

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**UNAUDITED**

**COUNCIL'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2019**

---

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

CONTENTS

---

	Page
<b>Reference and Administrative Details of the Charity, its Council and Advisers</b>	1
<b>Council's Report</b>	2 - 8
<b>Independent Examiner's Report</b>	9
<b>Statement of Financial Activities</b>	10
<b>Balance Sheet</b>	11
<b>Statement of Cash Flows</b>	12
<b>Notes to the Financial Statements</b>	13 - 28

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS COUNCIL AND ADVISERS FOR THE YEAR ENDED 31 JULY 2019

---

<b>Council</b>	Sean Cavan, Chair Kevin Mattinson, Vice Chair Trevor Mutton Roger Woods, Treasurer Moyra Bolan Jake Capper Caroline Daly Julie Greer Des Hewitt Emma Hollis Alex Kendall John Luker (appointed 1 January 2020) Linda La-Velle Rachel Lofthouse Karen McGrath Joanna McIntyre Margaret Mulholland Tanya- Ovenden-Hope Jim Pugh Roisin McPhillemy Cat Scutt Simon Thompson Matt Varley Alison Winson
<b>Charity registered number</b>	275082
<b>Principal office</b>	9-11 Endsleigh Gardens London WC1H 0EH
<b>Executive director</b>	Mr J Noble-Rogers
<b>Accountants</b>	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
<b>Bankers</b>	Barclays Bank plc PO Box 2 Cambridge CB2 3PZ
<b>Investment Manager</b>	Cheviot Asset Management 90 Long Acre London WC2E 9RA

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### COUNCIL'S REPORT FOR THE YEAR ENDED 31 JULY 2019

---

The Executive Committee present their annual report together with the audited financial statements of Universities Council for the Education of Teachers (UCET) (the charity) for the ended 31 July 2018. The Council confirm that the Council's Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### OBJECTIVES AND ACTIVITIES

##### a. Policies and objectives

The object of UCET is to promote high standards in the education and professional development of teachers and other professional educators and to encourage educational enquiry and research. To this end it will:

- Facilitate communication and co-operation between members.
- Provide a forum for sharing information across the UK and internationally.
- Enhance the quality and impact of education through the application and championing of research.
- Influence the development and implementation of policy by working in partnership with other agencies and by undertaking communications activities.
- Champion the professional status of educators throughout the UK.
- Articulate the role of education as an interdisciplinary field of study that adds value to the creation and communication of knowledge within the higher education community.

A new UCET strategy was launched in November 2015 with new vision and mission statements.

The vision is:

*'High educational and personal achievement for all learners through excellence in teacher education'*

The mission is:

*'To act as an independent and authoritative voice on teacher education while supporting the quality, sustainability and professionalism of teacher education by encouraging cohesive partnerships, engaging constructively with stakeholders and drawing on research from across the UK and internationally'*

UCET provides public benefit through the identification and promulgation of best practice in teacher education, by disseminating the findings of education research and by supporting universities involved in teacher education & education research. In the exercise of our powers to that end we have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2011

In setting objectives and planning for activities, the Council have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

---

#### OBJECTIVES AND ACTIVITIES (CONTINUED)

##### b. Strategies for achieving objectives

UCET's key objectives, and strategies for achieving those objectives, for the period of this report were set out in the November 2015 Strategic Plan.

UCET's strategic priorities are to:

- Work to develop coherent pathways of career-long professional development for all teachers that are informed by research and models of effective partnership
- Collaborate to secure a cohesive and sustainable teacher education infrastructure that meets the needs of all learners by promoting the distinctive contribution of the HE sector to teacher education and the importance of a qualified workforce
- Engage with policy and practice, collaborating with partners from schools, children's centres, colleges, the research community and from government and other organisations to secure effective initial teacher education and continuing professional development.

To achieve these priorities we will:

- Advocate: We will represent and support professional teacher educators and promote the skills, expertise and knowledge base of higher education and its access to research from across the UK and overseas
- Support our membership: Offer information, advice and other services and support a cohesive professional community that reflects changing and differing policy contexts and is based on research and evidence
- Develop our operational effectiveness: Be a responsive, efficient and effective organisation, meeting the needs of all our members.

