

Universities
UK

Annual report and consolidated financial statements

Year ended 31 July 2021

Charity Number: 1001127
Company Number: 2517018

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Trustees' report

The trustees present their report and the financial statements for Universities UK for the year ended 31 July 2021.

Name and membership

The name of the charity and company is Universities UK. Universities UK is the representative organisation for the UK's universities. Its members are the executive heads of UK university institutions who have met the criteria for membership agreed by the Board of the company. It currently has 140 members. Membership is voluntary and members are represented both at the UK level and through Universities Scotland and Universities Wales.

The objectives of Universities UK as set out in its Articles of Association are:

- To promote and provide facilities for discussion and consultation between representatives of university institutions in the UK, on any matters affecting or relevant to the university sector of higher education in the UK.
- To formulate policies on any matters affecting or relevant to the university sector of higher education in the UK.
- To represent the university sector of higher education in the UK and to conduct dealings and to liaise with the government, any local, national or other institutions, authorities, agencies, bodies or persons, wheresoever in the world situated.
- To provide information, advice and assistance to universities within the UK, or any of their representatives, on any aspect of educational affairs, including administrative and financial matters relating to or connected with education.
- To take any steps (including without prejudice to the generality of the foregoing the issue, maintenance, financing and enforcement of legal proceedings) for the purpose of protecting the interest, reputation or good standing of the universities or the university sector of higher education in the UK or the integrity of any degree, diploma or other awards issued by universities in the UK.

Mission and main activities

The mission of Universities UK is to create the conditions for UK universities to be the best in the world, maximising their positive impact locally, nationally and globally. Services and activities include research and policy development, lobbying of government and influential stakeholders, dissemination of information to members and the wider public using all forms of media, conferences and events, and national and international networking activity.

Public benefit

All of Universities UK's activities are ultimately carried out for the wider public benefit of creating and maintaining a world-class higher education sector that benefits students, the UK economy, the UK's educational and research standing in the world and the wider social good. Collectively, the institutions led by the members of Universities UK demonstrate their wide social and economic contribution through the delivery of research, teaching, expertise and training. Higher education is available to all with the ability to benefit, regardless of their economic circumstances. The benefits of this activity to the UK are considerable. UK Universities played a significant role in the research, medical and civic response to the Covid-19 pandemic.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. In delivery of its services and activities, Universities UK has fully supported its members, and assisted them to achieve their public benefit goals.

Trustees

Following the Governance Review the Board is reducing to 21 members through retirement of the 7 elected policy network replaced by 4 policy leads. For the year 2020–21 the Board comprised 22 Directors and for the next year the reduction will be complete with a Board of 21 Directors. The Board are directors of the company and trustees of the charity, elected or appointed from among its members. Those appointed for the year to 31 July 2021 were as follows:

Professor Julia Buckingham CBE	President 2019–2021, further term 2021–2022 as appointed member
Professor Colin Bailey CBE	
Professor Liz Barnes CBE	
Professor Dame Janet Beer DBE	
Professor Paul Boyle CBE	
Professor Chris Day	
Professor Graham Galbraith *	
Professor Jenny Higham	
Professor Debra Humphris	
Professor Sir Chris Husbands	
Professor Paul Layzell DL	Treasurer
Professor Julie Lydon OBE *	Chair, Universities Wales & Vice-President Wales
Professor Sally Mapstone	
Professor Sir Gerry McCormac	Convener, Universities Scotland & Vice-President Scotland
Professor Quintin McKellar CBE	Vice-President England and Northern Ireland
Professor Edward Peck CBE	
Professor David Phoenix OBE *	
Professor Rama Thirunamachandran	
Dr Paul Thompson	
Professor Wendy Thomson CBE	
Professor Adam Tickell	
Professor Shearer West CBE	

** Term of office ended 31 July 2021*

The following were also members of the UK Board on the date this report was approved:

Professor Steven West CBE	Appointed 1 August 2021 President 2021-2023
Professor Elizabeth Treasure	Appointed 1 August 2021 Chair, Universities Wales & Vice-President Wales

No member of the UK Board had a beneficial interest in any contract with the company. Board members are elected by the vice-chancellors of the member universities or nominated by the Governance and Nominations Committee.

Chief Executive

Alistair Jarvis

Structure, governance and management

Organisational structure of the company

Universities UK

Universities UK is a company limited by guarantee with the registered number 2517018, governed by its Articles of Association adopted in December 2020. It is a charity with the registered number 1001127. Its principal offices are in Bloomsbury, London.

Universities Scotland

In Scotland (where it operates from its Edinburgh office under the name Universities Scotland), Universities UK is registered as a charity with the registered number SC029163.

Universities Wales

In Wales (where it operates from its Cardiff office under the name Universities Wales), Universities UK is part of the charity with the registered number 1001127.

Structure of subsidiary companies

Woburn House Conference Centre Ltd

Universities UK owns 100% of the share capital of Woburn House Conference Centre Limited (company number 3031467) whose business is the operation of the conference facilities at Woburn House. Income generated from the activity of the centre is covenanted to Universities UK.

Medical Schools Council

Universities UK is the holding member of the Medical Schools Council, a company limited by guarantee (company number 8817383) and registered with the Charity Commission (number 1155370). The objects of the Medical Schools Council are to promote, encourage and develop medical schools in the UK and thereby advance education for the public benefit, in particular medical education, research and training. Its Board of Directors is elected from its own members.

MSC Assessment

The Medical Schools Council is the holding member of MSC Assessment, a company limited by guarantee (company number 8578576) and registered with the Charity Commission (number 1153045). The objects of MSC Assessment are to advance medical education for the benefit of the public including by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training. Its Board of Directors is elected from members of the Medical Schools Council.

The results and financial position of Woburn House Conference Centre Limited, the Medical Schools Council and MSC Assessment are consolidated with those of Universities UK in preparing its consolidated financial statements. Separate results are shown in note 22 to the financial statements.

CVCP Properties plc

CVCP Properties plc is not a subsidiary of Universities UK but is considered to be a related party. Universities UK owns all 550,000 preference shares in CVCP Properties plc and 50,000 (1%) of its ordinary shares. Universities UK is a major tenant of CVCP Properties plc in Woburn House.

Restricted funds

The restricted funds managed by Universities UK include the Council of Deans of Health (to 1 August 2021) and parts of Universities UK International funds (operating units of Universities UK). Medical Schools Council and its various funds (a subsidiary) and MSC Assessment (a sub-subsidiary) are also restricted funds in Universities UK's consolidated financial statements. Further details on the objectives, activities and financial performance of all restricted funds are given in notes 20 and 22 to the financial statements.

Relationship with higher education sector agencies

Universities UK is the original subscribing member of various UK higher education sector agencies including Advance HE, Higher Education Careers Service Unit, Higher Education Statistics Agency, Office of the Independent Adjudicator, Quality Assurance Agency, UCAS, Universities and Colleges Employers Association and Jisc.

Governance and decision-making

Non-executive directors/trustees

The Board of Trustees comprises up to 21 members and meets five times a year as a minimum. The President, elected by the members, serves a two-year term. The Chairs of Universities Scotland and Universities Wales are members of the Universities UK Board, serving as Vice-Presidents alongside an elected Vice-President for England and Northern Ireland.

Induction and training of trustees

New trustees receive information supporting their induction, which includes relevant Charity Commission documents on the role of a trustee, a copy of the Universities UK Articles of Association and the Strategic Plan. It is the aim of the organisation to update trustees and members on any new legislation that may affect the governance of the charity and to offer on-going support through additional training when required.

Board sub-committees

Universities UK has six standing committees: Board Advisory, Resources, Audit and Risk, Governance and Nominations, Membership and Remuneration. Four policy lead roles on the Board lead on key policy issues of the UK higher education agenda in line with the organisation's strategic priorities. Membership of committees is made up of a combination of Universities UK Board members and Universities UK members. The Resources, Audit and Risk and Remuneration also have an independent member appointed through a competitive recruitment process.

Arrangements for setting pay and remuneration

Member input and support to the work of Universities UK is on a non-remunerated basis.

The pay and remuneration of executive management is set by a Remuneration Committee, which comprises Universities UK members chaired by the Treasurer and includes an independent member. The pay and remuneration levels for all other staff grades is negotiated with the recognised union, Prospect, as part of the recognition agreement.

Executive management

The Chief Executive leads a Senior Leadership Team comprising the Directors of Policy, Member Services, Universities UK International, Communications and External Affairs, Operations, Universities Scotland and Universities Wales.

Members of Universities UK contribute to governance oversight of these bodies through Board membership and other involvement, alongside interaction between Universities UK staff and staff of the bodies concerned. Transactions between Universities UK and these sector agencies are disclosed in note 26 to the financial statements.

Charity Governance Code

Universities UK governance has been reviewed against the Charity Governance Code. Universities UK is committed to applying good practice where possible and explaining where it is not aligned, and the reasons for this or changes that are being planned. The Code is applied in the context of Universities UK being a relatively small membership organisation of 140 members, with most of the Board elected by and from its membership. This prompts challenges in achieving the full recommendations of principle 6 (diversity) and the composition recommendations in principle 5 (Board effectiveness).

Principle 1 – organisational purpose

2020–21 was the third year of the strategic plan for 2018–23: World Leading Impact. The review of Governance Effectiveness concluded that Universities UK's objects as set out in its Articles of Association are fit for purpose and are consistent with the mission, vision and strategy. Board has oversight of the management of resources ensuring that the allocation is linked to operational plans in pursuit of strategic objectives and therefore overall organisational purpose.

Principle 2 – leadership

The Board is led by the President, supported by a Board Advisory Committee. Across the Board and Committee there are robust debates leading to an agreed direction for the officers and staff to follow. 2020–21 was the second year of the President’s two-year term, and elections took place in the year for President and other vacant Board posts as members come to the end of their terms. The President has oversight of CEO performance.

Principle 3 - integrity

Board and Board Advisory Committee members declare all conflicts of interest at every meeting and will absent themselves from discussions as required. Through its sub-committee structures the Board has oversight of issues such as finances, HR practices, procurement, data security and integrity, safeguarding and remuneration to make sure that the charity operates responsibly in line with its own ethics and values.

Principle 4 – decision making, risk and control

The Board have oversight of finance, performance and risk through its sub-committee structure and Board meeting agendas. The Audit and Risk Committees considers risk at each meeting. The Board are presented with the strategic risk registers at every meeting and have a full discussion on risk once a year, or more often if significant changes occur. All sub-committees have Terms of Reference established which are approved by the Board. As a result of the Covid-19 crisis, the Board has met more frequently through the year as required and established several subgroups to work on specific issues.

