

“AdvanceHE

+ Annual report and accounts

Year ended 31 July 2024



Contents

Introduction from our Chair and Chief Executive	3
Legal and administrative information	5
About Advance HE	7
Strategic Report	9
Key highlights of 2023-24	9
Review of 2023-24 performance and achievements	13
Financial Review	18
Looking forward	22
Risk Management	22
Directors' Report	26
Trustees' responsibilities statement	30
Independent Auditor's Report	32
Financial Statements	36
Notes to Financial Statements	39

Introduction from our Chair and Chief Executive

As the 2023-24 academic and reporting year closes so, in terms of its timeline at least, does our Strategy 2021-24. The Strategy, along with dynamic consultation with members throughout the period, has guided both our purpose, 'to help higher education organisations be the best they can be by unlocking the potential of their people', and our vision, where 'Higher education providers and systems that are inclusive, sustainable and high-performing in all they do.'

We are proud of the legacy of Strategy 2021-24 which continues to serve the Advance HE global community well. Headline initiatives over this strategic period have included the launch of the revised Athena Swan and Race Equality Charters; a major consultation, review and launch of the new Professional Standards Framework with its global reach and impact on teaching; the launch of our leadership alumnae groups, global Leadership Survey and Vice-Chancellor Transition Programme; the introduction of the Board diversity toolkit to tackle under-representation of minority groups and promote more effective governance; and our Member Benefit projects, specifically targeted at significant – often shared – operational and strategic challenges that our members have asked us to work with them on, such as the impact of Generative AI or creating a culture for Strategic EDI Change. We are set to build on the legacy of Strategy 2021-24, consulting and developing its successor iteration which will guide our strategic direction with our members wherever they are in the world, and the wider higher education sector, to 2030.

Turning to this year specifically, 2023-24 has been one of considerable challenge for higher education, wherever it's delivered; not least in terms of financial sustainability. Despite this – or perhaps because of it – we are delighted to report the sector's continued confidence in our work, evidenced by the retention of current members and welcoming more where the overall number has increased in-year from 427 to 447. Recognising the tough financial backdrop, we made some minor tactical and judicious structural adjustments to ensure that we deliver maximum value for members through the careful management of our overheads and costs.

Along with the increase in membership, there has been a significant growth in the number of Fellows worldwide this year, from 174,000 to over 192,000. This is by some distance the fastest in-year rate of growth in Fellowship ever recorded representing a 10% growth compared to the end of last year. This increase coincides with the positive engagement in the new Professional Standards Framework; and the growing number of international institutions investing in the recognition of their staff through accreditation or supporting direct fellowship applications. There are now 18,000 Fellows outside of the UK. Illustrating this engagement, was the launch of a new network of Senior Fellows in Malaysia who support each other's CPD and aim to promote the value of Fellowship with colleagues in the country. Elsewhere, Copenhagen Business School (CBS) was the first higher education institution to successfully apply to transition their accredited provision for fellowship from the 2011 version to the revised 2023 Professional Standards Framework (PSF).

In Teaching and Learning, working closely with the sector and members globally, we completed the launch of the full complement of the 'Essential Frameworks for Enhancing Student Success'. The series provides a shared point of reference and common language to discuss, shape and review policy, process and practice around the broad and complex issues impacting student success. Our 2024 Student Academic Experience Survey, co-published with HEPI, points to an increasingly positive academic experience for undergraduates studying in the UK. We are pleased that the report has generated further important research, which we are proud to have co-sponsored, by Professor Nicola Dandridge exploring student choice and retention. In other research, our 'TEF 2023: Patterns of Excellence' report comprehensively maps patterns in the submissions across a sample of 40 providers achieving a TEF Gold award in 2023. Elsewhere, our Member Benefit project explored, 'Fit for the Future: Enhancing and adapting practice for new paradigms of higher education' through a range of global views.

We have made significant strides in our work to support UK HE to develop more holistic and strategically aligned approaches to equality diversity and inclusion, building on the strengths of Athena Swan and the Race Equality Charter as catalysts for change. Complementing this work, our member Benefit project. 'Creating a culture for Strategic EDI Change' explored Strategic EDI as an approach that focuses on integrating fairness, justice, and equality into all aspects of an organisation's operations and decision-making processes.

Working with Universities UK, Guild HE and others to convene the sector in unpacking the challenges around significant tension on and off campus, we've offered a range of support and guidance material in the technical and nuanced work of securing the rights to freedom of speech, academic freedom, and protection from harassment for all staff and students.

In the sphere of leadership and its intersection with EDI, we celebrated 10 years of Aurora, our leadership development initiative for women in HE; and we announced plans to launch the programme in Australia. Concurrently, our new online membership community of Aurora alumnae topped 1,000. Recognising the vital role of leadership in challenging times, we co-published two thought-provoking insight reports with Wonkhe: 'Looking outward: the changing people needs of higher education in the years ahead', and 'Leading strategic change in higher education in challenging times'. This work, coupled with our leadership survey and a global consultation, is informing our work to deliver a global leadership framework and a recognition structure in 2024-25.

We celebrated 20 years of supporting governance effectiveness in higher education with a new podcast series. Our Governance Effectiveness Reviews are firmly embedded in the sector's approach to ever-improving governance. With CUC, we launched the enhanced higher education 'Board Vacancies' portal to broaden the governor recruitment pool; and we were delighted that Wellcome agreed to continue funding our Success of the Board programme, supporting and encouraging diversity in the boardroom. Our governance news alerts support governors decipher governance implications of a variety of sector report and policy statements, helping them to fulfil their role as a critical friend to their respective executives.

We are proud to support the work of organisations such as the British Council, to share good practice in developing HE systems. This year, we entered the second phase of our long-term HE governance project in Uzbekistan, now underpinned by a new Memorandum of Understanding (MOU) with the Ministry of Higher Education, Science and Innovation. In Bangladesh, we designed a blended Teaching Excellence Programme to build in-country capacity. We worked with six higher education institutions in Cyprus who have committed to a pilot project based on the Athena Swan Charter. We awarded 44 grants- to illustrate good practice around the world in HE towards the UN's Sustainable Development Goals (SDGs).

As we referenced earlier, and as you would expect, we are maintaining very close scrutiny and hands-on approach of our financial performance, with close management at every level of budget. This gives us confidence and certainty as we move into the next year to deliver on our promise to our members, on our charitable objectives and our ambition to grow the business for the benefit of the global higher education community. None of this is possible without the extraordinary contribution of our people, who continue to work tirelessly in support of both our aims and of our members.



Mark E. Smith

Mark E. Smith
Chair



Alison Johns

Alison Johns
Chief Executive

Legal and Administrative Details

Advance HE

Advance HE is a registered charity and company limited by guarantee incorporated in England.

Company registration number: 04931031

Charity registration numbers

England and Wales: 1101607 Scotland: SC043946

Registered office

Advance HE, Innovation Way, York Science Park, York YO10 5BR

Auditors

Sagars Accountants Ltd t/a AAB, Gresham House, 5 7 St Pauls Street, Leeds LS1 2JG

Bankers

The Royal Bank of Scotland Plc, Waterside Court, Chatham ME4 4RT

AIB Bank, XPO Box 114A, 100/101 Grafton Street, Dublin 2

Solicitors

HGF LLP, Central Court, 25 Southampton Buildings, London WC2A 1AL

Pinsent Masons, 30 Crown Place, Earl Street, London, EC2A 4ES

Executive Team

Alison Johns, Chief Executive

Ciara Murphy, Interim Executive Director, Consultancy, Marketing and Commercial Development (From 20 November 2023)

David Bass, Director of Equality, Diversity and Inclusion

Greg Ferrari, Chief Operating and Transformation Officer

Hannah Harris, Company Secretary and Head of Corporate Support

Kathryn Harrison-Graves, Executive Director, Membership, Innovation and Development

Kat Hunt, Associate Director of Marketing and Communications (To 31 July 2024)

Phil Johnson, Interim Director, Consultancy and Commercial Solutions (To 27 December 2023)

Sarah Threadgold, Director of Finance and Deputy Chief Operating Officer

Tracy Bell-Reeves, Executive Director, Delivery, Knowledge and Quality (To 31 July 2024)

Board of Directors

The directors of the charitable company are its trustees for the purpose of charity law. The directors and officers who served during the year and up to the date of signature of this report were as follows:

Professor Mark E. Smith, Vice-Chancellor, University of Southampton (Appointed Chair 2 January 2024)

Frances Corner, Warden, Goldsmiths (Resigned 21 September 2023)

Professor Sarah Greer, Vice-Chancellor, University of Winchester (Resigned 31 July 2024)

Dr Samuel Grogan, Pro Vice-Chancellor for Student Experience, University of Salford

Annette Hay, Head of Equality, Diversity and Inclusion, De Montfort University

Professor Helen Langton, Vice-Chancellor of the University of Suffolk (Resigned 27 August 2024)

Janet Legrand KC (Hon), Lawyer and Senior Lay Member of Court, University of Edinburgh

Professor Quintin McKellar, Vice-Chancellor and Chief Executive of the University of Hertfordshire (Resigned 31 July 2024)

Professor Joanna Newman, Deputy Vice-Chancellor and Provost, SOAS (Appointed 6 August 2024)

Professor Andrea Nolan, Principal and Vice-Chancellor of Edinburgh Napier University

Saad Qureshi, Chief Executive, Metron College (Resigned 31 July 2024)

Professor David Sadler, Deputy Vice-Chancellor, Academic, The University of Notre Dame Australia

Christopher Sayers, Non-Executive Director and previous Chair of Northumbria University (Resigned 2 September 2024)

Rose Wangen Jones, Managing Director, London and Partners, (Resigned 1 September 2023)

Professor Randall Whittaker, Principal, Rose Bruford College (Appointed 4 July 2024)

Paul Woodgates, Deputy Chair of Governors, De Montfort University and Trustee, British Council

Professor Parveen Yaqoob, Deputy Vice Chancellor, University of Reading (Appointed 29 September 2023)

About Advance HE – Update

Advance HE is an international, member-focused organisation and a UK registered charity that is dedicated to the development and enhancement of higher education for the benefit of students, staff and society.

By further developing expertise and new thinking, Advance HE can support institutions to meet the challenges of the present and evolving higher education sector landscape. We are experts in higher education with a particular focus on enhancing teaching and learning, effective governance, leadership development and tackling inequalities through our equality, diversity and inclusion work. We deliver support through professional development programmes and events, Fellowships, awards, student surveys, providing strategic change and consultancy services and through membership (including accreditation of teaching and learning, equality charters, research, knowledge and resources).

Using our expertise and sharing best practice, we work with our network of global associates and partners, and with people, providers and systems around the world to understand contexts and challenges, and deliver solutions with a member-focused, collaborative approach.

Our strategy

In 2021, we launched our three-year strategy to 2024, setting out our purpose and strategic priorities for the future. Advance HE has a deep-rooted partnership with the higher education sector, sharing its values and understanding its unique culture and how this varies within local contexts.

We use our in-depth understanding of HE practice and research, as well as our network of global associates to work in partnership with people, providers and systems around the world to understand contexts and challenges and provide solutions. There are many challenges facing the HE sector and how we support members and stakeholders in this context rightly continues to inform all that we do.

