer career progression opportunities.

7. Statement of Trustee responsibilities

The Trustees (who are also Directors of the Council for Industry and Higher Education for the purposes of company law) are responsible for preparing the Trustees' annual report and financial statement in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law required the trustees to prepare financial statements for each financial year which gave 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 company for that period. 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;
- Make judgement 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 in appropriate to presume that the charitable company will continue in operation.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

The Trustees are responsible for keeping adequate accounting records that 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 the Trustees are aware:

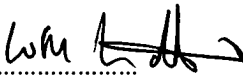
- There is no relevant audit information of which the charitable company's auditors are unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Auditors

Sayer Vincent LLP was re-appointed as the charitable company's auditors during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustee on 13 December 2017 and signed on their behalf by:

Name W.C.H. LAM 
Title CHAIRMAN
Date 13 DECEMBER 2017

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2017**

Opinion

We have audited the financial statements of The Council for Industry and Higher Education (the 'charitable company') for the year ended 31 March 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 March 2017 and of its 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
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2017

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Trustees' annual report 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 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

This report is made solely to the charitable 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 charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Noelia Serrano (Senior statutory auditor)

13th December 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted	Restricted	Total 2017	Total 2016
	Notes	£	£	£	£
Income and endowments from:					
Donations and Legacies	2	1,593,428	617,328	2,210,756	2,766,243
Investments	3	205	-	205	337
Total income and endowments		<u>1,593,633</u>	<u>617,328</u>	<u>2,210,961</u>	<u>2,766,580</u>
Expenditure on:					
Raising funds		278,647	-	278,647	298,776
Charitable activities		1,663,281	379,462	2,042,743	2,632,756
Total expenditure	4	<u>1,941,928</u>	<u>379,462</u>	<u>2,321,390</u>	<u>2,931,532</u>
Net income/(expenditure)	6	(348,295)	237,866	(110,429)	(164,952)
Transfers between funds	13	(5,819)	5,819	-	-
Net movement in funds		<u>(354,114)</u>	<u>243,685</u>	<u>(110,429)</u>	<u>(164,952)</u>
Reconciliation of funds					
Total funds brought forward as previously stated		1,021,124	80,669	1,101,793	1,176,658
Prior year adjustment	20	-	-	-	90,087
Total funds brought forward as restated		<u>1,021,124</u>	<u>80,669</u>	<u>1,101,793</u>	<u>1,266,745</u>
Total funds carried forward	13	<u>667,010</u>	<u>324,354</u>	<u>991,364</u>	<u>1,101,793</u>

The accounts have been prepared on the basis that all operations are continuing.

The statement of financial activities contains all recognised gains and losses for the year.

The notes on pages 22 to 35 form part of these financial statements

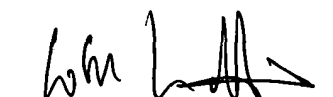
THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

BALANCE SHEET
AS AT 31 MARCH 2017

	Notes	Total 2017 £	Total 2016 £
Fixed assets			
Tangible assets	9	6,766	11,095
Investments	10	1	1
Total fixed assets		<u>6,767</u>	<u>11,096</u>
Current assets			
Debtors	11	287,983	449,322
Cash at bank and in hand		846,323	1,017,947
Total current assets		<u>1,134,306</u>	<u>1,467,269</u>
Liabilities			
Creditors: Amounts falling due within one year	12	(149,709)	(376,572)
Net current assets		<u>984,597</u>	<u>1,090,697</u>
Net assets		<u>991,364</u>	<u>1,101,793</u>
The funds of the charity:			
Restricted income funds	13	324,354	80,669
Unrestricted funds	13	667,010	1,021,124
Total funds		<u>991,364</u>	<u>1,101,793</u>

The notes on pages 21 to 34 form part of these financial statements

Approved by the trustees and signed on their behalf by:



MR WILLIAM LAIDLAW

Trustee

13 DECEMBER 2017

Company number: 03465914 (England and Wales)

