

Annual report and consolidated financial statements

Year ended 31 July 2009



Universities UK

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Year ended 31 July 2009



Contents

Section	Page
Reference and administrative information	1
Trustees' report	3
Independent auditors' report to the Members of Universities UK	15
Consolidated statement of financial activities	17
Balance sheets	18
Consolidated cash flow statement	19
Notes to the financial statements	20

Reference and administrative information

Trustees

The Members of the UK Board (Directors and Trustees of the company) appointed for the year from 1 August 2008 to 31 July 2009 were as follows:

Professor Richard Trainor	(President to 31 July 2009)
Professor Madeleine Atkins*	
Professor Glynis Breakwell	
Professor Patricia Broadfoot	
Professor John Brooks	
Professor Julian Crampton	(Treasurer)
Professor John Craven	
Professor Geoffrey Crossick	
Professor Les Ebdon	
Professor Dame Janet Finch	
Professor Caroline Gipps	
Professor Malcolm Grant*	
Professor Sir Andy Haines	
Professor Andrew Hamnett**	
Professor Merfyn Jones*	
Professor Noel Lloyd	(Chair, Higher Education Wales & Vice President)
Professor Bill Macmillan*	
Professor Anton Muscatelli	(Convener, Universities Scotland & Vice President)
Professor Alison Richard	
Sir Muir Russell*	
Professor Steve Smith	(Chair, England and Northern Ireland Council and Vice President to 31 July 2009)
Professor Chris Snowden	
Professor Eric Thomas	
Professor Paul Wellings	

* Term of office ended 31 July 2009

** Retired February 2009

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

Professor Bernard King
Professor Michael Farthing
Professor Colin Riordan
Professor Michael Arthur
Professor Janet Beer
Professor David Eastwood

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 appointed by the President.

Reference and administrative information

Chief Executive: Nicola Dandridge

Company Secretary: Christopher Lambert

Registered Office

Woburn House
20 Tavistock Square
London WC1H 9HQ

Solicitors

DLA Piper UK LLP
India Buildings
Water Street
Liverpool L2 0NH

Bankers

National Westminster Bank plc
PO Box 83
Tavistock House
Tavistock Square
London WC1H 9XA

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

Trustees' report

The trustees, who are also the directors of the charity for the purposes of the Companies Act, submit their report and financial statements for Universities UK for the year ended 31 July 2009. The administrative information on pages 1 to 2 forms part of this report, which is also the directors report for the purposes of the Companies Act.

Objects - Universities UK seeks to promote, encourage and develop the university sector of higher education in the United Kingdom and thereby advance education for the benefit of the public. Universities UK supports the work of its members and member institutions by providing a range of services including research, policy analysis, conferences, advocacy and public relations work.

Our Vision – is of an autonomous university sector in the United Kingdom that, through excellence in teaching, research and knowledge exploitation raises aspirations, has an international reputation for innovation and contributes to the wider economy and society.

Our Mission – is to be the essential voice and best support for a vibrant, successful and diverse university sector, to influence and create policy for higher education and to provide an environment where the interests of our sector can flourish.

Our Values

- Excellence Aspiring to excellence in everything we do in support of our sector
- Commitment Supporting our sector which offers huge opportunities through its high quality research, teaching and knowledge exploitation
- Inclusiveness Engaging and collaborating with stakeholders to add value, and co-ordinating our activities with others in the best interests of the sector
- Foresight Shaping the policy agenda of the future
- Integrity Valuing our staff to enable them to achieve their goals

Organisation

The charity is administered by its board of trustees, who are also members of Universities UK. The Board meets five times a year. The chief executive is appointed by the trustees to manage the day to day operations of the charity. The 133 members are the executive heads of UK universities and meet four times each year. Within Universities UK are the England and Northern Ireland Council, Universities Scotland and Higher Education Wales.

Management

In August 2009 Baroness Diana Warwick stood down as Chief Executive of Universities UK after fourteen years service. Nicola Dandridge was appointed Chief Executive, taking up her post on 1 September 2009.

The Strategic Leadership team comprising the directors of Policy, Research, Resources, External Relations and Communication, Higher Education Wales, Universities Scotland and the head of Member Services and deputy director of Communication support the CEO.

Public Benefit to the United Kingdom

Collectively the institutional members of Universities UK demonstrate their quality and strengths through the delivery of research, teaching, skills, expertise and training. The range of focus or concentration on delivery targets differs according to the type of institution and particular areas of specialism but all seek to maintain and to develop teaching and research capabilities of the highest quality in an increasingly global marketplace. The benefits to the UK are in return considerable.

Trustees' report

Public Benefit to the United Kingdom (continued)

- Benefiting society

Through our members work on widening participation and continuing education, institutions play a major role in raising aspirations and awareness and in transmitting the values of a common culture across all segments of society.

Through their libraries, museums and galleries our member institutions provide vital elements in the cultural life of the United Kingdom.

The institutions play an essential role in training professionals of all types to serve society – such as architects, health professionals, civil servants, lawyers, town planners, teachers and social workers. The institutions are very often one of the larger employers of staff in their cities and regions.

- The health of the nation

Universities lie at the heart of medical education and the training of doctors, dentists, optometrists and nurses. They also conduct medical research and through close collaboration with the NHS and the allied medical professions can provide the means to apply this research in a clinical setting undertaken to the highest international standards.

- Economic innovation and competitiveness

University research and development is a key element in driving economic innovation in the UK. Universities are at the forefront of business spin off and intellectual property rights licensing and they also house most of the country's best schools of Business and Management, responsible for the training of the entrepreneurial talent of the future.

- International relations

Universities are at the forefront of important international HE alliances, have a rich diversity of contacts with overseas governments and institutions, and train the most able of the international students coming to the United Kingdom. The long-term benefits of such relations are highly valued both diplomatically and economically.

Corporate Aims

Universities UK's role is to support its membership through the provision of a range of services, described below. The six corporate aims influence and shape the organisation's shorter-term priorities and targets which were set out in the annual Operational Plan.

The six corporate aims are:

- *Foresight*: horizon scanning for political, economic, social and technological developments that will have an impact on the HE sector;
- *Advocacy*: using advocacy programmes to lead in defining and shaping the UK HE agenda;
- *Promotion*: providing accurate and reliable information about the sector so that all stakeholders understand the significance and contribution of universities to the economy and the individual;
- *Communication*: having excellent and effective communication with government decision makers, stakeholders and the media to deliver the key messages in a coherent and coordinated way;
- *Collaboration*: working with the funding councils, research councils and other sector bodies and where necessary co-ordinate sector wide activities; and
- *Fit for Purpose*: being an efficient and effective organisation, well managed and supportive of our staff to ensure that we deliver on our strategy.

Trustees' report

Key Challenges for 2008 - 2009

In the past year the key challenges for Universities UK were:

1. Shaping the UK HE policy agenda;
2. Developing closer links with members;
3. Investment in staff;
4. Using lobbying and campaigns to influence government policy; and
5. External promotion.

Our Achievements and Public Benefit 2008 - 2009

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. In addressing the key challenges of the past year and, in line with the longer term aims through its work, Universities UK has supported its members, assisting them to achieve their goals.

1. Shaping the UK HE policy agenda

The Research Unit published six major reports for the HE sector, informing stakeholders, influencing decision makers and for the benefit of the public.

