

UNIVERSITY COLLEGE OF ESTATE MANAGEMENT

England & Wales · Charity number 313223

Details

Other names COLLEGE OF ESTATE MANAGEMENT

Status Registered

Legal form Other

Company number [RC000125](#)

Registered 1963-05-24

Register [View on the Charity Commission register](#)

Contact

Address Ucem
Horizons
60 Queen's Road
Reading
RG1 4BS

Phone 01189214682

Email j.e.fawkes@ucem.ac.uk

Website www.ucem.ac.uk

Activities

Objects: TO PROVIDE TRAINING AND EDUCATIONAL FACILITIES FOR STUDENTS FOR ALL OR ANY OF THE PROFESSIONS VOCATIONS OR CALLINGS OF SURVEYOR, AUCTIONEER, LAND OR ESTATE AGENT.

Activities: With regard to the land and property sectors and for the public benefit to :-Provide distance taught study courses -Undertake research -Provide texts and study packs to support continuing professional development -Provide corporate training services-Support professional bodies, charities and other organisations

Classification

- **How:** Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

- Afghanistan
- Albania
- Algeria
- American Samoa
- Armenia
- Australia
- Austria
- Azerbaijan
- Bahrain
- Bangladesh
- Barbados
- Belgium
- Bermuda
- Botswana
- Brazil
- British Virgin Islands
- Brunei
- Burundi
- Canada
- Cayman Islands
- China
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Dominica
- Egypt
- Eritrea
- Eswatini
- Ethiopia
- Falkland Islands
- France
- Georgia
- Germany

- Ghana
- Gibraltar
- Greece
- Grenada
- Guernsey
- Guyana
- Haiti
- Hong Kong
- Hungary
- India
- Indonesia
- Ireland
- Isle Of Man
- Israel
- Italy
- Jamaica
- Japan
- Jersey
- Jordan
- Kenya
- Kuwait
- Lebanon
- Lithuania
- Luxembourg
- Macau
- Malawi
- Malaysia
- Malta
- Mauritius
- Mongolia
- Morocco
- Mozambique
- Namibia
- Netherlands
- New Zealand

- Nigeria
- Northern Ireland
- Norway
- Oman
- Pakistan
- Philippines
- Poland
- Qatar
- Romania
- Russia
- Saint Vincent
- Saudi Arabia
- Scotland
- Seychelles
- Sierra Leone
- Singapore
- South Africa
- South Korea
- Spain
- Sri Lanka
- St Kitts And Nevis
- Sudan
- Sweden
- Switzerland
- Taiwan
- Tanzania
- Thailand
- The Bahamas
- The Gambia
- Trinidad And Tobago
- Turkey
- Uganda
- Ukraine
- United Arab Emirates
- United States

- Vietnam
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£24,034,966	£22,449,213	£27,407,958	288
2024-07-31	£21,859,911	£20,407,331	£25,541,331	277
2023-07-31	£19,035,735	£17,768,618	£20,249,206	255
2022-07-31	£17,065,855	£15,959,910	£18,986,112	233
2021-07-31	£16,245,091	£15,014,902	£20,286,078	228

Trustees

Name	Role	Appointed
Rosaleen Clare Kerslake BA MBA CBE	Chair	2023-11-30
Adam Denton		2023-01-01
Ashley Wheaton		2014-02-06
Charlotte Suzanne Thackeray		2024-06-01
Christopher David Costigan		2017-12-06
Dominic James O'Rourke MSc MRICS		2021-11-25
Elizabeth Anne Marr PhD MBA		2025-03-01
Graeme Nicholas Scott ACA		2023-03-30
Jonathan Bruce Hubert		2023-01-01
Jyotveer Gill		2024-09-01
Michelle Amanda Jones BSc PhD		2022-09-29
Nicholas Braisby BA PhD		2020-09-24
Nicholas James Hughes MBA FCIM		2024-06-01

Linked charities

- ARTHUR WHATES PRIZE FUND (313223-1)

Accounts



**University College of Estate Management
trading as
University of the Built Environment**

**Report and financial statements for the year ended
31 July 2025**

Charity number: 313223

Royal Charter number: RC000125

Contents

	Page
Reference and administrative information	2 – 5
Chair and Vice Chancellors statement	6
Trustees’ annual report	7 – 27
Independent auditor’s report to the Board of Trustees	28 – 33
Consolidated and University statement of comprehensive income and expenditure	34
Consolidated and University statement of change in reserves	35
Consolidated balance sheet	36
Consolidated statement of cash flow	37
Statement of accounting policies	38 – 48
Notes to the financial statements	49 – 64

Reference and administrative information

Charity number: 313223 – registered in England and Wales

Royal Charter number: RC000125

Registered office and operational address:

Horizons
60 Queen's Road
Reading
Berkshire
RG1 4BS

University of the Built Environment is a business name of University College of Estate Management (UCEM), a corporation established by Royal Charter with registered charity number 323223. Throughout this document the University is referred to using this business name.

Trustees

Trustees who served during the year and up to the date of this report were as follows:

Professor Nicholas Braisby

BA PhD CPsychol AFBPsS PFHEA

Amanda Clack Dr. (hc)

MSc BSc PPRICS FRICS FICE FAPM FRSA FIC
CCMI CMC

Resigned 31 January 2025

Christopher Costigan

LLB (Hons) LLM Barrister FHEA FCG

Jyotveer Gill

BSc

Appointed 1 September 2024

Nicholas Hughes

FCIM MBA

Stephen Jackson Dr.

FRGS FRSA

Resigned 3 April 2025

Professor Michelle Jones

BSc PhD

Vice Chair

Ros Kerslake CBE

BA MBA

Chair

Liz Marr Dr.

PhD MBA

Appointed 1 March 2025

Peter McCrea OBE

BSc DipArb FRICS FCIArb

Resigned 3 December 2025

Dominic O'Rourke

BA (Hons) MSc

Jules Quinn

LLB BCL

Gareth Ralphs

BA (Hons) MSc DipSurv MRTPI MRICS

Resigned 10 July 2025

Graeme Scott

BSc ACA

Honorary Treasurer

Chris Turley

LLB (Hons)

Resigned 27 September 2024

Ashley P Wheaton

BA (Hons) HonRICS HonFCABE
Hon FICConstM

Member ex-officio

Student Trustees

Adam Denton

Ben McManus

MRICS

Staff Trustees

Jon Hubert

BSc (Hons) PG Cert (Research) ACIAT

Charlotte Thackeray

BA (Hons) PG Cert MA FHEA

Board Apprentice (no voting rights)

Chrystal Augustine

Resigned 3 December 2025

Lucy Gaitskell

BSc (Hons) MBA

Resigned 3 December 2025

Key management personnel – Executive Team

Ashley Wheaton

BA (Hons) HonRICS Hon
FCABE Hon FICConstM

Vice Chancellor

Jane Fawkes

BA (Hons) PGDip

Deputy Vice Chancellor and University Secretary

David Balme

CPFA

Chief Operating Officer

Stephen Bartle

BA (Hons) MBA

Pro Vice Chancellor (Commercial)

Wendy Finlay Dr.

BSc (Hons) PGCert PhD

Pro Vice Chancellor (Education and Students)

Aled Williams

BSc (Hons) MSc PGCert in
LTHE FHEA FCIOB

Pro Vice Chancellor (Innovation and Partnerships)

Other administrative information

Bank	National Westminster Bank plc PO Box 78, 13 Market Place, Reading, Berkshire, RG21 2EP
Solicitors	Field Seymour Parkes 1 London Street, Reading, Berkshire, RG1 4PN Pinsent Masons 30 Crown Place, Earl Street, London, EC2A 4ES
Auditor	Forvis Mazars LLP 8th Floor, Assembly Building C, Cheese Lane, Bristol, BS2 0JJ
Investment Managers	Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
Insurance Adviser	Jelf Insurance Brokers Limited 1 st Floor, Gail House, 5 Lower Stone Street, Maidstone, Kent, ME15 6NB

Chair and Vice Chancellors statement

'A Year of Transformation, Growth, and Purpose'

The past twelve months have marked a defining chapter in the evolution of the University of the Built Environment. In a year of sector-wide uncertainty and change, our institution has not only adapted but thrived—driven by a clear vision, bold decisions, and the unwavering commitment of our staff and students.

We began the year working toward our landmark rebrand, before finally in June 2025 we were able to adopt the name *University of the Built Environment*—a title that better reflects our identity, our mission, and our alignment with national priorities. This change, welcomed by industry and stakeholders alike, positions us as a centre of excellence in built environment education.

In January 2025, we saw the departure of our Chair of Trustees, Amanda Clack, after five years as Chair. We are extremely grateful to Amanda for her support, expertise and wisdom in guiding us towards the successful achievement of our full University status, and name change to University of the Built Environment. In addition, we would also like to give our thanks to Peter McCrea who, following Amanda's departure from the Board, also served in year as Chair.

In May 2025, we completed our merger with The London School of Architecture, bringing together two pioneering institutions. This strategic union enhances our capacity to deliver practice-led, inclusive education and expands our reach across both online and face-to-face learning environments.

Our new five-year strategic plan, approved by the Board of Trustees in December 2024, sets out ambitious goals for growth, innovation, and impact. Over the past five years, we have seen tuition and contract income rise by 61% to over £22 million, apprenticeships now represent two-thirds of our student population, and our global community today has grown to over 4,000 students from more than 100 countries.

We have also launched new programmes in 'Urban Planning' and 'Renewable Energy and Artificial Intelligence', reflecting our responsiveness to industry needs and our commitment to bridging the sector's skills gap.

Yet, we recognise that challenges persist. The sector continues to face pressure from technological disruption to evolving employer expectations. At the University of the Built Environment, we are meeting these challenges head-on: investing in systems, people, and programmes that support sustainable growth and continued improvement in student success.

Finally, and above all, we want to pay tribute to our staff. Their resilience and dedication have ensured that, despite significant change, our service to students has remained exemplary and together, we are building a university that is future-ready, sector-leading, and deeply committed to excellence in everything we do.



Ros Kerslake CBE

BA MBA

Chair



Ashley Wheaton

BA (Hons) HonRICS HonFCABE Hon FICConstM

Vice Chancellor

Trustees' annual report

Annual review

Full university title

Following an application submitted to the Office for Students (OfS) in July 2024, University College of Estate Management received formal approval on 17 April 2025 to change its name to University of the Built Environment, and the Department for Education approved the use of this title for business purposes. The new name officially came into effect on 9 June 2025, marking a significant milestone in the institution's evolution and aligning its identity with its mission to be a global leader and the centre of excellence for built environment education. Alongside the name change, a new logo and visual identity were introduced, designed to better reflect the institution's status and character as a full university.

To commemorate and celebrate this major milestone in the institution's 106-year history, the University hosted a launch event on 19 June 2025 at the Barbican Centre in London. Attended by over 100 guests, including staff, alumni, and industry partners, the event highlighted the institution's century long journey and its future facing vision.

Following approval for the change in name, as a Royal Charter Body the legal name change is now subject to approval from the Privy Council, and this process has commenced.

Strategic merger with The London School of Architecture

On 9 May 2025, University of the Built Environment completed a strategic merger with The London School of Architecture (LSA). The merger brought together the institutions' complementary expertise and enables both to strengthen their shared commitment to accessible, inclusive, and practice-led education in the built environment. By combining resources, expertise, and networks, the merger seeks to expand impact, enhance the student experience, and drive innovation across architectural and built environment education.

The LSA retained its name and studio base in Dalston, while gaining access to shared resources and central University support.

Student excellence and outcomes

The University maintained its strong record of achievement in relation to key performance themes:

Reach

1,555 new students were recruited in total (1,023 in the Autumn intake and 532 in the Spring). 837 of these enrolments were apprentices, derived from the University's strong relationships with employers, and 62 were on new programmes which were launched that year.

3,860 total students were registered at the annual census point in the Autumn 2024 semester, an increase of 5% on the same point in the previous year. This result was achieved partly by a slight increase in student recruitment compared with the previous year and partly through increased retention rates for current students.