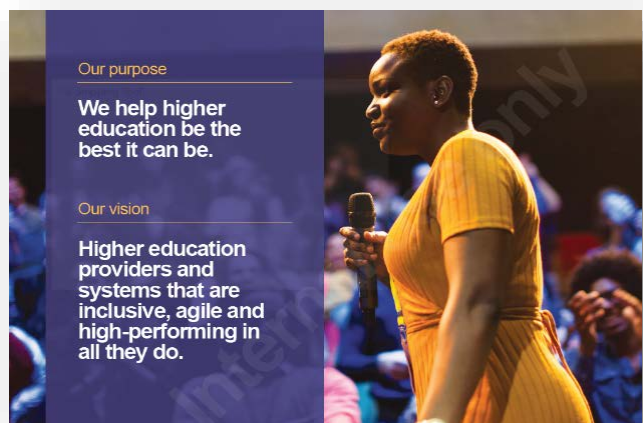
Our strategic goals

In partnership with members and stakeholders, we work to:

- enhance confidence and trust in higher education
- address systemic inequalities for staff and students
- advance education to meet the evolving needs of students and society.

These strategic goals are underpinned by six commitments that guide our work to 2024. It is not an exhaustive list of everything we do, but it sets a direction of travel to ensure that we will deliver on the things we know matter most:

- ❖ enable strategic transformation



- ❖ transform leadership for a new world
- ❖ drive progress in equality, diversity and inclusion
- ❖ enhance teaching and learning for student and institutional success
- ❖ reimagine professional development and recognition
- ❖ evolve higher education governance.

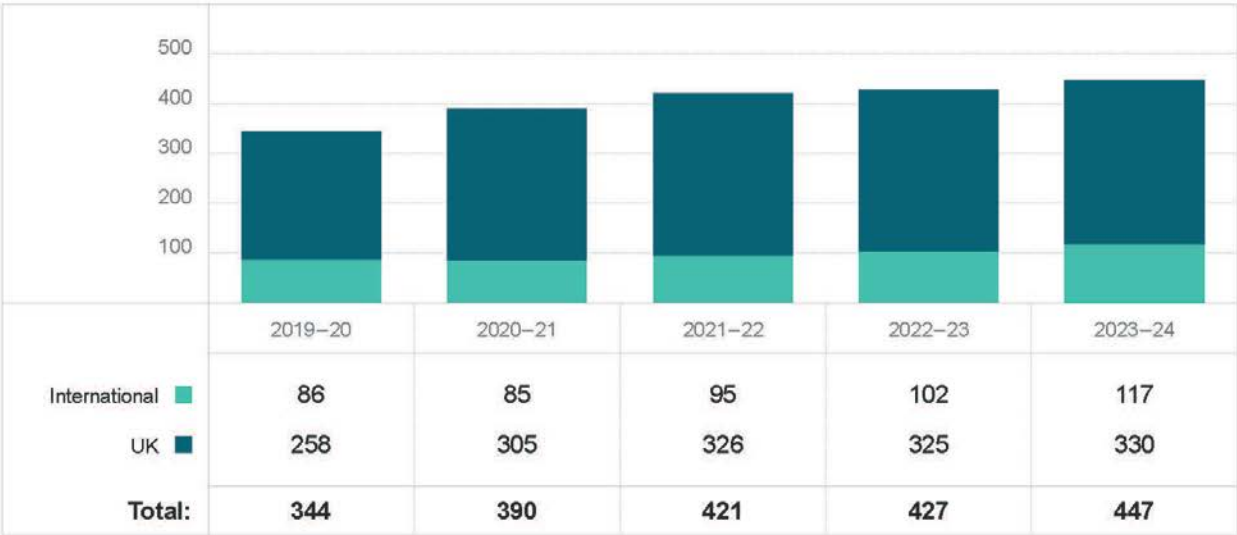
Additionally, many member strategies are strongly aligned with the UN Sustainable Development Goals (especially those of quality education, gender equality and reduced inequalities, and, of course, education for sustainable development). To support members to contribute to sustainable institutions, systems and society, the UN Sustainable Development Goals are integrated into our current strategy and the work that we do.

Strategic Report

Key highlights of 2023-24

+ Membership Summary 2023–24

At the end of July 2024 Advance HE had 447 members, with 117 non-UK members located in 32 countries



+ Events

8,491
people registered on
member events



191 member events



151 Programmes, Conferences
and Events held as part of the open
portfolio with **6,933** attendees

+ Grants awarded

£106,000
grants
awarded

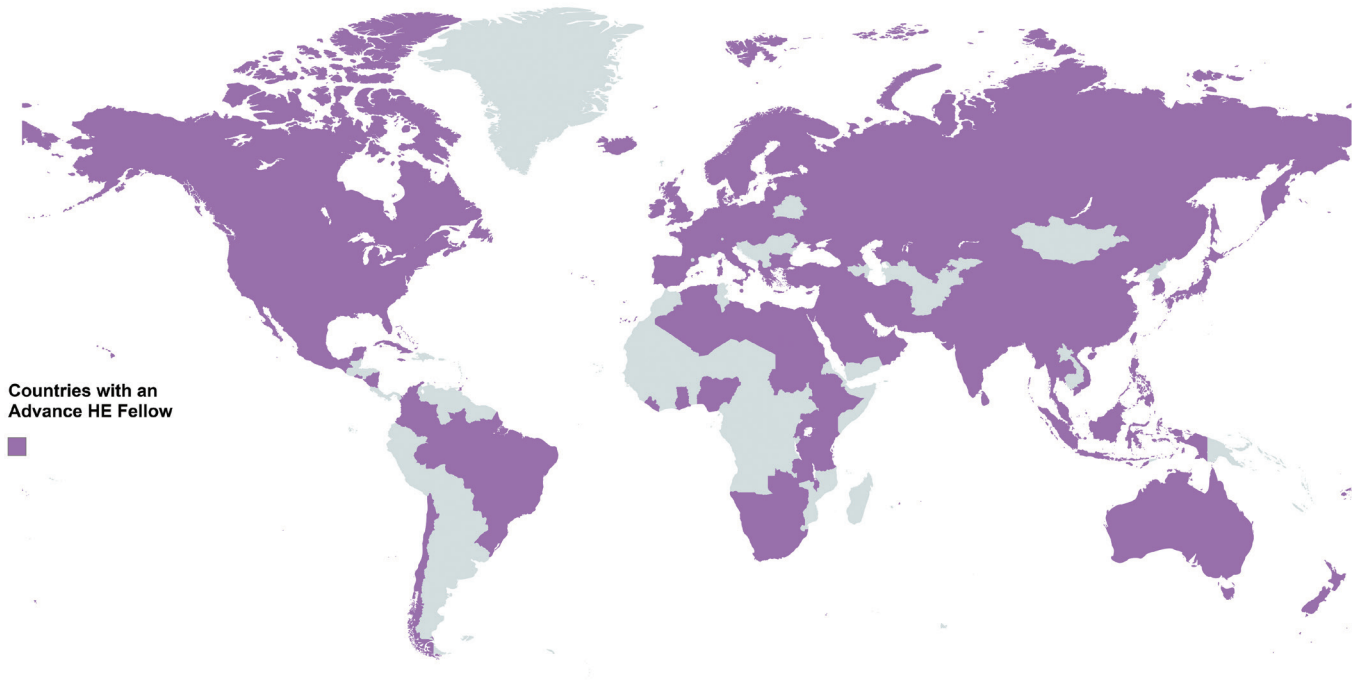
39 members awarded grant funding.

44 grants awarded across 3 funding streams Collaborative Development Fund, Global Impact Grants and Innovative Practice Grants.

+ Fellowship



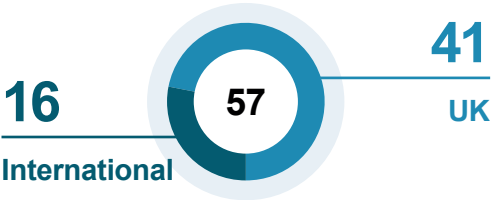
On 31 July 2024, there were **192,196** total Fellowships worldwide.



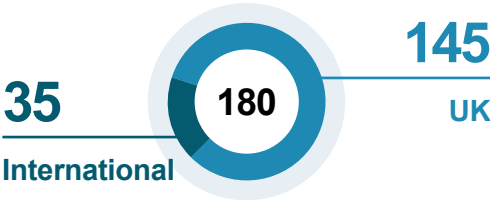
+ Teaching and Learning Accreditation



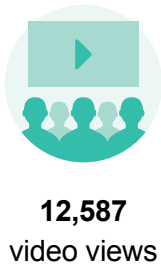
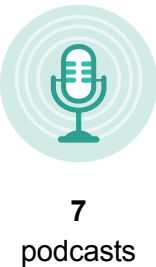
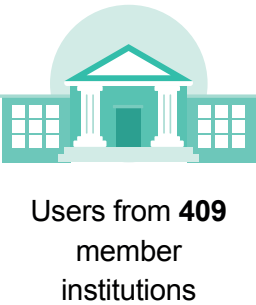
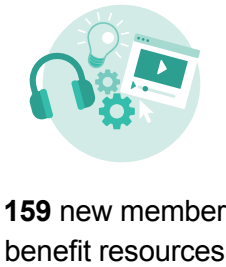
Member organisations awarded
and re-accredited in last 12 months.



Total member organisations
with Accreditation.