##### c. Activities undertaken to achieve objectives

Significant activities that contribute towards meeting the above objectives include:

- Regular committee meetings, seminars, conferences and symposia to facilitate the sharing of information, views and best practice amongst the membership;
- Keeping members informed of all relevant recent local, regional, national and international issues and developments;
- Input into the development of policies and procedures by government and other key agencies;
- Providing focused advice and support to individual member institutions; and
- Continuous monitoring and review of internal processes and procedures.

##### d. Grant-making policies

Each year UCET has awarded Gordon Kirk travel scholarships worth up to £2,000 each to colleagues from member institutions who are new to teacher education to undertake research in other countries. These are funded through a donation from the Hewett Driver Trust.

2018/19  
Alexia Barrable  
Michele Fuller  
John Thornby  
Shaun Thompson

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

---

#### OBJECTIVES AND ACTIVITIES (CONTINUED)

##### e. Volunteers

All committee and forum members contribute their time (one meeting each term) free of charge. Committee and forum chairs, vice chairs and officers contribute increased amounts of time through, inter alia, attendance at formal policy and business meetings.

#### ACHIEVEMENTS AND PERFORMANCE

##### a. Review of activities

Progress of achievement against objectives is considered regularly by the Executive Committee and by the Management Forum. Full details can be found in the termly newsletters issued at the end of each term.

##### b. Investment policy and performance

UCET's Investment Policy is to maximise income while maintaining the level of the investments. The Investment Manager appointed on behalf of UCET manages the portfolio in a way that, while having due consideration to risk, maximises returns.

#### FINANCIAL REVIEW

##### a. Reserves policy

It is the Council's policy to maintain the unrestricted fund balance at a sufficient level to enable UCET to continue for a period of 12 months (1 years expenditure on average is £539,305). The Council considers that the level of free reserves, currently £484,852, is adequate and will work on building reserves to the level of average expenditure.

##### b. Financial Review

The Statement of Financial Activities sets out the incoming and outgoing resources for the year and shows a net deficit of £26,184 (2018: surplus of £39,627) after investment gains and losses and movement in the USS pension provision. Excluding the movement in the pension provision, a surplus of £50,201 (2018: £40,874) was achieved from operating activities. The balance sheet summarises the financial position. At the year-end restricted funds were £39,383 (2018: £43,251) and unrestricted funds were £484,852 (2018: £507,168). The Council considers the state of the Charity's affairs to be satisfactory.

##### c. Principal risks and uncertainties

A risk assessment is carried out at each meeting of the Executive Committee. This is prepared, in the first instance, by the Executive Director and subsequently amended in the light of Executive Committee discussion.

The key risks facing the organisation and its membership are those resulting from changes to the development and implementation of teacher education policy, and are mitigated (in accordance with the strategic plan) by maintaining an open and constructive dialogue with policy makers and by continuing to provide a valuable service to member institutions.

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

---

#### Strategic report (CONTINUED)

#### FINANCIAL REVIEW (CONTINUED)

##### d. Principal funding

UCET's principal source of funding is the annual subscriptions paid by member institutions. This is supplemented by income from publications and events such as conferences, seminars, discussion meetings and symposia. All funds received, from whatever source, are used to meet the objectives of the organisation through the provision of advice, the sharing of information, the hosting of events, attendance at events and meeting and communicating with key decision makers and influencers.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### a. Constitution

The Universities Council for the Education of Teachers was formally constituted in the summer of 1967 by an amalgamation of the Conference of Institute Directors and the Conference of Heads of University Departments of Education. In September 1993 they came together with the Polytechnics Council for the Education of Teachers to form a new enlarged UCET. A revised Constitution was approved and adopted at the Annual General Meeting of the Council on 14 March 1996. This has enabled University sector Colleges to join UCET. Further revisions to the Constitution were approved in December 2006 and December 2012 and July 2014.

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

---

#### STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

##### **b. Methods of appointment or election of Council**

Each teacher education institution which is a subscriber to the Universities Council for the Education of Teachers may nominate one member to the Council for a one year period.

The supreme decision-taking body in UCET is the Executive Committee, members of which will have the legal and other responsibilities of trustees of the organisation.