Principle 5 – Board effectiveness

15 out of 21 Board members are elected from the membership by the membership. There are agreed lengths of time for Board members to serve, and they are subject to re-election when those terms expire. It is unusual for terms to exceed nine years, but possible if members are elected to different roles on the Board or they have specific expertise or responsibilities relevant to the Board’s deliberations and the organisation’s strategic priorities.

By 31 July 2021, Professor Dame Janet Beer DBE (President and chair of the Board from 2017-19) had served 12 years in a number of different elected roles and is now elected by the membership for a further 3-year term starting 1 August 2020 as Policy Lead for International. The average length of service among Board members is 3.5 years.

Principle 6 – equality, diversity and inclusion

Much of the Board (15 members) are elected from and by the membership, therefore there is a limit to the number and diversity of potential candidates. The remaining positions are ‘nominated members’ identified by the Governance and Nominations Committee and approved by the Board. The nominated positions are selected using a matrix of skills, experience, knowledge, background and institution. The Governance Effectiveness review found that “... as far as it can within the constraints of an elected Board, Universities UK takes reasonable steps to ensure that diversity in its widest sense is prioritised and implemented”.

Principle 7 – openness and accountability

The Board and Executive team make every effort to engage with the full membership and give all members opportunities to participate in the setting the direction of work for the charity through regular member meetings, roundtable events, VC dinners with the senior team and task and finish groups. The Chief Executive host monthly Teams calls for groups of 15-20 members, to which all members are invited, to discuss current issues. Members of the senior team also regularly speak one-to-one with members and visit universities, meeting with members of their senior teams.

Strategic report

Strategic aims

2020–21 represented the third year of Universities UK's five-year-strategic plan: **2018–23, World Leading Impact**. The long-term, strategic objectives are:

- **Opportunity:** Anyone with the will and potential to succeed, no matter their background, has the opportunity to transform their lives through accessing an outstanding academic experience at a UK university.
- **Impact:** UK universities are demonstrably world-leading in the production and application of knowledge and skills through research, teaching and innovation, evidencing significant economic, social, cultural and civic impact and contributing materially to society.
- **Trust:** Through demonstrating positive impact on students' lives, economic growth, public services and civil society, UK universities enjoy widespread public trust and political support.
- **Global universities:** UK universities are global leaders in international education and research, educating a significant proportion of globally mobile students, demonstrating increased levels of high impact international research collaboration; and achieving increases in outwardly mobile students and students registered on UK programmes overseas.
- **Autonomy:** UK universities are free to make autonomous decisions and adopt strategies according to their diverse missions and the needs of their students and communities, while taking collective responsibility for the quality of leadership and governance in higher education and benefiting from stable and sustainable funding that enables them to maximise their positive impact.
- We will continue to **develop our organisational capabilities** to ensure that we are making the most of our members, our people, our external profile, our resources and our work.

These aims are achieved through the delivery of activities to members in England, Northern Ireland, Scotland and Wales to support their domestic and international activities, and institutions providing higher education in medical and health. Our work is organised through annual programme plans, detailing our short-term objectives.

During 2020–21 the Covid-19 crisis has been a dominant theme with the unpredictable trajectory or the pandemic continuing to cause significant challenges for Universities UK members, their students, and staff. Over the year, Universities UK has progressed multiple Covid-19 related workstreams.

Despite Covid-19, Universities UK has made significant progress across a wide range of other policy areas including issues relating to admissions reform, quality, research, regulation, funding, tackling harassment and international students. We have supported the sector through a seismic change – the UK's exit from the European Union – helping universities plan for a range of scenarios and securing continued participation in Horizon Europe as an associated country.

We have continued to engage more regularly than ever with members via multiple channels and our latest member survey found high levels of satisfaction and positive sentiment on Universities UK's value for money (with 100% of members expressing positive sentiment about the organisation's value for money). The survey will be critical in informing our priorities, activities and actions for 2021–22 as the sector looks to maximise its role in the nation's post-pandemic recovery.

Activities for members – England, Northern Ireland, UK wide and International

Our activities include policy research, analysis and development, relationship building, lobbying and advocacy, communications with the media, public and stakeholders and development and delivery of services to our members.

Members are at the heart of our work and keeping members informed, connected with their peers and stakeholders and campaigning and lobbying on their behalf are priorities. Engagement with members stepped up significantly as we supported them with the implications of Covid-19. This included briefing emails from the CEO to members, emails to senior institutional teams with a roundup of developments, over 60 group calls (via Microsoft Teams) led by the CEO with Vice-Chancellors (typically in groups of c20) to update and seek feedback on developing issues and more than 100 electronic updates. On an individual basis we matched Vice-Chancellors in mentoring relationships and supported mid-term and new Vice-Chancellors coming into role during the year through peer-to-peer learning and support.

Following a comprehensive Governance Review in 2018, we have now completed the implementation of all its recommendations. The changes to the Articles were agreed at the December 2020 AGM, a new subcommittee structure (including a new governance and nominations committee) and other governance effectiveness enhancements are in place and the Board has now been reduced from 24 to 21 members. Throughout the Covid-19 crisis the Board and Board Advisory Committee has met more frequently to respond effectively to the volatile situation.

Universities UK has secured a significant amount of parliamentary engagement in the year with 174 written and oral questions in parliament on issues of interest to our members and 81 positive references to Universities UK's work from parliamentarians and government. There have been very regular meetings with ministers, advisors and peers throughout the year, across a number of relevant departments. The **All-Party Parliamentary Universities Group**, which Universities UK provides the secretariat for, has thrived with a membership of 90 universities, 41 MPs and 12 peers.

Using print, broadcast and social media, we disseminated information to members and the wider public. There were 764,000 unique visitors to the

Universities UK website and 25,000 unique visitors to the USS employer's website. Three significant campaigns ran in the year, 'We Are Together' to promote universities' work to support the national effort, 'Getting Results' to highlight the work of universities in the economic and social recovery from Covid-19 and '2020 Made Us' which aimed to boost the confidence of university students.

The #WeAreTogether international recruitment campaign achieved significant success, reassuring 67% of prospective international students to continue with plans to study in the UK ahead of the 2020-21 academic year, winning the 'Marketing Campaign of the Year' category at the PIEoneer Awards 2021. The trustees were delighted that Vivienne Stern, Universities UK International's Director won the 'Outstanding Contribution to the Industry' PIEoneer Award. Universities UK's International Higher Education Forum (IHEF), which took place in April, has also been shortlisted for 'Best Leadership Event' and 'Best International Event' at the International Corporate Event (ICE) Awards.

Events and conferences remain an important channel for sharing information and good practice across the sector and providing opportunities for higher education staff and partners to network. After continued restrictions on in-person events our conferences moved online with considerable success attracting a broad range of speakers, paying delegates and sponsorship. There were 46 online events delivered with 8,870 delegates in the year. Topics covered included Political Affairs, Employability and Skills, Enhancing the Student Experience, Global Wales and the successful annual International Higher Education Conference.

Universities UK International worked to secure support for international students post-Brexit and to minimise the negative impacts of Covid-19 on the sector's international activities. Universities UK International continues to source and administer international opportunities for students and researchers via the UKIERI Mobility Programme: Study in India, the Mitacs-UK Globalink Research Internship Programme and the Newton Fund. The post study work route for international graduates from UK degree programmes was launched giving them the opportunity to stay in the UK to develop their future career and skills.

A full report on our international activities can be found in the **Universities UK International Annual Report 2020/21**.

Key outcomes in 2020–21

As a result of the activities in the year Universities UK achieved the following:

Post-18 reforms

Developed a comprehensive political, evidence-gathering, impact modelling and influencing strategy in advance of government consultations on funding reforms (expected in autumn 2021). Secured positive commitments on the introduction of a lifelong loan entitlement in the Skills and Post-16 Education Bill.

Brexit priorities

Supported universities to plan for various Brexit scenarios including a potential no deal. Secured association to Horizon Europe as part of the EU UK Trade and Cooperation Agreement and additional funding to support this participation.

Internationalism post-Brexit

Shaped the UK Government's revised International Education Strategy and influenced the details of the newly established Turing Scheme. The Department for Education announced that over 120 universities, as well as over 200 schools and colleges, have been successful in their bids for funding under the new Turing scheme. This will allow more than 40,000 students to study across the globe, and 48% of places will go to those from disadvantaged backgrounds.

Strengthened member engagement

Enhanced our member engagement across a range of channels and activities securing high levels of member satisfaction in the Universities UK members' survey. Through Members Meetings, secured access to influential speakers and contributors including Professor Chris Whitty, Sir Patrick Valance, Michelle Donelan MP, Gavin Williamson MP

Tackling the climate emergency

Established a task and finish group to maximise sector action in responding to the climate emergency in advance of COP26. Over two-thirds of members have participated in roundtables leading to the production of Universities UK wide policy positions to strengthen the collective voice of our members on how the higher education sector is responding to the climate emergency and what further action will be taken beyond COP26.

Addressing wider societal issues

Continued our high-profile work to tackle all forms of harassment and hate crime including sharing good practice and publishing new recommendations on tackling racial harassment and a **briefing to tackle antisemitism** heavily informed by the Union of Jewish Students and the Community Security Trust. The guidance forms part of our ongoing programme of work to support the sector in addressing harassment in all forms, building upon the **'Changing the culture'** framework.

Admissions

Supported universities through a challenging A-level results period in summer 2020. Spent the year working on the challenges for the 2021 results, influencing UCAS' decision on 2021 exams and timetabling of results in England so they were informed by universities' views.

Published recommendations from the Universities UK Fair Admissions Review and set out the sector's views in response to the Government's consultation on Post-Qualification Admissions. In England, UCAS has agreed a long-term commitment with the DfE to access individual-level free school meals data for English 18- and 19-year-old applicants this summer (2021 applicants) and for future admissions cycles. This is a positive step for widening access and contextual admissions that we called for in our Fair Admissions Review.

Managing the risks associated with international partnerships

Published new guidance intended to support universities, enabling them to protect themselves, their staff and students, and manage risks associated with internationalisation, amidst intensified international strategic competition and political polarisation and backlash against globalisation.

Political influence

Expanded our political influence with regular ministerial meetings, the highest levels of membership of the All-Party Parliamentary University Group, regular parliamentary mentions and a 91% increase in the number of parliamentary questions secured on key issues for our members.

Free speech and academic freedom

Free speech and academic freedom continue to feature on the political agenda. Universities UK has convened an Advisory Group to help shape our response to the Free Speech (Higher Education) Bill.