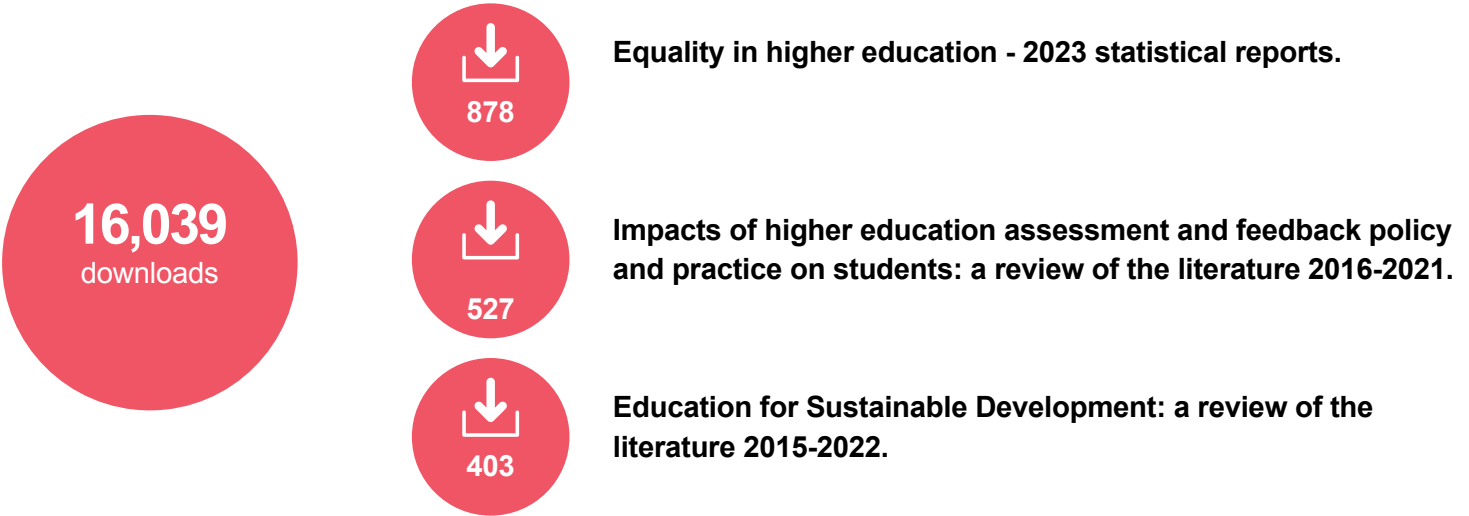


+ Knowledge Hub

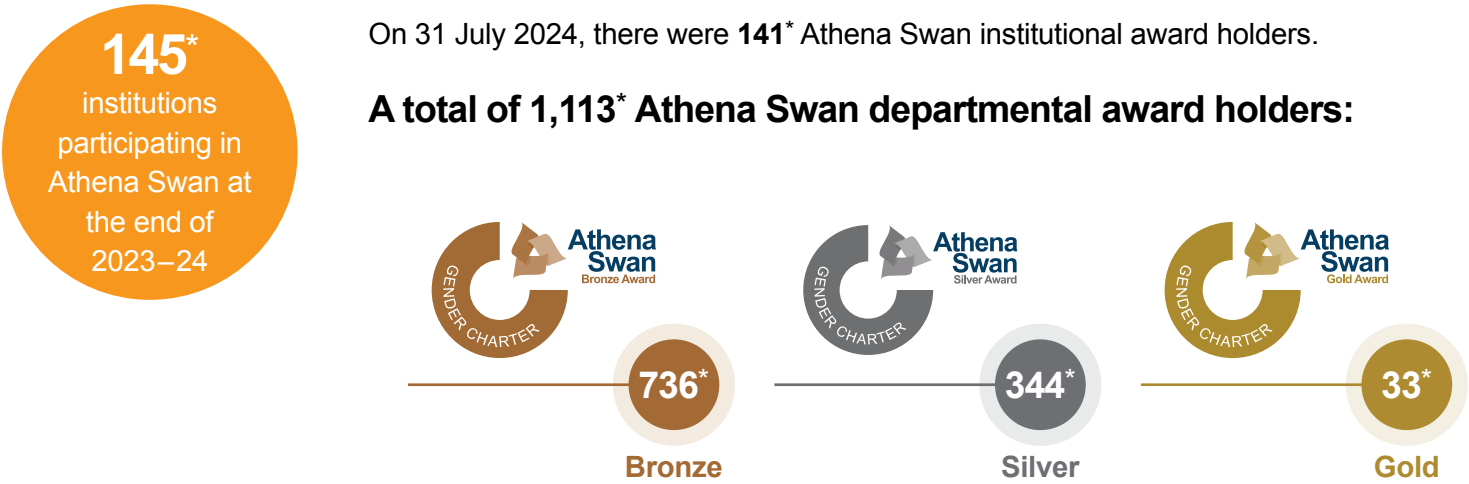


+ Unique Knowledge Hub users

Most downloaded Knowledge Hub resources during 2023–24.



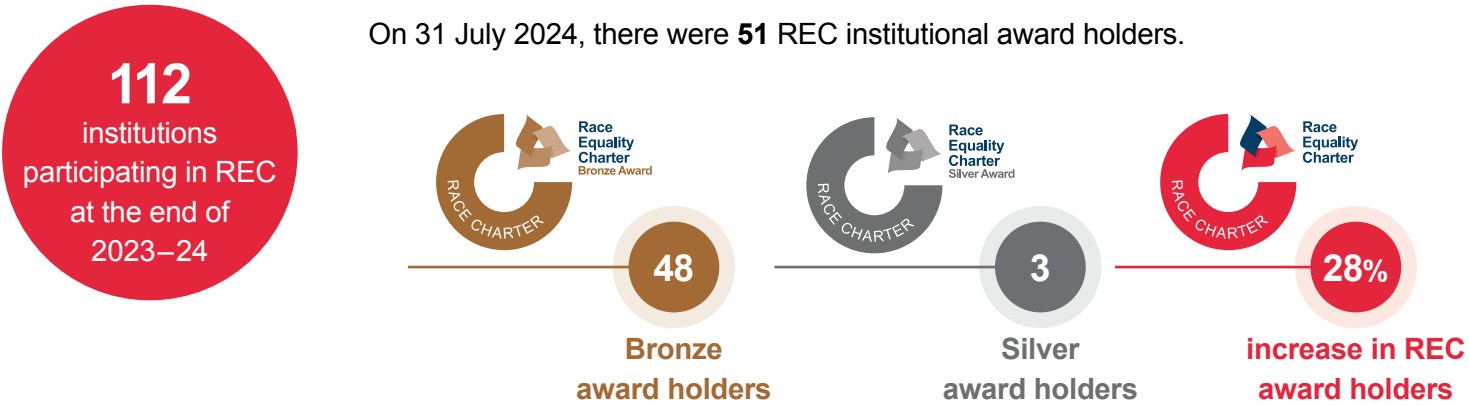
+ Athena Swan



*within the United Kingdom and the Republic of Ireland.

Athena Swan is used on licence in Australia, Brazil, Canada, Cyprus, India, USA, and the Republic of Ireland (where Advance HE administers the Charter).

+ Race Equality Charter



+ Surveys



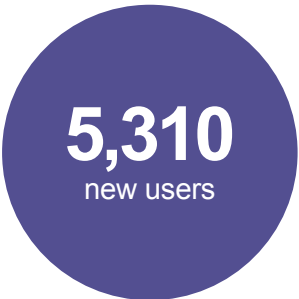
During 2023-24, **122** institutions participated in one or more of Advance HE's Student Surveys.



+ Teaching Excellence Awards



+ Advance HE Connect



+ Bespoke Consultancy

Across **22** countries
outside of the UK

Commissioned to undertake **364**
bespoke enhancement projects

Supported **171** organisations



Review of 2023-24 performance and key achievements

As a result of our activities in the year, the following key achievements were achieved in pursuit of our strategic commitments:

Commitment 1: Enable strategic transformation

Delivering strategic change well has never been so important and perhaps so complex. Executive leadership teams, their governing bodies and organisations are seeking to learn from and build on their responses to the pandemic as they reimagine their futures. Whether the focus is on organisation-wide or national system level change, we will use our expertise to help higher education shape its future. Working in close partnership we will support institutions to set new strategic directions and create roadmaps to get there while embedding sustainable development within new ways of working. (Advance HE Strategy 2021-24).

The activity below illustrates our work to **enable strategic transformation** in the HE sector in 2023-24:

- The [AI Futures](#), member benefit project focused on 'what next' in the challenges and opportunities offered by Generative AI in academia from delivery, leadership and strategic perspectives; and 'AI Garage' captured cutting-edge practice in the use of Generative AI in higher education
- 15 projects by 8 HE institutions from Australasia, 4 from Asia and 2 from Europe each won a [Global Impact Grant](#) which featured in a new case study series to highlight good practice and impact. The projects included a multi-national mental health and suicide prevention programme, a project highlighting the use of podcasts as learning tools and an initiative to embed sustainability in engineering education
- We worked with Professor Edward Peck, Higher Education Student Support Champion and Vice-Chancellor of Nottingham Trent University, to develop the [Student Needs Framework](#) designed to help providers take things 'back to basics' and rethink their approach to student support
- Our new funding scheme – [Innovative Practice Grants](#) was announced for College-Based and Small, Specialist and Independent higher education providers to share good practice and impactful initiatives
- We published a literature review and case studies – [Sustainable Institutions](#) – about holistic approaches to sustainability in global HE
- The second phase of our [long-term HE governance project in Uzbekistan](#) was underpinned by a new Memorandum of Understanding (MOU) with the Ministry of Higher Education, Science and Innovations. The programme is designed to enhance governance in the Republic's higher education institutions and to contribute to systemic and sustainable development of the sector
- Our work British Council Bangladesh and its partners in Bangladesh, the University Grants Commission (UGC) and higher education institutions, designed a blended [Teaching Excellence Programme \(TEP\)](#) to build in-country capacity
- We awarded grant-funded [case studies](#) from around the world to illustrate good practice in HE towards the UN's Sustainable Development Goals (SDGs).

Commitment 2: Transform leadership for a new world

"Changing geo-political forces; adapting to a post-Covid world; increasing competition and the need to build new relationships; all call for a different kind of leadership that builds and sustains inclusion. Confident, capable leaders adapt, grow and diversify their talents, their teams and their institutions to respond to future challenges. We will create pathways to leadership that build a more diverse pool of leaders and enhance the skills and cultural competence of existing and future leaders." (Advance HE Strategy 2021-24).

The work below highlights our work in 2023-24 to **transform leadership for a new world**:

- We celebrated 10 years of [Aurora, our leadership development initiative for women](#) in HE and announced plans to launch the programme in Australia
- DVC Dialogues was launched, a new video series bringing together Deputy Vice-Chancellors and senior university leaders from across the globe to discuss the issues impacting their institutions, staff and students
- Membership of our new online community of [Aurora alumnae topped 1,000](#)
- The new approach to the [Research Leadership Development Programme](#) was launched in order to develop and support more effective research leadership as crucial for driving innovation, fostering collaboration, and ensuring the success of research endeavours
- Our Irish Universities Association(IAU) [annual leadership programme](#) for executive leaders in Ireland's universities is entering its fourth year of delivery
- We launched '[Exploring Leadership Careers for Professional Services in HE](#)', part of our Member Project 23-24: Growing the HE workforce of the future. The project began with a provocation by Dr Geraldine Harrison putting a spotlight on leadership and management careers within professional services. We unveiled the new [Senior Women's Leadership Development Programme Ireland](#)
- We co-published an insight report with Wonkhe, [Leading strategic change in higher education in challenging times](#) as a result of three roundtable discussions about, "what it takes to lead change in higher education when the environment is tough" introduced by Advance HE Chief Executive, Alison Johns and Wonkhe Editor, Dr Debbie McVitty
- We shared the success of our work in [iLEAD, the University of Portsmouth's Inclusive Leadership Programme](#), highlighting the changes the programme has brought to participants two years after its launch. This programme is a central feature in helping UoP deliver its [vision 2030 and strategy 2025](#), and put its values into practice by celebrating diversity and equal opportunity through an inclusive culture.

Commitment 3: Drive progress in equality diversity and inclusion

"Discrimination in society, institutions and organisations continues to exist. We see growing tensions arising from differing cultural, ethnic and other identities, both on campus and in wider society. With much to be done in universities, colleges and wider society, HE is well placed to offer insights and show leadership in creating the safe, inclusive and respectful environments needed to live, learn and work. Equipping staff and other stakeholders to take an active role in driving change and sharing successes from a broad range of contexts, we will work to create a global centre for excellence in equality and inclusion in HE, accelerating the rate of change across the sector." (Advance HE Strategy 2021-24).