- *Demographic change and its impact on the higher education sector in England (October 2008)* was a submission to Department of Innovation, Universities and Skills (DIUS) and a key report informing Government on issues in regard to the demographic downturn.
- *Devolution and higher education: impact and future trends (December 2008)* provided evidence of funding gaps between the four UK countries and in particular the gap between funding for higher education in England and Wales as well as shortcomings in the arrangements for coordinating policy developments between the four UK countries.
- *Researcher mobility in the European Research Area: barriers and incentives* assembled evidence of the barriers to mobility in a single document, identifying the barriers that still exist. It supported work on how pension arrangements for this group might be improved.
- *Changing landscapes: future scenarios for variable fees (March 2009)* was the first systematic attempt to model the impact of possible increases in the fee cap and provides a basis for future lobbying of government and for the submission to the independent review of fees.
- *Taught postgraduate students; market trends and opportunities* examined how the market for taught postgraduates has developed and considers future trends.

The Unit also produced four data reports on topics including *Patterns of higher education institutions in the UK*, *Higher education in facts and figures* and *Higher education pay and prices index 2008* and reports including *Academies and trust schools: where do universities fit in?* and *Higher education engagement with schools and colleges: partnership development*.

Two policy commentaries were also produced; *Private universities and public funding* and *Developing future university structures*.

The Long Term Strategy Group (LTSG) produced its report *Future business models for universities in the UK: issues and challenges*.

These outputs have been well received and widely covered by the press - the report on *Devolution and higher education* was widely reported in the Scottish and Welsh press (including a front page article in the Western Mail).

Trustees' report

1. Shaping the UK HE policy agenda (continued)

There were over 200 Google news references to the report on variable tuition fees on the day of publication (17 March 2009) and it was widely featured in the national broadcast media. The report was welcomed by the chairs of the Russell Group and the 1994 Group.

The Unit's work on demography has been widely discussed and featured at several major higher education conferences over the year, including a Universities UK conference in October 2008 (which was also informed by the LTSG seminar on "Future business models" held earlier in the year). The report has featured in other Universities UK publications (e.g. *Stepping Higher*) and has been the subject of two sessions at members' meetings.

The Research Unit also produced a report on researcher mobility in the European research area resulting in a discussion on the issue of women with children in scientific careers on *Daphnet* which goes to a large number of female science researchers.

Universities Scotland (US) has presented written and oral evidence to the Education, Lifelong learning and Culture Committee of the Scottish parliament in connection with all parts of its work that are relevant to higher education. It has engaged with the Scottish Public Services Ombudsman on complaint issues, with the Office of the Scottish Charities Regulator on charitable status issues and with CBI Scotland and the Scottish Trades Union Congress to build support for Scottish higher education.

US currently leads the work of the Universities Quality Working Group and has promoted the quality arrangements in Scottish HE and raised awareness of this distinctive Scottish approach within the UK, at European level and internationally.

With Universities UK, Universities Scotland alerted members to the potential detrimental effects of the new immigration policy on the HE sector and collaborated with Westminster and the Scottish Government to affect change to the proposed policy.

US set up a Universities Steering Committee together with the Rwandan Embassy and identified development areas in which Scotland's institutions can assist in building capacity. Discussions with the Association of Indian Universities are in progress to identify areas of collaboration in areas of research, capacity building and staff exchange.

This research, which is available to members, stakeholders and the public supports a growing understanding of the key challenges facing the sector in the coming years, informs decision making and improves medium and long term planning at both government and institutional level for the widest public benefit.

2. Developing closer links with members

The results of the Members' Survey 2009 confirmed member appreciation of Universities UK publications and policy briefings. The Link Officer service continued to develop; and the annual visits by senior staff to member institutions were well received. Members continued to receive a regular flow of published information - the weekly Chief Executive News, ad-hoc Information Notes, monthly Extranet news bulletins, and printed research papers and reports are such examples. The members' specialist forum continued to address specific areas of interest.

The Chancellors Reception at the House of Lords on 16 March 2009 was a popular event attracting over 60 Chancellors and their Vice Chancellors, listening to speeches from Secretary of State, John Denham, shadow Secretary of State David Willetts and Liberal Democrat, Stephen Williams MP.

In Universities Scotland a customised web based briefing service provided members with concise statistical or evidential briefings.

3. Investment in staff

The organisation continued to invest in its staff training and development programme. Over 100 courses were delivered on topics ranging from "the role of the line manager", "funding in the HE sector", "survey design" and various IT software courses. A new HR database was launched in January 2009 which has improved reporting functions and reduced administration. In May 2009, Universities UK successfully achieved re-accreditation in the Investors in People award scheme.

Staff are the key resource at Universities UK. As an informed, focused and committed team they deliver to the Board agenda in support of the organisation's objectives. The public benefit of this work is demonstrated in the growth of a first class, responsive and flexible UK higher education system.

Trustees' report

4. Using lobbying and campaigns to influence government policy

The policy team working with the communications and publications team promoted the major policy issues of the year such as the 2008 RAE outcome; the 2009 Spending Review; the DIUS review of HE; the 2009 review of variable fees and the Universities UK/CBI project on employability. Taking a longer view, the *UK higher education in 2023* report and *Quality and standards in UK universities* were well received.

The press team achieved an average of 40 articles and 50 mentions in the press per month and regularly promoted the HE agenda across all media formats. The Parliamentary team prepared regular briefings and speeches for the President, other trustees, and the CEO in advance of meetings with ministers, shadow ministers and peers.

The launch of the publication *Beyond ceremony* – looking into life as a university chancellor achieved positive coverage in the Independent, the Times, and on Radio 4.

The Universities Scotland team has similarly monitored all new Scottish legislation and circulated guidance to the sector whilst lobbying the Scottish Parliament on matters relating to the charitable status of HE institutions.

The formal submission to DIUS on demographic change was made in October 2008 and continues to attract debate on the future size and scope of the HE sector.

The report on devolution, launched in Parliament in December 2008, was well received, particularly by Welsh MPs. The report was quoted extensively in the Scottish and Welsh press and in the Welsh Affairs Select Committee's report, the *Provision of cross-border services for Wales (2008/09)*, together with the *Size and Shape* report. This has been taken forward by the Secretary of State for Wales.

5. External promotion

Over the year, working with policy and research colleagues, the Events team at Woburn House managed 25 conferences, attended by over 2,000 delegates and generating £200,000 of income. The conference programme topics included "The future size and shape of the sector", "Bologna beyond 2010", "Annual admissions to HE", "Tackling plagiarism" "Research assessment: the future of research policy", "Student engagement and partnership" and "Mental wellbeing in HE: current challenges" and "14-19 curriculum reforms: implications for HE" and an HE skills summit. Universities UK also supported the Universities and Colleges Employers Association (UCEA) in its conference "Effective communications during industrial disputes" and Neil Stewart Associates on various conferences including the Guardian HE summit in February 2009.

The International Unit published four reports, hosted three events and managed one major conference. The Unit's website attracted over 200,000 visits, resulting in 3 million hits over the year. Twenty-one editions of the newsletter *International Focus* were published which each attracted over 10,000 customers.

Research publications included *HE trends and developments in the Middle East*, *Offset programmes: opportunities for British universities* (in association with the British Council), *UK universities and Europe – competition and internationalisation*; *UK HE engagement with Iraq* and *International partnerships – a legal guide*.