Placing universities at the heart of recovery, skills, knowledge and opportunity

Universities have played a key role in helping the nations, economy and communities respond to the immediate challenges of Covid-19, building upon and deepening local partnerships. The publication of an ambitious and compelling vision for UK higher education places universities at the heart of efforts to create a more equal, healthier, and sustainable future. In September 2020 Universities UK published a report commissioned by the Industrial Strategy Council illustrating the contribution of further and higher education to the UK's prosperity.

Value

Publication of a progress review on behalf of the UK Standing Committee for Quality Assessment on universities' efforts to protect the value of their qualifications. Formation of a Universities UK advisory group to develop a charter to demonstrate the sector's commitment to consistency and transparency in processes to tackle low value courses.

Supporting creative arts

The work supporting the small and specialist institutions continues with the Specialist Institutions Forum (SIF) and Conservatoires UK continuing to meet and tailoring policy responses and the Covid-19 response to their specific needs.

- Through a successful joint lobbying effort, the specialist institution forum and Conservatoires UK were able to ensure Creative art students were part of the first tranche to return to in person tuition in April.
- SIF members have been able to work collectively across all disciplines (art, science and business) on a variety of programmes including the Universities UK's quality and standards charter and Universities UK's Harassment Guidance.
- This past year Conservatoires UK have been involved in Universities UK's Mission Group sharing good practice and raising issues in relation to DfE guidance on Covid.

Research and innovation

Secured extensive sector support for the Knowledge Exchange Concordat. Shaped the development of the government's Innovation Strategy and championed the role of universities in driving innovation. Taken on the secretariat role for the Researcher Development Concordat and supported the Research Integrity Concordat annual forum.

Governance and membership

In the year Universities UK welcomed three new member institutions. Following the 2018 Governance Review, revised Articles of Associations were adopted at the AGM and the changes to the Board completed finalising the recommendations from the review. Extra Board meetings convened to discuss the significant issues for the sector in the year, the pandemic and USS.

Responding to Covid-19

Throughout the pandemic, we have organised and prioritised work focusing on gathering evidence and arguments from members and stakeholders, liaising with UK government departments, and coordinating efforts to secure support for institutions and students. Key outcomes include:

- Positively influenced decisions on a range of policy interventions including the start of the academic year and the return of students to campus following the winter lockdown.
- Secured critical visa concessions including an extension to the date by which international students must be in the UK to apply for the Graduate route.
- Progressed high-impact campaigns to promote universities' work and initiatives to support the national Coronavirus effort (#WeAreTogether) and to place universities at the heart of economic and social recovery post-pandemic (#GettingResults).
- Implemented an award-winning international confidence campaign (#WeAreTogether) to reassure prospective international students to continue with their plans to study at a UK university.
- Developed resources to help universities support students affected by Covid-19 including a webinar series on student mental health, an updated self-isolation checklist, guidance on international student hardship and a briefing on student behaviours.
- Secured extensive national media coverage across a range of Covid-related issues including student returns, testing, hardship, and financial sustainability.
- Secured and shaped the detail of a range of government interventions on financial stability including access to a £2.4bn package of support for research and innovation, steps to reduce home admissions volatility and measures to relieve cash-flow challenges.
- Secured £85 million additional funding (England) to support students experiencing hardship.
- Secured £13million funding within the NHS England/Improvement Mental Health Winter Plan to improve statutory mental health services for students.
- Provided frequent updates to inform members of key developments [via fortnightly CEO Newsletters, a Covid Bulletin for planning and communications leads, 90+ email updates and 60 VC group calls] and regular opportunities for members to flag emerging issues requiring action.
- Influenced government decisions on asymptomatic testing including the roll-out of asymptomatic testing sites and home testing initiatives in higher education providers.
- Improved national and local outbreak response, tracing and support for those needing to self-isolate with particular focus on the relationship between universities and local public health via a series of webinars.
- Gathered substantive and compelling evidence (including via regular engagement with the ONS) to influence government policy on key COVID-19 issues from student hardship to student returns.
- Obtained access to key influencers including Chief Medical Officer Professor Chris Whitty, Executive Chair of NHS Test and Trace Dido Harding and Chief Scientific Adviser, Sir Patrick Vallance.
- Established a task and finish group to maximise the role of universities in the nation's economic and social recovery from Covid-19.
- Worked with NHS England/Improvement to shape the roll-out of the mass vaccination programme to student populations in England including cross border issues.
- Secured widespread political support and frequent parliamentary interventions (including PQs and Urgent Questions) on Covid-issues affecting universities.
- Progressed work to support Year 13 students transitioning into higher education in autumn 2021 including promoting available support to school and college leaders, sharing sector practice, and linking to the work led by the former Education Recovery Commissioner, Sir Kevan Collins.

- Influenced the regulatory landscape being applied to universities during the pandemic.
- Identified and addressed Covid challenges for international students including the organisation of charter flights and responding to concerns around international student hardship.

Publications

In 2020–21 our work included production of evidence-based outputs on the most significant issues facing the higher education sector, to influence policy making, support universities to enhance positive impact, share effective approaches to common challenges and to help our members to achieve their overall missions and objectives. These outputs included:

- **Managing risks in Internationalisation: Security related issues** - guidance to support institutional leaders to better protect themselves, their staff, and students from security-related risks. The guidance assists them to protect the values of UK higher education while better understanding and managing risks associated with international partnerships.
- **Fair Admissions Review recommendations** - following an 18-month independent review and comprehensive analysis of the evidence involving extensive polling and consultation with students, schools, colleges, recent graduates, employers and education sector groups.
- **#2020MadeUs** - Universities UK launches campaign to boost confidence among university students.
- A commitment to students' wellbeing - **Checklist** to guide universities that are supporting students who are self-isolating, building on **previous guidance** published to reaffirm and clarify the action universities should consider to best support students' physical, mental and emotional wellbeing.
- **Tackling racial harassment in higher education** – a new set of recommendations designed to decisively tackle racial harassment in UK higher education.
- **Tackling antisemitism: a practical guide for universities** - a briefing to raise awareness of antisemitism and suggest practical actions that universities can take to tackle the issue.
- **Universities and the UK's economic recovery: an analysis of future impact** – a new report predicting that thousands of jobs, new businesses, and prosperity will be created across the UK through university collaborations with employers, local government, and other partners.
- **Universities boosting academic skills and wellbeing of Year 13s** – case studies of work universities are doing to support the education and wellbeing of Year 13s transitioning to higher education in the autumn.
- **International student recruitment: Why aren't we second?** – identifying how the UK can enhance its international student performance.
- **Five ways to stabilise EU/EEA demand following the introduction of the new points-based system** – a briefing document considering the biggest changes to EU/EEA student recruitment in a generation.
- **International Facts and Figures 2020** – annual snapshot of the international dimensions of UK higher education.
- **Future international partnerships: putting the UK at the heart of global research and innovation collaboration** – wide-ranging set of policy recommendations to enable UK universities to grow and diversify their international research and innovation collaborations.
- **The scale of UK higher education transnational education 2018-19** – the fourth edition of the series using data from the Higher Education Statistics Agency to analyse the complex story of UK TNE delivery, including regional breakdowns.
- **Higher education and UK trade policy** – report asking what treatment of UK higher education will be most appropriate and beneficial to the sector in the UK's forthcoming discussions on free trade agreements.

- **Transnational routes to on-shore UK higher education** – helping the UK education sector better understand the progression of overseas students from programmes delivered overseas onto first degree programmes delivered in the UK.
- **Building the global reputation and delivery of UK transnational online higher education** – summary of recommendations from a transnational education task and finish group.
- **Post-Brexit immigration rules in Europe** – a report commissioned to help universities' international offices in their work of sending students abroad, as well as researchers who have to visit these countries for their research.
- **Supporting international student financial hardship: guidance for universities** – points to consider when dealing with international student hardship and examples of best practice already undertaken within higher education institutions.
- **Internationalisation at home: developing global citizens without travel** – showcasing impactful programmes, benefits and good practice.
- **Two years on: ongoing impact of the 2018/19 Rutherford Fund Strategic Partner Grants**
- **Short-term mobility, long-term impact: inclusive international opportunities of less than four weeks** – supported by case studies and focus groups drawn from universities across the UK, this report reviews impact and benefits of short-term mobility programmes and identifies models of good practice.

Activities for members - Universities Scotland

Universities Scotland represents the Principals and Directors of Scotland's 19 higher education institutions, developing higher education policy and campaigning on issues where members have a shared interest. 2020–21 was another extraordinary year for Universities Scotland, dominated by continued management of the Covid emergency and positioning universities as a force that will drive post-pandemic recovery.

Key achievements over the year include:

- Ensuring that universities could operate as far as was consistent with the Scottish Government's very cautious approach to management of Covid risks: this required continued intensive engagement to inform successive iterations of Scottish Government guidance to institutions.
- Intensive media relations work to represent the sector's interests during controversy about the impact of the pandemic on student welfare.
- A Scottish Budget outcome representing a £123.2m (11.4%) increase in Scottish Government funding for higher education.
- Influence on manifestos before the Scottish parliament elections, leading to election of a Scottish Government with a specific manifesto commitment to sustainable funding for higher education.
- Post-election building of relationships with new Ministers and opposition higher education spokespeople.
- Further progress in widening access to higher education, through publication of a joint report with Colleges Scotland on action to develop learners' pathways from college to university, and creation of a joint university/ college group to drive this forward.
- A new campaign, 'Skills+', to promote the ways in which universities develop graduates with a wide range of skills and attributes for success in the future economy.
- A strong Scottish front in the Universities UK 'Getting Results' campaign, positioning Scotland's universities as key drivers of post-pandemic recovery.

- Profound influence on the Scottish Funding Council's review of higher education, leading to publication of a report that strongly affirms universities' contribution to the recovery and challenges government to support that.

Activities for members - Universities Wales

As well as supporting Welsh universities throughout the pandemic and working collaboratively with Welsh Government in tackling the challenges posed by Covid-19, Universities Wales also delivered across a range of priorities including the 2021 election, international activity, research collaboration and civic mission.