We delivered sustained support to the sector to **drive progress in equality diversity and inclusion** in 2023-24:

- We developed [updated guidance for the UK HE sector on supporting good relations on campus](#) and setting institutional policies on EDI in relation to academic freedom and freedom of speech, on protected beliefs, and on fostering good relations
- We promoted equalities successes such as that the University of Nottingham is the first university in the UK to achieve an [Athena Swan Gold award](#) ; and Trinity College Dublin becoming only the second higher education institution in Ireland to win an [Athena Swan Silver Award](#); while the Economic and Social Research Institution (ESRI) has become the first research institute in Ireland to achieve a Bronze award

- Advance HE is working with the sector to support UK HE to develop more holistic and strategically aligned approaches to [equality, diversity and inclusion](#)
- We published the [Disabled Student Commitment](#) opened for higher education providers and other relevant sector bodies to sign up to enhance the disabled student experience
- We were commissioned to work on a project the Centre for Transforming Access and Students Outcomes in Higher Education (TASO) and six HE providers which aims to tackle the [ethnicity degree awarding gap](#)
- The 16th year of [national staff and student equality data](#), was published which highlighted opportunities and challenges in the promotion of equality, diversity and inclusion in UK HE
- Our [Equality Charters Good Practice Database](#) was published which contains an evidence-base of successful initiatives for Athena Swan and REC applications
- A new report '[Inclusive approaches to staff recruitment](#)' was launched as part of our global member benefit theme 'Creating a culture for Strategic EDI Change'
- The three-year [Athena Swan Cyprus Framework pilot](#) was formally launched at the University of Nicosia. Six higher education institutions in Cyprus committed to the Charter, funded by The Cyprus Agency of Quality Assurance and Accreditation in Higher Education (CYQAA)
- To help navigate protected beliefs and free speech, we published [guidance documents](#) designed to support higher education institutions in the technical and nuanced work of securing the rights to freedom of speech, academic freedom, and protection from harassment for all staff and students
- We provided an update to our [Race Action Plan](#) – providing our all stakeholders with an overview of our work since November 2020 on our internal approach to inclusion and race equality.

Commitment 4: Enhance teaching and learning for student and institutional success

"Across the globe enhancements to the student learning experience have been both disrupted and accelerated by the pandemic. This pivot to hybrid and flexible learning, along with the growth in artificial intelligence and the information revolution continue to create unprecedented drivers for change. Drawing on our connections around the world we will support individuals, institutions and country systems to provide flexible, high quality, digitally-enabled student experiences that prepare learners for success as constructive contributors to the future world." (Advance HE Strategy 2021-24).

To enhance teaching and learning for student and institutional success, in 2023-24 we:

- The updated [Student Engagement Through Partnership Framework](#), was launched which was part of the Essential Frameworks for Enhancing Student Success which highlights how partnership impacts students' experiences and fosters a culture of belonging; demonstrating that student voices matter to their institution
- We published the new [Education for Sustainable Development Framework](#). Education for sustainable development (ESD) aims to support all learners to develop the knowledge, competencies and values to tackle interconnected global challenges, and have a positive impact on economic, social and environmental sustainability. It is encapsulated in UN SDG 4.7
- Our [Postgraduate Taught Experience Survey 2023](#) shows overall satisfaction is continuing to recover post-pandemic with rates at their highest for eight years, and that satisfaction is greatest among overseas students
- We published [Embedding Wellbeing into the Curriculum: A Global Compendium of Good Practice](#) which demonstrates that we can teach in a way that centres student wellbeing without having to know what is best for each student

- A new [Framework for Student Access, Retention, Attainment and Progression](#) was published as a result of a literature review of Access, Retention, Attainment and Progression and aligns with the Office for Student (OfS) review of Access and Participation
- Praised as 'Student-centred, pedagogically-sound and strategically-aligned' – we launched the new [Framework for Student Success: Flexible Learning](#)
- Our '[TEF 2023: Patterns of Excellence](#)' revealed features common to 'gold achievers'. The report comprehensively maps patterns in the submissions across a sample of 40 providers achieving a TEF Gold award in 2023
- Dr Kathryn Wenham, Lecturer in Public Health at University of the Sunshine Coast, became the 200th Associate Fellow (Indigenous Knowledges)
- Over 10,300 full-time undergraduates responded to the Advance HE and HEPI [Student Academic Experience Survey 2024](#). The results point to an increasingly positive academic experience for undergraduates studying in the UK, but this is overshadowed by the impact of the cost-of-living crisis
- "Creating conditions for all to thrive": we launched our new [framework for inclusive learning and teaching](#) which is evidence-based and designed to help institutions to navigate challenges, to create learning and teaching environments that are high quality and suitable for a wide range of student
- Unlocking potential – we are proud to have delivered a complete update of the [Framework for Enhancing Student Success in Higher Education](#).

Commitment 5: Re-imagine professional development and recognition

The pace of change in HE has intensified the need for continuous professional learning that gives people the skills, expertise and recognition they need to succeed, whilst also supporting them to connect and collaborate with peers across the world. To respond to this, we will create a new home for digitally-recognised professional learning and development, supporting career development and institutional succession planning. (Advance HE Strategy 2021-24).

In reimagining professional development and recognition in HE, in 2023-24:

- We continued to promote the new PSF, promoting the new emphasis on the effectiveness and impact of teaching; the context in which the teaching takes place; and inclusivity - with a wider range of staff now able to engage with the PSF. Copenhagen Business School (CBS) in Denmark became the first higher education institution to successfully apply to transition their accredited provision for fellowship from the 2011 version to the revised [2023 Professional Standards Framework \(PSF\)](#)
- The number of Fellowship awarded worldwide this year was 20,000 bringing the total number to over 192,000 Fellows. This is the fastest in-year rate of growth in Fellowship ever recorded
- Fifty-seven member organisations were awarded or re-accredited in the last 12 months
- Advance HE [members network in Thailand](#) met to address common challenges and acknowledge the positive impact of Fellowship
- Our [Global Fellowship Relay - #FellowshipRelay2024](#) visited a country each month, to hear the stories of fellows and institutions that have embedded Fellowship and highlight commitment to professionalism, recognition of practice, impact and leadership in teaching and learning
- We announced [55 new National Teaching Fellows \(NTF\) and 15 winning teams of the Collaborative Award for Teaching Excellence \(CATE\)](#), taking the total number of awards to 1,143 for NTFs since the scheme's launch in 2000, and 119 for CATE since the first awards in 2016; and disseminated their good practice.

Commitment 6 Evolve higher education governance.

“Good governance is critical to delivering impactful HE and confidence and trust for stakeholders. Yet we know that understanding what is effective in your context is needed more than ever to navigate turbulence and be fit for the future. We will build on our unparalleled track record of supporting and developing governors, governance professionals, institutions and systems of governance across the world.” (Advance HE Strategy 2021-24).

We delivered significant workstreams to evolve higher education governance, in 2023-24:

- [Success on the Board](#), our development programme to support and encourage diversity in the boardroom will continue for another three years thanks to funding from Wellcome
- We convened student governors from across Wales’ universities and their support networks at a [Student Partnership in Governance event](#) funded by the Higher Education Funding Council for Wales (HEFCW) to support student governance and build boardroom skills
- Julia Gillard, Chair of Wellcome and former prime minister of Australia, delivered the first keynote at our [Governance Conference 2023: Navigating policy, politics and people](#)
- A [new podcast series](#) was launched exploring the evolution of governance in higher education, celebrating 20 years of supporting governance effectiveness in higher education
- Advance HE partnered with CUC to launch an enhanced [higher education 'Board Vacancies' portal](#). The enhanced portal increases engagement, reach and impact from backgrounds outside of higher education, and promotes the diversity of governors across the sector
- We progressed our [‘Measuring What Matters’](#) project which continues to explore how governing bodies can measure and articulate performance to better evidence the value that they create for all stakeholders
- [Our Supporting Inclusive Boards Programme – What Have We Learned](#) supporting work to improve board diversity considered the link between healthy and well-performing Boards and how culture, structures and policies can enable inclusion to support better decision-making and to create an environment where everyone can contribute.

Internal transformation

During 2023-24, Advance HE continued to invest strategically in its people, infrastructure and product/service portfolio in order to maximise value for members and other stakeholders. This has delivered measurable improvements in the security of customer and employee data and associated technologies, upgrades to payroll and HR information systems, and the deployment of service management and workforce/project management platforms. Collectively, these enhancements will drive more seamless experiences for customers, with streamlined ways of working beginning to reduce corporate overheads as a proportion of income, enabling an increased investment in member benefits over time.

Concurrently, significant strides have been made in apportioning cost and time, leading to greater visibility in the effective use of resources; and significant strides have been made in the processes in lead-capture and consultancy pipeline development. Reflecting the financial pressure that our members face, we have reduced the cost of our overhead through a limited voluntary severance scheme.

A portfolio review of Advance HE’s products and services commenced in September 2023 which aimed to streamline, integrate and simplify the portfolio. This work ensures that Advance HE will continue to provide what members need in a timely and cost-effective manner both in 2024-25 and in the future years.

Financial review

Overall financial results

In the 2023-24 financial year, Advance HE faced significant challenges brought about by the global higher education environment and external economic pressures.

These pressures impacted our financial performance including the overall year-end deficit position.

There was, however, modest growth in income generation from both existing and new products and services with notable progress made towards our strategic goals. In the Spring of 2023-24, in-year cost reduction initiatives were therefore implemented to mitigate the reduced income.

Advance HE had planned for a deficit of £1,370k. The actual deficit was £1,864k. This was funded by drawing down reserves and cash reserves.

The statutory surplus (as reported through the Statement of Financial Activities and the Balance Sheet) was the result of the reversal of the previous liability associated with the UK's Universities Superannuation Scheme (USS) pension. This statutory accounting adjustment therefore returned the Balance Sheet to a positive position of £5,176k.

Summary Financial results

Income: Advance HE's income for the year rose to £19,194k. This was £1,643k lower than budgeted, although £1,836k higher than the previous year. This year-on-year increase was driven by income from membership, fellowship programmes, accreditation services and consultancy, along with higher bank interest. The shortfall against the budget however directly reflected the impact of the financial and budget constraints experienced by our members and customers and the amount of budget available for our services.

Expenditure: Operational expenditure for the year totalled £20,863k, which was £1,343k lower than the budgeted £22,207k, and £1,495k higher than the previous year. The year-on-year increase partly reflects the higher 2023-24 income and the investment in organisational capacity agreed the previous year.

The in-year investment expenditure for Advance HE's products, services, and infrastructure was £233k against a budget of £554k. This was £126k lower than in 2022-23.

Costs increased to accommodate the budgeted income and against investment plans. However, when the financial pressures in the sector started to impact our income, a full review of the cost base was undertaken and associated actions were implemented in the Spring of 2023-24, to reduce both the in-year costs and to reset the future cost base. A proportion of these reductions were made through lowering the in-year pay bill (with these reductions carrying forward to the immediate proceeding years) and pausing the investment spend.

Underlying Deficit: The resulting deficit (of the above income and expenditure) of £1,669k was £299k higher than the budgeted £1,370k deficit. This deficit was £467k lower in comparison to the previous year.