Depth and breadth

The University continued to broaden its programme offer at both postgraduate and undergraduate level to enable it to support more professional disciplines across the built environment sector. To this end 5 new programmes were launched during the year:

- Level 7 Sustainability Business Specialist apprenticeship.
- BSc (Hons) Architectural Design Technology.
- Level 6 Construction Quantity Surveyor apprenticeship.
- Level 4 Construction Quantity Surveying Technician apprenticeship.
- Level 4 Construction Design and Build Technician apprenticeship.

In addition, a new MSc Urban Planning programme was prepared for launch in Autumn 2025. These preparations included appointing academic staff for a newly created School of Planning and engaging with the leading professional body for the Planning profession to begin the process of formal accreditation.

The University also made substantial progress with plans to offer research degrees in addition to taught programmes. Work has proceeded with a potential validating partner to go through their approval process, with the aim of offering PhD programmes from 2026 onwards.

Student outcomes

The University achieved significant positive trends in student outcomes during the 2024/25 academic year, demonstrating the measured impact of ongoing enhancement initiatives. Initiatives that contributed to success in 2024/25 included:

- Module Development and Enhancement (MoDE): a defined set of module design principles to support student engagement with the learning journey.
- Intake Retention Improvement Plan (IRIP): a suite of planned interventions to improve student engagement with learning materials and assessment, in order to increase retention and reduce withdrawals.

The University monitored module success rates against agreed KPIs, as in previous years and the regulatory standards for student outcomes against the OFS B3 Conditions of Registration. The University Degree Outcomes statement is available at: [Degree Outcomes Statement](#)

In the coming year, IRIP will be extended to further personalise interventions for students, and MoDE will continue to be used as the framework for module development and enhancement. In addition, new measures will bring increased focus to programme retention and progression, building on the successes seen at module level.

Student satisfaction

In the 2024/25 academic year, the University for the first time used a combined positivity score to set its student satisfaction KPI. This comprises the University's Student Experience Survey (SES) and the National Student Survey (NSS). The combined NSS-SES positivity measure identifies the proportion of positive responses from the following themes: Teaching on my course, Learning opportunities, Assessment and feedback, Academic Support, Organisation and management, Learning resources, Student voice and Mental wellbeing services. The methodology is consistent with that used by the Times Higher Education in its NSS rankings since 2023.

The combined result achieved was 83% (against a KPI target of 85%) however in general, the University has met or exceeded its benchmarks for most question themes.

Student Satisfaction, particularly that of apprenticeships, is a priority focus for 2025/26. In addition, a new approach to SES is being implemented for 2025/26 to ensure the student voice is being captured effectively and is able to be considered as part of institutional improvement and enhancement activities.

Widening participation

The University's Widening Participation Strategy has made strong progress in its first year, with targets well on track to be achieved. Notable highlights included impactful engagement with schools in Reading, fostering early aspirations and access to higher

education. The successful launch of the micro-placement scheme has provided students with valuable real-world experience, enhancing employability and confidence.

Additionally, initiatives to support student success – such as expanding access to dedicated study spaces for certain apprentice groups and the introduction of the Childcare Learning Fund have significantly improved the learning environment for students balancing academic and personal responsibilities.

Research achievements

The University is progressing its transformation into a research-informed institution where research meaningfully underpins learning and teaching. The University values research for its vital role in fostering academic excellence, intellectual independence, and advancing its vision of becoming *the Centre of Excellence for Built Environment Education*.

While progress this year has been partly shaped by the significant work required for approval as a collaborative partner to an awarding university for research degrees, the University has nonetheless achieved strong research outcomes despite having a small research team. The necessary focus on policy development and documentation for postgraduate research has, at times, limited capacity – yet several notable achievements have been realised.

Key achievements in academic year 2024/25:

- **External research funding:**
 - Eight bids were submitted, with five successfully awarded – totalling £295,000. This includes the University's second Knowledge Transfer Partnership (KTP) funded by InnovateUK, in collaboration with the UK Green Building Council.
 - The University also delivered three international workshops on gender equality hosted in Vietnam, Brazil, and Pakistan.
 - Of particular note, the University's *Eerie Engineering* project – funded by the Royal Academy of Engineering – has had a significant impact reaching 462 pupils across the UK and inspiring interest in engineering careers as well as challenging industry stereotypes.

- **Institutional repository growth:**

Since its establishment in January 2023, the University's open-access institutional repository has seen strong engagement, with 121 research outputs uploaded (including 61 research-related works) and over 22,000 downloads to date.

- **Awards and recognition:**
 - Best Paper Award at the *10th Annual Sustainable Ecological Engineering Design for Society (SEEDS) Conference*, held at Leeds Beckett University – for the second consecutive year.

- Best Methodological Paper Award at the *40th Annual Association of Researchers in Construction Management (ARCOM)* Conference, held at London South Bank University.
- **Public engagement and media impact:**
 - The University's research was featured in *The Times* and in multiple podcasts highlighting its pioneering work advocating for regional accents to be recognised as a protected characteristic.
 - Three podcasts, recorded and produced by Symetri Technology (creators of Naviate, leading innovators in digital solutions for the AEC industries), focused on the University's research leadership in Diversity in the Built Environment.
- **International and academic engagement:**
 - The University was invited to lead and present at a Public Seminar hosted by Kellogg College, University of Oxford.
 - The University was also invited to present at the 'Broken World Building' symposium hosted by the Royal Danish Academy School of Architecture and the Centre for Information Technology and Architecture (CITA).

Influence

The University continues to extend its influence across the sector by enhancing its profile and deepening engagement with leading industry bodies. These activities align with the vision to be the 'Centre for Excellence for Built Environment Education.'

Key achievements in academic year 2024/25:

- **Events**
 - As part of the 'INSPIRE' series (themed sessions that bring together influential stakeholders to consider sector challenges), the University co-hosted the 'Place Building – Developing Homes & Communities' event, attracting 70 delegates in collaboration with [The King's Foundation](#), the [Construction Industry Council](#) and [the Edge](#). The [summary report](#) outlines a holistic approach to creating sustainable communities.
 - Supported the Stewardship Initiative facilitating Chatham House events in Westminster to influence government policy and practice (including participation from 9 MHCLG representatives). These events on 'Tax Barriers' and 'Finance Obstacles' explored the challenges facing landowners and master developers.
- **Publications**
 - Joint research report in conjunction with Savills, '[Health, Wellbeing, Education & Placemaking](#)', examining resident outcomes in large scale developments.

- Supported the Construction Industry Council and the Edge to publish a '[Competence Framework for Sustainability in the Built Environment](#)', also advisory panel representative. It defines sustainability competence requirements across the built and natural environment disciplines.
- **External events and activities**
 - Advancing the Built Environment Futures Assembly ([BEFA](#)), to drive excellence in skills, diversity, sustainability, and professionalism. The BEFA Chair, Mark Farmer (noted sector commentator and author of two different Government Reviews into built environment skills) gave this year's CIOB Annual 'Wates Lecture' on 24 September where he officially launched BEFA.
 - Participated in a Ministerial Roundtable on the Housebuilding Workforce: engaging with ministers across housing, skills, industry, and employment.
 - Contributed to Skills England workshops: Addressing skills needs in the construction sector.
 - The University's Vice Chancellor also presented at a number of external events including:
 - Panellist at the Westminster Higher Education Forum's conferences.
 - Thames Valley Chamber Growth Conference.
 - The launch of the report 'Skills for Places'.
 - People Focused Sustainability.

Further, during the year the Pro Vice Chancellor Innovation and Partnerships acted as:

- Chair, Council of Heads of the Built Environment ([CHOBE](#))
- Chair, Construction Industry Council (CIC), [Education & Future Skills Committee](#)
- Member, Construction Skills Delivery Group (CSDG)
- Chair, CLC Routes into Industry ([CLC People & Skills Network](#))
- Board Member, Supply Chain Sustainability School ([SCSS](#))
- Member, the Edge, Built Environment Think Tank ([the Edge](#))
- Member, CLC Leads People & Skills Taskforce, supporting the launch of the Construction Skills Mission Board (CSMB) on 26 June.
- HE Representative, Construction Skills Mission Board (CSMB). This 4-year initiative brings together government, industry and education in an effort to attract, recruit, train and retain an additional 100,000 new workers annually across the Built Environment.

This has led to discussions with the DfE, to propose introducing more flexible Level 6 Degree Apprenticeships and a new Level 4 Foundational Higher Apprenticeship for Construction and the Built Environment.

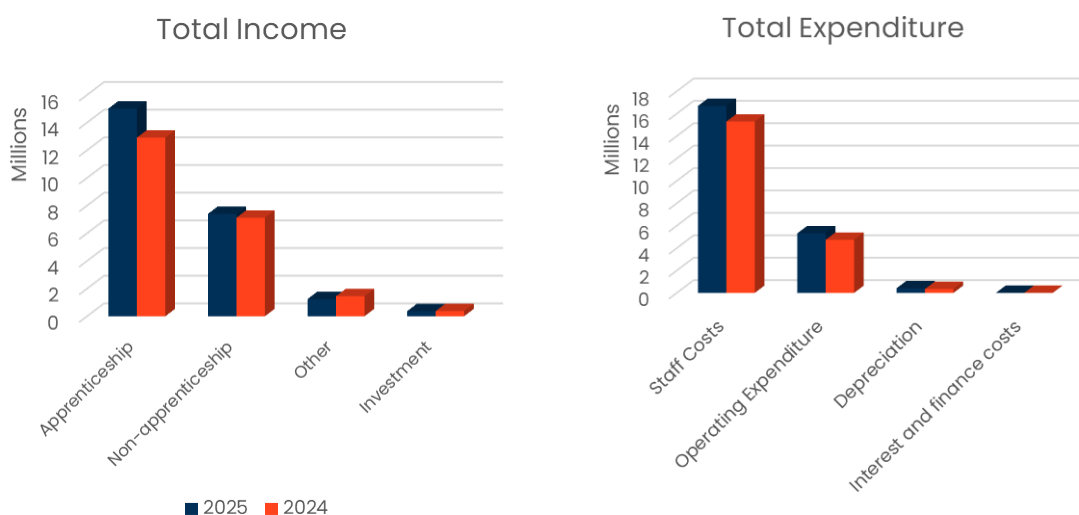
Financial health

In the year ending 31 July 2025, the University achieved a consolidated income of £24,034,966 (2024: £21,859,911), an increase of 10% (2024: 15%) on the previous year. The increase in the level of income was predominantly due to increased tuition fees from the continued expansion of the apprenticeships programme which increased 16% on the previous year, and through organic growth and partnerships with other providers and contractors.

Consolidated expenditure increased by 10% (2024: 15%) in the year to £22,449,213 (2024: £20,407,331). This increase reflects the addition of new staff supporting the expanding student numbers and programme provision, as well as the costs of the merger with The London School of Architecture.

Staff costs remain the largest single expense to the institution making up 74% (2024: 75%) of the total expenditure, reflecting the nature of the University's online education provision. Staff costs increased in the year by 9% to £16,695,162 (2024: increase of 10% to £15,297,228) and further details can be found in Note 5 to the financial statements.

Other operating expenses reflect an increase in academic and related expenditure and administration and central services, as set out in Note 7 to the financial statements.



After unrealised gains on investments of £280,874 (2024: £777,806) and actuarial gains in respect of pension schemes of £nil (2024: £3,061,739), neither of which are budgeted, the group made a surplus of £1,866,627 against a planned surplus of £1,379,759 (2024: £5,292,125 against a planned surplus of £35,309).

The University's consolidated Balance Sheet at 31 July 2025 shows an increase in value of 7% to £27,407,958, driven by the operational performance. The previous year's 26% increase included the release of £3,061,739 provision in respect of pension schemes. The University continues to retain a strong Balance Sheet and reserves position.