The work of the UK / US Study Group in identifying opportunities to strengthen links between British and American university systems was completed in February 2009, with a final report delivered to the Prime Minister in March 2009.

The Prime Minister's UK India HE partnership initiative (with the British Council and DIUS) has led to a collaboration between IISER Pune (India) engaging in partnership activities with five UK universities and consortia. A similar project (with the British Council) involved Universities UK overseeing the signing of a Memorandum of Understanding by the Chilean Government which will enable hundreds of Chilean PhD students to come to the UK on full scholarships in late 2009.

In January 2009, the Unit represented the UK HE sector in Baghdad at the launch of the Iraqi Prime Ministers Education Initiative, a \$1bn scheme to send Iraqi students to study in English speaking countries.

The Europe Unit has continued to promote and voice the views of the UK HE sector in both the Bologna process and at EU education and research debates, informing the sector in its monthly newsletter and briefing notes.

Trustees' report

5. External promotion (continued)

The Europe Unit's website attracted 145,000 visits in the year. Attending conferences in Budapest, Luxembourg, Helsinki, Rotterdam and Prague the team have lobbied on behalf of the sector. The Universities UK President was part of the UK delegation at the Bologna Process ministerial summit in Leuven/ Louvain –La –Neuve.

The organisation has continued to be actively involved with stakeholders representing HE interests across the UK including the Quality Assurance Agency, UCEA, UCAS, the Higher Education Academy, the Office of the Independent Adjudicator, GuildHE, and the funding councils of England and Northern Ireland, Scotland and Wales.

The Universities UK public enquiries service received over 1,400 enquiries over the year, with over 400 coming from member institutions and 500 from members of the public. The enquiry service has aided industry and business in making contact with universities, leading to research or knowledge transfer links.

Future Plans 2009 - 2010

The key targets and indicators of progress for Universities UK in the coming year are set out below. The annual Operational Plan and departmental objectives underpin and support the targets – developed in the context of supporting both the membership and for the wider public benefit. During the year the next three year Plan will be developed for launch in August 2010.

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

1. To provide members with foresight on policy issues

Objectives

- Through research and policy foresight anticipate the evidence needed by Universities UK to help to shape the UK HE policy agenda;
- Through publications and research papers describe and showcase the quality of UK HE to the widest national and international audience; and
- To use conferences and seminars to disseminate knowledge and improve understanding of the key issues facing the UK HE sector.

Indicators

- Publication of well researched policy analysis, reports and guidance notes which support development of the UK HE sector; and
- Using the publications to influence the government's agenda towards higher education in the UK.

2. To mount effective and timely policy advocacy campaigns

Objectives

- To disseminate and promote the public benefit achieved by member institutions for the UK economy and society;
- To promote the case for the autonomy of UK member institutions; and
- To disseminate and promote the key messages as regard the quality, reputation of the member institutions and the UK HE sector.

Trustees' report

Indicators

- Member and public recognition of the advocacy effort made in regard to key policy issues;
- Government policy demonstrates the continued endorsement of the principle of autonomy for UK HE institutions; and
- Funding for the UK HE sector is maintained at comparative levels, taking account of the economic downturn.

3. To promote the achievements of the sector

Objectives

- Promote the economic and social value of the UK sector to the widest audience;
- Promote and celebrate the success made by UK HE in advancing government policy; and
- Promote the reputation of UK HE to an international audience.

Indicators

- The delivery of timely, informative and impartial briefings and publications promoting the outputs from UK HE;
- Using a range of media formats to achieve the widest circulation among members and the public as appropriate; and
- Manage a conference programme promoting the sector to both the HE market and to the wider community, extending reach and influence for the benefit of the public.

4. To be recognised for excellent communication with members and stakeholders

Objectives

- Communicate with key decision makers in the English Parliament, the Scottish Parliament and the Welsh Assembly and key stakeholders, through close regular contact;
- Through a range of communication formats achieve the widest reach informing and promoting the role and value of the HE sector to the UK economy and society; and
- Using the communication formats to explain the public benefit of the work of Universities UK in supporting its members in the delivery of their objectives.

Indicators

- Delivery of timely and informative publications achieving the widest external impact;
- Increased number of positive external references to Universities UK and its outputs;
- Higher usage rates by members, and the public of the extranet and the website; and
- Delivery of at least ten conferences, each achieving at least "good" ratings.

5. To collaborate effectively with other sector bodies

Objectives

- To continue to work closely with other HE sector bodies to promote the UK HE agenda;
- To use the network of sector contacts to gather intelligence necessary to support a strong and viable UK HE sector; and
- Represent the UK HE sector interests in European and international forum.

Indicators

- Using the sector agency fora to promote collaboration;
- Entering joint ventures with HE sector partner bodies on areas of key common interest; and
- Evidence of co-operation demonstrated by the joint-badging of events, seminars, conferences and publications.

Trustees' report

6. Fit for purpose

Objectives

- To produce further improvements in the efficient use of Woburn House with yearly increases in revenue; and
- To provide a quality support, delivery and management of services to Universities UK ensuring that it is fit for purpose, and provided value for money to members and staff.

Indicators

- Year on year increase in net profit generated by Woburn House Conference Centre;
- Continued promotional activity by the Conference and Sponsorship team;
- Continued staff learning and development programmes to support staff development in line with the strategic aims.

Financial Review

The statement of financial activities for the year is set out on page 17 of the financial statements. A summary of the financial results, together with the main activities which Universities UK undertook during the year are set out below.

Financial Results

Consolidated income and expenditure for the year ended 31 July 2009, together with comparative figures for 2008, are summarised in the table below.

	Unrestricted Activities 2009 £'000	Restricted Activities 2009 £'000	Total 2009 £'000	Total 2008 £'000
Income	6,317	3,141	9,458	10,223
Expenditure	6,031	3,306	9,337	10,054
Surplus/(deficit)	286	(165)	121	169

Total income in 2009 decreased by 7% to £9,457,937 (2008: £10,223,205) mainly due to year on year variations in restricted activity. Notably, the restricted Matched Funding Scheme entered its final phase and grant income in 2009 was down £1,406,337, from £2,415,000 to £1,008,663, for this project. Unrestricted income increased by £242,791 from £6,073,940 in 2008 to £6,316,731 in 2009.

In a busy and challenging year Universities UK performed well against its financial objectives. The surplus on unrestricted funds for the year was above expectations. The surplus was generated from a successful conference programme and lower staff costs than budgeted. The covenant income from CVCP Properties plc was above budget and prior year results at £883,171 (2008: £796,438).

Consolidated financial statements have been prepared for Universities UK and its wholly owned subsidiary Woburn House Conference Centre Ltd for the first time this year. Comparative figures have been restated accordingly. The operating profit of Woburn House Conference Centre Ltd has increased by 40% from £108,755 in 2008 to £152,528 in 2009.

The organisation's net assets have increased from £4.2m to £4.3m.

Total expenditure in 2009 decreased by 7% to £9,336,708 (2008: £10,054,109) which was also due to variations in restricted activity. Costs of the unrestricted activities have been held down in the year as the organisation maintained its freeze on member subscriptions. Tight control has been maintained in the delivery of core services.