The Executive Committee consists of:

- The Honorary Officers: Chair, Vice-Chair, Chair-Elect (the person elected as Chair for the coming year, in relevant years only) and Treasurer, as elected by the members of the UCET Council.
- The chairs of each forum/committee, as elected by members of the forum/committee concerned.
- Five members elected by the UCET Council.
- Up to five members co-opted by the Committee.
- Up to three members elected by the UCET School Reference Group

Co-opted members of the Executive are selected in the light of organisational priorities and an audit of the skills, experience and background of existing Executive Committee members. Other members of the Committee are elected by the constituencies described above. New members of the Executive Committee are given a job description explaining their roles (including their responsibilities as trustees) and are briefed by the Executive Director.

Those who served on the Executive Committee during the year covered by this report were:

Sean Cavan, Chair  
Kevin Mattinson, Vice Chair  
Roger Woods, Treasurer  
Pat Black  
Moyra Bolan  
Linda Clarke  
Caroline Daly  
Julie Greer  
Rachael Harding  
Emma Hollis  
Alex Kendall  
Linda La-Velle  
Rachel Lofthouse  
Karen McGrath  
Trevor Mutton  
Margaret Mullholland  
Tanya-Ovenden-Hope  
Jim Pugh  
Cat Scutt  
Malcolm Thomas (resigned December 2019)  
Simon Thompson  
Matt Varley  
Alison Winson

All key strategic decisions are taken by the Executive Committee in the light of advice from the Executive Director and other senior staff and, where relevant, the appropriate forum or committee. Operational and strategy implementation decisions are taken by the Executive Director in consultation with relevant colleagues and trustees.

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### COUNCIL'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

---

#### STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Forums and committees during the year in question were:

- Continuing Professional Development.
- Initial Teacher Education Primary & Early Years.
- Initial Teacher Education Secondary.
- Management
- Research & International.
- Post-16.
- Universities and Schools Council for the Education of Teachers (Cymru).
- UCET Northern Ireland.

There is also a School Reference Group consisting of senior school leaders and selected members of the Executive Committee. The school members of this group elect up to three members of the Executive Committee.

#### **c. Policies adopted for the induction and training of Council**

Each member institution is entitled to one formal representative on each standing forum (other than USCET & Northern Ireland committee, which include representatives from member institutions in those countries only). The Chairs and Vice Chairs of each forum/committee are elected by forum/committee members. Member institutions supplying the Chair and Vice Chair of a forums and committees are entitled to an additional place on that forum or committee.

#### **d. Pay policy for key management personnel**

Key management is carried out by the Executive Director, James Noble-Rogers. In the 2018/19 year this remuneration was £107,010 (2018: £103,280)..

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**COUNCIL'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2019**

---

**STATEMENT OF COUNCIL'S RESPONSIBILITIES**

The Council are responsible for preparing the Council's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Council on ..... and signed on their behalf by:

.....  
**Sean Cavan**  
Chair

.....  
**Roger Woods**  
Treasurer

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 JULY 2019

---

#### Independent Examiner's Report to the Council of Universities Council for the Education of Teachers ('the charity')

I report to the charity Council on my examination of the accounts of the charity for the year ended 31 July 2019.

#### Responsibilities and Basis of Report

As the Council of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent Examiner's Statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the charity's Council, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Council those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Council as a body, for my work or for this report.

Signed:

Dated:

Kelly Bretherick

FCA

Peters Elworthy & Moore

Chartered Accountants, Salisbury House, Station Gate, Cambridge. CB1 2LA

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 JULY 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>					
Donations	4	-	-	-	106,000
Charitable activities	5	471,577	-	471,577	468,297
Investments	6	21,378	765	22,143	21,992
<b>TOTAL INCOME</b>		<b>492,955</b>	<b>765</b>	<b>493,720</b>	596,289
<b>EXPENDITURE ON:</b>					
Raising funds - investment managers fees		1,272	-	1,272	3,123
Charitable activities	7	513,672	4,000	517,672	557,540
<b>TOTAL EXPENDITURE</b>		<b>514,944</b>	<b>4,000</b>	<b>518,944</b>	560,663
Net (losses)/gains on investments		(327)	(633)	(960)	4,001
<b>NET MOVEMENT IN FUNDS</b>		<b>(22,316)</b>	<b>(3,868)</b>	<b>(26,184)</b>	39,627
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		507,168	43,251	550,419	510,792
Net movement in funds		(22,316)	(3,868)	(26,184)	39,627
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>484,852</b>	<b>39,383</b>	<b>524,235</b>	550,419

The notes on pages 13 to 28 form part of these financial statements.