Bursaries

The University allocated £87,233 in bursaries in the year (2024: £73,333) as follows:

Bursary	No. of students	£
New Student Bursary Fund	9	19,138
Access & Participation Plan Fund	12	27,982
Post Graduate Scholarship	15	31,763
Port Graduate Scholarship - Sustainability	3	5,525
David Alexander Memorial Trust Scholarship	1	1,325
London School of Architecture Bursary Fund	3	1,500
Total	43	£87,233

In addition to the above, students were assisted with fee reductions or debt write offs for special circumstances enabling them to continue with their studies, for example, 4 awards were made from the Vice Chancellor's Discretionary Funds totalling £6,642 (2024: 9 awards totalling £3,780) and 21 awards were made from the Redundancy Support Scheme totalling £48,661 (2024: 2 awards totalling £2,635).

Pensions

The University is a member of the Universities Superannuation Scheme (USS), a defined benefit pension scheme with mutual employer membership. Following the latest actuarial valuation the scheme is no longer in deficit and a liability pooled amongst employer members is not required. The obligation to fund the past deficit of the scheme was released in the previous year. Further details can be found in Notes 19 and 23 to the financial statements.

The University also participates in three defined contribution pensions schemes. A Group Personal Pension scheme (GPP), operated by Prudential (closed to new members), the People's Pension auto-enrolment scheme, for employees not eligible for participation in USS, and a Manulife scheme compulsory for all staff at UCEM Asia Limited in Hong Kong. More details on the University's pension arrangements can be found in Note 23 to the financial statements.

Investments

The University's investment policy seeks to invest funds in an ethical and sustainable manner, paying regard to environmental considerations and aligning the policy with the United Nations Sustainable Development Goals, alongside the institution's own

sustainability agenda. Trustees continue to review the institution's investment policy annually.

Funds are invested in the Sarasin & Partners Climate Active Endowment Fund which aims to bring about, and benefit from, action by businesses to strengthen their resilience to climate change. Further information about the fund can be found at <https://sarasinandpartners.com/fund/sarasin-climate-active-endowments/>.

Equity holdings are held on a discretionary basis in the form of charity units and as such enjoy favourable tax and charging structures. The equity holdings are held in three separate pools: Main, Bursary and Restricted. At the year-end these funds were valued at £6,584,115, £2,317,442 and £525,739 (2024: £6,387,949, £2,248,397 and £510,076) respectively, £9,427,296 (2024: £9,146,422) in total.

The objective of these funds is to outperform the Consumer Price Index (CPI) plus 3% over a rolling three-year period. The combined total return achieved by these funds in the year ended 31 July 2025 was 5.76% (2.69% income and 3.07% capital) against the target return of 6.89%. In the previous year, total return was 12.20% against a target of 5.22%. The fund's performance is also measured against the ARC Steady Growth Charity Peer Group which produced a return of 6.10% for the year (2024: 10.50%).

Investment funds increased in value by £280,874 in the year (2024: £777,806).

Our future focus

The next five-year iteration of the Strategic Plan covers the period 2025-2030 and is intended to build on the significant progress made since 2019, whilst moving the University further towards its vision.

Becoming the 'centre of excellence for built environment education' is a long-term vision for University of the Built Environment, which represents the natural evolution of the University's existing proposition and will form an important legacy for the current generation of students, staff and trustees long into the future.

Once realised, University of the Built Environment will be the go-to place to study and gain qualifications which meet the wide range of needs across the industry. The University's subject offering will include the major professional disciplines associated with the built environment, at all the relevant qualification levels. It will provide professional training services, academic and contract research, knowledge exchange and consultancy.

Reputationally, University of the Built Environment will further enhance its reputation as the best choice for students wishing to begin or to develop their career within the built environment and for industry employers wanting to qualify their staff. Through excellent practice and research, University of the Built Environment will be established as the voice and authority for built environment education in the UK; and become a recognised and respected voice globally. A true centre of excellence.

The 2025–2030 Strategic Plan should be viewed through the lens of taking the next important steps towards this vision. It sets out the next and second five-year iteration of the strategy, in the knowledge that the University will still be on the journey towards its vision over the much longer-term, in all probability up to 2050. The Vision and Strategy is available on our website at: [Vision-brochure-Digital.pdf](#)

Overseas operations

A new strategy was developed for the University's operations in Hong Kong and the wider Asia Pacific (APAC) region, in parallel with the overall CX strategic plan for 2025–2030. Hong Kong remains the University's only overseas base, with an office having been established there in 2016 following many decades of successfully attracting students from that location.

The new strategy involves providing hybrid versions of the University's postgraduate programmes specifically for students in Hong Kong and Macau. From Autumn 2026 standard online delivery will be supplemented with in person teaching by local tutors, with module materials and assessments tailored to the local context.

An APAC Director has been appointed to lead the implementation of the strategy in Hong Kong and the wider region, seeking to capitalise on the enhanced status conferred by the award of full university title.

4P's

The 4P's (Productivity, Precision, Performance and Profile) represents the University's internal organisational approach to drive work practices that support the goals of the CX9 and the broader 2025–2030 strategic plan.

Productivity

Facilitating change and driving improvement, through working with teams from across the institution, sharing best practice and demonstrating the art of the possible.

- Institutional optimisation strategy which would contribute to the delivery of a sustainable and stable operating surplus of a minimum of 10% by 2030.
- Increasing income whilst managing the cost base.
- The setting of longer-term strategies for People, Digital, Finance and Estates.

Precision

Precision is not the absence of error, but the relentless pursuit of accuracy in a world full of variables. The organisation will introduce an Internal Audit function initially focusing on higher risk items from the Institutional Risk Register.

Performance

Working to ensure all students succeed in whatever way that means to them as an individual. Specifically, this workflow will look to:

- Reduce withdrawal rates.
- Improve intake retention.
- Deliver module design and enhancement (MoDE) whilst reducing workload and enhancing the learning experience.
- Enhancing the overall digital experience of all students.

Profile

The University plans to undertake a series of activities through which its profile is enhanced and from which it makes a positive enhancement to the sector it serves.

Examples of this include:

- The launch of the Built Environment Futures Assembly (BEFA). A powerful leadership forum for the built environment sector to build future facing capacity, capability and competency through shared knowledge, learning and innovation.
- Facilitating strategic engagement, collaborating to address industry challenges, informing decision makers to shape policy and practice, generating evidence and new knowledge.
- Integrating education and future skills, diversity and inclusion, sustainability, placemaking and professionalism in the institution's interactions with external stakeholders.

Statement of corporate governance

Objectives and activities, purposes and aims

The University College of Estate Management (trading as the **University of the Built Environment**) is concerned with education and training for all professions dealing with land, property, and construction. It was founded in 1919, incorporated by Royal Charter (RC000125) on 22 August 1922, and has been a registered independent charitable institution in England and Wales since 24 May 1963. In 1977, Her Majesty The Queen was graciously pleased to grant her patronage to UCEM. In 1998, His Majesty King Charles III (formerly His Royal Highness The Prince of Wales), then became Patron, and the University is honoured that in May 2024 King Charles III confirmed he would retain his Patronage of the institution.

The governing documents of the University are its Royal Charter and Byelaws. In June 2018, following a petition to the Privy Council, a third Supplemental Charter was granted. The Supplemental Charter reflects that the University has taught degree awarding powers, and that on 11 November 2015, the institution was granted University College title by the Privy Council. Shortly thereafter 'The College of Estate Management' rebranded as 'University College of Estate Management' or 'UCEM' for short. The opportunity was also taken to update the Byelaws to reflect best practice corporate and academic governance.

Following a period of statutory consultation, the Office for Students (OfS) approved the name change to University of the Built Environment. To formalise this change, approval of the Privy Council is required due to the University's Royal Charter status. Whilst this approval is awaited the University is operating as the University of the Built Environment.

The purposes of the institution as outlined in the Charter are as follows:

- To provide training and educational facilities at any level, and facilities for research, for all or any of the professions of surveyor, auctioneer, land or estate agent, or any other profession in land, buildings or property.
- This includes within the objects and purpose of the Charter, the development of course curriculum, material examinations, and the conferring of awards.
- To undertake research that will assist those in professions, and vocations as relevant to land, property, and building.
- The provision of continuing professional development for those in the built environment sector.

The University fulfils the objects of the Charter and furthers its charitable purposes for the public benefit through the provision of online and in person educational programmes as well as online only activity in terms of research, continuing professional development courses, and student bursaries.

The University provides educational programmes from Levels 4 to 7 of the Frameworks for Higher Education Qualifications (FHEQ). All the programmes offered sit within the core objective of the Charter and are directly linked to the property professions. The programmes offered are accredited by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

The University is registered with the OfS as a fee capped provider, and is subject to the regulation of the OfS, including meeting the Conditions of Registration. It holds Indefinite Degree Awarding Powers, effective from 1 September 2022.

The University continues to develop the resources provided to students through the Digital Education Team working with the subject experts to ensure material is interactive and engaging to students across all seventeen programmes offered, all awarded by the institution and delivered online. In addition, one course, MArch in Designing Architecture, is delivered in person. As a result, most programmes are accessible to students worldwide. This includes the delivery of the Level 6 and 7 Apprenticeship programmes, which are core to the University's purpose of providing vocational programmes accessible to all.

To make education and academic success accessible to all, and in the context of its charitable status, several bursary schemes are operated to provide financial assistance to students from disadvantaged backgrounds, students made redundant during their

studies and students with other special circumstances. Awards range from discounts in one semester for temporary challenges through to 100% bursaries for the lifetime of a programme.

The Trustees review the aims, objectives, and activities of the institution each year. This occurs through the monitoring of the institutional targets, which are set to support the delivery of the aims and objectives. The Board receives a report on what the institution has achieved and the outcomes of its work in the reporting period. The Trustees report on the success of each key activity and the benefits the institution has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the institution's aims, objectives and activities remain focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the institution's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Principal risks and uncertainties

The Board regularly considers the risks to which it believes the institution may be exposed. This is principally done by assessing the Institutional Risk Register. The register monitors and assesses the likelihood, impact and proximity of the risk, as well as risk mitigation and controls. Specific risks are identified under five main headings in the Risk Register and summarised here:

- **Strategic risk**
These are risks that emerge from the University's external environment (political, economic, social, technological, legal and environmental) which may impact ability to achieve organisational objectives and / or strategic plan.
- **Compliance / regulatory risk**
The regulatory burden on all Higher Education Providers has increased with requirements to meet the regulatory frameworks set by the OfS, DfE (formerly ESFA) and Ofsted (as well as looking forwards DWP). Risks are identified that would expose the University to penalties or losses resulting from failure to comply with legal or other regulatory requirements or impact the ability to operate in the sector. As part of this area of risk, compliance with safeguarding is also monitored.
- **Operational risk**
Operational risk focusses on risks that will impact services, both internally and externally. As an online Higher Education provider, the University is particularly reliant on technology for its operations.

- **Financial risk**
Risks identified are those that could lead to either a loss of income, or an increase in costs. This includes the potential impact on student registrations due to increases in the cost of living (inflationary pressures).
Fraud and financial loss are addressed by the internal control environment and mitigated with insurance.
- **Investment risk**
Investment risk comprises currency, custody, market and liquidity risk and is managed through appropriate investment and treasury policies, and choice of investment manager.
- **Reputational risk**
These are risks that would impact the University's reputation with external stakeholders, including students, employers, partners and wider industry.

Approach to risk scoring

Each individual risk in the Intuitive Risk Register is assessed for likelihood, impact and proximity, providing a risk score. Details are provided on each risk, with commentary on the evidence of controls in place, and identification of the early warning signs of heightened risk. Net likelihood / impact scores of 10 or over are deemed to be of more significant risk and greater focus is given to these areas.

The responsibility for mitigating each of the assessed risks has been delegated by the Board to the Vice Chancellor, Chief Operating Officer and to individual members of the Senior Leadership Team (SLT).

The Board believes the Risk Register to be comprehensive and that the assessed risks are appropriately mitigated by the procedures and systems in place, which are also reviewed regularly. These are further mitigated by the policies and practices which help define the institution's strategy and determine its activities.

The review and approval process includes the Risk Register being reviewed by the SLT. The Board has delegated the detailed review of the content of the Risk Register (and development of the appropriate control processes) to the Audit Committee. The Audit Committee reviews the Risk Register twice a year, with further discussion once a year at the full Board meeting. Consequently, the Trustees consider that arrangements are in place to ensure satisfactory, effective internal control and risk management.