One-off costs / annual accounting adjustments: As a consequence of resetting the pay bill, there was £227k of one-off costs during the year for payments under a Voluntary Severance Scheme. Other additional one-off and annual accounting adjustments resulted in a net cost reduction of £34k returning a total £193k.

Reported Surplus: The reported Surplus of £9,193k was due to the latest valuation of the UK's USS Pension Scheme whereby the scheme's liability was reduced to zero, creating a large credit (£11,055k) / reduction in costs.

This adjustment is a non-cash item and does not affect day-to-day financial operations, cash flow, or the ability to deliver the charitable activities. It reflects a long-term accounting estimate of the charity's pension obligations (which could return to a liability position in the future subject to the statutory actuarial valuations).

Advance HE plans to continue a modest growth strategy which is reflective of the pressures on the sector in 2024-25, using in-year surplus to invest in new products and services that will support our members and increase our impact.

The overall summary of the financial results for the year to 31 July 2024 are summarised below:

	2024 £000	2023 £000
(a) Total Income	£19,194	£17,358
Total Operational Expenditure	£20,630	£19,135
Total In-Year Investment	£233	£359
(b) Total Expenditure	£20,863	£19,494
(c) Deficit	-£1,669	-£2,136
One-off costs / annual accounting adjustment (costs)*	£193	-£10
Statutory USS Pension adjustment (credit)	-£11,055	-£2,658
(d) Reported Surplus	£9,193	£532
(e) Reserves (excluding USS Pension Liability)	£5,176	£7,038

*one-off costs being voluntary severance, and annual adjustments being unused 2023-24 staff holiday entitlement carried forward into 2024-25, and doubtful debt provision movements.

Capital Expenditure: Advance HE invested in updating the IT infrastructure, with capital expenditures totalling £138k on computer equipment and £56k on developing internal systems to improve operational efficiency. This investment is part of a longer-term strategy to ensure our technology is up-to-date and supports our mission effectively.

Balance sheet, Treasury Management and liquidity

The Balance Sheet holds unrestricted reserves of £5,176k, the equivalent to 3 months' of operational expenditure which is in accordance the Reserves Policy.

Advance HE holds surplus cash in low-risk, short-term deposit accounts, with the longest maturity being 12 months. This ensures liquidity and the ability to meet financial obligations as they arise. Cash balances decreased £2,368k to £12,527k reflecting the cash consumption from the planned investments made.

Advance HE does not have any borrowings, mortgages or financing arrangements.

Reserves

Advance HE's reserves policy has a target level of total unrestricted reserves of 3 months of operational expenditure, taking into account the future use of reserves in line with its charitable objects. This policy allows Directors to meet their obligations under the Companies Act and to comply with Charity Commission guidance.

Total unrestricted reserves as at 31 July 2024 was 3 months. Included within these is £1,658k (2022-23, £1,891k) allocated to a designated reserve fund to be utilised for strategic investment into the development of products and services to our stakeholders, and our internal capabilities to deliver these. It is expected that this reserve will be utilised over future years.

The accounting impact of the USS pension provision has resulted in the Balance Sheet of Advance HE returning to a positive position.

Business Model

During 2023-24, the Executive has been developing a new business model which will be implemented from 2024-25 and will underpin the structure of Advance HE's Five-Year Rolling Plan. We have consolidated our core activity areas that our members and customers engage with into focused areas to support greater financial transparency, sustainability and value for money.

The new business model will provide greater consistency and clarity in financial reporting in the future across the organisation. It will also enable better strategic decision making in respect of cost and resource management; and being agile to respond to customer demand in terms of Advance HE's products and delivery of the strategy.

Going concern

The charity's financial position at 31 July 2024 has been outlined in the Financial Review on pages 18 to 21 of this report.

As disclosed in 2021-22, the USS Pension Liability reported a significant liability, which resulted in the Balance Sheet of Advance HE becoming negative. The annual adjustment in 2023-24 eliminated this liability. Whilst this is a positive adjustment it is important to note that this annual accounting adjustment does not have an impact on the day-to-day financial sustainability and operations of Advance HE, its cash position / cashflow or its operating costs and is an estimation of a long-term position.

The Board has considered the charity's cash position, reserves position, strategic risks, sources of income and planned expenditure, inflation effects, the liquidity of its assets and the charity's ability to withstand a fall in income. Based on this information, the Board has concluded that Advance HE has sufficient resources to meet its obligations as they fall due and continue its charitable activities for at least, but not limited to, the 12 months from the date these statutory accounts are signed. The Board does not believe that there are events that represent a material uncertainty that may cause significant doubt on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in the preparation of these accounts. Please refer to page 39 for additional information.

Auditors

A tender process for external auditors was undertaken in 2023-24 and Sagars Accountants Ltd (t/a AAB) were appointed as external auditors from 2023-24.

Related parties

None of the trustees of the charity receives any remuneration or other benefit from their work with the charity. Related party transactions are reported in notes 6 and 22 to the financial statements.

Looking forward

Advance HE has embarked on developing its third strategy to 2030, which will be published in November 2024. The work reflects significant consultation with our Strategic Advisory Groups, Vice Chancellors, members and stakeholders worldwide. These global perspectives are particularly important in view of our continued efforts to grow our work international work in the coming year, with a particular focus, but not limited to, Ireland, Australasia and South-East Asia.

We will further our work with members and partners to build deeper communities, share successful practice and evidence our impact. A key element of our work this year will be taking forward holistic approaches to inclusion, supporting members to benefit from the talents of all students and staff, and campus where everyone has the opportunity to reach their potential and thrive. Our product and service portfolio will continue to be driven by insight and feedback to ensure it meets the needs of our members and clients, whatever their country or context.

Our members continue to face common challenges, and we are running four key Global Member Benefit projects in 2024-25 (informed through insight gained as part of the strategy consultation), specifically designed to engage and be relevant to all members, no matter where they are located or what kind of institution they represent: Leading and Governing Transformation; Securing Student Outcomes; Designing Education for the Future; Protecting Inclusion in Times of Change. Each project will feature a series of sub-themes generating outputs including events, reports, publications and podcasts.

Throughout the year, we will continue to very carefully manage our overheads and strive to ensure maximum value for our members; while continuing to deliver our charitable objectives to best effect and to realise our vision that, 'Higher education providers and systems that are inclusive, sustainable and high-performing in all they do.'

In parallel, Advance HE is developing an internal enabling strategy to support the delivery of the 2030 Strategy by its professional services functions. These activities are pivotal in the development of organisational health, culture, governance and sustainability, impacting the engagement and productivity of every employee. By extension, they play a key role in supporting the quality and value of products and services delivered to Advance HE's external stakeholders. The enabling strategy will focus on six contextually relevant and highly impactful strategic priorities including technological advancements; customer experience; and employer of choice' for skills and career development.

Risk management

Overall Risk Management Approach

Risks are considered as occurrences or opportunities that would impact on the delivery of Advance HE's core business, the quality of its outputs, the achievement of its strategic goals or the excellence of its reputation. Each quarter, the most significant risks to our strategic goals are identified and reported to the Board.

The charity regularly monitors and reviews its risks at both a strategic and operational level, using a risk matrix to determine Advance HE's principal risks and enable informed decision-making and timely action. The significant risks to Advance HE are regularly reviewed by the Executive Team and the Audit, Finance and Risk Committee, on behalf of the Board.

The Board of Directors acknowledges its responsibility to ensure that the charity's risk management framework is effective. The Board regularly reviews the charity's process for identifying, assessing, and managing risks and, where applicable, the charity's system of internal controls to manage these risks. The

Board reviews the effectiveness of the charity's approach to risk at least every year and has ultimate responsibility for Advance HE's key risks, approving the framework for risk assessment and management, monitoring risk management activities, and setting Advance HE's risk appetite.

Advance HE's Audit, Finance and Risk Committee is responsible for reviewing the effectiveness of risk management, control, and governance arrangements and, in particular, to review the external auditors' management letter, audit reports and management responses. The Chief Executive is responsible for maintaining and promoting the operational efficiency of Advance HE's financial management, strategic management, and risk management processes.

While it is robust in its approach to risk management, it is not inherently a 'risk averse' organisation and encourages enterprise and innovation. Advance HE has achieved considerable success since its inception and is prepared to invest and innovate in order to enhance its standing as a sector leader in higher education. Advance HE's objective is to be 'risk aware', by ensuring that risk management is an integral part of its planning and review processes, including the evaluation of new development opportunities. Advance HE's system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable, not absolute, assurance against material misstatement or loss.

The Board has delegated the day-to-day responsibility to the Chief Executive for maintaining a sound system of internal control that supports the achievement of Advance HE's policies, aims and objectives while safeguarding the funds and assets for which they are responsible. The Chief Executive is also responsible for reporting any material weaknesses or breakdowns in internal control to the Board.

Risk Management 2023-24

Advance HE's risks have been positively managed over the year and an increase in resourcing and projects led to a number of risks being addressed by year end. However, financial challenges led to an increase in financial risks although significant controls and mitigations were put in place to manage these risks effectively.

Throughout the year, Advance HE introduced a more robust and consistent Risk Management Framework which now provides an analysis of risk at an operational level and drives clear communication and escalation of risks from identification through to Board oversight.

By the end of the reporting period, Advance HE had the following risk levels:

Risk Score	Number of Risks	
	Strategic	Operational
Critical	1	2
High	3	29
Moderate	4	53
Low	0	16
Total	8	100

The following provides a summary of Advance HE's principal strategic risks and their management during 2023-24:

Risk	In year changes	Management strategy
Financial Position at Year End 2023/24	<p>This risk was opened in Q2 where there was an increase in reports that income targets may not be met by year-end</p> <p>From Q2 the income level predictions further reduced with this materialising at the year-end by income being £1.6m lower than the original budget</p>	<ul style="list-style-type: none"> Financial reforecast meetings focused on enhanced cost control measures to implement and agree changes to individual budgets to reduce the gap in income A Voluntary Severance Scheme was offered and created an estimated annualised £858k saving in payroll (including employer on-costs) A freeze on recruitment Restricted face to face travel activities implemented Focused action plan on income targets The budget build for 2024-25 includes income gap monitoring and cost control strategies to reach breakeven at year-end
Financial Sustainability	<p>In Q2, this risk increased from a residual risk score of 8 to 12 following the addition of the year-end position risk</p> <p>It later increased at Q4 from a 12 to 16 due to the May 2024 management accounts identifying that the budget would not be met at year-end</p>	<ul style="list-style-type: none"> Actions same as above
Litigation of Members in relation to Freedom of Speech and Academic Freedom	<p>There was no change to the risk score throughout the year. However, there was ongoing work to improve the mitigating controls in place</p>	<ul style="list-style-type: none"> Advance HE remains focused on the changing landscape of the litigation of members and will continue to offer support to institutions that may become subject to any litigation proceedings
Market Position and Reach	<p>There were no changes to the risk score throughout the year, however there was ongoing work to further mitigate the risks by implementing more controls which included the appointment of a Director of International to further support Advance HE's international market position</p>	<ul style="list-style-type: none"> Advance HE's strategy is to drive growth within the market sector, including increasing the global reach Advance HE has undertaken a significant amount of work over the last year to monitor and analysis the market position and strengthen its approach. This has been achieved through identifying partnership opportunities; establishing collaboration projects with sector partners; and targeted market research
Responding to Members Needs	<p>There were no changes to the risk score throughout the year, however there was ongoing work to mitigate this risk</p> <p>There has been an introduction of new measures to identify and support member's needs, including direct engagement with members</p>	<ul style="list-style-type: none"> Advance HE remains focused on its members needs and aims to increase engagement with the sector to ensure members needs are met Advance HE will continue to consult with the sector and engage with Strategic Advisory Groups to establish and deliver on the needs of its members
Limiting EDI Activities	<p>This risk was one of the highest reported throughout the majority of the year, however in Q4 this risk was reduced to a moderate risk scoring. This was due to a new Labour Government which reduced the likelihood of Advance HE being a political focus</p> <p>However, following consultation sessions with institutions, it has become clear that institutions are moving away from focusing on EDI</p>	<ul style="list-style-type: none"> Although institutions are moving away from EDI being a top focus priority, Advance HE will maintain an ongoing focus to embed EDI within the sector Additional risks may occur from the change in institutional focus, such as lack of engagement Advance HE new strategy includes the new focus priorities of institutions, but EDI remains as a key theme within the strategy

Although the majority of risks mainly sit at a moderate level, there are still a number of risks that move towards a high / critical score which will be the primary focus in the upcoming year.