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

**BALANCE SHEET  
AS AT 31 JULY 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Investments	10	<b>589,121</b>	574,281
		<u>589,121</u>	<u>574,281</u>
<b>CURRENT ASSETS</b>			
Debtors	11	<b>378,165</b>	344,743
Cash at bank and in hand		<b>140,124</b>	110,992
		<u>518,289</u>	<u>455,735</u>
Creditors: amounts falling due within one year	12	<b>(467,369)</b>	(440,176)
<b>NET CURRENT ASSETS</b>		<b>50,920</b>	15,559
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>640,041</b></u>	<u>589,840</u>
Provisions for liabilities		<b>(115,806)</b>	(39,421)
<b>NET ASSETS EXCLUDING PENSION ASSET</b>		<u><b>524,235</b></u>	<u>550,419</u>
<b>TOTAL NET ASSETS</b>		<u><b>524,235</b></u>	<u>550,419</u>
<b>CHARITY FUNDS</b>			
Restricted funds	13	<b>39,383</b>	43,251
Unrestricted funds	13	<b>484,852</b>	507,168
<b>TOTAL FUNDS</b>		<u><b>524,235</b></u>	<u>550,419</u>

The financial statements were approved and authorised for issue by the Council on ..... and signed on their behalf by:

.....  
**Sean Cavan, Chair**

.....  
**Roger Woods, Treasurer**

The notes on pages 13 to 28 form part of these financial statements.

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2019**

---

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash used in operating activities	15	<b>22,789</b>	(96,302)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest		<b>22,143</b>	21,992
Net (purchase)/ proceeds of investments		<b>(15,800)</b>	(34,348)
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>			
		<b>6,343</b>	<b>(12,356)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>			
Cash and cash equivalents at the beginning of the year		<b>110,992</b>	219,650
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
	16	<b>140,124</b>	110,992

The notes on pages 13 to 28 form part of these financial statements

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

---

#### 1. GENERAL INFORMATION

Universities Council for the Education of Teachers is an unincorporated charity. The registered office is 9-11 Endleigh Gardens, London, WC1H 0EH.

The principal activity of the Charity is to promote high standards in the education and professional development of teachers, other professional educators, and to encourage educational enquiry and research, with particular reference to topics which are the special concern of those engaged in higher education based teaching, and to disseminate the results of such enquiries and research.

A summary of accounting policies adopted is set out below.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Universities Council for the Education of Teachers meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 2.2 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

##### 2.3 GOING CONCERN

The Trustees have reviewed the financial position of the charity and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 INCOME**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Membership income is recognised in the period it relates, with subscriptions received early being deferred.

Grant income is recognised in the period it relates.

Conference income is recognised when the event takes place.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**2.5 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on raising funds represents the fees paid to investment managers in connection with the management of the charity's listed investments.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

**2.7 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.9 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

**2.10 FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.11 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

---

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.12 PENSIONS**

The Charity participates in Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The Charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Charity therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme.

Since the Charity has entered into an agreement (the recovery plan) that determines how each employer within the scheme will fund the overall deficit, the Charity recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

**3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

FRS102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The Executive Committee are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**4. INCOME FROM DONATIONS**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Grants	-	-	106,000

**5. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Membership income	397,708	<b>397,708</b>	390,780
Conference income	73,543	<b>73,543</b>	77,189
Other income	326	<b>326</b>	328
<b>TOTAL 2019</b>	<b>471,577</b>	<b>471,577</b>	<b>468,297</b>

**6. INVESTMENT INCOME**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Interest received	357	-	<b>357</b>	155
Investment income	21,021	765	<b>21,786</b>	21,837
	<b>21,378</b>	<b>765</b>	<b>22,143</b>	<b>21,992</b>
<b>TOTAL 2018</b>	<b>21,192</b>	<b>800</b>	<b>21,992</b>	

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**7. ANALYSIS OF EXPENDITURE**

	<b>Activities undertaken directly 2019 £</b>	<b>Grant funding of activities 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Promotion of high standards in education	462,032	-	55,640	<b>517,672</b>	557,540
<b>TOTAL 2018</b>	<b>424,933</b>	106,000	26,607	<b>557,540</b>	

In 2018, of the total costs, restricted costs were £111,000 and unrestricted costs were £449,663. Included within restricted costs was a grant to the University of Ulster amounting to £106,000 (2019: £nil).