Reserves policy and going concern

The University's general reserves arose from the original donations of £55K made when the original College was set up in 1919, and its subsequent retention of modest surpluses on its activities, plus further small donations over the years.

The education sector, in general, operates on a long-term cycle, with none of the University's programmes lasting less than two years and many students taking five or more years to complete their studies. The sectors in which the University is permitted to apply its funds are land and property. These sectors are subject to considerable cyclical movement.

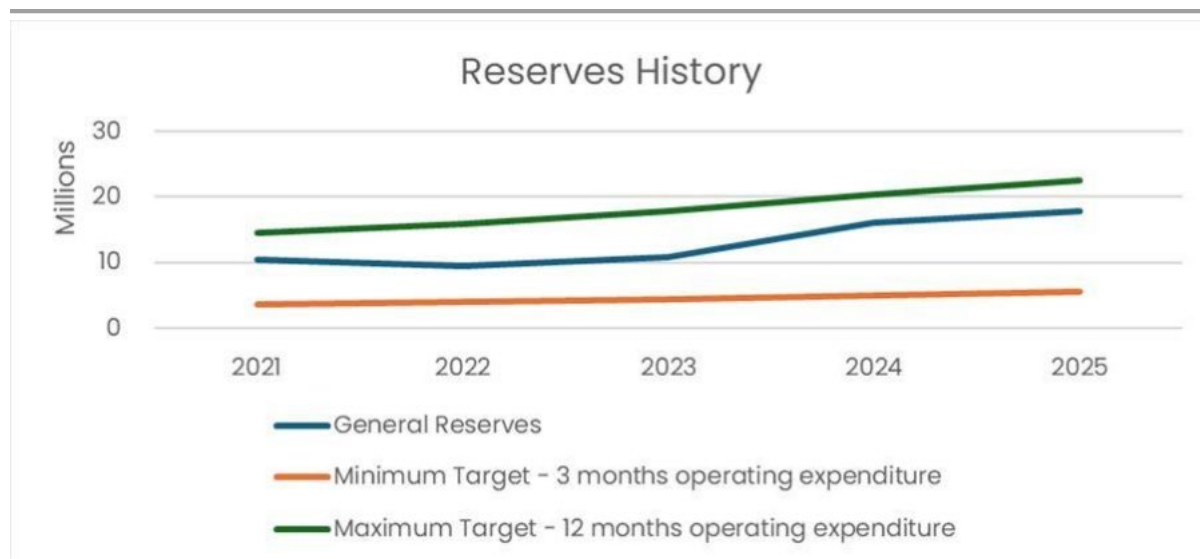
The Trustees continue to monitor the use of reserves, in conjunction with the setting of annual budgets, and development of long-term strategies for delivering public benefit in distance learning projects to meet the changing nature of demand. Whilst the present policy is to budget for operating surpluses sufficient to build reserves to meet the needs of the University's long-term strategy, trustees have designated additional funds for specific strategic growth projects over the next 5-year planning cycle. These funds will be invested in growth relating to new programmes, research and research degrees, professional training, technology and systems and appropriate staffing.

The new Strategic Plan covers the period 2025-30 and sets out goals that will enable the University to realise its vision to be the 'Centre of Excellence for Built Environment Education'. The Trustees recognise that further funds will be needed to drive this Strategic Plan and that reserves may be the appropriate source of these funds. Small and manageable deficits are budgeted over the next two years as part of these investments.

Income sources are closely aligned to the core purposes of providing truly accessible, relevant and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a sustainable Built Environment. The reserves policy seeks to balance spending the amount of income raised in providing such education across the academic period to which it relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any change in financial circumstances. Trustees consider that general reserves should be held in a range of a minimum of three and a maximum of twelve months' operating expenditure. This would allow the time and space necessary to consider the practicalities of providing the appropriate resources to enable existing courses to be completed without any disadvantage to students.

Total free reserves at 31 July 2025 were represented by total unrestricted reserves of £26,885,551 (2024: £25,042,025). £9,067,010 of this sum has been allocated to Designated Funds, of which £6,785,482 was in Fixed Assets and £2,281,528 has been allocated to a Bursaries Fund set up for the exclusive purpose of generating an income to provide bursaries to assist and support students and to encourage new entrants to the profession. The remaining unrestricted funds were in general reserves of £17,818,541 representing approximately nine months' operating expenditure. It is the trustees' view that this level of reserves is appropriate to provide for the University's normal educational commitment to students.

Accordingly, the Trustees consider that the University is a going concern and have prepared the accounts on this basis.



Structure, governance and management

The strategic direction is determined by the Board of Trustees, which meets four times a year.

The Board is guided in its educational strategy by an Academic Board which meets to assess matters such as changes in the regulatory environment (or best practice) regarding the provision of education. This is the supreme deliberative committee relating to educational matters. The Vice Chancellor is also an ex-officio trustee as required by the Royal Charter.

The Board delegates some of its power to five standing sub-committees, established to consider various issues in detail on its behalf. The sub-committees have detailed terms of reference which are reviewed annually by the Board. They debate matters within their sphere and then make recommendations for the Board to consider for approval. Details of the sub-committees and their main functions are:

The Academic Assurance Committee

An independent sub-committee that acts as the advisory body for all aspects of academic delivery. Its primary responsibility is to be the final auditor of all the University's academic review processes and performance data. This sub-committee meets a minimum of twice a year.

The Audit Committee

The committee's remit is to review the adequacy and effectiveness of the institution's system of audit related to financial reporting, internal control and risk management. In fulfilling this function, the Audit Committee adheres to the guidance and best practice for Audit Committees outlined in the Committee of University Chairs (CUC) Higher Education Code for Governance, and the CUC Handbook for Members of Audit Committees in Higher

Education Institutions. In addition (from academic year 2025/26) RSM have been appointed as the University's internal audit service to provide the committee with additional levels of assurance. This sub-committee meets a minimum of twice a year.

The Finance Committee

This committee is responsible for the management and oversight of the University's finances. It considers in detail the financial results against plan for the current year, the forecast results for the current and following year, the cash position and the performance of investments. This committee also assesses the policies relating to Investments, Treasury and Reserves. This sub-committee meets a minimum of twice a year.

The Nominations and Governance Committee

This committee considers and recommends to the Board all prospective appointments to the Board having assessed the type of skills and experience deemed necessary for the Board to function as effectively as possible. This committee will also recommend to the Board all candidates considered for Honorary Fellow status, as well as all nominations for the University's annual Built Environment Award. This sub-committee is also charged with ensuring that governance practice as a registered charity in the higher education sector is adhered to. This sub-committee meets a minimum of twice a year.

The Remuneration Committee

The Remuneration Committee meets annually, or as required, and considers the remuneration package for the Vice Chancellor, those employees earning an FTE salary over £100,000, as well as the total pay rises and discretionary bonus pool for all other staff. The Remuneration Committee has adopted the CUC Remuneration Code and uses industry statistics and remuneration surveys (e.g. UCEA) to inform the committee's decisions.

Executive Team

The Executive Team, whose responsibility is to focus on the strategic approach, monitor the external environment, horizon scan and planning accordingly. This group is Chaired by the Vice Chancellor.

Senior Leadership Team

The day-to-day management and delivery of the institution is entrusted to the Vice Chancellor, supported by a SLT whose role is to deliver the strategic objectives set by the Board of Trustees, and ensure operational oversight.

Trustee recruitment

The terms of appointment for the Independent and Staff Trustees (other than those who are ex-officio) is three years. At the end of each three-year period these Trustees are eligible for reappointment for one further term of three years.

Under the Royal Charter there is provision for two Staff Trustees, and two Student Trustees. Student Trustees are appointed for a one-year term which may be renewed for a further one-year term. The Board aims to have a Student Trustee representing undergraduate students, and a Student Trustee representing postgraduate students to ensure the Student Community is represented at Board level.

The Board also operates a Board Apprentice Scheme, to provide an opportunity for up to two University alumni to gain experience at Board level for up to two years. The Board Apprentice(s) have full access to Board papers but do not have voting rights.

When vacancies arise for new Trustees, the Nominations & Governance Committee run an open and transparent recruitment process, with the aim that the Board is comprised of 50% independent trustees who bring knowledge of the built environment sector, and 50% who bring knowledge of Higher Education. As part of the recruitment process consideration is given to diversity, to ensure that the Board maintains its current levels of diversity, as a member of the 30% Club. Due regard is also given to succession planning of future Trustees with an aim to ensure there remains an appropriate blend of experience for future years.

All Trustees, other than the Vice Chancellor and Staff Trustees, give their time voluntarily and receive no benefits from the institution. Expenses reclaimed from the institution are set out in Note 5 to the financial statements.

Appointment of Trustees

It is a requirement of the role that the Vice Chancellor of the University is a Trustee.

The details of all prospective new Trustees identified by the Nominations & Governance Committee are presented to the Board for approval. The details presented will consist of the individual's Curriculum Vitae and include highlights of any achievements and specialisms gained.

Should the individuals proposed be approved to join the Board they are invited to attend the next Board meeting. Appointments normally run from the Board meeting at which the nomination is approved.

No other person or body is entitled to appoint Trustees.

Trustee induction and training

Each new Trustee is sent a comprehensive briefing pack on appointment. This includes background reading about the University, the Royal Charter & Byelaws, and the most recent annual report and set of statutory financial statements. All new Trustees are then invited to an Induction with the University Secretary and given the opportunity to discuss any queries they may have with the Vice Chancellor and the Executive Team. The University promotes trustee training by providing all Trustees with relevant Charity

Commission guidance on serving as a trustee, as well as funding attendance at appropriate courses and seminars that are organised by third parties. In addition, new trustees are allocated a mentor from one of the existing members of the Board.

Once appointed, all Trustees are subject to an annual appraisal with either the Chair or Vice Chair. The University is committed to meeting all relevant training needs identified by this process.

Related parties and relationships with other organisations

The consolidated accounts include the University together with its subsidiary, UCEM Asia Limited, a wholly owned subsidiary incorporated in Hong Kong that supports marketing and teaching in Hong Kong.

UCEM Asia Limited received £512,000 grant income from the University, its parent institution (2024: £514,000), which led to a profit of £1,705 (2024: loss £1,126) in the year. Further details can be found in Note 15 to the financial statements.

Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of the institution to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

The institution has adopted the CUC Higher Education Code of Governance, and endeavours to conduct its business aligned to the core values, objectives, and expectations of the Code. The Nominations & Governance Committee review the values and objectives to ensure compliance with the CUC Code annually, or as and when the Code is updated.

Readers are referred to the Structure, Governance and Management section of this report for further details on the institution's governance.

In addition, the OFS Conditions of Registration related to governance (E2) are met, and these governance requirements are also monitored by the Nominations & Governance Committee.

A key part of the University's internal control mechanism is the ongoing review by the Board, led by the Audit Committee, of the Institutional Risk Register, as detailed above. Further, the Audit Committee reviews areas of the business according to the agreed audit plan. In addition to this, the Chief Operating Officer and Finance Director provide regular updates to the Vice Chancellor and Treasurer on the management accounts, and the budget is reforecast where necessary. Audit Committee also takes responsibility for monitoring general compliance activities, reporting to the full Board if there are areas of concern.

The Board also regularly reviews compliance with the OfS conditions of registration. Updates on compliance with the OfS conditions of registration are also provided at deliberative committee meetings. The University has two conflicts of interest policies (one for members of the Board of Trustees and one for members of deliberative committees) and the declaration of any conflicts of interests forms the first agenda item on all Board and subcommittee meetings, has an approved anti-bribery policy, and a register of interests that every Trustee must review and sign annually.

In the opinion of the Trustees, the institution meets with the provisions of the CUC Code in all material respects. The Trustees recognise that, as a charity and higher education institution, the University has a duty to always observe the highest standards of corporate governance.

The institution is a registered charity within the meaning of Part 3 of the Charities Act 2011. The Trustees confirm that they have had due regard for the Charity Commission and that the required statements appear elsewhere in these financial statements.

