
UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

UNAUDITED

EXECUTIVE COMMITTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Executive committee and Advisers	1
Executive committee's Report	2 - 6
Independent Examiner's Report	7 - 8
Statement of Financial Activities	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 26

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS EXECUTIVE COMMITTEE AND ADVISERS FOR THE YEAR ENDED 31 JULY 2020

Executive committee	Kevin Mattinson, Chair Trevor Mutton, Vice Chair Roger Woods, Treasurer Pat Black (appointed 1 September 2020) Clare Brooks (appointed 1 September 2020) Moyra Bolan, Observer Hazel Bryan (appointed 1 September 2020) Sean Cavan Jake Capper Caroline Daly Spencer Henessey (appointed 1 September 2020) Des Hewitt Emma Hollis, Observer Vini Lander David Littlefair (appointed 1 September 2020) Rachel Lofthouse Karen McGrath Joanna McIntyre Margaret Mulholland Tanya Overden-Hope Cat Scutt, Observer Elaine Sharpling (appointed 1 September 2020) Paul Vare (appointed 1 September 2020) Matt Varley Jenny Wynn (appointed 1 September 2020)
Charity registered number	275082
Principal office	9-11 Endsleigh Gardens London WC1H 0EH
Executive director	Mr J Noble-Rogers
Accountants	Peters Elworthy & Moore Chartered Accountants Salisbury House Cambridge CB1 2LA
Bankers	Barclays Bank plc PO Box 2 Cambridge CB2 3PZ
Investment Manager	Cheviot Asset Management 90 Long Acre London WC2E 9RA

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

EXECUTIVE COMMITTEE'S REPORT FOR THE YEAR ENDED 31 JULY 2020

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 year ended 31 July 2020. 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) (second edition - October 2019).

OBJECTIVES AND ACTIVITIES

● 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 September 2020.

The vision is:

All teachers are confident, competent and independent professionals able to draw upon and contextualise a shared base of professional knowledge built on high quality research.

The mission is:

To advocate for and support high quality teacher education by supporting our membership and working in professional collaborations with other organisations, drawing on relevant research and acting in accordance with the principles we believe should underpin effective teacher education.

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 Executive committee 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

EXECUTIVE COMMITTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

OBJECTIVES AND ACTIVITIES (CONTINUED)

● 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.

● 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.

2019/20
Caroline Daly
Aimee Quickfall

● 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

● 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.

The Covid 19 pandemic has impacted on the way in which UCET operates, with all staff working from home meetings and events held on-line. Subscription income was not affected during the course of the year, and losses in income resulting from lower charges for on-line events being more than offset by reductions in expenditure on room hire, catering etc

● 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.

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

EXECUTIVE COMMITTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

FINANCIAL REVIEW

- **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 £448,480). The Council considers that the level of free reserves, currently £50,920, is adequate as the majority of the general reserves are investments and can be realised per the investment policy if required.

- **Financial Review**

The Statement of Financial Activities sets out the incoming and outgoing resources for the year and shows a net surplus of £44,239 (2019: deficit of £26,184) after investment gains and losses and movement in the USS pension provision. The balance sheet summarises the financial position. At the year-end restricted funds were £34,605 (2019: £39,383) and unrestricted funds were £533,869 (2019: £484,852). The Council considers the state of the Charity's affairs to be satisfactory.

- **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.

- **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

- **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.

- **Methods of appointment or election of Executive committee**

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

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

EXECUTIVE COMMITTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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 the 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, Chair Elect
Trevor Mutton, Vice Chair	Roger Woods, Treasurer
Moyra Bolan*	Jake Capper
Caroline Daly	Julie Greer
Des Hewitt	Emma Hollis*
Alex Kendall	John Luker
Linda La-Velle	Rachel Lofthouse
Karen McGrath	Jo McIntyre
Margaret Mullholland	Tanya-Ovenden-Hope
Jim Pugh	Roisin McPhilemy
Cat Scutt*	Simon Thompson
Matt Varley	Alison Winson

*The positions represented by these individuals have now been transferred to observers status.

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.

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.

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

EXECUTIVE COMMITTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

● Policies adopted for the induction and training of Executive committee

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.

● Pay policy for key management personnel

Key management is carried out by the Executive Director. In the 2019/20 year this remuneration was £111,229 (2019: £107,010).

STATEMENT OF EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The Executive committee are responsible for preparing the Executive committee'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 Executive committee 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 Executive committee 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 Executive committee 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 Executive committee and signed on their behalf by:



.....
Kevin Mattinson
Chair
Date:

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JULY 2020**

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

I report to the charity Executive committee on my examination of the accounts of the charity for the year ended 31 July 2020.