Looking ahead, Advance HE may face challenges in relation to the economic sustainability of the sector and the introduction of a Labour government, particularly risks to changes in the compliance requirements of the organisation.

Advance HE's overall risk profile is that in line with those seen on a global and sector scale and is being effectively managed to ensure there is no immediate risk to the sustainability of the organisation.

Directors' report

Advance HE is a registered charity incorporated as a company limited by guarantee on 14 October 2003. It is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator. Advance HE is governed by its Memorandum and Articles of Association, which were last modified on 26 March 2018. For the purposes of this report, the trustees of the charity are also the directors of the company.

Advance HE's key objects are to promote higher education for the public benefit, promoting equality and diversity within the education sector and further developing the professionalism and profile of leadership, management and governance.

Public benefit

Advance HE is a registered charity and the Board has due regard to the Charity Commission's guidance on public benefit, ensuring that its activities continue to deliver its charitable aims to advance education. Advance HE operates across the global higher education community and provides benefit to different stakeholders, including institutions, individuals, the HE sector (working with governments, funding bodies, HE mission groups, professional, statutory and regulatory bodies, and other sector agencies and groups) and other stakeholders who access Advance HE products and services, such as research institutes and further education colleges.

Advance HE provides public benefit, through delivering its charitable articles:

- ❖ Providing strategic advice and coordination within the higher education sector, government, funding bodies and others on teaching and learning policies and practices that will impact upon and enhance the student experience
- ❖ Supporting and advancing curriculum and pedagogic development across the whole spectrum of higher education activity
- ❖ Facilitating the professional development and increasing the professional standing of all staff in higher education
- ❖ Developing the professionalism and profile of leadership, management and governance
- ❖ Improving the supply of development opportunities particularly international and cross-sector
- ❖ Broadening perspectives and improving standards in relation to leadership, management and governance
- ❖ Supporting the higher education sector in identifying and changing any cultural and systemic practices that unfairly exclude, marginalise or disadvantage individuals or groups and promote inclusive approaches
- ❖ Working with higher education institutions in eliminating discrimination on the grounds of age, disability, gender identity, marital or civil partnership status, pregnancy or maternity status, race, religion or belief, sex, sexual orientation or through any combination of these characteristics or other unfair treatment
- ❖ Advancing education and raising awareness in equality and diversity.

All trustees give their time voluntarily and receive no benefits from the charity. Expenses claimed from the charity are included within note 22.

Governance and management

Advance HE has adopted the principles and recommended practice of the Charity Governance Code, supporting the Board's aim to develop high standards of governance and demonstrate best practice in all aspects of governance. Our trustees must also have regard for Nolan's Seven Principles of Public Life, demonstrating the highest ethical conduct when discharging their duties as directors of Advance HE.

Board of Directors

The charity is governed by a Board of Directors (trustees for the purposes of charity law), who are responsible for the strategic governance of the charity and setting Advance HE's overall strategy.

As a company Limited by Guarantee, there are no shareholders and the Board act as Trustees of the charity. There are two founding members of the Board, Universities UK and Guild HE.

Helen Langton acted as Interim Chair whilst an external recruitment process for a new Chair was undertaken. Professor Mark E. Smith, Vice Chancellor at the University of Southampton was appointed Chair of the Board from 2 January 2024.

The Board meets at least five times a year and receives written reports on all aspects of Advance HE's work at each meeting. In order to monitor progress and ensure that Advance HE is delivering its charitable objectives, the Board is provided with regular and timely information on the financial performance of Advance HE, together with other information such as performance against targets and stakeholder feedback.

In the year ending 31 July 2024, the number of directors serving on the Board was 13. Directors are initially appointed for two or three years. Following this initial term, all directors can be reappointed for a further term, up to a maximum of nine years. Recruitment of new directors is overseen by the Governance and Nominations Committee, which undertakes an open recruitment process, recommending new appointments when necessary and ensuring appropriate recruitment and succession plans are in place.

New directors follow a thorough induction process, spending time with senior executive members and fellow directors and generally gaining an understanding of all aspects of our work. Any training needs are identified through annual effectiveness reviews undertaken by the Chair, so that Board directors are able to successfully discharge their duties and have a full understanding of the role's legal obligations.

The Board appointed a Senior Independent Director, Helen Langton, on 27 April 2023, whose key responsibilities are to support the Chair in the effective leadership of the Board, support the Board to review the Chair's performance annually and be involved in succession planning for the Chair.

The Company Secretary maintains a register of financial and personal interests of the Directors (trustees) and Senior Management (Executive Team). The register is available for inspection at the registered office.

The Board conducts its business through a number of committees (detailed on pages 28 to 29): Audit, Finance and Risk; Equality, Diversity and Inclusion; Governance and Nominations; People and Remuneration; and Peer Review Quality Committee. The business of these committees is formally reported to the Board. All Board committees operate in accordance with written terms of reference, which outline their responsibilities in more detail and are reviewed annually and approved by the Board.

At least once a year the external auditors meet the Audit, Finance and Risk committee for independent discussion without the presence of management. The committee is responsible for reviewing the effectiveness and independence of the external auditors and also advises the Board on the appointment of the external auditors and their remuneration for both audit and non-audit work.

Chief Executive

The Board has delegated the day-to-day management of the charity to the Chief Executive who is supported by the Executive Team in delivering the agreed strategic objectives. The Chief Executive is the head of Advance HE and has a general responsibility to the Board for the organisation, direction and management of Advance HE. The Board is responsible for the appointment and removal of the Chief Executive.

Directors' indemnities

As permitted by Advance HE's Articles of Association, the directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Advance HE also purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors throughout the financial year.

Remuneration policy

The People and Remuneration Committee meet at least once a year and have delegated authority to review the performance of the Chief Executive and other senior post holders appointed by the Board and to set the remuneration and conditions of service (including any severance arrangements) for all senior post holders, with particular responsibility to represent the public interest.

Governance structure

The Board is supported by several committees, in order to provide assurance and dedicated oversight to the matters for which it is responsible. As well as Board meetings, all directors are expected to contribute to those committees where their individual skills can be of most benefit, in discussion with the Chair and Governance and Nominations Committee. These committees bring together Board directors and co-optees with specific professional experience, who then make recommendations to the Board.

Below outlines the key focus and members of each Board Committee:

Committee	Focus	Members
Audit, Finance and Risk Committee	<ul style="list-style-type: none">• Internal and external audit• Annual Report and Accounts• Annual budget and forecasts• Financial performance• Capital investment• Reserves and cashflow• Key policies and frameworks• Risk management	<ul style="list-style-type: none">• Christopher Sayers (Chair) (To 2 September 2024)• Mark E. Smith (Joined June 2024)• Saad Qureshi (Moved from Board member to co-optee on 31 July 2024)• Paul Woodgates (Chair of the Committee from 2 September 2024)• Graham Hillier (Co-optee)

Committee	Focus	Members
Peer Review Quality Committee	<ul style="list-style-type: none"> • Quality assurance of peer review services • Enhancement of peer review services • Peer review policy • EPAO performance and compliance (Ofqual) 	<ul style="list-style-type: none"> • Samuel Grogan (Chair) • Quintin McKellar (Stood down 31 July 2024) • Annette Hay • Elaine Buckley (Co-optee) • Jon Scott (Co-optee) • Nona McDuff (Co-optee) (Stood down 31 July 2024)
People and Remuneration Committee	<ul style="list-style-type: none"> • Pay and reward structures for Chief Executive and the Executive Team • Employee benefits structures • Internal EDI practice • Remuneration policy • People strategy development • Staff engagement 	<ul style="list-style-type: none"> • Helen Langton (Chair) (Stood down 23 August 2024) • Mark E. Smith (January 2024) • Christopher Sayers (Stood down 2 September 2024) • Sarah Greer (Stood down 31 July 2024)
Equality, Diversity and Inclusion Committee	<ul style="list-style-type: none"> • EDI strategic development • EDI integration • EDI risks • EDI policy • Athena Swan governance assurance • Race Equality Charter governance assurance 	<ul style="list-style-type: none"> • Parveen Yaqoob (Chair) (From September 2024) • Annette Hay • Randall Whittaker (Co-optee/Board members from 4 July 2024) • Pradeep Passi (Co-optee) • Chantal Davies (Co-optee) • Aloma Onyemah (Co-optee) • Osma Khan (Co-optee, joined March 2023)
Governance and Nominations Committee	<ul style="list-style-type: none"> • Board Member nominations • Board Member recruitment • Succession planning • Board governance • Board diversity 	<ul style="list-style-type: none"> • Janet Legrand KC Hon (Chair) • Mark E. Smith (January 2024) • Andrea Nolan • Shahid Omer UUK • Alex Bols/Brooke Storer-Church, GuildHE

Strategic Advisory Groups

Our five Strategic Advisory Groups help to ensure our members can contribute to shaping the activity and future direction of Advance HE and ensuring future developments meet member needs in core areas: Teaching and Learning; Leadership and Management; Governance; Equality, Diversity and Inclusion; and Global Perspectives.

Trustees' responsibilities statement

The trustees (who are also directors of Advance HE for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed.