The Audit Committee considers reports, recommendations, and reviews on the effectiveness of the University's arrangements for risk management, internal control and governance and it has expressed itself satisfied that the systems and controls are effective, including for public funding received from the OfS and other public funding bodies ensuring:

- Regularity in the use of this public funding.
- Propriety in the use of public funding.

Statement of responsibilities of the Trustees

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the institutions and group's financial activities during the period and of their financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Further and Higher Education SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the institution and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the institution and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Trustee's annual report for the year ended 31 July 2025

The trustees' annual report has been approved by the Trustees on 3 December 2025 and signed on their behalf by



R Kerslake CBE
BA MBA
Chair of the Board

Independent auditor's report to the Board of Trustees

Opinion

We have audited the financial statements of University of the Built Environment (the 'University') and its subsidiary ('the Group') for the year ended 31 July 2025 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2025 and of the Group and University's income and expenditure, gains and losses, changes in reserves and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group and the University 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 Board of Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the University'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 Board of Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page 28, the Board of 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 they 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 Board of Trustees are responsible for assessing the Group and University'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 Board of Trustees either intend to liquidate the Group/University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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.

Based on our understanding of the University/Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pension legislation,

employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the University is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the University which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, and the OfS Accounts Direction.

In addition, we evaluated the Board of Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the University is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

-
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- Funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- Funds provided by OfS, the Education and Skills Funding Agency/Department of Education have been applied in accordance with the relevant terms and conditions; and
- The requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- The provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- The provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the University's Board of Trustees as a body in accordance with paragraph 4 of the University's Royal Charter, Bye Laws and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's Board of 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 Group and University and the University's Board of Trustees as a body for our audit work, for this report, or for the opinions we have formed.



[Helen Knowles \(Dec 9, 2025 13:40:47 GMT\)](#)

Helen Knowles (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

8th Floor, Assembly C, Cheese Lane, Bristol, BS2 0JJ

Date: 09/12/2025

Consolidated and University Statement of Comprehensive
Income and Expenditure
For the year ended 31 July 2025



		2025	2025	2024	2024
	Notes	Consolidated £	University £	Consolidated £	University £
Income					
Tuition fees and educational contracts	1	22,418,947	22,418,947	20,033,785	20,033,785
Other income	2	1,241,471	1,228,378	1,401,697	1,401,696
Investment income	3	367,948	367,850	373,045	372,781
		24,028,366	24,015,175	21,808,527	21,808,262
Donations	4	6,600	6,600	51,384	51,384
Total income		24,034,966	24,021,775	21,859,911	21,859,646
Expenditure					
Staff costs	5	16,695,162	16,415,961	15,297,228	15,067,319
Other operating expenditure	7	5,321,754	5,092,568	4,743,067	4,986,390
Depreciation and impairment	11 & 12	423,273	416,871	354,627	351,349
Interest and finance costs	6	9,024	31	12,409	885
Total expenditure		22,449,213	21,925,431	20,407,331	20,405,943
Surplus on operating activities					
Gain/(loss) on investments	14	1,585,753	2,096,344	1,452,580	1,453,703
Gain/(loss) on revaluation of subsidiaries	15	-	-	-	153,357
Surplus before taxation		1,866,627	2,377,218	2,230,386	2,384,866
Taxation	9	-	-	-	-
Surplus after taxation		1,866,627	2,377,218	2,230,386	2,384,866
Other comprehensive income:					
Actuarial gain in respect of pension schemes		-	-	3,061,739	3,061,739
Total comprehensive income for the year		1,866,627	2,377,218	5,292,125	5,446,605
Represented by:					
Restricted comprehensive income for the year		23,101	23,101	41,212	41,212
Unrestricted comprehensive income for the year		1,843,526	2,354,117	5,250,913	5,405,393
Surplus for the year attributable to the University		1,866,627	2,377,218	5,292,125	5,446,605

All items of income and expenditure relate to continuing activities.

Consolidated and University Statement of Change in
Reserves
For the year ended 31 July 2025



Consolidated

Income and expenditure account

	Restricted £	Unrestricted £	Total £
Balance at 31 July 2023	458,094	19,791,112	20,249,206
Total comprehensive income for the year			
Surplus/(deficit) from the income and expenditure statement	41,212	5,250,913	5,292,125
Balance at 31 July 2024	499,306	25,042,025	25,541,331
Total comprehensive income for the year			
Surplus/(deficit) from the income and expenditure statement	23,101	1,843,526	1,866,627
Balance at 31 July 2025	522,407	26,885,551	27,407,958

University

Income and expenditure account

	Restricted £	Unrestricted £	Total £
Balance at 31 July 2023	458,094	19,718,988	20,177,082
Total comprehensive income for the year			
Surplus/(deficit) from the income and expenditure statement	41,212	5,405,393	5,446,605
Balance at 31 July 2024	499,306	25,124,381	25,623,687
Total comprehensive income for the year			
Surplus/(deficit) from the income and expenditure statement	23,101	2,354,117	2,377,218
Balance at 31 July 2025	522,407	27,478,498	28,000,905

Consolidated and University Balance Sheet
As at 31 July 2025

		31 July 2025 Consolidated £	31 July 2025 University £	31 July 2024 Consolidated £	31 July 2024 University £
Fixed assets	Notes				
Intangible fixed assets	11	127,747	127,747	143,494	143,494
Tangible fixed assets	12	6,657,735	6,631,802	6,600,653	6,592,478
Investment properties	13	1,700,000	1,700,000	1,700,000	1,700,000
Investments	14	9,427,296	9,428,295	9,146,422	9,147,421
		17,912,778	17,887,844	17,590,568	17,583,392
Debtors: amounts falling due after more than one year	16	2,891,172	2,891,172	2,412,596	2,412,596
Current assets					
Debtors	16	4,926,858	5,525,980	3,866,902	3,955,466
Cash at bank and in hand		5,373,697	5,371,593	4,671,386	4,654,936
		10,300,555	10,897,573	8,538,288	8,610,402
Creditors: amounts falling due within one year	17	(3,015,502)	(2,994,639)	(2,420,764)	(2,403,346)
Net current assets		7,285,053	7,902,934	6,117,524	6,207,056
Total assets less current liabilities		28,089,003	28,681,950	26,120,688	26,203,044
Creditors: amounts falling due after more than one year	18	(681,045)	(681,045)	(579,357)	(579,357)
Provisions	19	-	-	-	-
Total net assets		27,407,958	28,000,905	25,541,331	25,623,687
Represented by:					
Restricted reserves					
Income and expenditure		522,407	522,407	499,306	499,306
Unrestricted reserves					
Income and expenditure		17,818,541	18,437,421	16,059,999	16,150,530
Designated		9,067,010	9,041,077	8,982,026	8,973,851
		26,885,551	27,478,498	25,042,025	25,124,381
Total reserves	21	27,407,958	28,000,905	25,541,331	25,623,687

The accompanying notes and policies on pages 40 to 61 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 3 December 2025 and were signed on its behalf on that date:



A Wheaton
BA (Hons) HonRICS Hon FCABE Hon FICConstM
Vice Chancellor



R Kerslake CBE
BA MBA
Chair

Consolidated Statement of Cash Flow
For the year ended 31 July 2025

	Notes	Year ended 31 July 2025 £	Year ended 31 July 2024 £
Cash flow from operating activities			
Surplus for the year		1,866,627	2,230,386
Adjustment for non-cash items			
Depreciation and impairment	11	423,273	354,627
(Gains)/losses on investments	13	(280,874)	(777,806)
Loss on acquisition of LSA	8	157,726	-
(Increase)/decrease in trade and other receivables	16	(1,067,979)	(1,064,989)
Increase/(decrease) in trade and other payables	17 & 18	(61,156)	70,883
Increase/(decrease) in pension provision	19	-	(3,009,450)
Increase/(decrease) in actuarial gain in respect of pension provision		-	3,061,739
Loss on disposal of fixed assets	12	612	-
Adjustment for investing or financing activities			
Investment income	3	(367,948)	(373,045)
Interest and other finance costs	6	9,024	12,409
Net cash inflow from operating activities		679,305	504,754
Cash inflows/(outflows) from investing activities			
Investment income	3	367,948	373,045
Payments made to acquire fixed assets	11 & 12	(335,918)	(216,299)
		32,030	156,746
Cash flows from financing activities			
Interest and other finance costs	6	(9,024)	(12,409)
Increase in cash and cash equivalents in the year		702,311	649,091
Cash and cash equivalents at beginning of the year		4,671,386	4,022,295
Cash and cash equivalents at end of the year		5,373,697	4,671,386
Cash and cash equivalents			
	At 31 July 2024	Cash flows	At 31 July 2025
	£	£	£
Cash at bank and in hand	4,671,386	702,311	5,373,697

Statement of accounting policies

(a) Statutory information

The University is a Royal Charter charity registered with the Charity Commission for England and Wales.

The registered office address and principal place of business is Horizons, 60 Queens Road, Reading, RG1 4BS.

(b) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS)102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. These financial statements have also been prepared in accordance with the Accounts Direction issued by the Office for Students (OfS 9, the Terms and Conditions of Funding for Higher Education Institutions) and the Terms and Conditions of Grant by the British Council.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

(c) Basis of consolidation

These financial statements consolidate the results of the University and its subsidiary entity as detailed in note 15 on a line-by-line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet.

Performance is closely monitored against budget, and budgets are set annually with reference to the institution's long-term strategy, assumptions on student numbers and income, and the teaching and administrative support required.

The Trustees set policies on reserves designed to balance the spending required in providing education across the academic periods to which the income relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any changes in financial circumstances. General reserves are held in the range of between three to twelve months operating expenditure.

Going concern

The trustees consider that the University is a going concern and have prepared the financial statements on this basis.

The University prepares an annual budget as part of the annual planning cycle, which going forwards will directly link to the objectives in the University's 2025-2030 Strategy. Performance against the plan is monitored through the year. An annual going concern paper is also provided, which evidences why the University is a going concern. After reviewing the group's forecasts and projections across the five-year plan, the Board of Trustees has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties which would prevent the University from continuing as a going concern. Thus, the University continues to adopt the going concern basis of accounting in preparing the financial statements.

Further information can be found in the Trustees Annual Report under the heading reserves policy and going concern.

(d) Exemptions under FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

(e) Income recognition

Income from the sale of goods or services is credited to the consolidated statement of comprehensive income and expenditure when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure and credited to the consolidated statement of comprehensive income and expenditure over the period in which students are

studying. Discounts, bursaries and scholarships provided by the University are shown as expenditure.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

(f) Grant funding

Grant funding from the Department for Education (previously ESFA) for apprenticeships is recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

(g) Donations

Non exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms.

The main types of donations identified within reserves are:

- a) Restricted donations - the donor has specified that the donation must be used for a particular objective.
- b) Unrestricted donations - the donor has not specified that the donation must be used for a particular objective.

(h) Accounting for retirement

Defined benefit plan

The group participates in the Universities Superannuation Scheme (USS), a defined benefit scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the consolidated statement of comprehensive income and expenditure 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 trustees of the scheme must agree a recovery plan that determines how each employer within the scheme will fund an overall deficit. The institution recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related movements being recognised through the consolidated statement of comprehensive income and expenditure. Further disclosures relating to the pension schemes can be found in Note 23 to the financial statements.

Defined contribution plan

The group also operates a Group Personal Pension (GPP) and an Auto-Enrolment Compliant (AE) defined contribution scheme. The assets of these schemes are individually held by their members. Contributions to these schemes in the year were charged to the consolidated statement of comprehensive income and expenditure as incurred.

(i) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

(j) Leases

Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Assets held under finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation, and impairment losses. Minimum lease payments are apportioned between a finance charge and a reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

(k) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income.

(l) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Intangible assets

Third party software is capitalised where the purchase price exceeds £5,000. Amortisation costs are allocated on the basis of estimated useful life up to the maximum period of the supplier warranty. All other costs are amortised over 5 years on a straight-line basis.

Tangible assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives in use are as follows:

Freehold buildings	50 years
Leasehold improvements	20-40 years
Fixtures and fittings	10 years
Plant and machinery	15 years
Telephone systems	10 years
Furniture	10 years
Plant and equipment	5 years
Motor vehicles	4 years
Computers	3 years

No depreciation is provided on freehold land as it is deemed to have an infinite life.