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
	Notes	£	£
Cash flows from operating activities:			
Net cash (used in) operating activities	15	(171,624)	(114,362)
Cash flows from investing activities:			
Purchase of property, plant & equipment		-	(7,887)
Net cash (used in) investing activities		-	(7,887)
Change in cash & cash equivalents in the reporting period		(171,624)	(122,249)
Cash & cash equivalents at the beginning of the reporting period		1,017,947	1,140,196
Cash & cash equivalents at the end of the reporting period		846,323	1,017,947

The only cash and cash equivalents are amounts held as bank balances.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. *Accounting policies*

1.1 Statutory information

The Council for Industry and Higher Education is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is Studio 11, Tiger House, Burton Street, London, WC1H 9BY.

1.2 Accounting convention

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in September 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

1.3 Basis of consolidation

Group financial statements are not prepared on the basis that the results of the subsidiary are not material to the group.

1.4 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Income

Income from investments and donations have been accounted for when receivable.

Legacy income is included in the accounts when the amount due can be quantified with reasonable probability and the timing of the receipt is known.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Contractual income is recorded when receivable.

Grants and donations are recognised once entitlement and value have been confirmed in writing.

Grants and donations that are subject to donor imposed conditions that specify the time period in which the expenditure of resources can take place are accounted for as deferred income and recognised as a liability until the relevant accounting period in which to expend the resource. Grants and donations without such pre-conditions are not deferred, even if the resources are received in advance of the expenditure on the activity funded by the grant or donation.

Membership income is recognised in full when receivable as it is not linked to the giving of future benefits.

1.6 Expenditure and irrecoverable VAT

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in furtherance of the charitable objectives of the Charity. Grants payable are accounted for when either the recipient has a reasonable expectation that they will receive the grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and the condition attaching to the grant is outside the control of the Trustees.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6.1 Cost of raising funds

The costs of raising funds are those costs attributable to generating income for the charity and include salary and salary related items.

1.6.2 Charitable activities

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include costs of administration, IT support, repairs and maintenance costs, etc which supports the charity's activities. All support costs are deemed to relate to the charitable activities of the charity.

1.6.3 Governance

This represents all costs involving public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and constitutional requirements together with attributable support costs. They are included as a subset of support costs and allocated to other activities in the same manner.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1.7 Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. The amount at which assets are capitalised has been set at £1,000 by the charity. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The depreciation rates applied are:

	2017	2016
Computer and office equipment:-	25%	25%

1.8 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Charity's statement of financial position when the Charity becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

1.9 Financial assets

1.9.1 Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

1.9.2 Other financial assets

The charity currently has no non-basic financial assets

1.10 Pension costs

Pension costs relate to employer's contributions towards the personal pension fund of employees of the Charity. These contributions are charged to the income and expenditure account as they become payable.

1.11 Funds

1.11.1 General funds

General funds are donations and other incoming resources receivable or generated for the objects of the Charity without specified purpose.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1.11.2 Restricted funds

Restricted funds are specifically donated to the Charity where the donor has specified they be used for the benefit of a specific project or for a particular administrative cost.

1.12 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where other more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Donations and legacies	771,250	-	771,250	739,000
Core funding	818,730	-	818,730	1,079,081
Restricted income	-	617,328	617,328	948,106
Other	3,448	-	3,448	56
	<u>1,593,428</u>	<u>617,628</u>	<u>2,210,756</u>	<u>2,766,243</u>

3. Investment income

	Restricted Funds £	Unrestricted Funds £	2017 Total £	2016 Total £
Bank interest	-	205	205	337

4. Expenditure

	Staff costs £	Direct costs £	Support costs (note 5) £	Total 2017 £	2016 £
Raising funds					
Fundraising costs	199,867	-	78,780	278,647	298,776
Charitable activities					
Research and dissemination	802,166	511,407	316,183	1,629,756	2,222,759
Member services	296,225	-	116,762	412,987	409,997
	<u>1,298,258</u>	<u>511,407</u>	<u>511,725</u>	<u>2,321,390</u>	<u>2,931,532</u>