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	<b>332,074</b>	266,152
Travel	<b>18,596</b>	18,769
Subscriptions	<b>359</b>	179
Travel scholarship	<b>4,000</b>	5,000
Conference and meetings	<b>102,988</b>	111,786
Bad debt expense	<b>3,171</b>	22,327
Other staff costs	<b>844</b>	720
	<b>462,032</b>	424,933

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**7. ANALYSIS OF EXPENDITURE (CONTINUED)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	Total funds 2018 £
Staff training	<b>1,066</b>	-
Rent and service charge	-	(25,278)
Telephone	<b>1,545</b>	1,493
Insurance	<b>2,308</b>	-
Stationery and printing	<b>12,544</b>	13,422
IT costs	<b>11,931</b>	21,210
Marketing	<b>500</b>	-
Bank charges	<b>214</b>	200
Legal and professional costs	<b>8,056</b>	-
Sundry costs	<b>795</b>	-
Accountancy fees - governance	<b>16,681</b>	15,560
	<b>55,640</b>	26,607

**8. INDEPENDENT EXAMINER'S REMUNERATION**

	<b>2019 £</b>	2018 £
Fees payable to the charity's independent examiner for the independent examination of the charity's annual accounts	<b>6,385</b>	6,200
Fees payable to the charity's independent examiner in respect of: All other services not included above	<b>10,296</b>	8,460
	<b>-</b>	900

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**9. STAFF COSTS**

	<b>2019</b>	2018
	<b>£</b>	£
Wages and salaries	<b>205,219</b>	217,430
Social security costs	<b>19,793</b>	19,266
Contribution to defined contribution pension schemes	<b>107,062</b>	29,456
	<u><b>332,074</b></u>	<u>266,152</u>

The average number of persons employed by the charity during the year was as follows:

	<b>2019</b>	2018
	<b>No.</b>	No.
Employees	<u><b>5</b></u>	<u>5</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	<b>1</b>	-

The above numbers do not include Council members who are not permitted to receive remuneration for their duties.

During the year, no Council member received any remuneration or any benefits in kind. 2 Council members (2018: 2) received reimbursement of expenses amounting to £818 (2018: £1,114).

The key management personnel of the charity comprise the Council Members and Executive Director. The Council Members all give their time and expertise without any kind of remuneration or other benefit in kind (2018: £Nil). The total employment benefits of key management personnel was £107,010 (2018: £103,280).

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**10. FIXED ASSET INVESTMENTS**

	Listed investments £	Other investments £	Total £
<b>COST OR VALUATION</b>			
At 1 August 2018	513,275	61,006	574,281
Additions	17,765	-	17,765
Disposals	(27,913)	-	(27,913)
Revaluations	(106)	-	(106)
Foreign exchange movement	-	25,094	25,094
<b>AT 31 JULY 2019</b>	<b>503,021</b>	<b>86,100</b>	<b>589,121</b>
<b>NET BOOK VALUE</b>			
<b>AT 31 JULY 2019</b>	<b>503,021</b>	<b>86,100</b>	<b>589,121</b>
<i>AT 31 JULY 2018</i>	<i>513,275</i>	<i>61,006</i>	<i>574,281</i>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by operating a policy that provides a high degree of diversification of holdings and invests in assets that are quoted on recognised stock exchanges. The portfolio includes a number of common investment funds in order to protect exposure to volatility in the markets. The charity also seeks lower risk investments wherever possible balanced against achieving a realistic rate of return.

The charity does not make use of derivatives or similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular year period will normally be corrected.

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**11. DEBTORS**

	2019 £	2018 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	371,746	329,268
Other debtors	4,247	3,348
Prepayments	2,172	12,127
	<b>378,165</b>	<b>344,743</b>
	<b>378,165</b>	<b>344,743</b>

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

	2019 £	2018 £
Trade creditors	3,460	17,523
Other taxation and social security	4	9,582
Other creditors	8,056	1,224
Accruals and deferred income	455,849	411,847
	<b>467,369</b>	<b>440,176</b>
	<b>467,369</b>	<b>440,176</b>
	2019 £	2018 £
Deferred income at 1 August 2018	393,163	390,780
Resources deferred during the year	435,420	393,163
Amounts released from previous periods	(393,163)	(390,780)
	<b>435,420</b>	<b>393,163</b>
	<b>435,420</b>	<b>393,163</b>

Deferred income relates to 2019/20 annual subscriptions (£403,300, 2018: £393,163) and income in advance for the 2019 annual conference (£32,120, 2018: £nil).