(m) Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income and expenditure.

Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

(n) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of comprehensive income and expenditure. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments”. The University does not acquire derivatives or other complex financial instruments.

Investments in associates and subsidiaries are carried at cost less impairment in the University’s accounts.

Current asset investments are held at fair value with movements recognised in the statement of comprehensive income and expenditure.

(o) Bursaries

The University holds a designated bursary fund as part of its reserves. This fund is invested in UK common investment funds in order to generate income from which bursaries are paid. Bursaries, in the context of the University’s operations, include fee waivers that effectively discount the cost of study for students with special circumstances and only in very limited cases are these sums paid directly to students.

(p) Debtors

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

(q) Cash and cash equivalents

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

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) The University has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

(s) Taxation

The University is a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly is exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (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.

(t) Reserves

Reserves are classified as restricted or unrestricted.

Restricted reserves include balances where the donor has designated a specific purpose and therefore the charity is restricted in the use of these funds.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

(u) Critical accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical accounting estimates

Recoverability of debtors

The provision for doubtful debts is based on estimates of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the consumer, the age profile of the debt and the nature of the amount due.

Retirement benefit obligations

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 23 of the financial statements.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi- employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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 USS. The accounting for a multi-employer scheme where the employer has entered into an

agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the consolidated statement of comprehensive income and expenditure in accordance with Section 28 of FRS 102.

Critical judgements and assumptions

Income recognition

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

An element of income recoverable in respect of apprenticeships following their End Point Assessment is recognised over the duration of their study with the University and is subject to judgements on future completion rates.

(v) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Institution becomes a party to the contracted provisions of a financial instrument, and they are classified according to the substance of the contractual arrangements.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value, unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the financial assets or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Investments

Investments that are publicly traded, or where their fair value can be measured reliably, are subsequently measured at fair value with movements recognised in the consolidated statement of comprehensive income and expenditure.

Other investments, including investments in subsidiaries and associates, are subsequently measured at cost less any provision for impairment in their value.

Debt instruments

Debt instruments payable are subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements

1 Tuition fees and education contracts

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Apprenticeship income	15,014,489	15,014,489	12,909,733	12,909,733
Non-apprenticeship income	7,404,458	7,404,458	7,124,052	7,124,052
	22,418,947	22,418,947	20,033,785	20,033,785

2 Other income

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Office for Students grant	952,503	952,503	1,136,397	1,136,397
Research awards	169,454	169,454	132,250	132,250
Professional training	63,563	50,470	102,413	102,413
Other income	55,951	55,951	30,637	30,636
	1,241,471	1,228,378	1,401,697	1,401,696

3 Investment income

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Investment property	24,500	24,500	29,399	29,399
General reserves	171,921	171,921	182,236	195,849
Designated reserves	74,239	74,239	73,330	59,718
Other investment income	97,288	97,190	88,080	87,815
	367,948	367,850	373,045	372,781

4 Donations

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Donations with restrictions	6,600	6,600	800	800
Donations without restrictions	-	-	50,584	50,584
	6,600	6,600	51,384	51,384

5 Staff costs

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Salaries	13,246,080	13,051,241	12,062,131	11,900,171
Social security costs	1,397,782	1,397,782	1,172,376	1,172,376
Pension costs	1,178,159	1,169,884	1,228,559	1,221,786
Other staff costs	873,141	797,054	834,162	772,986
	16,695,162	16,415,961	15,297,228	15,067,319

Higher paid staff with remuneration in excess of £100,000 before any salary sacrifice, including P11D benefit and excluding bonus, employer national insurance and pension contributions:

	2025	2024
	No.	No.
£100,000 to £104,999	3	2
£105,000 to £109,999	-	1
£115,000 to £119,999	-	1
£120,000 to £124,999	1	-
£135,000 to £139,999	-	1
£140,000 to £144,999	1	-
£230,000 to £234,999	-	1
£240,000 to £244,999	1	-
	6	6

Average full time equivalent (FTE) staff numbers by major category:

	2025	2024
	No.	No.
Academic	54	51
Research	4	3
Management and specialist	7	7
Technical	13	12
Other	210	204
	288	277

Average staff numbers by full time equivalent (FTE):

	2025	2024
	No.	No.
Academic	73.42	68.32
Non-academic	214.13	209.02
	287.55	277.34

Compensation for loss of office payable to a senior post-holder:

	2025	2024
	£	£
Compensation payable	46,982	32,406

5 Staff costs (continued)

Key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the university. Staff costs include compensation paid to key management personnel including salary, bonus, P11D benefit, employer national insurance and pension contributions.

	2025	2024
	£	£
Key management personnel compensation	1,246,305	1,444,552

Trustees

The university's Board of Trustee members are trustees for the purposes of charity law. Due to the nature of the University's operations and the composition of the Board of Trustees, being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a trustee may have an interest. All transactions involving organisations in which a trustee may have an interest, including those identified below, are conducted at arm's length and in accordance with the university's Financial Regulations and usual procurement procedures.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

In accordance with the byelaws of the University, 1 trustee (2024: 1) received remuneration for the services they provide in undertaking the role of Vice Chancellor and not in respect of their services as trustee. Their remuneration during their period as a trustee was as follows:

	2025	2024
	£	£
Vice Chancellor – Ashley Wheaton		
Remuneration	267,471	271,554
Employer pension contributions	34,433	40,251
Other benefits	3,676	2,790
	305,580	314,595

The pension contributions are in respect of membership of the USS Scheme and are paid by the employer on the same basis as any other member's employer contribution.

	2025	2024
	£	£
Trustee travel, entertaining and subsistence		
Vice Chancellor	3,059	6,850
Other trustees	5,812	2,264
	8,871	9,114

Other than as reported above, the trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No member of the trustees received payment for professional or other services supplied to the charity (2024: £nil).

5 Staff costs (continued)

Justification statement: head of provider remuneration

The number of staff with a full-time equivalent basic salary of over £100,000 for the 12 months up to 31 July 2025 is shown below.

	2025	2024
Basic salary per annum	No.	No.
£100,000 to £104,999	4	-
£105,000 to £109,999	-	2
£110,000 to £114,999	-	1
£115,000 to £119,999	-	1
£120,000 to £124,999	1	-
£150,000 to £154,999	-	1
£155,000 to £159,999	1	-
£230,000 to £234,999	-	1
£235,000 to £239,999	1	-

The basic salary and performance-related bonus element of remuneration for the Head of Provider (the Vice Chancellor) is agreed by the Remuneration Committee, which is a sub-committee of the Board of Trustees. All members of the Committee are independent trustees, and the Vice Chancellor is not present during discussions about their remuneration. The Committee has regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs, when considering senior staff pay.

The Remuneration Committee met on 12 September 2024 and approved a basic salary increase of 3% from £230,554 to £237,471 per annum, from 1 August 2024. This increase matched the percentage increase applied to the wider staff group.

In terms of a performance-related bonus for the year ending 31 July 2025, the Remuneration Committee considered this at their meeting on 4 September 2025 and again on 29 October 2025. Clear performance metrics had been set for the year to 31 July 2025, focused on five areas of work, namely 1) institutional operational objectives based on the CX9 targets; 2) strategic priorities around business productivity and organisation design; 3) increasing the profile and brand of the University; 4) profile and brand specifically in relation to maximising influence; and 5) personal development. Performance against these metrics was carefully considered by the Committee before it approved a performance-related bonus of £30,000 for the Vice Chancellor, for the year ending 31 July 2025.

Full details of the total remuneration package for the Vice Chancellor, as at 31 July 2025:

- Basic salary before salary sacrifice: £237,471 per annum
- Bonus in respect of the financial year: £30,000
- Pension contributions: £34,433
- Salary Sacrifice: Childcare voucher £12, Cycle to Work Scheme £1,937 and Cars £18,919
- Other taxable benefits: Private medical insurance £3,676

For the financial year ending 31 July 2025, the pay multiple at the University is as follows:

- The head of the provider's basic salary is 5.74 times (2024: 5.57) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's total remuneration is 7.35 times (2024: 7.59) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

6 Interest and other finance costs

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Exchange differences	9,024	31	12,409	885
	9,024	31	12,409	885

7 Other operating expenditure

	2025 Consolidated £	2025 University £	2024 Consolidated £	2024 University £
Academic and related expenditure	1,202,961	1,202,739	980,802	980,586
Administration and central services	3,408,812	3,293,410	3,017,101	3,385,083
Premises costs	612,858	495,750	633,820	517,484
Catering and conferences	97,123	100,669	111,344	103,237
	5,321,754	5,092,568	4,743,067	4,986,390

Other operating expenditure includes:

External auditor remuneration

- audit services	52,406		44,583	
- non-audit services	-		-	

Operating lease rentals

- other leases	180,719		182,911	
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Value of net liabilities of The London School of Architecture upon merger

	157,726		-	
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Access and participation expenditure

	2025 Consolidated £	2025 University £	2024 Consolidated £	2024 University £
Access investment	62,898	62,898	48,280	48,280
Financial support	31,710	31,710	30,068	30,068
Support for disabled students	46,381	46,381	36,932	36,932
Research and evaluation	29,846	29,846	21,917	21,917
	170,835	170,835	137,197	137,197

The above Access and Participation expenditure includes staff costs of £70,327 (2024: £62,520). These staff costs are included in the total staff costs in Note 5 to the financial statements. Further details on the Access and Participation strategy can be found on the University's website.

8 The London School of Architecture

On the 7 May 2025 The London School of Architecture (LSA) merged with the University of the Built Environment. The transfer has been accounted for as a donation. The assets and liabilities were transferred at their fair value (after adjustment and cash advanced prior to the merger date) and recognised in the balance sheet under the appropriate headings with the corresponding amount recognised as a loss in the statement of comprehensive income and expenditure. The following table sets of the assets and liabilities acquired:

Fixed assets	£129,302
Debtors	£48,916
Cash at bank	£421,637
Creditors and deferred income	£757,581

The LSA name, brand and identity is being retained and will continue to operate within the wider framework of the University.

9 Taxation

The University is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. No taxation charges are recognised or recorded in the statement of comprehensive income.

10 Related party transactions

Trustee	Related Party	Relationship	Income	Expenditure
Amanda Clack	HKA	Partner	£1,100 (2024: £2,200)	
Christopher Costigan	Advance HE	Member of the Strategic Advisory Group (Governance)		£2,848 (2024: £7,928)
Jyotveer Gill	University of Oxford	Employee		£700 (2024: £ nil)
Ros Kerslake	Homes England	Non-executive director	£20 106 (2024: £15,702)	
	Sanctuary Group	Director	£4,891 (2024: £3,668)	
Liz Marr	Universities Association for Lifelong Learning	Trustee		£500 (2024: £ nil)
Gareth Ralphs	Thames Valley Chamber of Commerce Group	Head of Policy and Inward Investment		£4,356 (2024: £4,147)
Ashley Wheaton	CMI	Member of Regulation and Compliance Committee		£1,640 (2024: £ nil)
	GuildHE	Trustee		£22,699 (2024: £22,632)
	JISC	Trustee (until December 2023)		£nil (2024: £38,480)

11 Intangible fixed assets

Group and University	Computer software £	Total £
Cost		
- At 31 July 2024	447,208	447,208
- Additions	72,540	72,540
- At 31 July 2025	519,748	519,748
Amortisation		
- At 31 July 2024	303,714	303,714
- Charge for the year	88,287	88,287
- At 31 July 2025	392,001	392,001
Net book value		
- At 31 July 2025	127,747	127,747
- At 31 July 2024	143,494	143,494

12 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold Improvements £	Equipment and motor vehicles £	Computer system £	Total £
Cost					
- At 31 July 2024	7,005,250	-	764,883	1,606,554	9,376,687
- Additions	-	111,538	115,783	165,359	392,680
- Disposals	-	-	-	(31,691)	(31,691)
- At 31 July 2025	7,005,250	111,538	880,666	1,740,222	9,737,676
Depreciation					
- At 31 July 2024	809,163	-	545,212	1,421,659	2,776,034
- Charge for the year	100,105	6,217	83,505	145,159	334,986
- Disposals	-	-	-	(31,079)	(31,079)
- At 31 July 2025	909,268	6,217	628,717	1,535,739	3,079,941
Net book value					
- At 31 July 2025	6,095,982	105,321	251,949	204,483	6,657,735
- At 31 July 2024	6,196,087	-	219,671	184,895	6,600,653

University	Freehold land and buildings £	Leasehold Improvements £	Equipment and motor vehicles £	Computer system £	Total £
Cost					
- At 31 July 2024	7,005,250	-	760,720	1,597,315	9,363,285
- Additions	-	111,538	106,554	150,428	368,520
- Disposals	-	-	-	(31,691)	(31,691)
- At 31 July 2025	7,005,250	111,538	867,274	1,716,052	9,700,114
Depreciation					
- At 31 July 2024	809,163	-	544,670	1,416,974	2,770,807
- Charge for the year	100,105	6,217	82,833	139,429	328,584
- Disposals	-	-	-	(31,079)	(31,079)
- At 31 July 2025	909,268	6,217	627,503	1,525,324	3,068,312
Net book value					
- At 31 July 2025	6,095,982	105,321	239,771	190,728	6,631,802
- At 31 July 2024	6,196,087	-	216,050	180,341	6,592,478

All of the above assets are used for charitable purposes.