- **Welsh Parliament election 2021:** Ahead of the Welsh Parliament election in May 2021, Universities Wales delivered the **Building Wales' Future** campaign which set out universities' ambitions for Wales and the ways in which universities could support the Senedd and Welsh Government in tackling the challenges Wales faces.
- As part of this campaign, roundtables were hosted for VCs with key figures from political parties in Wales. Engagement activity saw commitments secured across manifestos including on research investment and the expansion of degree apprenticeships.
- **International Learning Exchange (ILE) and Global Wales:** In March 2021, the Welsh Government announced a £65m international mobility scheme to support the inward and outward mobility of students, staff and researchers across universities, FE, schools, adult education and youth work settings. The programme will run from 2022-2026. The ILE announcement also included support for significant growth of the 'Global Wales' programme over the same period.
- Despite the pandemic, this year has seen Global Wales go from strength to strength. In November 2020, a Memorandum of Understanding was signed between the governments of Wales and Telangana State, India. This was followed by the launch of new Wales-Telangana scholarships and a successful bid led by Bangor and Aberystwyth universities to deliver a curriculum development project for the state. We are also seeing an increase in university-to-university partnerships in Vietnam as well as some very significant gains in applications from the US. Global Wales recently adopted the European Union as its fourth priority market.
- **Wales Innovation Network:** In October 2020, Universities Wales published 'Strength in Diversity' by Professor Graeme Reid which recommended that the university sector in Wales establish a new initiative to deliver a step change in the depth and breadth of Wales' collaborative research and innovation activity.
- Since then, universities in Wales committed to establishing the Wales Innovation Network (WIN) and Universities Wales secured funding from the Higher Education Funding Council for Wales to do so. Universities Wales is now working to establish and support WIN.
- **Student mental health and well-being:** Student mental health and well-being has been a key priority for Universities Wales and was the focus of two meetings of the Welsh Parliament's cross party group for universities. Following these meetings, Universities Wales has undertaken collaborative work with the post-16 sector in Wales to identify principles that could underpin a post-16 education mental health strategy.
- Universities Wales was also successful in securing additional funding to support student well-being during the pandemic through an additional allocation of £40 million from Welsh Government.
- **Civic Mission:** In January 2021, Universities Wales launched the Civic Mission Framework: a new tool to support universities in delivering significant economic and social benefits by connecting more closely with communities across Wales. The first of its kind in the UK, and the first in the world to have all universities in a nation signed up to it, the Framework was developed by Wales' Civic Mission Network.
- Launched at a Civic Mission Showcase event that including a keynote by the then Minister for Education, Kirsty Williams MS, the Framework marked a key point in the delivery of Universities Wales' Civic Mission Project. Universities Wales continues to support the Civic Mission Network in implementing and building upon this work.

Activities for members - Health

The Council of Deans of Health

As in 2019–20, the sector's response to Covid heavily influenced the Council's policy work, with key achievements in the following areas:

- **Securing significant new public capital investment for simulation to support education:** following sustained lobbying by the Council, in March the Department of Health and Social Care (DHSC) announced up to £15m of new funding to support simulation in education. In the same month and following a successful proposal by our members in Scotland, Scottish Government allocated £3.8m to develop and support simulated healthcare placements, with additional funding earmarked to support student supervision in practice.
- **Creating a simple and inclusive method of allocation for new simulation funding:** in an unprecedented step, the Council partnered with Health Education England (HEE) to allocate public funding to our members. We were also able to ensure all healthcare faculties received a meaningful amount of funding whilst allocating more to larger providers and ensuring allied health student numbers were taken into consideration in a scheme originally designed for nursing. This approach has been popular with members and HEE, who commended us for our involvement in this work.
- **Negotiating the redeployment of students in England to support Covid:** in January, the Council was able to draw on lessons learnt during Spring and Summer 2020 to co-design a system that provided local and regional flexibility as well as student choice within a university-led model. Our negotiations were based on a clear position statement approved by our members following internal consultation. Members and students have reported fewer problems with this round of deployment. January's policy and engagement activities were dominated by these important operational developments.

- **Achieving regulatory flexibility for our members:** working with the Nursing and Midwifery Council (NMC), we secured renewed flexibility in the student support and supervision regulations, which has helped to ease pressure on practice during the second wave of the pandemic. We successfully lobbied for an increased use of simulation in practice education. An additional recovery standard, which allows for 300 extra hours of simulation, was introduced.

On the 1 August 2021, Council of Deans of Health successfully completed the transition to be an independent organisation. The trustees of Universities UK wish the Council every success as an independent organisation.

Medical Schools Council (MSC)

The academic year 2020–21 was marked by the continued societal upheaval caused by the Covid-19 pandemic. MSC has been widely praised for the leadership it provided to the sector and the extremely effective guidance it provided to protect patients, students and staff. Last year's annual report documented the range and effectiveness of the activities undertaken by the MSC team at the height of the crisis. Such work continued into this academic year through repeated lockdowns and issues created by the disruption to the admissions' system.

The year was also marked by extensive work with the GMC around the Medical Licensing Assessment. The proposal submitted by the MSC on behalf of all the UK medical schools was accepted by the GMC Council in June 2021. The medical schools will collectively set and administer a common test of applied knowledge to be regulated by the GMC. Plans are in hand to pilot the process over the next three years with a commitment to go live for those graduating in the academic year 2024–25.

USS pensions reform

Universities UK has a legal responsibility to represent employers within the USS pensions scheme. This year saw work to progress the 2020 valuation process. This included sector-wide formal consultation with USS Employers on a range of issues and reform options.

Universities UK as an employer

As an employer of c145 staff, we prioritised the support for staff to work at home in the year and wellbeing, making offices available to access when possible in line with local restrictions. Financially this has been a challenging year with the loss of the covenant from Woburn House Conference Centre, so there were vacancy freezes in place and cuts to non-pay budget lines. The staff group have proved themselves resilient and flexible despite the challenges and the rapidly changing work priorities and the trustees and wider membership are grateful for their hard work and commitment. In July 2021 there was a staff survey, among the highlights include a 98% positive response to the question 'this organisation cares about its employees' and 92% of respondents recommending Universities UK as a good place to work.

Looking forward - our priorities for 2021-22

2021-22 will be the penultimate year of Universities UK's Strategic Plan 2018-23: World Leading Impact. The long term, strategic objectives for the next five years are as outlined on in the strategic report. Support for the sector around Covid-19 recovery will continue, other priorities for the year ahead are:

Promote what universities do for the economy and recovery:

- Understanding of value of universities to society and individuals
- Address the perception of universities being elitist of little benefit to some people, local communities, and jobs prospects.

Student focus

- Student voice
- Student experience
- Learning
- Mental health and wellbeing
- Graduate opportunities

The strategic role of universities in sustainability and climate change

International strategy

- Position of UK post Brexit
- International student recruitment during the pandemic recovery period

Quality of universities

- Champion high quality and tackle low quality.
- Focus on achieving good outcomes.
- Role of MERs
- Improve public and political confidence in quality of degrees and quality assurance.

Spending review outcomes

- Protect unit of resource.
- Support for universities to drive economic growth – skills, exports, jobs.
- Develop Universities UK 'asks' which align universities with government's strategic priorities.
- Post-18 reforms, including development of the Lifelong Loan Entitlement
- Creating the conditions to be a research and innovation superpower.

Creating the conditions to be a **research and innovation** superpower.

Financial review

Review of position at the end of the year

The statement of financial activities for the year is set out on page 25 and the balance sheet on page 26 of the financial statements.

Consolidated income and expenditure for the year and position at the end of the year are summarised in the table below.

	Unrestricted activities £'000	Restricted activities £'000	Total 2021 £'000	Total 2020 £'000
Income	8,337	5,363	13,700	14,063
Expenditure	(8,062)	(5,244)	(13,306)	(13,707)
Surplus	275	119	394	356
Transfers	2	(2)	-	-
Net movement in funds	277	117	394	356
Funds brought forward	2,788	3,391	6,179	5,823
Funds carried forward	3,065	3,508	6,573	6,179

A consolidated surplus of £394,000 is reported for the financial year ended 31 July 2021 of which £277,000 is unrestricted. £112,000 of this unrestricted surplus related to a credit movement on the pension deficit recovery plan provision and £28,000 to credit movements on the annual leave accrual (FRS 102 adjustments). Excluding these items, **the unrestricted surplus for the year ended 31 July 2021 stood at £137,000.**

- There was a recruitment freeze during the year and no annual pay award in order to manage anticipated reductions in Woburn House Conference Centre revenue.
- Savings in excess of budget were made in travel and meetings costs due to Covid-19.
- Savings in excess of budget were made in establishment costs as staff worked from home for the majority of the year.

Unrestricted income in 2021 was down £712,000 year-on-year at £8,337,000 (2020: £9,049,000).

- Woburn House Conference Centre Ltd saw income (net of internal charges) decrease by £760,000, from £851,000 to £91,000.
- Unrestricted subscription income increased by £52,000 and included the addition of three new members.
- The conference and events programmes saw income broadly maintained raising £576,000 compared to £550,000 in 2020.

Restricted income of £5,363,000 was higher than the 2020 level of £5,014,000.

The organisation's net assets were £6,573,000 at 31 July 2021 (2020: £6,179,000). A high proportion of these are represented by cash.

Principal funding sources

Membership subscriptions provides 74% of the unrestricted income, and the balance comes from covenant income (12%), conference receipts (7%), grants and contracts (4%) and investment and other income (3%). This income is used principally to support charitable activities, but also the cost of charged-for goods and services. Universities UK does not fundraise from the public and is therefore not registered with the Fundraising Regulator.

Significant events affecting financial performance and position

Covid-19 had a significant impact on income in the year. Continued restrictions on trading with the Health Protection (Coronavirus, Business Closure) (England) Regulations 2020 meant that Woburn House Conference Centre did not trade for most of the year, with limited activity after restrictions on indoor gatherings were relaxed in May 2021. There was considerable focus on costs in the year, with vacancy and pay freeze, cuts to non-pay lines and the benefit of savings from continued closure of offices, no business travel and using the Coronavirus Job Retention Scheme.

Impact of material pension liability

The deficit recovery plan for the USS pension scheme first agreed in 2017 and updated following the 2018 valuation has, as a result of Financial Reporting Standard (FRS) 102, required a provision for the extra employer pension contributions required over the life of the plan. This in turn has reduced reserves, though without any immediate impact on the cash position or on financial risk. The impact is dealt with in more detail in relation to the effect on performance against the reserves policy.

Fixed assets

The changes to intangible and tangible fixed assets during the year are shown in notes 12 and 13 to the financial statements.

Other interests

The long leasehold interest in Woburn House is owned by CVCP Properties plc, a business set up by the membership in 1995 for the purpose of acquiring the building. CVCP Properties plc also owns a central London residential flat which is let out at commercial rates with the revenue contributing to the annual covenant to Universities UK.