The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report for the year ended 31 July 2024 has been approved by the Board of Directors of Advance HE on 5 December 2024 and signed on their behalf by:

Mark E. Smith

Mark E. Smith (Chair)
5 December 2024

Company No. 04931031

Independent auditor's report

Opinion

We have audited the financial statements of Advance HE (the 'charitable company') for the year ended 31 July 2024 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We considered the opportunities and incentives that may exist within the charitable company for fraud and identified the greatest potential for fraud to be income recognition and posting of unusual journal entries. Audit procedures performed to address these risks included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by the management in its significant accounting estimates;
- Identifying and testing journal entries; and
- Testing a sample of income transactions to source documentation.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Seaman BA FCA CIOT

Audit Partner

for and on behalf of Sagars Accountants Ltd

Statutory Auditor, Chartered Accountants

Date: 06-Dec-2024

Sagars Accountants Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Financial statements

Statement of financial activities (incorporating the income and expenditure account) for the year ended 31 July 2024

	Notes	2024 £000	2023 £000
Income from:			
Charitable activities			
Funding body grants	3	-	11
Other income	4	18,639	17,064
Investments	5	555	283
Total income		19,194	17,358
Expenditure on:			
Charitable activities			
Staff costs	6, 7	(12,377)	(10,519)
Other operating expenses	8	(8,363)	(8,693)
Depreciation and amortisation	10, 11	(260)	(229)
Interest and other finance costs	9,14	(309)	(499)
USS Pension annual adjustment relating to staff costs	6,14	11,308	3,114
Total expenditure		(10,001)	(16,826)
Net income / (expenditure) and net movement in funds		9,193	532
Fund balances brought forward		(4,017)	(4,549)
Fund balances carried forward		5,176	(4,017)

The income and expenditure account is in respect of continuing activities for Advance HE.

There were no gains and losses other than those reported in the income and expenditure account.

The accompanying accounting policies and notes form an integral part of these financial statements.

All activities were unrestricted in the current and prior year.

The notes on pages 38 to 53 are an integral part of these financial statements.

Balance sheet as at the 31 July 2024

	Notes	2024 £000	2023 £000
Fixed assets			
Tangible assets	10	230	247
Intangible assets	11	<u>190</u>	<u>223</u>
		420	470
Current assets			
Debtors	12	5,707	4,281
Cash at bank and in hand		<u>12,527</u>	<u>14,895</u>
		<u>18,234</u>	<u>19,176</u>
Creditors: amounts falling due within one year	13	<u>(11,526)</u>	<u>(11,002)</u>
Net current assets		6,708	8,174
Total assets less current liabilities		7,128	8,644
Creditors: amounts falling due over one year	13	(1,547)	(1,200)
Provision for liabilities	14	<u>(405)</u>	<u>(11,460)</u>
NET ASSETS/(LIABILITIES)		5,176	(4,016)
Unrestricted Reserves			
General Reserve	23	3,518	(5,907)
Designated Reserve	23	<u>1,658</u>	<u>1,891</u>
TOTAL RESERVES		5,176	(4,016)

The notes on pages 39 to 53 are an integral part of these financial statements. The financial statements were approved and authorised for issue by the Board of Directors on 5 December 2024 and were signed on its behalf by:

Mark E. Smith

Mark E. Smith – Chair

Company number: 04931031

Statement of cash flows for the year to 31 July 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities	15	(2,393)	547
Cash flows used in investing activities	16	27	(302)
Change in cash and cash equivalents in the reporting period		(2,366)	245
Cash and cash equivalents at the beginning of the reporting period		14,893	14,648
Cash and cash equivalents at the end of the reporting period		12,527	14,893

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 July 2024

1. Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are summarised below and have been consistently applied throughout the year and to the preceding period.

1.1. Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Advance HE's financial statements.

The financial statements have been prepared under the historical cost convention and in accordance with the Charities Statement of Recommended Practice (SORP) and FRS102.

Advance HE meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The accounts are presented in £ Sterling.

1.2. Going Concern

The significant increase in the UK's USS Pension Liability in 2021-22 has now been reversed following the latest 2023 valuation. This valuation resulted in the eradication of the schemes total liability position and thereby Advance HE's proportion. 2023-24 therefore reports a positive Balance Sheet.

As in prior years, particular emphasis during 2023-24 has been around the impact that the Covid-19 pandemic continues to have on the global economy, on the activities of Advance HE and on any carrying amounts within the assets and liabilities in the Balance Sheet into 2024-25. Additionally the higher education system is experiencing and will experience, unprecedented changes, challenges and opportunities impacting financial sustainability. In light of this, the operating financial budget for 2024-25 has been prepared following a number of scenario models and stress tests, particularly regarding cost increases and inflationary pressures, each with associated trigger and escalation actions. In addition, the timing of the financial returns of the investments made during 2022-23 and 2023-24 into the strategic growth and the further planned investment into Advance HE's services, technology and infrastructure, is expected to return a break even position 2024-25. To prepare for this, a number of enhanced cost control measures were implemented during 2023-24, which included a number of reductions in the headcount (and payroll).

Advance HE's planning cycle for its rolling Five-Year Financial Planning will routinely commence in the spring of 2025 and will continue to reflect the changing environment that Advance HE is responding to, alongside global communities.

Advance HE does not have any loans or any other borrowings.

After considering these factors, the Board has also approved the longer range five-year financial growth plans, business plan, financial forecasts covering the period to 31 July 2028 and the planned reserve levels and is satisfied that Advance HE will operate in a financially sustainable manner. The Board will monitor the direct and indirect impacts of cost increases, inflation levels, Covid-19, Brexit and the changes the new government

may implement, during 2023-24. The Board considers that Advance HE has sufficient resources to continue in operational existence for at least but not limited to the 12 months from the date these statutory accounts are signed and continues to adopt the 'going concern' basis in preparing the statutory accounts. The Board does not believe that there are events that represent a material uncertainty that may cause significant doubt on the company's ability to continue as a going concern.

Cash flow forecasts have been prepared to the end of May 2026, which consider our cash position and cash requirements, derived from our five-year financial growth plans. These forecasts include any additional costs and savings arising from our scenario modelling and have also considered sensitivities surrounding our income related pipeline.

1.3. Income

Income from specific commissioned monies, contracts and other services is accounted for on an accruals basis and recognised in the accounts when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

The following specific policies apply to certain categories of income:

- Where grants made are not utilised, a claw-back is recognised as a debtor in the balance sheet. The associated grant income is then deferred until the original conditions for its receipt have been complied with
- Institutional Memberships are recognised over the period to which they relate
- Investment income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

1.4. Expenditure

Expenditure has been charged to the statement of financial activities on an accrual basis. Costs are shown inclusive of any related value added tax.

1.5. Tangible fixed assets

Tangible assets are capitalised where they are capable of being used for a period that exceeds one year. Laptops, desk top computers and servers are capitalised, irrespective of cost. All other equipment (excluding computer software and licences), furniture and fittings are capitalised at cost where the aggregated or individual cost is £1,000 or more.

1.6. Intangible assets and depreciation

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Intangible assets are capitalised where they are capable of being used for a period that exceeds one year. Intangible assets under construction relate to a new finance software system.

1.7. Depreciation

All tangible fixed assets are depreciated on a straight line basis over their useful economic life as follows:

Leasehold improvements	-	over the period of the lease
Equipment	-	three years
Computer equipment	-	three years
Office equipment	-	three years
Furniture and fittings	-	five years

Amortisation

Advance HE website	-	four years
Advance HE CRM	-	four years

1.8. Leased assets

Costs in respect of operating leases are charged to expenditure on a straight-line basis over the lease term.

1.9. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10. Creditors and provisions

Short-term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Provisions are recognised when Advance HE has a present financial obligation as a result of a past event and it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of its value.

1.11. Contingent liabilities

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios: a possible rather than a present obligation: a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow.

1.12. Liquid resources

Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities. Advance HE has no significant exposure to cash flow interest rate risk as it does not have any loans or interest charging facilities in place.

1.13. Post Balance Sheet events

Post Balance Sheet events are categorised into adjusting and non-adjusting that occur between the end of the reporting period and the date when the financial statements are approved. Post Balance Sheet adjusting events are those where there is evidence of a condition(s) that exist at the end of the reporting period and are disclosed within the accounts. These can be favourable and/or unfavourable. Post Balance Sheet non-adjusting events are those where there are indicative conditions that have arisen after the end of the reporting period and are disclosed by way of a note. These can be favourable and/or unfavourable.

1.14. Taxation

Advance HE is a charity within the meaning of schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of section 467 Corporation Tax Act 2010 (CTA 2010). Accordingly, Advance HE is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11 of CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. Advance HE receives no similar exemption in respect of Value Added Tax.

1.15. Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Exchange differences are included in the consolidated statement of financial activities for the period in which they are incurred.

1.16. Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. Redundancy costs are recognised as an expense in the period in which the charity becomes irrevocably committed to incurring the costs and the main features of the plans have been announced to affected employees.

1.17. Fundraising

Advance HE's income is generated from membership subscriptions and fees, programmes and events fees, consultancy fees, accreditation and charters fees, awards fees, commissioned work from national Funding Bodies (OfS, HEFCW, DfE Northern Ireland). Advance HE does not use professional fundraisers or commercial participators, nor does it operate any voluntary standards and schemes for fundraising.

1.18. Pension schemes

Advance HE participates in the UK's 'Universities Superannuation Scheme'. The scheme is 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 organisations/institutions and a scheme-wide contribution rate is set. Advance HE is therefore exposed to actuarial risks associated with other organisations'/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", Advance HE therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount

charged to the profit and loss account represents the contributions payable to the scheme. As a result the amount charged to the income and expenditure account represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme's Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit.

Advance HE recognises a liability for the contributions payable that arise from such an the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income statement. Further disclosures relating to a deficit recovery liability would be found within the notes to the accounts.

1.19. Financial instruments

The organisation only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

A review of the Balance Sheet as at 31 July 2024 has been undertaken regarding any impairment risks. The Board considers that there are no significant risks.

2. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant. The items in the financial statements where these judgements, estimates and assumptions have been made include:

Judgements and estimates

Pension Scheme

FRS 102 makes the distinction between a group plan and a multi-employer 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 (the UK) Universities Superannuation Scheme. 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 in profit or loss in accordance with section 28 of FRS 102.

At 31 July 2023 Advance HE's Balance Sheet included a liability of £11,055k for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date Advance HE was no longer required to make deficit recovery contributions. The remaining liability of the £11,055k was released to the income and expenditure account. Further disclosures to the deficit recovery liability can be found in note 18.

Judgements

Provision for doubtful debts

All debts over 90 days were reviewed and a judgement made as to the level of provision required on a case by case basis. Additionally there were some invoices issued to institutions without a purchase order (as required by some institutions) relating to attendance at Advance HE events which remained unpaid (amounting to £4k), which were less than 90 days overdue. This provision amounted to a total of £11k (2022-23 £5k).

3. Funding body grants

	2024 £000	2023 £000
Higher Education Funding Council for Wales	-	11
	-	11

4. Other income

	2024 £000	2023 £000
Memberships	7,782	7,234
Consultancy	3,643	3,037
Programmes	4,797	4,856
Accreditation	1,793	1,191
Other Income	624	746
	18,639	17,064

5. Investment

	2024 £000	2023 £000
Interest receivable	555	283
	555	283

6. Staff

	2024 £000	2023 £000
Staff costs		
Wages and salaries	9,776	8,062
Social security costs	1,054	892
Pension costs	1,547	1,564
Movement on USS provision	(11,308)	(3,114)
	1,069	7,404

None of the trustees of the charity receives any remuneration or other benefit from their work with the charity.