Trustees' report

Investment Policy

Universities UK receives income on an annual basis through membership subscriptions, conference income, grants (as restricted funds), covenants from Woburn House Conference Centre Limited and CVCP Properties plc and other sources. It plans activities over a three year time horizon and budgets to expend all anticipated income, retaining a prudent amount in reserves. It has no permanent endowment and provides for capital expenditure within the budget or from reserve funds.

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

Reserves Policy

The trustees have examined the requirements for free reserves in the light of the predominant risks to the organisation, of which a cancellation of membership, causing falling membership income and a loss of reputation would be the most damaging. The development of the Link Officer role and the strengthening of the policy committee function has promoted closer links between the organisation and the membership.

Accordingly, the current target of 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 incurred. It also provides sufficient funds for an orderly winding up in the event that the organisation should cease operations.

Total unrestricted funds at 31 July 2009 were £3,485,999 (2008: £3,295,053) of which £142,268 was committed to fixed assets and £600,000 invested in CVCP Properties plc. Free reserves at 31 July 2009 are £2,743,731 (2008: £2,540,746) which is equal to approximately 5 ½ months of unrestricted expenditure.

Grant Making Policy

During the year, Universities UK made grants totalling £1,205,737 (2008 - £2,387,819) under the DIUS Matched Funding Scheme. The cost of these grants was funded by DIUS.

This is a capacity-building scheme designed to help Higher Education establishments to develop their own fundraising capability and expertise.

Universities UK also made a grant to The Equality Challenge Unit, an organisation which exists to promote equality of opportunity for all who work or seek to work in UK higher education.

Universities UK has not made grants in addition to those described here and does not have a formalised grant making programme in place.

Tangible Fixed Assets

The changes to the tangible fixed assets during the year are shown in note 10 to the financial statements. The launch of the revised Universities UK staff intranet occurred during the year.

Sustainability

Universities UK has continued its commitment to the Sustainability Agenda. Continuing on the progress made in 2008 developments in the year included:

- Expansion of the materials recycling operation;
- Introduction of PIR light detectors in areas of common use to reduce energy outputs when the rooms are not in use;
- Installation of electric hand driers in WC's to reduce reliance on paper and cloth towels; and
- Further uptake by staff of Oyster travel cards for business travel throughout London.

Trustees' report

Structure, Governance and Management

Universities UK is incorporated as a private company limited by guarantee. It is a registered charity, governed by its Memorandum and Articles of Association which were amended in December 2006 to reflect the changes made to the Board and Committee structure of the organisation. Members of the Board of Trustees are the directors of the company. The membership comprises of Vice Chancellors and Principals from universities within the United Kingdom. Membership is voluntary. As at 31 July the organisation had a membership of 133.

The work of Universities UK is guided by the full membership, which meets four times each year at its member meetings. Two of the meetings are residential meetings which occur in the Spring and Autumn. The Autumn Conference normally takes place at one of the member institutions. The other two member meetings are of shorter duration and take place in London, at Universities UK offices.

The membership delegates responsibility for the governance of Universities UK to the UK Board, to the National Councils of England and Northern Ireland, and to the Boards of Universities Scotland and Higher Education Wales.

The Board of Trustees

The directors of the company are also its trustees. The Board comprises twenty four trustees appointed from across the membership. The President is elected by the members to serve for a term of two academic years. Trustees serve for a term of two years and may stand for a further term. The National Councils of England and Northern Ireland and of Higher Education Wales each has a Chair; Universities Scotland has a Convenor. Each appointee is eligible for re-election or re-nomination from amongst its members. The Treasurer is elected from amongst the membership for a term of two academic years.

The remaining members of the Board comprise up to six members nominated by the President, six persons elected to the role from among the membership, and six Policy Committee Chairs. In the event that an election is required this would be conducted by postal ballot.

New trustees to the Board will have already had experience of the organisation, either as a member, as a member of a Policy Committee or possibly as a Chair of one of the various Groups or working groups.

Trustee Training

The following information is made available to new trustees: relevant Charity Commission documents outlining the roles and responsibilities of a trustee, a copy of the Memorandum and Articles of Association, the current Corporate Plan and the annual Operational Plan. New trustees are invited to attend training seminars on key issues of good governance. Online support is provided using the members' extranet. It is the organisation's aim to update trustees on any new legislation that may affect the governance of the charity and to offer on-going support through additional training.

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 the 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.

Trustees' report

Statement of Trustees' Responsibilities (continued)

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 directors at the time the Trustees' Report is approved is aware:

- a) there is no relevant information of which the auditors are unaware; and
- b) 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.

New Members

New members are inducted into the organisation through a series of meetings with peers held during the year chaired by a senior member attended by the Chief Executive and senior officers. Detailed information packs on Universities UK are provided to each member.

Wholly Owned Subsidiary

Universities UK owns 100% of the share capital in 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. The financial position of Woburn House Conference Centre Limited is shown in note 18 to the financial statements.

The results and financial position of Woburn House Conference Centre Limited are consolidated with those of Universities UK in preparing the consolidated accounts.

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. They also acquired a central London residential flat.

Risk Management

On an annual basis the Treasurer's Committee reviews the risk register and operational procedures. Six key areas are covered in the review – strategic direction, financial, reputation, legal and statutory and human resource and information technology. Control mechanisms are evaluated against agreed criteria and new controls introduced as required. The key controls used are:

- Comprehensive strategic planning, budgeting and management accounting;
- Formal organisational and governance structure and lines of reporting;
- Formal written policies; and
- Hierarchical authorisation and approval levels.

This risk management strategy forms part of the planning process against which the trustees review progress formally every six months within the context of the Corporate Plan and annual operational plan.

In respect of financial risk the trustees believe that maintaining Universities UK's readily realisable reserves at the levels stated will provide sufficient resources in the event of unplanned or adverse conditions.

The trustees are satisfied that major risks identified during the review have been adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Trustees' report

Funding Sources

Typical of many membership organisations, membership subscriptions make up the majority of the unrestricted income (68%). Covenant income from CVCP Properties plc produces 14% and the 18% balance comes from investment income, conference receipts, sales of publications, and donations.

The Events and Sponsorship team has continued to exploit new opportunities in this market with the emphasis towards generating increased revenue. This focus will continue into 2009/10.

Political and Charitable Donations

The company made no political or charitable donations in 2008/09 (2007/08: nil).

Auditor

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

BY ORDER OF THE BOARD

Nicola Dandridge
Chief Executive

Julian Crampton
Treasurer

6 November 2009

Independent auditors' report to the Members of Universities UK

We have audited the group and parent company financial statements of Universities UK for the year ended 31 July 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

The report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' (who are also the directors of the company for the purpose of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable parent company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the Members of Universities UK

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.