Investment policy

Universities UK plans strategically over a five-year time horizon and budgets annually to expend substantially all anticipated unrestricted income, subject to retaining a prudent amount in reserves. It has no permanent endowment and provides for capital expenditure from unrestricted reserves.

The Board of Trustees does not consider that it is necessary to accumulate and invest income for the longer term. Its investment policy is therefore to retain surplus funds as cash and place them on bank deposit and treasury reserve at the best rate consistent with a prudent treasury management policy. As a result, it is not appropriate for the organisation to adopt an ethical investment policy.

Principal risks and uncertainties

The UK Board, supported by the Audit and Risk Committee which carries responsibility for risk management, keeps under review the strategic and operational risks facing the organisation and its subsidiaries together with the programmes and activities that help manage those risks effectively.

As a membership organisation, Universities UK's principal risk is failing to respond adequately to developments in higher education policy and funding or to its members' needs, which would risk damage to its reputation and influence and a possible loss of members and subscription revenue. Horizon scanning and member feedback mechanisms are in place to minimise and mitigate this risk and other external financial and operational risks and uncertainties.

Specifically, potential policy divisions within the membership and Universities UK's response to those are monitored via the Board, members' meetings and the Policy Networks. Operational risks include IT systems and the infrastructure of Woburn House, and strategies are in place to identify and mitigate those risks. Our statutory role as the employers' representative in the USS pension scheme brings with it risks to our reputation and resources. In the coming year there will be financial risk as we rebuild our commercial income streams following closures due to Coronavirus restrictions on trading.

Reserves policy

The trustees have reviewed the requirements for free reserves (unrestricted reserves less any amounts designated or otherwise committed) in the light of the principal strategic and operating risks to the organisation, as outlined above. Despite uncertainty as a result of Covid-19, the nature and likely timing and financial impact of these risks are not considered to be either sufficiently immediate or material to warrant carrying higher reserves. Accordingly, the current target of four to six months of unrestricted expenditure is deemed appropriate as this would ensure sufficient funds are available to meet current commitments if income streams were erratic or exceptional expenditure was incurred.

Universities UK reports its results under the Charity SORP, based on revised UK Generally Accepted Accounting Practice (GAAP): FRS 102. This has a significant impact on free reserves as Universities UK has to provide for the present value of employer contributions to past service deficits in multi-employer defined benefit pension schemes previously accounted for solely as defined contribution schemes, and the cost of untaken staff leave. The trustees have considered the impact of

this and agreed to focus on cash liquidity of assets and risk, so levels of reserves would be stated before and after the provisions required under FRS 102 but using levels before for any provisions for operational and decisions making purposes.

The impact of the reporting regime has been to reduce reported unrestricted reserves by £2m (2020: £2.2m) and to cause Universities UK's group free reserves to be less than the target range of months of unrestricted expenditure. The trustees do not believe the impact of FRS 102 to be significant as most of the provision is for extra pension payments that will be made over a number of years up to 2028. These will be budgeted for and accommodated as extra expenditure in each individual year. The remaining provision is for the cost of unused leave, higher this year due to delays in taking annual leave as a result of lockdown but we are confident that these balances will be used in the next six months.

The trustees have identified 2021–22 income as a risk and approved a budget based on assumptions which will end the year within the reserves policy. The trustees will monitor performance through the year and take appropriate measures to avoid a significant drop in reserves.

Performance against reserves policy	2021 £'000	2020 £'000
Total unrestricted reserves	3,066	2,742
Less: committed to fixed assets	(1,000)	(955)
Free reserves under SORP (A)	2,066	1,787
Add back: pension and annual leave liabilities	2,063	2,203
Reserves for Universities UK policy purposes (B)	4,129	3,990
Total unrestricted expenditure (C)	8,062	8,138
Exclude: pension and annual leave costs	140	1,096
Unrestricted expenditure for Universities UK policy purposes (D)	8,202	9,234
Months of expenditure expressed in reserves:		
Under SORP (12 X A / C)	3.0	2.6
Under Universities UK policy (12 X B / D)	6.0	5.2
Months (target)	4.0 – 6.0	4.0 – 6.0

Political and charitable donations

The company made no political donations in the year (2020: nil). During the year, charitable donations made in lieu of buying and sending hard copy Christmas cards were £261 (2020: £320).

Statement of Trustees' responsibilities

The trustees (who are also directors of Universities UK for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which 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 company and group 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 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; and
- 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 proper 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.

Audit information

So far as each of the trustees at the time the Trustees' report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps 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.

Auditor

Haysmacintyre LLP has indicated its willingness to continue as auditor, subject to re-appointment at the next annual general meeting.

The Trustees' report is approved by the trustees of the charity. The Strategic report, which forms part of the Trustees' report, is approved by the trustees in their capacity as directors in company law of the Charity.



Alistair Jarvis
Chief Executive



Professor Paul Layzell
Treasurer

5 November 2021

Independent auditor's report to the members of Universities UK

Opinion

We have audited the financial statements of Universities UK for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and of the parent charitable company's affairs as at 31 July 2021 and of the group's and parent charitable company's net movement in funds, including the 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.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report (incorporating the Strategic report). 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.

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' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' 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 by the parent charitable company; or
- the group and charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 21, 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as include the Companies Act 2006 and the Charities Act 2011, and consider other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

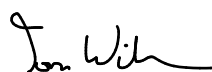
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

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, 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.



Thomas Wilson, Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP,
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 18 November 2021

Consolidated statement of financial activities for the year ended 31 July 2021

Income and expenditure	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income from:					
Donations	2	973	-	973	982
Charitable activities	3	7,119	5,324	12,443	12,055
Other trading activities	4	197	39	236	945
Investments		31	-	31	65
Other income		17	-	17	16
Total		8,337	5,363	13,700	14,063
Expenditure on:					
Raising funds		366	37	403	591
Charitable activities		7,696	5,207	12,903	13,116
Total	7	8,062	5,244	13,306	13,707
Net income		275	119	394	356
Transfers between funds	20	2	(2)	-	-
Net movements in funds		277	117	394	356
Total funds at 1 August 2020		2,788	3,391	6,179	5,823
Total funds at 31 July 2021	20	3,065	3,508	6,573	6,179

All activities are continuing. There are no gains or losses other than those disclosed in the consolidated statement of financial activities.

The notes on pages 28 to 52 form part of these financial statements.

Balance sheets – 31 July 2021

	Notes	The Group		Universities UK	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Intangible fixed assets	12	126	26	111	9
Tangible fixed assets	13	327	394	289	346
Investments	14	600	600	600	600
		1,053	1,020	1,000	955
Current assets					
Debtors					
- due within one year		1,758	1,868	1,661	2,086
- due after more than one year		750	750	900	750
	15	2,508	2,618	2,561	2,836
Investments – short term deposits		5,587	5,152	3,987	3,552
Cash at bank and in hand		2,199	2,332	943	897
		10,294	10,102	7,491	7,285
Liabilities					
Creditors: amounts falling due within one year	16	(3,136)	(3,038)	(2,716)	(2,672)
<i>Net current assets</i>		7,158	7,064	4,775	4,613
<i>Total assets less current liabilities</i>		8,211	8,084	5,775	5,568
Creditors: amounts falling due after one year	18	(1,638)	(1,905)	(1,638)	(1,905)
Total net assets		6,573	6,179	4,137	3,663
Funds and reserves					
Restricted funds		3,508	3,391	1,071	921
Unrestricted funds		3,066	2,742	3,066	2,742
Non-charitable trading funds		(1)	46	-	-
Total funds	20	6,573	6,179	4,137	3,663

Gross income for the parent charity was £11,742,000 and gross expenditure was £11,268,000, resulting in a surplus of £474,000 (2020: surplus of £795,000).

Approved by the Board of Directors and authorised for issue on 5 November 2021.

Signed on their behalf:



Alistair Jarvis
Chief Executive



Paul Layzell
Treasurer

Company Number: 2517018

The notes on pages 28 to 52 form part of these financial statements.

Consolidated cash flow statement – year ended 31 July 2021

	2021 £'000	2020 £'000	
a Reconciliation of net expenditure to net cash flow from operating activities			
Net income for the year	394	356	
Interest income	(31)	(65)	
Depreciation and amortisation charges	145	135	
Decrease in debtors	110	796	
Decrease in creditors	(169)	(1,394)	
Net cash used in operating activities	449	(172)	
b Statement of cash flows			
Cash flows from operating activities	449	(172)	
Cash flows for investing activities			
Purchase of fixed assets	(178)	(94)	
Interest income	31	65	
Net cash used in investing activities	(147)	(29)	
Change in cash and cash equivalents in the year	302	(201)	
Cash and cash equivalents at 1 August	7,484	7,685	
Cash and cash equivalents at 31 July	7,786	7,484	
Cash and cash equivalents at 31 July is made up of:			
Investments – short term deposits	5,587	5,152	
Cash at bank and in hand	2,199	2,332	
Total cash and cash equivalents	7,786	7,484	
	At 1 August 2020 £'000	Cash flows £'000	At 31 July 2021 £'000
Analysis of changes in net funds:			
Cash	2,332	(133)	2,199
Cash equivalents	5,152	435	5,587
Total net funds	7,484	302	7,786

Notes to the financial statements – year ended 31 July 2021

1. Principal accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice 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.

Universities UK meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee and is incorporated in the UK. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The consolidated financial statements incorporate the results of Universities UK and its subsidiaries, Woburn House Conference Centre Limited, Medical Schools Council and MSC Assessment. No separate Universities UK statement of financial activities has been prepared, as permitted by Section 408 of the Companies Act 2006.

a. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The liability in respect of the pension deficit recovery plan has been calculated using key assumptions concerning future payroll growth and the discount rate (see note 24).

b. Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees have considered the impact of the Covid-19 pandemic, reviewed financial position, reserves levels and future plans and this has given the trustees confidence that the charity remains a going concern into the future.

c. Income

Income from donations and grants (including government grants) is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.

Subscriptions are recognised over the period to which they relate.

Conference fee and other trading income is recognised on an accruals basis.

Investment income is credited in the period in which it is earned.

d. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributable to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

Direct costs, including directly attributable salaries, are allocated on the basis of time to the key strategic areas of activity.

Overheads and other salaries are allocated between activities on the bases of usage, ie the same basis as expenditure incurred directly in undertaking the activity.

Governance costs are those incurred in connection with the management of Universities UK's assets, the organisation's administration and compliance with constitutional and statutory requirements.