Freehold land and buildings are the premises planned and designed specifically for the University. Financial Reporting Standards require the premises to be included in the financial statements at replacement cost where this is less than actual cost. An Existing Current Use with Vacant Possession valuation was carried out by Knight Frank LLP on 23 June 2016. This valuation was lower than actual cost so an impairment of £1,108,012 was recognised in the year ended 31 July 2016. This was as anticipated and in accordance with the trustees' business plan for the acquisition of the building.

13 Investment properties

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Fair value at start of year	1,700,000	1,700,000	1,700,000	1,700,000
Net gain on change in fair value	-	-	-	-
Fair value at end of year	1,700,000	1,700,000	1,700,000	1,700,000

The investment property is Shinfield Grange, Cutbush Lane East, Shinfield, Reading, RG2 9AF and was last valued on 24 October 2022 by Knight Frank LLP at £1,600,000, fair value in its physical condition at the time with vacant possession. The trustees have reviewed this and consider that £1,700,000 remains an appropriate reflection of the property's value at 31 July 2025.

14 Investments

	2025	2025	2024	2024
Non-current asset investments	Consolidated	University	Consolidated	University
	£	£	£	£
Fair value at start of year	9,146,422	9,147,421	8,368,616	8,369,615
Additions at cost	-	-	-	-
Disposal proceeds	-	-	-	-
Net gain/(loss) on change in fair value	280,874	280,874	777,806	777,806
Fair value at end of year	9,427,296	9,428,295	9,146,422	9,147,421

	2025	2025	2024	2024
Investments comprise:	Consolidated	University	Consolidated	University
	£	£	£	£
UK common investment funds				
- General fund	6,584,115	6,584,115	6,387,949	6,387,949
- Designated bursary fund	2,317,442	2,317,442	2,248,397	2,248,397
- Restricted fund	525,739	525,739	510,076	510,076
Investment in subsidiary undertaking	-	999	-	999
	9,427,296	9,428,295	9,146,422	9,147,421

The University holds 7,201,907 units (2024: 7,201,907 units) in the Sarasin & Partners Climate Active Endowment Fund.

15 Subsidiary undertakings

The following entity is recognised as a subsidiary due to being wholly owned by the University. All activities have been consolidated on a line-by-line basis in the statement of comprehensive income and expenditure.

Company	Country of registration	Registration number	Interest	Principal activities
UCEM Asia Limited	Hong Kong	2290068	100% owned	Promoting the University and coordinating support for local students

The registered address for UCEM Asia Limited is Unit 2, 16/F Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.

15 Subsidiary undertakings (continued)

Gain/(loss) on revaluation of subsidiary undertakings

University	2025	2024
	£	£
Loss on revaluation	-	-
Intercompany debt written off	-	153,357
	-	153,357

UCEM Courses Limited (registration number 2169181) ceased trading on 31 July 2023 transferring all of its assets and liabilities to the University, which continues to operate professional training and continuing professional development activities, the company's principal activities, within the University brand. UCEM Courses Limited was formally dissolved on 19 March 2024. The value of the share capital was written off on 31 July 2023 and the intercompany debt of £153,357 due to the University was written off on dissolution.

16 Debtors

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Amounts falling due within one year				
Other trade receivables	1,641,951	1,641,951	1,239,045	1,239,045
Other receivables	257,458	235,703	22,609	853
Prepayments and accrued income	3,027,449	3,015,819	2,605,248	2,602,444
Amounts due from subsidiary undertakings	-	632,507	-	113,124
	4,926,858	5,525,980	3,866,902	3,955,466
Amounts falling due after more than one year				
Prepayments and accrued income	2,891,172	2,891,172	2,412,596	2,412,596
	7,818,030	8,417,152	6,279,498	6,368,062

Other receivables include £225,294 cash held in the bank account of Beechwood Architects Charity (formerly The London School of Architecture) in accordance with the merger agreement between the two institutions. Under the terms of the agreement these funds will be released to the University once negotiations with the Landlord of 4 Beechwood Road, London, E8 3DY to assign the lease have been concluded.

Amounts falling due after more than one year are prepayments and accrued income of £2,891,172 (2024: £2,412,596), of which £2,858,034 (2024: £2,397,246) is due to be paid by the Department for Education (previously ESFA) once apprentices go through the End Point Assessment at the end of their individual apprenticeship programmes. This amount falls due as follows

	2025	2024
	£	£
Due between one and two years	1,126,230	924,336
Due between two and four years	1,571,657	1,330,401
Due in more than four years	160,147	142,509
	2,858,034	2,397,246

17 Creditors: amounts falling due within one year

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Trade payables	617,389	610,605	361,741	354,791
Other payables	1,926,159	1,912,080	1,672,359	1,661,891
Finance leases	7,459	7,459	29,601	29,601
Accruals and deferred income	462,419	462,419	353,098	353,098
VAT	2,076	2,076	3,965	3,965
	3,015,502	2,994,639	2,420,764	2,403,346

18 Creditors: amounts falling after more than one year

	2025	2025	2023	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Finance leases	-	-	7,459	7,459
Accruals and deferred income	681,045	681,045	571,898	571,898
	681,045	681,045	579,357	579,357

Accruals and deferred income falling due after more than one year include £571,471 (2024: £453,708) which relates to costs associated with End Point Assessment for apprenticeships.

At the start of the year the University had an overdraft facility of £250,000 secured by a legal charge against freehold land and buildings. The overdraft facility had not been utilised and was cancelled during the year end with the security being released.

Finance leases

Minimum payments under finance leases fall due as follows:

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Due within one year	7,459	7,459	29,601	29,601
Due between two and four years	-	-	7,459	7,459
	7,459	7,459	37,060	37,060

Deferred income

Included within total deferred income are the following:

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Current academic offer	424,806	424,806	390,666	390,666
Professional training	9,915	9,915	17,275	17,275
Research and enterprise income	137,273	137,273	63,347	63,347
	571,994	571,994	471,288	471,288

19 Provisions for liabilities

Consolidated and University	2025	2024
	£	£
Obligation to fund USS pension scheme deficit		
Provision at the start of the year	-	3,009,450
Movement in the year	-	(3,009,450)
Provision at the end of the year	-	-

USS pension scheme deficit

At 31 July 2023, the institution's balance sheet included a liability of £3,009,450 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 the Institution was no longer required to make deficit recovery contributions. The remaining liability of £3,009,450 was released to the consolidated statement of comprehensive income and expenditure as at 31 July 2024. Further disclosures relating to the deficit recovery liability can be found in Note 23 to the financial statements.

20 Financial instruments

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
Financial assets at fair value through Statement of Comprehensive Income				
Listed investments	-	-	-	-
Financial assets that are equity instruments measured at cost less impairment				
Other investments	9,427,296	9,428,295	9,146,422	9,147,421
Financial assets that are debt instruments measured at amortised cost				
Cash at bank and in hand	5,373,697	5,371,595	4,671,386	4,654,938
Other debtors	7,818,030	8,417,152	6,279,498	6,882,062
Financial liabilities measured at amortised cost				
Finance leases	7,459	7,459	37,060	37,060
Trade payables	617,389	610,605	361,741	354,791
Other payables	3,071,700	3,057,621	2,601,320	2,590,852

21 Reserves

Movement in funds – current year

	At 31 July 2024	Income and gains	Expenditure and losses	Transfers	At 31 July 2025
	£	£	£	£	£
Restricted funds:					
Philip Rose Award	239	-	-	-	239
Harold Crowter Prize Fund	1,371	-	-	-	1,371
FJ Comerford Prize Award	500	-	-	-	500
Harold Samuel Research Prize Fund	257,014	20,445	(9,737)	-	267,722
Peter Goodacre Fund	31,000	-	(1,000)	-	30,000
David Alexander Memorial Scholarship	208,682	8,918	(1,325)	-	216,275
University Sustainability Research Prize	500	1,600	(800)	-	1,300
LSA Summer Show Fund	-	5,000	-	-	5,000
Total restricted funds	499,306	35,963	(12,862)	-	522,407
Unrestricted funds:					
Designated funds:					
Fixed assets	6,744,147	465,220	(423,885)	-	6,785,482
Bursaries	2,237,879	129,557	(85,908)	-	2,281,528
Total designated funds	8,982,026	594,777	(509,793)	-	9,067,010
General funds	16,059,999	23,404,226	(21,645,684)	-	17,818,541
Total unrestricted funds	25,042,025	23,999,003	(22,155,477)	-	26,885,551
Total Funds	25,541,331	24,034,966	(22,168,339)	-	27,407,958

Movement in funds – prior year

	At 31 July 2023	Income and gains	Expenditure and losses	Transfers	At 31 July 2024
	£	£	£	£	£
Restricted funds:					
Philip Rose Award	339	-	(100)	-	239
Harold Crowter Prize Fund	1,471	-	(100)	-	1,371
FJ Comerford Prize Award	500	-	-	-	500
Harold Samuel Research Prize Fund	232,367	39,647	(15,000)	-	257,014
Peter Goodacre Fund	32,000	-	(1,000)	-	31,000
David Alexander Memorial Scholarship	191,417	17,265	-	-	208,682
University Sustainability Research Prize	-	800	(300)	-	500
Total restricted funds	458,094	57,712	(16,500)	-	499,306
Unrestricted funds:					
Designated funds:					
Fixed assets	6,882,479	216,299	(354,631)	-	6,744,147
Bursaries	2,060,215	250,997	(73,333)	-	2,237,879
Total designated funds	8,942,694	467,296	(427,964)	-	8,982,026
General funds	10,848,418	21,334,903	(16,123,322)	-	16,059,999
Total unrestricted funds	19,791,112	21,802,199	(16,551,286)	-	25,042,025
Total Funds	20,249,206	21,859,911	(16,567,786)	-	25,541,331

21 Reserves (continued)

Purposes of restricted funds

Fund	Purpose
Philip Rose Award	To award a prize for excellence in an area of study.
Harold Crowter Prize Fund	To award a prize for excellence in an area of study.
FJ Comerford Prize Award	To award a prize for excellence in an area of study.
Harold Samuel Research Prize Fund	An annual award of up to £15,000 for an innovative research project that has the potential to provide industry- changing insight for the Built Environment. The Prize will be judged and awarded by a panel of experts from across the industry, the University staff and independent appointees. The Prize is open to applications from the UK and any other part of the world.
Peter Goodacre Fund	To award £1,000 at every graduation for one student for 34 years.
David Alexander Memorial Scholarship	To the provision of scholarships for students nominated by RICS Wales.
University Sustainability Research Prize	To award prizes in recognition of outstanding and collegiate contributions to sustainability research through students' final year projects and their collaboration during their studies.
LSA Summer Show Fund	To exhibit graduate students course work and celebrate academic achievements.