James Cross, Senior Statutory Auditor
For and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date:

Consolidated statement of financial activities – year ended 31 July 2009

		Unrestricted Funds	Restricted Funds	Total Funds 2009	Total Funds <i>As restated</i> 2008
	Notes	£	£	£	£
Income and expenditure					
Incoming resources					
Incoming resources from generated funds:					
. Voluntary income					
.. Donations		8,017	—	8,017	5,213
.. Covenanted income	2	883,171	—	883,171	796,438
. Sale of goods and services		641,486	62,557	704,043	680,972
. Investment income		186,475	5,640	192,115	244,003
Incoming resources from charitable activities:					
. Subscriptions from membership	3	4,300,219	300,416	4,600,635	4,469,681
. Grants and contracts from funding bodies	4	—	2,755,414	2,755,414	3,790,735
. Conference income		292,888	16,412	309,300	223,576
. Publications and other small sales		4,475	767	5,242	12,587
Total incoming resources		6,316,731	3,141,206	9,457,937	10,223,205
Resources expended					
Costs of generating funds					
. Costs of generating voluntary income		51,835	—	51,835	48,153
. Fundraising trading: cost of goods		649,051	28,894	677,945	652,564
. Fundraising trading: allocated costs		37,449	2,347	39,796	40,770
Charitable activities					
. Lobbying		818,733	248,392	1,067,125	1,015,036
. Information		924,696	410,906	1,335,602	1,306,037
. Influencing and advocacy		955,261	347,523	1,302,784	1,261,285
. Research and policy		2,211,778	1,139,817	3,351,595	3,064,286
. Conferences		173,269	—	173,269	140,592
. Funding grants	5	77,892	1,127,835	1,205,727	2,387,819
Governance costs		131,030	—	131,030	137,567
Total resources expended	6	6,030,994	3,305,714	9,336,708	10,054,109
Net incoming (outgoing) resources before transfers [net income/ (expenditure)]					
		285,737	(164,508)	121,229	169,096
Gross transfers between funds	16	(86,428)	86,428	—	—
Net movements in funds		199,309	(78,080)	121,229	169,096
Total funds brought forward		3,309,800	935,730	4,245,530	4,076,434
Total funds at 31 July 2009	16	3,509,109	857,650	4,366,759	4,245,530

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

The notes on pages 20 to 34 form part of these financial statements.

Balance sheets – 31 July 2009

	Notes	The Group		Universities UK	
		2009 £	2008 <i>As restated</i> £	2009 £	2008 £
Fixed assets					
Tangible fixed assets	10	154,307	201,473	121,233	165,418
Investments	11	600,000	600,000	600,000	600,000
		754,307	801,473	721,233	765,418
Current assets					
Debtors	12	1,704,948	1,245,709	1,831,241	1,324,791
Investments – short term deposits		2,140,000	2,390,000	2,140,000	2,390,000
Cash at bank and in hand		1,040,283	1,071,060	861,390	962,604
		4,885,231	4,706,769	4,832,631	4,677,395
Creditors:					
Amounts falling due within one year	13	(1,272,779)	(1,262,712)	(1,210,215)	(1,212,030)
Net current assets		3,612,452	3,444,057	3,622,416	3,465,365
Net assets		4,366,759	4,245,530	4,343,649	4,230,783
Funds and reserves					
Restricted funds		857,650	935,730	857,650	935,730
Unrestricted funds		3,485,999	3,295,053	3,485,999	3,295,053
Non-charitable trading funds		23,110	14,747	—	—
	16	4,366,759	4,245,530	4,343,649	4,230,783

Approved by the Board of Directors and authorised for issue on 6 November 2009.

Signed on their behalf:

Nicola Dandridge
Chief Executive

Julian Crampton
Treasurer

The notes on pages 20 to 34 form part of these financial statements.

Consolidated cash flow statement – year ended 31 July 2009

	2009 £	2008 <i>As restated</i> £	
Reconciliation of net incoming resources to net cash flow from operating activities			
Net incoming resources	121,229	169,096	
Bank interest received	122,297	224,008	
Depreciation charges	166,354	150,146	
(Increase) / decrease in debtors	(389,421)	47,660	
Increase in creditors	10,067	117,871	
Net cash inflow from operating activities	30,526	708,781	
Cash flow statement			
Net cash inflow from operating activities	30,526	708,781	
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(119,188)	(174,942)	
Returns on investments			
Bank interest receivable	(192,115)	(244,003)	
Management of liquid resources			
Decrease / (increase) in short term investments	250,000	(400,000)	
Decrease in cash	(30,777)	(110,164)	
Analysis of changes in cash			
	2008 £	Cash Flow £	2009 £
Cash at bank and in hand	1,071,060	(30,777)	1,040,283

Statement of changes in resources applied for fixed assets

	Unrestricted £	Restricted £	Total 2009 £	Total 2008 £
Net movement in funds for the year	285,737	(164,508)	121,229	169,096
Resources used for the acquisition of tangible fixed assets	(104,078)	(15,110)	(119,188)	(174,942)
Net movement in funds available for future activities	181,659	(179,618)	2,041	(5,846)

Notes to the financial statements – year ended 31 July 2009

1. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. The Financial Statements are also prepared in accordance with the recommendations contained within the Statement of Recommended Practice (SORP) *Accounting and Reporting by Charities* published in March 2005 and The Companies Act 2006.

The consolidated financial statements incorporate the results of Universities UK and its subsidiary, Woburn House Conference Centre Limited. In previous years consolidated financial statements were not prepared as the results of the subsidiary were immaterial. This represents a change in accounting policy and the consolidated figures have been restated accordingly. No separate Universities UK statement of financial activities has been prepared, as permitted by paragraph 397 of the SORP and section 408 of the Companies Act 2006.

a. Incoming resources

All income is included in the statement of financial activities when the conditions for receipt have been met and when there is reasonable assurance of receipt.

b. Resources expended

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.

c. 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.

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

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

d. Investments

Investments held as fixed assets are stated at cost, as permitted by SORP 2005 paragraph 297b. In the opinion of the trustees the estimated market value of the investment is not materially different from the cost.

e. Operating leases

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

Notes to the financial statements – year ended 31 July 2009

f. Pensions

The company participates in the Universities Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL). Both are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme. 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.

Both schemes are multi-employer defined benefit schemes and it is not possible to identify the assets and liabilities attributable to the company. In accordance with FRS 17, the schemes are, therefore, accounted for as if they were defined contribution schemes.

g. Universities Scotland and Higher Education Wales

On 1 August 1999, Universities UK amended its memorandum and articles of association, allowing for the formation of national bodies, a National Council for England and Northern Ireland, a National Body for Scotland (Universities Scotland), and a National Council for Wales (Higher Education Wales).

The funds of these National Councils comprise the unrestricted funds of Universities UK. Universities Scotland retains its own legal identity as a recognised body in Scotland and separate accounts for it are prepared and filed with the Scottish Charities Registrar. For accounting purposes, it is treated as a branch of Universities UK, in accordance with its legal status. Higher Education Wales does not retain its own legal identity.

Universities UK budgeted to support financially both Universities Scotland and Higher Education Wales throughout the year. Where the annual net expenditure of these organisations is less than budgeted, any consequent shortfall in the amount of support required from Universities UK in the financial year as a result of this reduction, will be transferred to a designated fund. These designated funds will be reviewed when the level of subsequent financial support from Universities UK is determined.

2. Covenanted income

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 received during the year from CVCP Properties plc was £883,171 (2008: £796,438).