Unconditional grants payable are charged to the statement of financial activities in the year in which they are communicated to the recipient as at that time a valid expectation has been created that the grants will be paid. Conditional grants are charged on a similar basis when conditions fall outside the control of the charity. Any unpaid amounts are shown as liabilities at the balance sheet date.

e. Intangible and tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

Leasehold improvements assets are stated at cost less depreciation. A full year's depreciation is charged in the year the asset is brought into use and none in the year of disposal.

Depreciation has been calculated at the following annual rates, in order to write off each asset over its estimated useful life.

Furniture and equipment	- over four years
Office technology (including website development)	- over three years
Leasehold improvements	- over the life of the lease

Universities UK capitalisation policy is to capitalise individual assets costing over £2,500.

f. Investments

Investments held as fixed assets are stated at cost, as permitted by FRS 102.

g. Cash and cash equivalents

Surplus cash funds are held on deposit for up to a year in order to achieve a better rate of interest.

h. Financial instruments

The charity only has financial assets and 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. Liabilities are recognised on an accruals basis. Loans receivable are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

i. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j. Debtors

Short term debtors are measured at transaction price, less any impairment.

k. Operating leases

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the lease.

l. Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accruals basis and in line with FRS 102.

m. Pensions

Universities UK participates in the Universities Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL).

Both these pension schemes are defined benefit, multi-employer schemes (contracted out of the State Second Pension [S2P] up until 31 March 2016), with the assets held in separate trustee-administered funds. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years the actuary reviews the progress of the scheme.

Because of the mutual nature of the schemes, the schemes' assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. Universities UK is therefore exposed to actuarial risks associated with members employed at other participating employers in the schemes and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the schemes as if they were defined contribution schemes.

As a result, the amount charged to income and expenditure through the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Given the mutual nature of the schemes, participating employers are not expected to be liable for any other current participating employer's obligations, but in the event of an insolvency of any participating employer within each scheme, an amount of any pension shortfall which cannot otherwise be recovered in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Since Universities UK has entered into an agreement to participate in a deficit recovery plan for USS, it now also recognises a liability under FRS 102 for the future contributions payable that arise from this agreement to the extent that they relate to the deficit and the resulting expense in the statement of financial activities.

As SAUL had a Technical Provisions surplus at 30 April 2021 there is no defined benefit liability to be recognised by Universities UK.

n. Universities Scotland and Universities Wales

The funds of these National Councils are included within the designated unrestricted funds of Universities UK. Universities Scotland is a recognised body in Scotland and separate accounts for it are prepared and filed with the Office of the Scottish Charity Regulator.

2. Donations

CVCP Properties plc is a company owned by 100 higher education institutions, whose executive heads are members of Universities UK. The company owns two leasehold properties and the net profits from its activities are covenanted annually to Universities UK.

Covenanted income receivable during the year from CVCP Properties plc was £973,399 (2020: £981,888). Other transactions with CVCP Properties plc are included in note 26.

3. Income from charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Subscriptions from membership	6,200	2,514	8,714	6,148	2,250	8,398
Grants and contracts	343	2,761	3,104	382	2,584	2,966
Conference income	576	49	625	550	141	691
	7,119	5,324	12,443	7,080	4,975	12,055

See notes 5 and 6 for further analysis.

4. Other trading activities

Trading activities relate principally to Woburn House Conference Centre Ltd, a subsidiary. They are stated net of intra-group trading.

5. Subscriptions from membership

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Universities UK	5,115	411	5,526	5,063	402	5,465
Universities Scotland	631	60	691	631	-	631
Universities Wales	454	153	607	454	-	454
Medical Schools Council	-	720	720	-	762	762
MSC Assessment	-	433	433	-	393	393
Council of Deans of Health	-	737	737	-	693	693
	6,200	2,514	8,714	6,148	2,250	8,398

6. Grants and contracts

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Higher Education Funding Council for Wales *	-	1,174	1,174	-	1,046	1,046
Health Education England *	-	508	508	-	441	441
Research England *	-	440	440	-	370	370
British Council *	180	8	188	198	100	298
Scottish Funding Council *	-	107	107	-	123	123
Department for Business, Energy & Industrial Strategy *	-	94	94	63	166	229
HMRC *	86	-	86	38	-	38
Office for Students *	-	75	75	-	71	71
Department of Health & Social Care *	-	70	70	-	49	49
Burdett	-	62	62	-	62	62
All Party Parliamentary University Group	42	4	46	42	6	48
Conservatoires UK	14	29	43	12	23	35
Scottish Government *	-	41	41	-	42	42
UK Research and Innovation *	-	30	30	-	-	-
NCUK	-	15	15	-	25	25
European Commission	-	16	16	-	21	21
UPP Foundation	-	-	-	-	24	24
Other organisations	21	88	109	29	15	44
	343	2,761	3,104	382	2,584	2,966

* Grants from government and government agencies.

7. Total resources expended

	Direct costs £'000	Support costs £'000	Total 2021 £'000	Direct costs £'000	Support costs £'000	Total 2020 £'000
Cost of raising funds	360	43	403	567	24	591
Charitable activities						
Activities for members						
Core (see split below)	7,548	2,397	9,945	7,209	2,437	9,646
Conferences	272	95	367	466	93	559
Medical & health	1,843	263	2,106	1,567	250	1,817
Exam delivery	417	68	485	958	136	1,094
Total activities for members	10,080	2,823	12,903	10,200	2,916	13,116
Total resources expended	10,440	2,866	13,306	10,767	2,940	13,707
Split of core activities						
England, NI and UK-wide	3,713	1,860	5,573	3,402	1,954	5,356
International	2,604	139	2,743	2,595	124	2,719
Universities Wales	526	88	614	527	100	627
Universities Scotland	705	310	1,015	685	259	944
Total resources expended	7,548	2,397	9,945	7,209	2,437	9,646

8. Support costs allocations

	Premises £'000	Govern- ance £'000	Deprecia- tion £'000	Finance, HR, IT £'000	Other £'000	Total 2021 £'000
Trading activities: costs of goods sold and other costs	20	3	2	13	5	43
Charitable activities						
Core	1,015	148	101	767	366	2,397
Conferences	40	6	4	31	14	95
Medical and health	100	32	16	106	9	263
Exam delivery	25	5	-	21	17	68
Total resources	1,200	194	123	938	411	2,866

	Premises £'000	Govern- ance £'000	Deprecia- tion £'000	Finance, HR, IT £'000	Other £'000	Total 2020 £'000
Trading activities: costs of goods sold and other costs	11	2	1	7	3	24
Charitable activities						
Core	1,021	159	80	748	429	2,437
Conferences	39	6	3	29	16	93
Medical and health	80	31	16	85	38	250
Exam delivery	33	5	-	30	68	136
Total resources	1,184	203	100	899	554	2,940

	Total 2021 £'000	Total 2020 £'000
Governance costs are made up of the following:		
Staff costs	151	149
External audit	24	23
Other professional fees	19	29
Meeting costs and expenses	-	2
	194	203

	Total 2021 £'000	Total 2020 £'000
Other direct costs include:		
Auditor's remuneration:		
For audit services	27	26
For other services	8	6
Prior year fees: other services	-	-
Operating lease rentals:		
Land and buildings	977	1,033
Office and equipment	8	10

9. Analysis of staff costs

	Total 2021 £'000	Total 2020 £'000
Total staff costs including full and part-time employees were:		
Wages and salaries	6,138	6,246
Social security costs	672	669
Other pension costs	1,627	332
	8,437	7,247

'Other pension costs' includes a £126,000 credit relating to the movement on the USS pension deficit funding liability (2020: credit of £1,264,000).

	Total 2021 £'000	Total 2020 £'000
The average number of employees throughout the year was:		
Charitable activities	122	121
Support staff	22	20
Trading activities – Woburn House Conference Centre Limited	4	4
	148	145

The number of employees whose emoluments exceeded £60,000 (excluding employer's pension contributions) was 28 (2020: 28).

	2021 no.	2020 no.
£60,001 - £70,000	6	9
£70,001 - £80,000	12	10
£80,001 - £90,000	1	3
£90,001 - £100,000	7	4
£120,001 - £130,000	1	1
£150,001 - £160,000	1	-
£160,001 - £170,000	-	1

The total employer pension contributions for these staff were £462,288 (2020: £453,998).

10. Trustees' emoluments and emoluments of other key management personnel

No trustees received any remuneration for their services.

During the year no travel and accommodation expenses were reimbursed to trustees (2020: one trustee - £120).

The total employee benefits of the Senior Leadership Team who are considered to be key management personnel (in addition to trustees) was:

	2021 £'000	2020 £'000
Wages and salaries	764	750
Social security costs	87	85
Other pension costs	161	155
	1,012	990

The Senior Leadership comprises the Chief Executive and Directors of Policy, Member Services, Universities UK International, Communications and External Affairs, Operations, Universities Scotland and Universities Wales.

11. Taxation

The charity is exempt from corporation tax under Sections 466-497 of the Corporation Taxes Act 2010 as all its income is applied to charitable purposes.

12. Intangible fixed assets

Website development and software	Group £'000	Universities UK £'000
Cost		
At 1 August 2020	376	249
Additions	147	133
At 31 July 2021	523	382
Depreciation		
At 1 August 2020	350	240
Charge for year	47	31
At 31 July 2021	397	271
Net book value		
At 31 July 2021	126	111
At 31 July 2020	26	9

13. Tangible fixed assets

Group	Leasehold Improvements £'000	Furniture & Equipment £'000	Office Technology £'000	Total £'000
Cost				
At 1 August 2020	687	598	105	1,390
Additions	-	7	24	31
Written off	-	-	(24)	(24)
At 31 July 2021	687	605	105	1,397
Depreciation				
At 1 August 2020	362	540	94	996
Charge for year	64	5	29	98
Written off	-	-	(24)	(24)
At 31 July 2021	426	545	99	1,070
Net book value				
At 31 July 2021	261	60	6	327
At 31 July 2020	325	58	11	394
Universities UK				
	Leasehold Improvements £'000	Furniture & Equipment £'000	Office Technology £'000	Total £'000
Cost				
At 1 August 2020	687	394	87	1,168
Additions	-	7	12	19
Written off	-	-	(20)	(20)
At 31 July 2021	687	401	79	1,167
Depreciation				
At 1 August 2020	362	384	76	822
Charge for year	64	5	7	76
Written off	-	-	(20)	(20)
At 31 July 2021	426	389	63	878
Net book value				
At 31 July 2021	261	12	16	289
At 31 July 2020	325	10	11	346

14. Investments held as fixed assets

	Total 2021 £'000	Total 2020 £'000
Group and Universities UK		
CVCP Properties plc ordinary shares of £1 each	50	50
CVCP Properties plc preference shares of £1 each	550	550
Total	600	600

CVCP Properties plc is an unquoted company and the shares are stated at cost.