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. Support costs

	2017 £	2016 £
Computer costs	27,861	39,769
General office costs	33,334	21,847
Travel	30,796	33,865
Employee welfare	32,698	21,328
Rent, rates and utilities	201,838	91,158
Communications	22,870	22,549
Accountancy	63,997	32,035
Consultancy fees	52,927	53,601
Professional fees	6,612	26,112
Repairs and renewals	13,330	7,444
Bank charges	758	588
Depreciation	4,329	4,783
Subscriptions	9,437	9,455
Unpaid membership invoices	-	27,000
Governance costs – Auditors’ remuneration	10,938	7,674
	<u>511,725</u>	<u>399,208</u>

6. Net income/(expenditure)

	2017 £	2016 £
Net income/(expenditure) is stated after charging:		
Auditors’ remuneration – current year	6,000	6,395
Auditors’ remuneration - prior year under accrual	3,115	-
Depreciation – owned assets	<u>4,329</u>	<u>4,783</u>

7. Staff costs

	2017 £	2016 £
Wages and Salaries	1,106,936	907,455
Redundancy and termination costs	30,516	-
Social security costs	116,606	101,352
Pension costs	41,609	36,013
Other staff costs	2,591	6,943
	<u>1,298,258</u>	<u>1,051,763</u>

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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

Average head count	<u>20</u>	<u>19</u>
--------------------	-----------	-----------

The number of employees whose emoluments exceeded £60,000, excluding employer national insurance and employer pension contributions within the following bands was:

£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£140,001 - £150,000	-	-
£160,001 - £170,000	<u>1</u>	<u>1</u>
	<u>3</u>	<u>4</u>

Pension contributions on behalf of these employees were £16,609 (2016: £18,396)

The Trustees consider the key management personnel to be David Docherty, Joseph Marshall and Adriaan Commandeur. Total remuneration including employer pension contributions and employer national insurance of these people for the year ended 31 March 2017 was £426,207 (2016: £399,524).

8. Transactions with Trustees

In the year to 31 March 2017 no trustees received remuneration, but expenses of £108.59 were reimbursed to one of the trustees (2016: £Nil).

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

9. Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
As at 1 April 2016	44,796
Additions	
Disposals	-
As at 31 March 2017	44,796
Cost	
As at 1 April 2016	33,701
Charge for the year	4,329
As at 31 March 2017	38,030
Net book value	
As at 31 March 2017	6,766
As at 31 March 2016	11,095

10. Investments

	£
Net book value	
As at 31 March 2016 and 31 March 2017	1

The charity owns 100% of the share capital of CIHE Consultancy Limited, a consultancy business based in the UK. There is no activity within CIHE Consultancy Limited and a proposal to close this company has been made to Companies House.

The results of CIHE consultancy Limited were:

	2017 £	2016 £
Aggregate capital and reserves	(67,884)	(70,570)
(Loss) for the year	(248)	(5,431)

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. Debtors

	2017	2016
	£	£
Donations receivable	188,937	373,050
Prepayments and accrued income	99,046	76,272
	<u>287,983</u>	<u>449,322</u>

12. Creditors

	2017	2016
	£	£
Trade creditors	62,882	175,378
Social security and other taxes	28,192	29,832
Other creditors	-	6,247
Accruals and deferred income	58,635	165,115
	<u>149,709</u>	<u>376,572</u>

13. a) Statement of funds (current year)

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Unrestricted funds					
General fund	1,021,124	1,593,633	(1,941,928)	(5,819)	667,010
Restricted funds					
Innovation Brokerage	-	396,000	(158,676)	-	237,324
Survey of Academics	-	-	-	-	-
Talent 2030	5,495	25,000	(32,099)	1,604	-
Smart Specialisation - Hub	54,679	158,828	(126,477)	-	87,030
Growing Value Scotland	-	-	-	-	-
Engineering Portal	20,495	-	(24,710)	4,215	-
Work Experience Platform	-	-	-	-	-
Synergies Project Funding	-	37,500	(37,500)	-	-
	<u>80,669</u>	<u>617,328</u>	<u>(379,462)</u>	<u>-</u>	<u>324,354</u>
Total funds	<u>1,101,793</u>	<u>2,210,961</u>	<u>(2,321,390)</u>	<u>-</u>	<u>991,364</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Transfers between funds represent the allocation of unrestricted funds to a project that has been partially funded by restricted donations.