3. Subscriptions from membership

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	<i>Total 2008 £</i>
Universities UK	3,605,377	—	3,605,377	3,579,781
Universities Scotland	410,001	40,000	450,001	392,000
Higher Education Wales	284,841	—	284,841	243,868
Medical Schools Council	—	260,416	260,416	254,032
	<u>4,300,219</u>	<u>300,416</u>	<u>4,600,635</u>	<u>4,469,681</u>

Notes to the financial statements – year ended 31 July 2009

4. Grants and donations

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	<i>Total 2008 £</i>
Higher Education Funding Council for England	—	1,203,905	1,203,905	633,487
Scottish Funding Council	—	128,470	128,470	109,572
Higher Education Funding Council for Wales	—	30,956	30,956	54,466
BERR	—	—	—	50,000
Medical Research Council	—	—	—	36,335
Department of Health	—	161,961	161,961	187,844
BBSRC	—	—	—	34,501
Department for Business, Innovation & Skills	—	1,158,606	1,158,606	2,570,306
Quality Assurance Agency	—	20,000	20,000	20,000
British Council	—	—	—	11,000
VisitScotland	—	30,000	30,000	—
Other agencies	—	21,516	21,516	83,224
	—	2,755,414	2,755,414	3,790,735

Notes to the financial statements – year ended 31 July 2009

5. Funding grants

	Total 2009	<i>Total 2008</i>
	£	£
Matched funding agreement grants:		
The University of Bath	56,250	121,250
Birkbeck College	37,350	79,730
Bournemouth University	40,500	87,900
Brunel University	37,000	58,600
Coventry University	36,000	78,800
Cranfield University	66,250	111,750
De Montfort University	54,000	137,200
The University of East Anglia	22,500	47,500
The University of Essex	27,000	70,600
The University of Greenwich	100,542	87,000
The Institute of Education	13,050	27,990
The University of Kent	41,850	90,830
Kingston University	53,550	131,890
The University of Lancaster	45,000	112,000
The University of Leicester	49,275	116,945
London South Bank University	49,500	108,100
Middlesex University	47,250	117,550
The Nottingham Trent University	66,250	131,750
Oxford Brookes University	36,000	76,800
Ravensbourne College of Design and Communication	24,750	54,050
Royal Northern College of Music	30,713	66,407
The University of Salford	36,000	76,800
The University of Sheffield	15,075	32,385
The University of Sunderland	47,680	67,000
The University of Surrey	47,250	117,550
The University of Sussex	31,500	67,700
York St John College	15,750	33,850
	1,127,835	2,309,927
Equality Challenge Unit Limited	77,892	77,892
	1,205,727	2,387,819

The Matched Funding Scheme was jointly set up with the Department for Industry, Universities and Skills to administer a scheme to develop fundraising capacity in selected institutions.

Certain trustees are Vice Chancellors of institutions in receipt of matched funding grants. None of these trustees had influence over or were involved in the grant-making process.

Notes to the financial statements – year ended 31 July 2009

6. Analysis of total resources expended

	Staff costs £	Other direct costs £	Support costs £	Total 2009 £	Total 2008 As restated £
Cost of Generating Funds					
Costs of generating voluntary income	32,206	10,683	8,946	51,835	48,153
Fundraising trading: costs of goods sold and other costs	206,532	471,413	39,796	717,741	693,334
Charitable activities					
Lobbying	595,836	273,514	197,775	1,067,125	1,015,036
Information	692,743	394,379	248,480	1,335,602	1,306,037
Influencing and advocacy	747,600	314,974	240,210	1,302,784	1,261,285
Research and policy	1,227,097	1,501,193	623,305	3,351,595	3,064,286
Conferences	98,046	45,319	29,904	173,269	140,592
Grants paid	—	1,205,727	—	1,205,727	2,387,819
Governance	71,199	37,207	22,624	131,030	137,567
Total resources expended	3,671,259	4,254,409	1,411,040	9,336,708	10,054,109

Support costs allocations

	Staff related costs £	Premises costs £	Office admin £	IT costs £	Travel £	Dep'n £	Total 2009 £	Total 2008 £
Cost of Generating Funds								
Costs of generating voluntary income	2,597	5,137	355	368	10	479	8,946	8,383
Fundraising trading: costs of goods sold and other costs	12,966	20,723	2,454	1,485	247	1,921	39,796	40,770
Charitable activities								
Lobbying	62,797	106,977	9,165	7,691	971	10,174	197,775	191,467
Information	77,078	133,880	14,189	9,634	1,022	12,677	248,480	250,495
Influencing and advocacy	75,932	130,521	10,907	9,373	1,122	12,355	240,210	235,774
Research and policy	197,801	335,638	30,926	24,147	2,861	31,932	623,305	574,021
Conferences	8,682	17,172	1,186	1,230	33	1,601	29,904	24,476
Governance	6,787	12,768	913	914	54	1,188	22,624	23,721
Total resources	444,640	762,816	70,095	54,842	6,320	72,327	1,411,040	1,349,107

Governance costs are made up of the following:	Total 2009 £	Total 2008 £
External audit and other professional fees	15,659	14,173
Apportionment of committee officer's costs (based on time spent)	35,515	44,382
Apportionment of directors' costs (based on time spent)	42,155	39,376
Apportionment of establishment costs (based on usage)	12,768	14,167
Administration costs	24,516	25,080
Trustees' meeting expenses and related administration costs	417	479
	131,030	137,657

Notes to the financial statements – year ended 31 July 2009

6. Resources Expended (continued)

	Total 2009	<i>Total 2008 As restated</i>
	£	£
Other direct costs include:		
Payments to auditors:		
. For audit services – current year	12,507	12,363
. For audit services – prior year (irrecoverable VAT)	2,322	1,000
. For other services	830	810
Operating lease rentals:		
. Land and buildings	784,003	764,722
. Office and equipment	25,705	35,246

7. Analysis of staff costs

	Total 2009	<i>Total 2008</i>
	£	£
Total staff costs including full and part-time employees were:		
Salaries and wages	3,379,497	3,151,511
Social security costs	279,097	270,897
Pensions	437,287	417,917
	4,095,881	<i>3,840,325</i>

	2009 No.	<i>2008 No.</i>
The average number of employees throughout the year was:		
Generating funds	2.0	2.0
Generating voluntary income	0.5	0.5
Lobbying	9.0	10.0
Information	14.0	14.0
Influencing and advocacy	14.0	15.0
Research and policy	26.0	24.0
Conferences	2.0	2.0
Governance	1.5	1.5
Support staff	10.0	9.0
Trading activities – Woburn House Conference Centre Ltd	3.0	3.5
	82.0	<i>81.5</i>

	2009 No.	<i>2008 No.</i>
The number of employees whose emoluments exceeded £60,000 (excluding employer's pension contributions) were:		
£60,001 - £70,000	2	1
£70,001 - £80,000	2	5
£80,001 - £90,000	2	1
£90,001 - £100,000	1	—
£130,001 - £140,000	—	1
£140,001 - £150,000	1	—

The total emoluments paid to the chief executive were £149,777 (2008: £134,016). The total employer pension contributions for higher paid staff as shown above were £73,262 (2008: £93,458).

Notes to the financial statements – year ended 31 July 2009

8. Trustees' emoluments

No trustees received any remuneration for their services.

During the year travel and accommodation expenses reimbursed to one trustee amounted to £2,003 (2008: two trustees - £6,233).

9. Taxation

Universities UK is a charity and thus, under the Income and Corporation Taxes Act 1988, SS505 and 506, is entitled to exemptions from corporation and income tax on its charitable activities.