---

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

---

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 August 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2019 £
<b>UNRESTRICTED FUNDS</b>					
General Funds - all funds	507,168	492,955	(514,944)	(327)	484,852
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>RESTRICTED FUNDS</b>					
Hewett Driver Travel Fund	43,251	765	(4,000)	(633)	39,383
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL OF FUNDS</b>	<b>550,419</b>	<b>493,720</b>	<b>(518,944)</b>	<b>(960)</b>	<b>524,235</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**13. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 August 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2018 £
<b>UNRESTRICTED FUNDS</b>					
General Funds - all funds	462,343	489,489	(449,663)	4,999	507,168
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>RESTRICTED FUNDS</b>					
Hewett Driver Travel Fund	48,449	800	(5,000)	(998)	43,251
Digital Skills in Primary Schools	-	106,000	(106,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	48,449	106,800	(111,000)	(998)	43,251
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL OF FUNDS</b>	<b>510,792</b>	<b>596,289</b>	<b>(560,663)</b>	<b>4,001</b>	<b>550,419</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Purpose of Funds**

**General Fund** - Unrestricted funds available to support the Charity.

**Hewett Driver Travel Fund** - UCET has awarded travel scholarships worth up to £2,000 each to colleagues from member institutions who are new to teacher education to undertake research in other countries.

**Digital Skills** - fund research into the digital skills of primary school teachers in Northern Ireland and professional learning frameworks for teachers.

---

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

---

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Fixed asset investments	549,738	39,383	589,121
Current assets	518,289	-	518,289
Creditors due within one year	(467,369)	-	(467,369)
Provisions for liabilities and charges	(115,806)	-	(115,806)
<b>TOTAL</b>	<b>484,852</b>	<b>39,383</b>	<b>524,235</b>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Fixed asset investments	531,030	43,251	574,281
Current assets	455,735	-	455,735
Creditors due within one year	(440,176)	-	(440,176)
Provisions for liabilities and charges	(39,421)	-	(39,421)
<b>TOTAL</b>	<b>507,168</b>	<b>43,251</b>	<b>550,419</b>

---

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

---

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	<b>(26,184)</b>	39,627
<b>ADJUSTMENTS FOR:</b>		
Gains/(losses) on investments	<b>960</b>	(4,001)
Dividends from investments	<b>(22,143)</b>	(21,992)
Increase in debtors	<b>(33,422)</b>	(114,207)
Increase in creditors	<b>27,193</b>	5,518
Pension provision movement	<b>76,385</b>	(1,247)
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>22,789</b>	(96,302)

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	<b>140,124</b>	110,992
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>140,124</b>	110,992

---

## UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

---

#### 17. PENSION COMMITMENTS

the Charity's employees belong to the Universities Superannuation Scheme (USS). The total pension cost for the period was £107,062 (2018: £29,456).

At the financial year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2017 (the valuation date). This was carried out using the projected unit method. The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 billion.

Since the institution cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2017 valuation was the fourth 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 £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21 +: CPI + 1.7%
Mortality base table	<b>2017 valuation</b> Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary	n/a	n/a

---

**UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019**

---

**17. PENSION COMMITMENTS (CONTINUED)**

Pension increases (CPI)	2.11%	2.02%
-------------------------	-------	-------

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019, and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £70,989, a decrease of £44,817 from the current year end provision.

**18. OPERATING LEASE COMMITMENTS**

At 31 July 2019 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>	2018
	<b>£</b>	£
Not later than 1 year	<b>8,502</b>	26,752
Later than 1 year and not later than 5 years	<b>2,126</b>	10,628
	<b><u>10,628</u></b>	<u>37,380</u>

**19. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year (2018 - none).

**20. POST BALANCE SHEET EVENTS**

As set out in Note 17 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed post year end. This results in a decrease of £44,817 in the provision for the obligation to fund the deficit on the USS pension which would instead be £70,989. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 31 July 2020.