Restricted funds have been set up for the following purposes.

Innovation brokerage: an intelligent brokerage tool that has been created to improve the ease with which university-business collaboration can be enabled and maintained.

Survey of Academics is a survey of over 18,000 academics in the UK.

Talent 2030 is a national campaign seeking to grow the numbers of students wishing to study and work in the engineering and manufacturing sectors, with particular focus on encouraging girls in schools to address the shortage of professional female engineers in the UK.

Smart Specialisation - support from BIS to investigate options and business plan for a Smart specialisation hub initiative in UK

Smart Specialisation Hub: supports effective design, delivery and alignment of EU, national and local Research and Innovation (R&I) policies (especially those that are ESIF co-funded).

Growing Value Scotland Task Force comprises of leading experts and leaders from across industry and academia to identify and prioritise actions specific to Scotland that will enhance the value of publicly-funded research and business-university collaboration.

Engineering Portal: Funded by the Department for Business, Innovation and Skills in response the Perkins Review of Engineering Skills, the Engineering Portal is a one-stop shop for all engineering businesses on how to work with universities.

Work Experience Platform: NCUB is developing a digital service for students and universities which will showcase curated work experience opportunities from a variety of businesses, large and small, across all sectors.

Synergies Project Funding is a research project understanding of European research, development and innovation (RD&I) funds, and how synergies between different EU funding instruments can be maximised to support local innovation strategies.

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. b) Statement of funds (prior year)

	Brought forward (restated) £	Income £	Expenditure £	Transfers £	Carried forward £
Unrestricted funds					
General fund	967,776	1,818,474	(1,665,103)	(100,023)	1,021,124
Restricted funds					
Student Employability Index	-	20,000	(24,000)	4,000	-
Innovation Brokerage	235,636	637,000	(880,252)	7,616	-
Survey of Academics	63,333	36,666	(103,663)	3,664	-
Talent 2030	-	35,000	(29,505)	-	5,495
Smart Specialisation - BIS	-	15,000	-	(15,000)	-
Smart Specialisation - Hub	-	70,000	(15,321)	-	54,679
Growing Value Scotland	-	30,000	(97,975)	67,975	-
Food Economy Taskforce	-	5,000	(20,523)	15,523	-
Engineering Portal	-	49,971	(29,476)	-	20,495
Work Experience Platform	-	49,469	(65,714)	16,245	-
	<u>298,969</u>	<u>948,106</u>	<u>(1,266,429)</u>	<u>-</u>	<u>80,669</u>
Total funds	<u>1,266,745</u>	<u>2,766,580</u>	<u>(2,931,532)</u>	<u>-</u>	<u>1,101,793</u>

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14. a) Analysis of net assets between funds (current year)

	Restricted funds	Unrestricted funds	Total 2017	Total 2016
	£	£	£	£
Fixed assets	-	6,767	6,767	11,096
Current assets	324,354	809,952	1,134,306	1,467,269
Creditors due within one year	-	(149,709)	(149,709)	(376,572)
	<u>324,354</u>	<u>667,010</u>	<u>991,364</u>	<u>1,101,793</u>

14. b) Analysis of net assets between funds (prior year)

	Restricted funds	Unrestricted funds	Total 2016	Total 2015 As restated
	£	£	£	£
Tangible assets	-	11,096	11,096	7,992
Current assets	80,669	1,386,600	1,467,269	1,446,290
Creditors due within one year	-	(376,572)	(376,572)	(187,537)
	<u>80,669</u>	<u>1,021,124</u>	<u>1,101,793</u>	<u>1,266,745</u>

15. Reconciliation of net income/expenditure to net cash flows from operating activities

	Total 2017	Total 2016
	£	£
Net movement in funds	(110,429)	(164,552)
Add back depreciation charge	4,329	4,783
Decrease/(Increase) in debtors	161,339	(143,228)
(Decrease)/Increase in creditors	(226,863)	189,035
Net cash inflow from operating activities	<u>(171,624)</u>	<u>(114,362)</u>

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16. Related party transactions

The Charity is related to CIHE Consultancy Limited, which is a wholly owned subsidiary of The Council of Industry and Higher Education. During the year the charity contributed £3,900 (2016 - £5,363) towards the admin costs of the subsidiary. At the balance sheet date CIHE Consultancy Limited owed £73,917 (2016 - £70,017) to the Charity. The charity has fully provided for this debt.