10. Fixed assets

Group	Furniture & Equipment £	Office Technology £	Total £
Cost			
At 1 August 2008	492,327	554,464	1,046,791
Additions	12,164	107,024	119,188
Disposals	(3,200)	(4,925)	(8,125)
At 31 July 2009	<u>501,291</u>	<u>656,563</u>	<u>1,157,854</u>
Depreciation			
At 1 August 2008	453,199	392,119	845,318
Charge for year	23,303	143,051	166,354
Disposals	(3,200)	(4,925)	(8,125)
At 31 July 2009	<u>473,302</u>	<u>530,245</u>	<u>1,003,547</u>
Net book value			
At 31 July 2009	<u>27,989</u>	<u>126,318</u>	<u>154,307</u>
At 31 July 2008	<u>39,128</u>	<u>162,345</u>	<u>201,473</u>

Notes to the financial statements – year ended 31 July 2009

10. Fixed assets (continued)

	Furniture & Equipment £	Office Technology £	Total £
Universities UK			
Cost			
At 1 August 2008	400,147	506,261	906,408
Additions	—	92,361	92,361
Disposals	—	(4,925)	(4,925)
At 31 July 2009	<u>400,147</u>	<u>593,697</u>	<u>993,844</u>
Depreciation			
At 1 August 2008	377,549	363,441	740,990
Charge for year	11,541	125,005	136,546
Disposals	—	(4,925)	(4,925)
At 31 July 2009	<u>389,090</u>	<u>483,521</u>	<u>872,611</u>
Net book value			
At 31 July 2009	<u>11,057</u>	<u>110,176</u>	<u>121,233</u>
At 31 July 2008	<u>22,598</u>	<u>142,820</u>	<u>165,418</u>

11. Investments held as fixed assets

Group and Universities UK	Total 2009 £	<i>Total 2008 £</i>
CVCP Properties plc ordinary shares of £1 each	50,000	<i>50,000</i>
CVCP Properties plc preference shares of £1 each	550,000	<i>550,000</i>
	<u>600,000</u>	<i><u>600,000</u></i>

CVCP Properties plc is an unquoted company and the shares are stated at cost. In the trustees' opinion, the market value of the investment is not materially different from the cost at the balance sheet date.

12. Debtors

	Group		Universities UK	
	2009 £	<i>2008 £</i>	2009 £	<i>2008 £</i>
Trade debtors	117,939	<i>143,457</i>	80,038	<i>84,633</i>
Amounts due from subsidiary undertakings	—	—	166,669	<i>141,065</i>
Other debtors	899,559	<i>812,360</i>	899,545	<i>811,929</i>
Prepayments and accrued income	687,450	<i>289,892</i>	684,989	<i>287,164</i>
	<u>1,704,948</u>	<i><u>1,245,709</u></i>	<u>1,831,241</u>	<i><u>1,324,791</u></i>

Notes to the financial statements – year ended 31 July 2009

13. Creditors: amounts falling due within one year

	Group		Universities UK	
	2009 £	2008 £	2009 £	2008 £
Trade creditors	353,635	397,462	298,214	358,288
Amounts due to subsidiary undertakings	—	—	8,699	6,201
Taxation and social security	101,203	85,889	88,840	71,465
Other creditors	63,059	61,408	63,059	61,408
Accruals and deferred income	754,882	717,953	751,403	714,668
	1,272,779	1,262,712	1,210,215	1,212,030

14. Contingent liability

Assessments relating to underdeclared output VAT as reported in the 31 July 2008 financial statements were withdrawn in April 2009 by HM Revenue & Customs. There is therefore no contingent liability at the balance sheet date.

15. Operating lease commitments

	Total 2009 £	Total 2008 £
Group and Universities UK		
Leases which expire within one year:		
. Office equipment	13,369	—
. Land and buildings	56,681	—
Expiring within two to five years:		
. Office equipment	14,751	36,130
. Land and buildings	20,173	77,541
Expiring after five years:		
. Land and buildings	714,886	681,331
	819,860	795,002

Notes to the financial statements – year ended 31 July 2009

16. Movement in funds

	<i>At 1 August 2008</i>	Incoming Resources	Resources Expended	Transfers	<i>At 31 July 2009</i>
	£	£	£	£	£
Unrestricted funds					
Investment fund	600,000	—	—	—	600,000
Universities Scotland / Higher Education Wales	257,101	17,433	—	—	274,534
General funds	2,437,952	6,290,935	(6,030,994)	(86,428)	2,611,465
	<u>3,295,053</u>	<u>6,308,368</u>	<u>(6,030,994)</u>	<u>(86,428)</u>	<u>3,485,999</u>
Restricted funds					
Medical Schools Council	326,372	333,587	(312,659)	(7,450)	339,850
Role of Doctor	45,000	1,000	(40,975)	—	5,025
Foundation Programme	—	150,000	(120,310)	(1,981)	27,709
Overseas Research Students Awards Scheme	24,535	—	—	—	24,535
Europe Unit	51,290	178,266	(329,655)	137,868	37,769
International Unit	45,774	386,018	(371,775)	(38,799)	21,218
UK / US Study Group	—	10,000	(15,572)	5,572	—
Universities Scotland (US):					
International Unit	14,787	32,600	(33,627)	—	13,760
US: Student Retention	—	12,500	(345)	—	12,155
US: Rwanda	3,117	16,385	(9,117)	—	10,385
US: Process Innovation	—	10,000	—	—	10,000
US: Homecoming Project	—	60,000	(54,607)	—	5,393
Measuring and recording student achievement	2,502	499,686	(317,662)	(438)	184,088
StLaR Foresight Project	20,211	—	—	—	20,211
Pension Strategy	56,827	105,550	(138,296)	—	24,081
UKRIO	114,386	56,961	(151,375)	(6,569)	13,403
Graduate Employability	—	49,980	(49,980)	—	—
Recession Project	—	5,750	(5,000)	—	750
Security Sensitive Research	—	10,000	(10,000)	—	—
Mental Health Committee	21,053	8,746	(1,632)	(453)	27,714
Procurement Project	—	30,000	—	—	30,000
Senior Appointments	318	81,511	(77,233)	—	4,596
Research Concordat	—	29,156	(16,910)	—	12,246
Matched Funding agreement	186,656	1,008,663	(1,164,908)	—	30,411
Delivery Partnership	—	79,963	(78,639)	(1,324)	—
Int. Student Scholarship	15,000	(15,000)	—	—	—
Higher Education Wales: Why Wales?	5,448	(115)	(5,333)	—	—
Other	2,454	(1)	(104)	2	2,351
	<u>935,730</u>	<u>3,141,206</u>	<u>(3,305,714)</u>	<u>86,428</u>	<u>857,650</u>
Universities UK – total funds					
Non-charitable trading funds	14,747	8,363	—	—	23,110
Group – total funds	<u>4,245,530</u>	<u>9,457,937</u>	<u>(9,336,708)</u>	<u>—</u>	<u>4,366,759</u>

Notes to the financial statements – year ended 31 July 2009

16. Movement in funds (continued)

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.

Brief details of the objectives of each of the restricted funds are set out below:

The **Medical Schools Council** acts as the authoritative voice for Heads/Deans of University Faculties of Medicine and Medical Schools.

The **Role of the Doctor** fund was set up to fund a conference in October 2008 on the role of the doctor.

The **Foundation Programme** funded a steering group to carry out an option appraisal for the best approach for selection into Foundation Training in the UK.

The **Overseas Research Students Awards Scheme** provides scholarships for international postgraduate students.

The UK HE **Europe Unit**, seeks to raise HEI's awareness of and engagement in key European HE initiatives and promote UK HE in European decision-making forums.