Responsibilities and Basis of Report

As the Executive committee 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.

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

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 Executive committee, 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 Executive committee 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 Executive committee as a body, for my work or for this report.

Signed:

Dated:

Michael Hewett

ACA

Peters Elworthy & Moore
Chartered Accountants, Salisbury House, Cambridge. CB1 2LA

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Charitable activities	4	472,532	-	472,532	471,577
Investments	5	22,768	783	23,551	22,143
TOTAL INCOME		495,300	783	496,083	493,720
EXPENDITURE ON:					
Raising funds		4,052	-	4,052	1,272
Charitable activities		417,726	4,000	421,726	442,131
TOTAL EXPENDITURE		421,778	4,000	425,778	443,403
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		73,522	(3,217)	70,305	50,317
Net losses on investments		(72,267)	(1,561)	(73,828)	(960)
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		1,255	(4,778)	(3,523)	49,357
OTHER RECOGNISED GAINS/(LOSSES):					
Actuarial gains/(losses) on defined benefit pension schemes		47,762	-	47,762	(75,541)
NET MOVEMENT IN FUNDS		49,017	(4,778)	44,239	(26,184)
RECONCILIATION OF FUNDS:					
Total funds brought forward		484,852	39,383	524,235	550,419
Net movement in funds		49,017	(4,778)	44,239	(26,184)
TOTAL FUNDS CARRIED FORWARD		533,869	34,605	568,474	524,235

The Statement of Financial Activities includes all gains and losses recognised in the year.

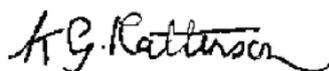
The notes on pages 12 to 26 form part of these financial statements.

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**BALANCE SHEET
AS AT 31 JULY 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Investments	9	632,303	589,121
		<u>632,303</u>	<u>589,121</u>
CURRENT ASSETS			
Debtors	10	193,222	378,165
Cash at bank and in hand		237,175	140,124
		<u>430,397</u>	<u>518,289</u>
Creditors: amounts falling due within one year	11	(424,352)	(467,369)
		<u>6,045</u>	<u>50,920</u>
NET CURRENT ASSETS		6,045	50,920
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>638,348</u>	<u>640,041</u>
Provisions for liabilities	17	(69,874)	(115,806)
TOTAL NET ASSETS		<u>568,474</u>	<u>524,235</u>
CHARITY FUNDS			
Restricted funds	12	34,605	39,383
Unrestricted funds	12	533,869	484,852
TOTAL FUNDS		<u>568,474</u>	<u>524,235</u>

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



.....
Kevin Mattinson

Chair

Date:

The notes on pages 12 to 26 form part of these financial statements.

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	14	190,510	22,789
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interests from investments		23,551	22,143
Net (purchase)/ proceeds of investments		(117,010)	(15,800)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(93,459)	6,343
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
Cash and cash equivalents at the beginning of the year		140,124	110,992
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	237,175	140,124

The notes on pages 12 to 26 form part of these financial statements

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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) (second edition - October 2019), 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 Executive committee 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 2020

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (CONTINUED)

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 2020**

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 2020

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Membership income	385,845	385,845	397,708
Conference income	85,381	85,381	73,543
Other income	1,306	1,306	326
TOTAL 2020	<u>472,532</u>	<u>472,532</u>	<u>471,577</u>

5. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest received	243	-	243	357
Investment income	22,525	783	23,308	21,786
	<u>22,768</u>	<u>783</u>	<u>23,551</u>	<u>22,143</u>
TOTAL 2019	<u>21,378</u>	<u>765</u>	<u>22,143</u>	

6. ANALYSIS OF EXPENDITURE

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Promotion of high standards in education	377,826	43,900	421,726	442,131
TOTAL 2019	<u>385,647</u>	<u>56,484</u>	<u>442,131</u>	

In 2019, of the total costs, restricted costs were £4,000 and unrestricted costs were £513,672.