15. Debtors

	Group		Universities UK	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	378	380	160	213
Amounts due from subsidiary undertakings	-	-	305	441
Other debtors	994	1,002	994	1,002
Prepayments and accrued income	386	486	352	430
Loan	750	750	750	750
	2,508	2,618	2,561	2,836

The £750,000 loan is due for repayment after more than five years, but no later than 25 November 2026. The loan is secured by way of a fixed charge over the Woburn House building. Interest is payable on the loan at 3% above National Westminster Bank plc base rate.

16. Creditors: amounts falling due within one year

	Group		Universities UK	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	480	583	281	468
Amounts due to subsidiary undertakings	-	-	3	-
Taxation and social security	265	235	265	235
Other creditors	148	153	148	153
Accruals	954	893	851	656
Deferred income	1,289	1,174	1,168	1,160
	3,136	3,038	2,716	2,672

At the year end outstanding pension contributions amounted to £147,956 (2020: £149,948).

17. Deferred income

	Group		Universities UK	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Brought forward	1,174	1,510	1,160	1,449
Released in the year	(1,109)	(1,503)	(1,095)	(1,442)
Deferred in the year	1,224	1,167	1,103	1,153
Carried forward	1,289	1,174	1,168	1,160

18. Creditors: amounts falling due after more than one year

	Total 2021 £'000	Total 2020 £'000
Group and Universities UK		
Pension deficit funding payments in relation to USS	1,638	1,905

See note 24 for further details regarding these liabilities.

19. Operating lease commitments

The group and company have the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Total 2021 £'000	Total 2020 £'000
Group and Universities UK		
Land and buildings:		
Within one year	413	1,056
Between one and five years	78	475
After five years	6	27
Office equipment:		
Within one year	6	7
Between one and five years	8	13
	511	1,578

20. Movement in funds

	At 1 Aug 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 July 2021 £'000
Unrestricted funds					
Investment fund	600	-	-	-	600
Universities Scotland / Universities Wales	579	1,182	(1,608)	431	584
General funds	1,563	6,995	(6,247)	(429)	1,882
	2,742	8,177	(7,855)	2	3,066
Restricted funds					
Medical Schools Council	1,227	641	(606)	(5)	1,257
University Hospital Association	267	63	(123)	(1)	206
Dental Schools Council	123	88	(52)	-	159
Pharmacy Schools Council	84	76	(69)	-	91
Association of Dental Hospitals	22	21	(25)	-	18
Summer School	164	407	(489)	-	82
MSC Assessment	581	513	(466)	(5)	623
Council of Deans of Health	427	915	(771)	(6)	565
Universities UK International	-	515	(515)	-	-
SIEM	-	15	(15)	-	-
Short-term mobility	53	7	(60)	-	-
BEIS ODA	7	94	(90)	-	11
Global Wales II	156	1,123	(1,135)	-	144
Universities Wales International	85	20	-	15	120
WIN	-	153	(23)	-	130
US International	105	89	(107)	-	87
Scotland is Now	-	60	(60)	-	-
Pensions reform	-	396	(396)	-	-
Civic Mission	22	14	(36)	-	-
Algorithms	13	-	(13)	-	-
KE Concordat	41	29	(70)	-	-
Research development Concordat	-	30	(30)	-	-
Student MH partnerships	-	32	(32)	-	-
OFS – Analytics	-	7	(7)	-	-
Other	14	55	(54)	-	15
	3,391	5,363	(5,244)	(2)	3,508
Non-charitable trading funds	46	160	(207)	-	(1)
Group – total funds	6,179	13,700	(13,306)	-	6,573

	At 1 Aug 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 July 2020 £'000
Unrestricted funds					
Investment fund	600	-	-	-	600
Universities Scotland / Universities Wales	543	1,178	(1,580)	438	579
General funds	716	7,385	(6,107)	(431)	1,563
	1,859	8,563	(7,687)	7	2,742
Restricted funds					
Medical Schools Council	1,192	549	(510)	(4)	1,227
University Hospital Association	268	123	(123)	(1)	267
Dental Schools Council	125	80	(82)	-	123
Pharmacy Schools Council	65	102	(83)	-	84
Association of Dental Hospitals	19	21	(18)	-	22
Summer School	11	360	(207)	-	164
MSC Assessment	1,264	433	(1,105)	(11)	581
Council of Deans of Health	412	912	(891)	(6)	427
Universities UK International	-	395	(395)	-	-
Outward mobility	56	24	(80)	-	-
SIEM	-	21	(21)	-	-
Short-term mobility	-	65	(12)	-	53
BEIS ODA	18	85	(96)	-	7
Global Wales II	267	909	(1,020)	-	156
Universities Wales International	70	-	-	15	85
Vietnam Partnership	5	60	(62)	-	3
South Africa	56	(32)	(24)	-	-
US International	109	116	(120)	-	105
Pensions reform	-	385	(385)	-	-
Business Readiness Fund	-	110	(110)	-	-
Welsh Governance	-	59	(59)	-	-
Civic Mission	-	43	(21)	-	22
Algorithms	-	33	(20)	-	13
KE Concordat	-	70	(29)	-	41
Student MH partnerships	-	28	(28)	-	-
OFS-Analytics	-	16	(16)	-	-
Other	16	47	(52)	-	11
	3,953	5,014	(5,569)	(7)	3,391
Non-charitable trading funds	11	486	(451)	-	46
Group – total funds	5,823	14,063	(13,707)	-	6,179

Transfers during the year between funds relate to contributions made from unrestricted monies to restricted funds for specific projects, where there are insufficient restricted funds available to meet expenditure or where the charity is committed to contributing towards projects from its own resources.

Background information on each of the restricted funds is set out below:

- The **Medical Schools Council** represents the interests and ambitions of UK Medical Schools as they relate to the generation of national health, wealth and knowledge through biomedical research and the profession of medicine.
- The **University Hospital Association** promotes the unique interests of university hospitals across the UK. Its role is to represent the unique tripartite – service, teaching and research – interests of UK University Hospital Trusts in partnership with other national bodies.
- The **Dental Schools Council** represents the interests and ambitions of the UK's Dental Schools as they relate to the generation of national health, wealth and knowledge acquisition through research and the profession of dentistry.
- The **Pharmacy Schools Council** is building on the work of the Council of UK Head of Pharmacy and has benefited from being able to access increased resources through being hosted by a secretariat which also supports equivalent groups for other healthcare professionals.
- The **Association of Dental Hospitals** represents the voices of dental hospitals across the UK and Ireland.
- The **Summer School** programme is HEE funding to deliver summer schools for students from a widening participation background.
- **MSC Assessment** is a subsidiary of the Medical Schools Council set up to run medical assessment activities.
- The **Council of Deans of Health** represents the UK's university faculties engaged in education and research for nurses, midwives and allied health professionals. The Council is the voice of nursing, midwifery and AHP higher education and research.
- **Universities UK International** is the international arm of Universities UK, representing UK universities and acting in their collective interests globally. It actively promotes universities abroad, provides trusted information for and about them, and creates new opportunities for the sector.
- The **Outward mobility** programme works with UK universities to increase the number of UK-domiciled students who enjoy an international experience as part of their education.
- **SIEM** – Social Inclusion and Engagement in Mobility project relates to research into the barriers and enablers of mobility for the next Erasmus programme.
- This project is aimed at identifying and sharing good practice in **short-term mobility** programmes and will produce research to understand the impact and benefits, and identify models of good practice that will inform a digital toolkit to support universities.
- The **Newton and Global Challenges Research Fund** aims to use UK research expertise to solve developmental and global challenges through fostering research and institutional partnerships between UK universities and emerging-market countries.
- Universities Wales is the lead partner of **Global Wales II**. Funding is received from HEFCW to develop existing target markets, expand into new markets and invest in the 'Study in Wales' brand domestically and internationally.
- The **Vietnam partnership** resulted in Global Wales II being matched with five partner universities in Vietnam and running training programmes in Leadership and Governance and University Industry Links.
- **South Africa** is funding from BEIS towards the establishment of UK-South Africa postdoctoral fellowship scheme.

- The **Wales Innovation Network (WIN)** will support Welsh Universities in increasing research competitiveness. A new team, hosted by Universities Wales will streamline the creation of new collaborations in research and innovation, secure additional investment through the development of collaborative bids, and raise the profile of Wales' research and innovation capabilities. WIN will receive funding over three years from HEFCW and network members (the Welsh Universities).
- The **Universities Scotland International Unit** develops and implements policy and research on international issues on behalf of the Scottish higher education sector. This supports the 'Connected Scotland' initiative with Scottish Government, Scottish Funding Council and others for targeted international promotion of Scottish higher education.
- **Scotland is Now** is joint sector funding that supports targeted paid-for social media campaign activities in a set of focus countries to support the recruitment of international students, to increase the sector's positioning and awareness, and to extend its focus on being welcome and open.
- A restricted subscription was raised from members towards the **pensions reform** programme following from our statutory role as the employers' representative in the USS pension scheme.
- The **Brexit Readiness Fund** provided a grant to assist Universities UK in helping universities understand the implications of, and prepare for, a potential no-deal Brexit in October 2019.
- The Review of **Governance in Welsh** Universities was funded to support an independent review of governance in Welsh universities, to critically examine the current arrangements, and to assist the development of a charter and revised guidance for governors.
- **Civic Mission** & Community Engagement in Wales is a one year programme (running between January 2020 and December 2020) funded by HEFCW, to identify and develop key success factors in civic mission and community engagement work in Universities in Wales and support promotion of this work to stakeholders.
- **Algorithms** covers match-funding agreed through the UK Standing Committee for Quality Assessment from the UK funders and regulators (OfS, SFC, HEFCW and DfE-NI) to undertake work on effective practice in algorithm design and a progress review of sector action on degree algorithms and wider grade inflation activity.
- The **Knowledge Exchange Concordat** is supporting the development, improvement and promotion of good practice across the UK with a development year in England involving institutional self-assessment, submission of action plans and peer evaluation.
- The **Researcher Development Concordat** is an agreement that sets out conditions to create the very best culture for researchers to thrive. It contains principles relating to 'Environment and Culture', 'Employment', and 'Professional and Career Development' and outlines key responsibilities for researchers, managers of researchers, institutions, and funders. Universities UK took on the secretariat role for the Concordat in 2021
- **Student MH partnerships** - exploring models of partnership between universities and NHS mental health services via five local hubs - Bristol, N London, Sheffield, Liverpool, Manchester - and a national learning collaborative. OfS funded project led by UWE [Bristol].
- **OfS - analytics** - project involving universities, sector bodies and digital business to apply digital analytics to improve student mental health & wellbeing.