The **International Unit** aims to exert influence through enabling individual higher education institutions to sharpen the focus of their thinking about international and global issues.

The **UK/US Study Group** was set up to consider a wide range of issues relating to the links between, and common interests of, the UK and American higher education systems.

The **Universities Scotland International Unit** was set up to develop and implement policy and carry out research on international issues on behalf of the Scottish higher education sector.

The **Student Retention** project will collect and analyse data on student retention in Scottish universities with the ultimate aim of development of best practice in this area.

The **Rwanda** project was set up to provide support for international activities in Rwanda.

Process Innovation is a programme to improve connections between the business sector and universities.

Homecoming Scotland 2009 is a programme of activities organised by VisitScotland to promote Scotland on the international stage. Universities Scotland are participating in the activities with a touring exhibition called "Where Tomorrow Begins", highlighting the innovations of Scottish universities.

Measuring and Recording Student Achievement - a HEFCE funded project to implement the recommendations in "Beyond the honour degree classification – The Burgess Group final report.

The **StLaR Foresight Project** relates to joint working with The Strategic Learning and Research Advisory Group for Health and Social Care (StLaR) on learning and research issues in health and social care at a central government level.

The **Pension Strategy** fund was set up to develop a comprehensive pensions strategy for the higher education sector covering a ten year period.

UK Panel for Research Integrity in Health and Biomedical Sciences (UKRIO) is an initiative to support the HEI and NHS communities promote good research conduct and develop systems to handle research misconduct.

Graduate Employability identified good practice in the development of employability skills within undergraduate HE programmes and work placements.

The **Recession** fund was set up to fund research into the consequences of the economic downturn and the role the HE sector can play in economic recovery.

Security Sensitive Research – a DIUS funded project to develop a guidance note for universities on considerations when undertaking research into extremism.

The **Mental Health Committee** fund was set up to run conferences on mental health issues.

Procurement - funding towards the cost of producing "Procurement Best Practice Guide" for universities.

Senior Appointments project deals with the method of appointing Vice-Chancellors and other senior university staff.

Notes to the financial statements – year ended 31 July 2009

16. Movement in funds (continued)

The **Research Concordat** is a project to implement the *Concordat to Support the Career Development of Researchers*. The Concordat sets out the expectations and responsibilities of researchers, their managers, employers and funders.

The **Matched Funding Scheme** was jointly set up with the DIUS to administer a scheme to develop fundraising capacity in selected institutions.

The **Delivery Partnership** was established in autumn 2006 to implement reforms to the higher education applications process.

International Student Scholarships was set up to undertake a report on institutional scholarship policies and investment. This fund was not required and was returned during the financial year.

The **Higher Education Wales: Why Wales?** fund was set up to undertake a survey on student attitudes to applying to Welsh Higher Education Institutions.

17. Allocation of net assets between funds

The net assets held for various funds are as follows:

	Tangible assets £	Investments £	Net current assets £	Total
Restricted funds	12,039	—	845,611	857,650
Unrestricted funds	109,194	600,000	2,776,805	3,485,999
Charity total	121,233	600,000	3,622,416	4,343,649
Non-charitable trading funds	33,074	—	(9,964)	23,110
Group total	154,307	600,000	3,612,452	4,366,759

Notes to the financial statements – year ended 31 July 2009

18. Subsidiary

The charity owns 100% of the share capital of Woburn House Conference Centre Ltd. 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 2009 and 2008, 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 2009	<i>Total 2008</i>
	£	£
Profit and loss account:		
Turnover	676,906	608,760
Cost of sales	(364,809)	(365,069)
Gross profit	312,097	243,691
Administration costs	(48,551)	(37,810)
Staff costs	(111,018)	(97,126)
Operating profit	152,528	108,755
Interest receivable	1,496	5,764
Gift aid payment to Universities UK	(145,661)	(119,131)
Profit/(Loss) on ordinary activities before taxation	8,363	(4,612)
Taxation	—	—
Profit/(Loss) on ordinary activities after taxation	8,363	(4,612)
	Total 2009	<i>Total 2008</i>
	£	£
Balance sheet:		
Fixed assets	33,074	36,055
Current assets	227,968	176,640
Creditors: amounts falling due within one year	(237,932)	(197,948)
Net current liabilities	(9,964)	(21,308)
Total assets less current liabilities	23,110	14,747
Represented by:		
Share capital	2	2
Profit and loss account	23,108	14,745
	23,110	14,747

Notes to the financial statements – year ended 31 July 2009

19. Pensions

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

Both of these pension schemes are of the defined benefit type and are multi-employer schemes, with assets held in separate trustee-administered funds. Universities UK has adopted FRS 17 "Retirement Benefits". However, as it is not possible to identify each participating employer's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis, contributions to the schemes are accounted for as if the schemes were of the defined contribution type, in accordance with FRS 17. This means that the cost recognised within the statement of financial activities is equal to the contributions payable to the schemes for the year.

A summary of information (including the most significant assumptions) relevant to the two schemes and Universities UK's participation in them is given below.

	USS	SAUL
Date of most recent actuarial valuation	31 March 2008	31 March 2008
Valuation frequency	Triennial	Triennial
Assumptions used in valuation:		
. Discount rate	4.4%	4.3%
. Inflation	3.6%	3.6%
. Return on investments pre-retirement – past service	6.1%	6.9%
. Return on investments pre-retirement – future service	6.1%	7.0%
. Return on investments post-retirement – past service	4.4%	4.8%
. Return on investments post-retirement – future service	4.4%	5.0%
. Salary increases, per annum	4.3%	4.9%
. Pension increases, per annum	3.3%	3.4%
. Active members retirement age	62	62
. Mortality tables	PA92 Medium Cohort rated down 1 year for males	PA92 Medium Cohort plus 1 year
. Life expectancy on retirement at 65 (male / female):		
.. Members currently aged 65 (years)	22.8 / 24.8	
.. Members currently aged 45 (years)	24.0 / 25.9	
Assets of scheme at valuation date	£28,843m	£1,266m
Past service liabilities of scheme at valuation date	£28,136m	£1,265m
Net surplus (deficit) in scheme at valuation date	£707m	£1m
Funding level	103%	100%
Valuation method	Projected unit	Projected unit
Pension Protection Fund funding level	107%	107%
Wind-up Basis funding level	79%	80%
Employer contribution rate (%age of pensionable salary)	14%, rising to 16% from 1 October 2009	13%
Group contributions for the year ended 31 July 2009	£344,538	£92,810
<i>Group contributions for the year ended 31 July 2008 as restated</i>	<i>£328,716</i>	<i>£89,201</i>

Notes to the financial statements – year ended 31 July 2009

19. Pensions (continued)

USS additional notes:

Since 31 March 2008, global investment markets have continued to fall and at 31 March 2009, the scheme actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 74%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (which affect the various assumptions).

20. Parent charity

No separate statement of financial activities has been presented as permitted by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005. Gross income for the parent charity was £9,062,000 and gross expenditure was £8,949,000, resulting in a surplus of £113,000.

21. 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 2009 there were 133 members (31 July 2008: 132).



About Universities UK

This publication has been produced by Universities UK, which is the representative body for the executive heads of UK universities and is recognised as the umbrella group for the university sector. It works to advance the interests of universities and to spread good practice throughout the higher education sector.

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ISBN 978 1 84036 221 3

November 2009