No trustee expenses have been incurred in the current or prior year.

The significant movement in the USS provision is the result of the 2023 valuation which completely reversed the total UK USS Pension Liability.

Voluntary severance payments made included in the above are £233k (2022-23: £72k).

Emoluments of the Chief Executive:	2024 £000	2023 £000
Total emoluments	161	169

Emoluments include salary and exclude employers' national insurance contributions and pension costs.

The number of higher paid post-holders with a basic salary of over £60,000 per annum (excluding employers' national insurance and pension contributions and voluntary severance) are below:

	2024 £000	2023 £000
£60,000 to £64,999	21	14
£65,000 to £69,999	15	10
£70,000 to £74,999	9	1
£75,000 to £79,999	1	4
£80,000 to £84,999	5	1
£90,000 to £94,999	-	1
£95,000 to £99,999	-	3
£105,000 to £109,999	3	1
£115,000 to £119,999	1	-
£160,000 to £164,999	1	-
£165,000 to £169,999	-	1
	56	36

The average number of persons employed by Advance HE during the year, by major category was:

	2024 No.	2023 No.
Operations	158	141
Marketing	16	16
Overheads	32	25
	206	182

The above bandings reflect salaries only and do not include any employer costs of employment.

7. Key management personnel

The key management personnel of the organisation comprises those persons having authority and responsibility for planning, directing and controlling the activities of Advance HE and comprises all members of the Executive Team of Advance HE outlined on page 5. The total amount of employee benefits paid to members of the Executive Team in respect of their services to Advance HE (including remuneration, employer's pension contributions, employer's National Insurance and other benefits) was £1,251k (2022-23 £1,199k).

8. Other operating expenditure

	2024 £000	2023 £000
Operational costs	5,175	5,541
Indirect staff costs	203	108
Rent and rates	486	431
Heat, light and power	9	5
Travel and subsistence	604	734
Postage, printing, stationery and telephone	151	147
Professional fees	204	190
Office equipment and computer maintenance	875	697
General expenses	89	43
Public relations and marketing	343	365
Recruitment costs	213	431
Loss on disposal of assets	11	-
	8,363	8,692
	2024 £000	2023 £000

Other operating expenditure includes:

Auditor's remuneration

- External auditor's remuneration in respect of audit services	47	57
Hire of buildings – operating leases	386	346

9. Interest and other finance costs

	2024 £000	2023 £000
Bank charges	56	43
Finance cost of USS Pension	253	456
	309	499

10. Tangible fixed assets

	Leasehold Improvements £000	Computer Equipment £000	Office Equipment £000	Fixtures Fittings £000	Total £000
Cost					
Opening balance	139	597	45	55	836
Additions	-	138	-	-	138
Disposals	-	(348)	-	-	(348)
At 31 July 2024	139	387	45	55	626
Depreciation					
Opening balance	57	443	45	44	589
Charge for the year	14	120	-	10	144
Disposals	-	(335)	-	-	(336)
At 31 July 2024	71	226	45	54	397
Net book value					
At 31 July 2024	68	161	-	1	230
At 31 July 2023	82	154	-	11	247

11. Intangible assets

	Under Construction £000	Computer System £000	Total £000
Cost			
Opening balance	20	545	565
Additions	26	57	83
Transfers	(21)	21	-
At 31 July 2024	25	623	648
Amortisation			
Opening balance	-	342	342
Charge for the year	-	116	116
At 31 July 2024	-	458	458
Net Book Value			
At 31 July 2024	25	165	190
At 31 July 2023	20	203	223

12. Debtors

	2024 £000	2023 £000
Amounts falling due within one year:		
Trade debtors	4,771	3,284
Other debtors	175	261
Prepayments	561	463
Accrued income	200	273
	5,707	4,281

13. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	525	495
Other tax and social security	666	241
Accruals and Deferred Income*	11,881	11,467
	13,072	12,203

*2024 Includes £397k of Other Creditors payable later than one year and £10,287k Deferred Income (£9,138k < 1yr, £1,149k between 1-5yrs). 2023 includes £382k of Other Creditors payable later than one year and £9,765k Deferred Income (£8,986k < 1yr, £779k between 1-5yrs).

14. Provisions for liabilities

	Obligation to fund past deficit on USS pension £000	Office dilapidations £000	Total £000
As at 1 August 2023	11,055	405	11,460
Utilised in the year	(11,055)	-	(11,055)
At 31 July 2024	-	405	405

The total amount utilised in the year of £11,055k regarding the USS Pension, is the net of the £11,308k staff cost credit (as disclosed in note 6) and the £253k finance cost charge (as disclosed in note 9).

The significant decrease in the total UK USS provision is based on HE sector negotiated and agreed long-term actuarial assumptions as per the 2023 valuation.

The office dilapidations provision is expected to be utilised with the expiry of the longest lease (March 2029).

15. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2024 £000	2023 £000
Surplus for the year	9,193	532
Depreciation and Amortisation (note 10 & 11)	260	230
(Increase)/decrease in debtors (note 12)	(1,426)	2,261
Increase/(decrease) in creditors (note 13)	(10,185)	(2,691)
Interest receivable (note 5)	(555)	(283)
Interest payable and similar charges (note 9)	309	499
Loss on disposal of Assets	11	-
Net cash provided by / (used in) operating activities	(2,393)	548

16. Cash flows from investing activities

	2024 £000	2023 £000
Interest receivable	555	283
Interest payable and similar charges	(309)	(499)
Purchase of fixed assets	(219)	(86)
Net cash provided / (used in) investing activities	27	(302)

17. Analysis of changes in net debt

This balance represents cash as Advance HE does not have any borrowings.

	At 1 August 2023 £000	Cash flow £000	At 31 July 2024 £000
Cash	14,893	(2,368)	12,525
Total	14,893	(2,368)	12,525

18. Pensions and similar obligations

The total amount credited to the Income and Expenditure account is £11,055k (2022-23: £2,658 was credited to the Income and Expenditure account) resulting in a total provision of £Nil (2022-23 £11,055k). The latest available complete actuarial valuation of the USS Retirement Income Builder is at 31 March 2023 (the valuation date), which was carried out using the projected unit method. Since Advance HE cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion

and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below:

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

2023 valuation

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

Increases or decreases in the USS Pension contribution rates for employees and employers are accounted for as these change.

19. Capital commitments

No contracted capital commitments were in place as at 31 July 2024 (2023: nil).

20. Financial commitments

At 31 July 2024 Advance HE had total commitments under non-cancellable operating leases as follows:

	2024 £000	2023 £000
Future minimum lease payments due:		
Not later than 1 year	535	530
Later than 1 year and not later than 5 years	1,385	1,734
Later than 5 years	-	157
	<u>1,920</u>	<u>2,421</u>

There is one property with two and a half years of a 25-year lease remaining and one property with four years and seven months of 10-year term remaining, which mitigates any risk of longer term liability.

At 31 July 2024 Advance HE had total future minimum lease receipts under non-cancellable operating leases which net against the above total as follows:

	2024 £000	2023 £000
Future minimum receipts due:		
Not later than 1 year	311	311
Later than 1 year and not later than 5 years	475	785
Later than 5 years	-	-
	<u>786</u>	<u>1,096</u>

21. Contingent liabilities

There are no contingent liabilities at 31 July 2024 (2023: £42k).

22. Related party transactions

Due to the nature of Advance HE's operations and the composition of the Board (being drawn from the higher education sector), it is inevitable that transactions will take place with organisations in which a Director of the Board or a Member of Advance HE may have an interest. All transactions involving organisations in which a Director of the Board or a Member of Advance HE may have an interest are conducted at arms' length and in accordance with Advance HE's financial regulations and normal procurement procedures.

During the period there were no transactions (neither income nor expenditure) with organisations with which any director of the Board or Member of Advance HE may have an interest.

The following transactions were identified for disclosure under FRS 102: Related Party Disclosures:

Director/Trustee:	Related Party:	Sales to Related Party: £000	Owed from Related Party: £000	Purchases from Related Party: £000
Saad Qureshi	Metron College	4	-	-
Professor Sarah Greer	University of Winchester	30	-	-
Dr Samuel Grogan	University of Salford	184	15	-
Annette Hay	Coventry University	95	87	-
Professor Helen Langton	University of Suffolk	71	-	-
Janet Legrand	University of Edinburgh	230	24	-
Professor Quintin McKellar	University of Hertfordshire	145	11	-
Professor Andrea Nolan	Edinburgh Napier University	35	35	5
Professor David Sadler	University of Western Australia	19	7	-
Professor David Sadler	Universities Australia	-	-	1
Mr Christopher Sayers	SRUC	40	-	-
Professor Mark E Smith	University of Southampton	104	4	-
Professor Randall Whittaker	Northumbria University	162	14	4
Professor Andrea Nolan	Trinity College Dublin	56	29	-
Professor Andrea Nolan	Carnegie Trust for the Universities of Scotland	8	-	-
Annette Hay, Paul Woodgates	De Montfort University	130	10	5
Paul Woodgates	British Council	26	-	-
Dr Samuel Grogan	BPP university	29	33	-
Kathryn Harrison-Graves	RDG Media	-	-	6

The Owed to (Owed from) represents invoices due to (due from) at 31 July 2024.

The Receipts from and Payments to represents invoices within the period of the Board Member's appointment.

23. Unrestricted reserves

	Designated reserve £000	General reserve £000	Total unrestricted reserve £000
As at 31 July 2023	1,891	(5,907)	(4,016)
(Deficit)/Surplus for the period	(233)	9,425	9,192
Transfer of Reserves	-	-	-
At 31 July 2024	1,658	3,518	5,176

Advance HE, as a company Limited by Guarantee, does not have shareholders or share capital. Its reserves are the result of cumulative prior year activities and are used to support the charity in delivering its objects.

The unrestricted reserves at 31 July 2024 remained within the target reserves level of 3 months of operational expenditure.

The designated (specific) reserve fund is required for the strategic investment into the development of products and services to our stakeholders, in the appropriate resourcing of and the internal supporting infrastructure to deliver this.

24. Financial instruments

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Financial assets that are debt instruments measured at amortised cost:		
Trade and other debtors	4,945	3,545
Cash	12,527	14,895
Accrued income	201	273
	<u>17,673</u>	<u>18,713</u>
Financial liabilities measured at amortised cost:		
Trade and other creditors	<u>2,120</u>	<u>2,196</u>

Contact us

All enquiries

Email: communications@advance-he.ac.uk

Advance HE helps HE institutions be the best they can be, by unlocking the potential of their people.

We are a member-led, sector-owned charity that works with institutions and higher education across the world to improve higher education for staff, students and society. We are experts in higher education with a particular focus on enhancing teaching and learning, effective governance, leadership development and tackling inequalities through our equality, diversity and inclusion (EDI) work.

Our strategic goals to enhance confidence and trust in HE, address inequalities, promote inclusion and advance education to meet the evolving needs of students and society, support the work of our members and the HE sector.

We deliver our support through professional development programmes and events, Fellowships, awards, student surveys and research, providing strategic change and consultancy services and through membership (including accreditation of teaching and learning, equality charters, knowledge and resources).

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