21. Allocation of net assets between funds

The net assets held for various funds are as follows:

	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	2021 Total £'000
Fixed assets	14	400	39	453
Investments	-	600	-	600
	14	1,000	39	1,053
Current assets	3,594	6,528	172	10,294
Current liabilities	(100)	(2,974)	(62)	(3,136)
Net assets	3,508	4,554	(149)	8,211
Long-term liabilities	-	(1,488)	(150)	(1,638)
Group total	3,508	3,066	(1)	6,573

	Restricted funds £'000	Unrestricted funds £'000	Non-charitable trading funds £'000	2020 Total £'000
Fixed assets	16	355	49	420
Investments	-	600	-	600
	16	955	49	1,020
Current assets	3,774	5,977	351	10,102
Current liabilities	(399)	(2,285)	(354)	(3,038)
Net assets	3,391	4,647	46	8,084
Long-term liabilities	-	(1,905)	-	(1,905)
Group total	3,391	2,742	46	6,179

22. Subsidiaries

Woburn House Conference Centre Limited

The charity owns 100% of the share capital of Woburn House Conference Centre Limited, a company limited by shares (company number 03031467). The company is incorporated in the UK and registered at Woburn House, 20 Tavistock Square, London, WC1H 9HQ.

The £2 cost of the investment has been written down to zero in the accounts of the parent company. The trading activity of Woburn House Conference Centre Limited is the management of the conference centre and meeting rooms at Woburn House. The results and financial position of Woburn House Conference Centre Limited are consolidated with those of Universities UK in preparing the consolidated accounts.

A summary of the trading results for the year ended 31 July 2021 and 2020, and the aggregate amount of the assets, liabilities, share capital and reserves as at 31 July of each year are shown. Audited accounts have been filed with the Registrar of Companies.

	Total 2021 £	Total 2020 £
Profit and loss account:		
Turnover	91,315	995,894
Cost of sales	(85,515)	(422,103)
Gross profit	5,800	573,791
Administration costs	(49,772)	(53,804)
Staff costs	(91,975)	(186,588)
Operating (loss) / profit	(135,947)	333,399
Interest receivable	22	1,331
(Loss) / profit on ordinary activities before taxation	(135,925)	334,730
Taxation	-	-
(Loss) / profit on ordinary activities after taxation	(135,925)	334,730
Gift aid payment to Universities UK	88,556	(299,419)
Retained losses carried forward	(47,369)	(35,311)
	Total 2021 £	Total 2020 £
Balance sheet:		
Fixed assets	38,926	48,896
Current assets	171,922	350,970
Creditors: amounts falling due within one year	(61,992)	(353,643)
Net current assets / (liabilities)	109,930	(2,673)
Creditors: amounts falling due after one year	(150,000)	-
Total net (liabilities) / assets	(1,144)	46,223
Represented by:		
Share capital	2	2
Profit and loss account	(1,148)	46,221
	(1,146)	46,223

Medical Schools Council

Universities UK is also the holding member of the Medical Schools Council, a company limited by guarantee (company number 8817383) and registered with the Charity Commission (number 1155370). The company is incorporated in the UK and registered at Woburn House, 20 Tavistock Square, London, WC1H 9HD.

The objects of the Medical Schools Council are to promote, encourage and develop medical schools in the UK and thereby advance education for the public benefit, in particular (but without limitation) medical education, research and training.

A summary of income and expenditure for the year to 31 July 2021 and 2020, and the aggregate amount of the assets, liabilities, share capital and reserves as at 31 July of each year are shown below. Audited accounts have been filed with the Registrar of Companies.

Unrestricted funds and free reserves at 31 July 2021 were £1.3m (2020 free reserves: £1.2m) which is equal to 25 months of unrestricted expenditure (2020: 29 months). This is in line with the organisation's reserves policy.

	Total 2021	Total 2020
	£	£
Income and expenditure account:		
Income	1,296,282	1,235,290
Expenditure	(1,369,999)	(1,434,529)
Deficit	(73,717)	(199,239)
	Total 2021	Total 2020
	£	£
Balance sheet:		
Assets	2,216,667	2,183,121
Liabilities	(402,492)	(295,229)
Net assets	1,814,175	1,887,892

MSC Assessment

The Medical Schools Council is the parent of MSC Assessment, a company limited by guarantee (company number 8578576) and registered with the Charity Commission (number 1153045). The company is incorporated in the UK and registered at Woburn House, 20 Tavistock Square, London, WC1H 9HD.

The objects of MSC Assessment are to advance medical education for the benefit of the public including, without limitation, by the preparation, validation, accreditation, conduct and administration of any tests, examinations or other systems of assessing, evaluating and recording any aspect of medical education and training.

A summary of the income and expenditure for the year to 31 July 2021 and 2020, and the aggregate amount of the assets, liabilities, share capital and reserves as at 31 July of each year is shown below. Audited accounts have been filed with the Registrar of Companies.

	Total 2021 £	Total 2020 £
Income and expenditure account:		
Income	512,921	840,290
Expenditure	(471,404)	(1,115,300)
Surplus / (deficit)	41,517	(275,010)
	Total 2021 £	Total 2020 £
Balance sheet:		
Assets	737,423	758,849
Liabilities	(114,335)	(177,278)
Net assets	623,088	581,571

23. Conduit funding

	2021 £	2020 £
Funds received in advance b/fwd	3,269	3,269
Amount received	50,534	-
Amount paid out	(53,803)	-
Funds received in advance c/fwd	-	3,269

Amounts received and dispersed to universities on behalf of the Argentinian Ministry of Education for the scholarship programme BEC.AR, and on behalf of MITACS for Globalink Research Internships.

Certain trustees are Vice Chancellors of institutions in receipt of grants.

24. Pension

Universities Superannuation Scheme

The appointment of directors to the Board of USS is determined by USS's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the Board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%, until 31 March 2028. The 2021 deficit recovery liability reflects this plan. In the prior year, the deficit payments were 5% of salaries up to 30 June 2034. The USS liability is based on staff salary inflation of 2%, and a discount rate of 0.87% (2020: 2%, 0.73%).

A further full valuation as at 31 March 2020 is currently underway. There is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation has not met its statutory deadline of 30 June 2021. It is anticipated that there will be an increase in the deficit provision and impact on cashflow as a consequence of the new schedule of contributions.

At 31 March 2021, USS had 203,995 (2020: 204,753) members.

Superannuation Scheme of the University of London (SAUL)

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

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

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and will be reviewed again at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market movements following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 16%.

At 31 March 2021, SAUL had 68,714 (2020: 65,202) members.

	USS	SAUL
Group contributions for the year to 31 July 2021	£1,321,947	£318,105
Active members at 31 July 2021	82	55
Group contributions for the year to 31 July 2020	£1,277,942	£325,581
Active members at 31 July 2020	81	52

25. Financial instruments

	2021 £	2020 £
Financial assets measured at amortised cost:		
Trade debtors	378	380
Cash	7,786	7,484
	8,164	7,864
Financial liabilities measured at amortised cost	3,120	3,534

Financial assets measured at amortised cost comprise trade debtors and cash.

Financial liabilities measured at amortised cost are creditors.

26. Related party transactions

Related party transactions are disclosed for CVCP Properties plc, Advance HE, Higher Education Statistics Agency, Universities and Colleges Admissions Service and Quality Assurance Agency.

Universities UK owns all 550,000 preference shares in CVCP Properties plc and 50,000 (1%) of its ordinary shares. Universities UK is the original subscribing member of the other organisations and members of Universities UK contribute to governance oversight through Board membership and other involvement.

	Year ended 31 July 2021		As at 31 July 2021	
	Purchases from / payments to related parties £	Income from related parties £	Amounts due from related parties £	Amounts due to related parties £
CVCP Properties plc	911,644	996,489	1,772,591	-
Advance HE	-	42,584	-	-
Quality Assurance Agency	-	6,000	-	-
	911,644	1,045,073	1,772,591	-

	Year ended 31 July 2020		As at 31 July 2020	
	Purchases from / payments to related parties £	Income from related parties £	Amounts due from related parties £	Amounts due to related parties £
CVCP Properties plc	913,248	1,008,376	1,773,391	694
Advance HE	12,075	55,529	-	-
Universities and Colleges Admissions Service	-	336	-	-
Quality Assurance Agency	5,177	3,549	-	-
	930,500	1,067,790	1,773,391	694

27. Members

The charity is incorporated as a private company limited by guarantee having no share capital and, in accordance with the Memorandum of Association, every member is liable to contribute a sum of £1 in the event of the company being wound up. At 31 July 2021 there were 140 members (2020: 137).

28. Post balance sheet event

On the 1 August 2021, the assets, liabilities and activities of the Council of Deans of Health restricted fund were transferred from Universities UK to the Council of Deans of Health, an independent organisation (company number 12341200 and charity numbers 1186780 and SC049982). The fund balance at 31 July 2021 was £565,000.

29. Income and expenditure by fund

	Notes	Unre- stricted Funds 2021 £'000	Unre- stricted Funds 2020 £'000	Restricted Funds 2021 £'000	Restricted Funds 2020 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income and expenditure							
Income from:							
Donations	2	973	982	-	-	973	982
Charitable activities	3	7,119	7,080	5,324	4,975	12,443	12,055
Other trading activities	4	197	915	39	30	236	945
Investments		31	56	-	9	31	65
Other income		17	16	-	-	17	16
Total		8,337	9,049	5,363	5,014	13,700	14,063
Expenditure on:							
Raising funds		366	564	37	27	403	591
Charitable activities		7,696	7,574	5,207	5,542	12,903	13,116
Total	7	8,062	8,138	5,244	5,569	13,306	13,707
Net income/(expenditure)		275	911	119	(555)	394	356
Transfers between funds		2	7	(2)	(7)	-	-
Net movements in funds		277	918	117	(562)	394	356
Total funds at 1 August		2,788	1,870	3,391	3,953	6,179	5,823
Total funds at 31 July		3,065	2,788	3,508	3,391	6,573	6,179

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Universities UK is the collective voice of 140 universities in England, Scotland, Wales and Northern Ireland. Our mission is to create the conditions for UK universities to be the best in the world; maximising their positive impact locally, nationally and globally. Universities UK acts on behalf of universities, represented by their heads of institution.



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