NCUB received £10,000 (2016 - £10,000) as a contribution to the Talent 2030 project from Rolls Royce. Richard Parker was until April 2016 a Director at Rolls Royce with responsibilities for Research and Technology. He retains an affiliation with Rolls Royce as a consultant and remains as a Trustee at NCUB.

NCUB received £768,000 (2016 - £966,000) as a contribution to core and project funding to NCUB from HEFCE. Professor Sir Keith Burnett is the Vice Chancellor of the University of Sheffield and a Board Member at HEFCE.

Professor David Phoenix is the Vice Chancellor of the London South Bank University and a Member of the Teaching and Excellent and Student Opportunity Advisory Committee at HEFCE. This Committee does not make binding decisions in its own right but offers expert advice and to support the Board and the Executive in addressing HEFCE's policy and funding priorities.

17. Company status

The company is limited by guarantee, not having a share capital. In the event of winding up the company's members have agreed to contribute an amount of £1.

At 31 March 2017 the total of such guarantees was £12 (2016: £12).

18. Contingent lease obligations

The following operating leases are committed to be paid within the 5 year life of the lease.

	2017 £	2016 £
Land and buildings		
Expiring within one year	115,800	142,300
Expiring between one and five years	328,100	443,900
	<u>443,900</u>	<u>586,200</u>

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	2017 £	2016 £
Equipment		
Expiring within one year	2,888	2,888
Expiring between one and five years	1,800	4,200
	<u>4,688</u>	<u>7,088</u>

19. Comparative information

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted funds £	Total funds £
Income and endowments from:				
Donations and legacies	2	1,818,137	948,106	2,766,243
Investments	3	337	-	337
Total income		<u>1,818,474</u>	<u>948,106</u>	<u>2,766,580</u>
Expenditure on:				
Raising funds		298,776	-	298,776
Charitable activities		1,366,327	1,266,429	2,632,756
Total resources expended	4	<u>1,665,103</u>	<u>1,266,429</u>	<u>2,931,532</u>
Net income/(expenditure)	6	153,371	(318,323)	(164,952)
Transfers between funds	13	(100,023)	100,023	-
Net movement in funds		<u>53,348</u>	<u>(218,300)</u>	<u>(164,952)</u>
Reconciliation of funds				
Total funds brought forward as previously stated		955,189	221,469	1,176,658
Prior year adjustment	20	12,587	77,500	90,087
Total funds brought forward as restated		<u>967,776</u>	<u>298,969</u>	<u>1,266,745</u>
Total funds carried forward	13	<u>1,021,124</u>	<u>80,669</u>	<u>1,101,793</u>

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20. Prior year adjustment

As a result of a review undertaken in the year a number of adjustments were identified in respect of prior year income. The net effect is summarised below.

	Income £	Net Expenditure £	Surplus £	Assets £	Liabilities £	Unrestricted £	Restricted £
As originally reported	2,294,891	(1,964,779)	330,112	1,414,195	237,537	955,189	221,469
Invoicing errors	(35,000)	-	(35,000)	(35,000)	-	(35,000)	-
Income recognition	75,087	-	75,087	75,087	-	47,587	27,500
Expenses accrued	-	50,000	50,000	-	(50,000)	-	50,000
As restated	2,334,978	(1,914,779)	420,199	1,454,282	187,537	967,776	298,969

21. Post balance sheet event

The Charity has entered into a Joint Venture agreement post year end with two other parties to continue the development of BrandU.