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

6. ANALYSIS OF EXPENDITURE (CONTINUED)

Analysis of direct costs

	Total funds 2020 £
Staff costs	270,229
Travel	7,577
Subscriptions	724
Travel scholarship	4,000
Conference and meetings	94,837
Bad debt expense	459
	<hr/> 377,826 <hr/>

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

6. ANALYSIS OF EXPENDITURE (CONTINUED)

Analysis of support costs

	Total funds 2020 £
Staff training	-
Telephone	1,672
Insurance	1,967
Stationery and printing	10,210
IT costs	8,848
Marketing	-
Bank charges	1,885
Legal and professional costs	2,051
Sundry costs	98
Accountancy fees - governance	17,169
	<hr/>
	43,900 <hr/> <hr/>

7. INDEPENDENT EXAMINER'S REMUNERATION

	2020 £	2019 £
Fees payable to the charity's independent examiner for the independent examination of the charity's annual accounts	6,518	6,385
Fees payable to the charity's independent examiner in respect of: All other services not included above	10,388	10,296
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	212,156	205,219
Social security costs	19,401	19,793
Contribution to defined contribution pension schemes	38,672	31,521
	270,229	256,533

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

	2020	2019
	No.	No.
Employees	5	5

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

	2020	2019
	No.	No.
In the band £80,001 - £90,000	1	1

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 (2019: 2) received reimbursement of expenses amounting to £370 (2019: £818).

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 (2019: £Nil). The total employment benefits of key management personnel was £111,229 (2019: £107,010).

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

9. FIXED ASSET INVESTMENTS

	Listed investments £	Cash £	Total £
COST OR VALUATION			
At 1 August 2019	503,021	86,100	589,121
Additions	197,090	-	197,090
Disposals (Proceeds: £66,766)	(83,878)	-	(83,878)
Revaluations	(56,716)	-	(56,716)
Cash movement	-	(13,314)	(13,314)
AT 31 JULY 2020	559,517	72,786	632,303

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 2020**

10. DEBTORS

	2020	2019
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	183,350	371,746
Other debtors	5,506	4,247
Prepayments	4,366	2,172
	193,222	378,165
	193,222	378,165

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	710	3,460
Other taxation and social security	-	4
Other creditors	2,051	8,056
Accruals and deferred income	421,591	455,849
	424,352	467,369
	424,352	467,369

	2020	2019
	£	£
DEFERRED INCOME		
Deferred income at 1 August 2019	435,420	393,163
Resources deferred during the year	399,720	435,420
Amounts released from previous periods	(435,420)	(393,163)
	399,720	435,420
	399,720	435,420

Deferred income relates to 2020/21 annual subscriptions (£399,120, 2019: £403,300) and income in advance for the 2020 annual conference (£600, 2019: £32,120).

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 August 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2020 £
UNRESTRICTED FUNDS					
General Funds	484,852	495,300	(421,778)	(24,505)	533,869
RESTRICTED FUNDS					
Hewett Driver Travel Fund	39,383	783	(4,000)	(1,561)	34,605
TOTAL OF FUNDS	524,235	496,083	(425,778)	(26,066)	568,474

STATEMENT OF FUNDS - PRIOR YEAR

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

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.

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fixed asset investments	597,698	34,605	632,303
Current assets	430,397	-	430,397
Creditors due within one year	(424,352)	-	(424,352)
Provisions for liabilities and charges	(69,874)	-	(69,874)
TOTAL	533,869	34,605	568,474

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	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)
TOTAL	484,852	39,383	524,235

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(3,523)	49,357
ADJUSTMENTS FOR:		
Gains on investments	73,828	960
Dividends and interests from investments	(23,551)	(22,143)
Decrease/(increase) in debtors	184,943	(33,422)
Increase/(decrease) in creditors	(43,017)	27,193
Pension interest movement	1,830	844
NET CASH PROVIDED BY OPERATING ACTIVITIES	190,510	22,789

15. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	237,175	140,124
TOTAL CASH AND CASH EQUIVALENTS	237,175	140,124

16. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	140,124	97,051	237,175
	<u>140,124</u>	<u>97,051</u>	<u>237,175</u>

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

17. PENSION COMMITMENTS

The Charity's employees belong to the Universities Superannuation Scheme (USS). The total pension cost for the period was £(9,090) (2019: £107,062).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

The key financial assumptions used in the 2018 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 + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 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:

Valuation	2018	2017
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

UNIVERSITIES COUNCIL FOR THE EDUCATION OF TEACHERS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

17. PENSION COMMITMENTS (CONTINUED)

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate*	2.59%	2.44%
Pensionable salary growth*	4.20%	2.11%

18. OPERATING LEASE COMMITMENTS

At 31 July 2020 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	2,126	8,502
Later than 1 year and not later than 5 years	-	2,126
	<hr/> 2,126 <hr/>	<hr/> 10,628 <hr/>

19. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2019 - none).