Purposes of designated funds

Fund	Purpose
Fixed assets	This represents the net book value of the group's fixed assets.
Bursaries	Bursary funds are established to encourage and support wider participation in the programmes offered by the University, including New Student Bursary Fund, Post Graduate Scholarship, Access and Participation Plan Fund, Vice Chancellor's Discretionary Fund and Redundancy Support.

22 Lease obligations

Total rentals payable under operating leases for the group are as follows:

	2025	2024	2025	2024
	Property	Property	Equipment	Equipment
	£	£	£	£
Payable during the year	96,080	108,294	15,579	18,431
Future minimum lease payments due:				
Not later than one year	96,080	108,294	14,453	12,432
Later than one year and not later than five years	33,576	37,845	24,058	15,178
Total lease payments due	129,656	146,139	38,511	27,610

22 Lease obligations (continued)

Total rentals receivable under operating leases for the group are as follows:

	2025	2024
	Property	Property
	£	£
Receivable during the year	24,500	29,399
Future minimum lease receipts due:		
Not later than one year	-	2,450
Total lease receivables due	-	2,450

23 Pension schemes

The total cost charged to the Consolidated Statement of Comprehensive Income is £1,178,159 (2024: £1,228,559) including Universities Superannuation Scheme (USS) but excluding the impact of the change in the deficit recovery plan, as shown below.

Deficit recovery contributions due within one year for the institution are £nil (2024: £nil).

Statement of comprehensive income – net pension costs

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
USS	627,994	627,994	709,592	709,592
GPP	38,933	38,933	40,325	40,325
People's Pension	502,957	502,957	471,869	471,869
Manulife (Hong Kong)	8,275	-	6,773	-
	1,178,159	1,169,884	1,228,559	1,221,786

Statement of financial position – pension scheme liability

	2025	2025	2024	2024
	Consolidated	University	Consolidated	University
	£	£	£	£
USS	-	-	-	-
GPP	-	-	-	-
People's Pension	-	-	-	-
Manulife (Hong Kong)	-	-	-	-
	-	-	-	-

Different categories of staff joined one of four different schemes depending upon eligibility:

(1) Universities Superannuation Scheme (USS)

This is a defined-benefit scheme contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds. USS is a multi-employer scheme and is accounted for as set out in the accounting policies USS has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 21.6% until 31 December 2023 and 14.5% thereafter, Employee 9.8% until 31 December 2023 and 6.1% thereafter.

23 Pension schemes (continued)

(2) Group Personal Pension Scheme (GPP)

Operating on a defined contribution basis in respect of pensionable service since 1 November 2004, the GPP has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 7%, Employee 2.5% (minimum).

For members of the former CEM Contracted Out Money Purchase Scheme who had joined that Scheme prior to April 1997 the rates of contribution, to the GPP, were as follows:

Age	University	Member
40-49	9%	2.5% (minimum)
50-59	10%	2.5% (minimum)

This scheme is now closed to new members as it has been succeeded by an auto enrolment compliant scheme.

(3) Auto Enrolment Compliant Scheme (AE)

Operating on a defined contribution basis in respect of pensionable service since 1 January 2014, the AE scheme has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 7%, Employee 2.5% (minimum).

(4) Manulife (HK)

Operating on a defined contribution basis, this scheme is compulsory for all staff of UCEM Asia Limited in Hong Kong and has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 5%, Employee 5%, both up to a maximum of HK\$1,500 per month.

Universities Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. 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.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

A deficit recovery plan was put in place as part of the 2020 valuation. It required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

The latest available complete actuarial valuation of the Retirement Income Builder, the defined benefit part of the scheme, is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for the assets and liabilities 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 (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's technical provisions was £65.7bn indicating a surplus of £7.4bn and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

23 Pension schemes (continued)

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations).
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030.
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement : 2.5% p.a. Post retirement : 0.9% p.a.
Pension increases (all 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.

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 1.80% p.a. for males and 1.60% p.a. for females.

The current life expectancies on retirement at age 65 are:

	2025	2024
Males currently aged 65 years	23.8	23.7
Females currently aged 65 years	25.5	25.4
Males currently aged 45 years	25.7	25.6
Females currently aged 45 years	27.2	27.2

Accounts

University College of Estate Management

Report and financial statements for the year ended 31 July 2024

Charity number: 313223

Royal Charter number: RC000125

University College of Estate Management
Contents
For the year ended 31 July 2024

	Page
Reference and administrative information	2 - 5
Trustees' annual report	6 - 24
Independent auditor's report to the Board of Trustees of UCEM	25 - 29
Consolidated and UCEM statement of comprehensive income and expenditure	30
Consolidated and UCEM statement of changes in reserves	31
Consolidated balance sheet	32
Consolidated statement of cash flow	33
Statement of accounting policies	34 – 38
Notes to the financial statements	39 - 51

**University College of Estate Management
Reference and administrative information
For the year ended 31 July 2024**

Charity number: 313223 – registered in England and Wales

Royal Charter number: RC000125

Registered office and operational address:

Horizons
60 Queen's Road
Reading
Berkshire
RG1 4BS

The institution also operates using the abbreviated name "UCEM".

Reference and administrative information

Trustees

Trustees who served during the year and up to the date of this report were as follows:

Professor Nicholas Braisby

BA PhD CPsychol AFBPsS PFHEA

Amanda Clack Dr. (hc)

MSc BSc PPRICS FRICS FICE FAPM FRSA FIC
CCMI CMC

Chair

Christopher Costigan

LLB (Hons), LLM, Barrister, FHEA, FCG

Jyotveer Gill

Appointed 1 September 2024

Nicholas Hughes

Appointed 1 July 2024

Stephen Jackson Dr.

FRGS FRSA

Vice Chair

Professor Michelle Jones

Ros Kerslake

CBE

Appointed 1 December 2023

Alastair G Martin

FRICS FAAV

Resigned 30 November 2023

Peter McCrea

OBE BSc DipArb FRICS FCI Arb FRSA

Appointed 1 May 2024

Professor Kenneth Miller

LLB LLM PhD FRSA FIOSH

Resigned 18 April 2024

Dominic James O'Rourke

Jules Quinn

Appointed 1 September 2024

Gareth Ralphs

Graeme Scott

ACA

Honorary Treasurer

Misa Lane von Tunzelman

FCIM

Resigned 11 July 2024

**University College of Estate Management
Reference and administrative information
For the year ended 31 July 2024**

Chris Turley
LLB (Hons)

Resigned 27 September 2024

Ashley P Wheaton
BA (Hons)

Member ex-officio

Student Trustees

Adam Denton

Ben McManus

Appointed 1 March 2024

Staff Trustees

Jon Hubert

Harps Kaur

Resigned 30 November 2023

Charlotte Thackeray
BA (Hons) RG Cert MA FHEA

Appointed 1 June 2024

Board Apprentice (no voting rights)

Chrystal Augustine

Appointed 30 November 2023

Lucy Gaitskell

Appointed 30 November 2023

Laura Bell McMillan
MA (Hons) MScRealEst MRICS

Resigned 30 November 2023

Rebekah Powley

Resigned 30 November 2023

Key management personnel – Executive Team

Ashley Wheaton	Vice Chancellor
Jane Fawkes	Deputy Vice Chancellor and University Secretary
Stephen Bartle	Pro Vice Chancellor (Business Development and Apprenticeships)
Lynne Downey	Pro Vice Chancellor (Student and Registry Services)
Dr Wendy Finlay	Pro Vice Chancellor (Education)
Aled Williams	Executive Director, Innovation and Partnerships

Other Administrative Information:

Bank	National Westminster Bank plc PO Box 78, 13 Market Place, Reading, Berkshire, RG21 2EP
Solicitors	DAC Beachcroft 100 Fetter Lane, London, EC4A 1BN Field Seymour Parkes 1 London Street, Reading, Berkshire, RG1 4PN
Auditor	Forvis Mazars LLP 90 Victoria Street, Bristol, BS1 6DP
Investment Managers	Sarasin & Partners LLP Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
Insurance Adviser	Jelf Insurance Brokers Limited 1 st Floor, Gail House, 5 Lower Stone Street, Maidstone, Kent, ME15 6NB

Trustees Report

The trustees present their report and the audited financial statements for the year ended 31 July 2024.

Reference and administrative information are set out on pages 2 to 5 and form part of this report. The financial statements comply with current statutory requirements, the institution's Royal Charter and Byelaws and the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 applicable to Higher Education institutions preparing their accounts in accordance with FRS 102.

Objectives and activities, Purposes and Aims

University College of Estate Management (UCEM) is concerned with education and training for all professions dealing with land, property, and construction. It was founded in 1919, incorporated by Royal Charter (RC000125) on 22 August 1922, and has been a registered independent charitable institution in England and Wales since 24 May 1963. In 1977, Her Majesty The Queen was graciously pleased to grant her patronage to UCEM. In 1998, His Majesty King Charles III (formerly His Royal Highness The Prince of Wales), became Patron of UCEM. UCEM is honored that in May 2024 King Charles III confirmed he would retain his Patronage of the institution.

The governing documents of UCEM are its Royal Charter and Byelaws. In June 2018, following a petition to the Privy Council, a third Supplemental Charter was granted. The Supplemental Charter reflects that UCEM has taught degree awarding powers, and that on 11 November 2015, the institution was granted University College title by the Privy Council. Shortly thereafter "The College of Estate Management" rebranded as "University College of Estate Management" or "UCEM" for short.

The opportunity was also taken to update the Byelaws to reflect best practice corporate and academic governance.

The purposes of the institution as outlined in the Charter are as follows:

- To provide training and educational facilities at any level, and facilities for research, for all or any of the professions of surveyor, auctioneer, land or estate agent, or any other profession in land, buildings or property,
- This includes within the objects and purpose of the Charter, the development of course curriculum, material examinations, and the conferring of awards,
- To undertake research that will assist those in professions, and vocations as relevant to land, property, and building; and
- The provision of continuing professional development for those in the built environment sector.

UCEM fulfils the objects of the Charter and furthers its charitable purposes for the public benefit through the provision of online educational programmes, research, continuing professional development courses, and student bursaries.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

UCEM provides educational programmes from Levels 4 to 7 of the Frameworks for Higher Education Qualifications (FHEQ). All the programmes offered by UCEM sit within the core objective of the Charter, and are directly linked to the surveying and property professions. The programmes offered by UCEM are accredited by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

UCEM is registered with the Office for Students (OFS) as a fee capped provider, and is subject to the regulation of the OFS, including meeting the Conditions of Registration. In 2021 UCEM applied to the Office for Students for Indefinite Degree Awarding Powers, and, following a review process, this was approved by the Privy Council effective from 1 September 2022. To reflect this change UCEM adopted nomenclature in December 2023 to reflect UCEM's status as a Higher Education Provider. This includes the Principal's job title changing to Vice-Chancellor. UCEM continues to develop the resources provided to students through the Digital Education Team working with the subject experts to ensure material is interactive and engaging to students. UCEM offers sixteen programmes, awarded by the institution, all of which are delivered online, so are accessible to students worldwide. This includes the delivery of the Level 6 and 7 Apprenticeship programmes, which are core to UCEM's purpose of providing vocational programmes accessible to all.

The depth and breadth of UCEM's research has continued to grow over the past year. Some key highlights include:

- UCEM co-hosted an international conference in the Philippines with Batangas State University: in November 2023, [UCEM was invited to co-host](#) the 6th International Research Conference on Innovations in Engineering, Science and Technology (IRCIEST).
- UCEM won an award for best paper at the international Sustainable Ecological Engineering Design for Society (SEEDS) conference: in August 2023, Dr James Ritson and Dr Graeme Larsen presented their latest research on 'energy performance certificate and historical buildings: a clash between method and context' at the [International SEEDS Conference](#) held at the University of Suffolk, Ipswich.
- UCEM won the Partnership of the Year Award for work with the King's Foundation: in June 2024, ongoing research with the King's Foundation helped to secure an award from King Charles III in his [inaugural ceremony to celebrate the work of the Foundation](#).
- UCEM signs 3 MOUs with leading international universities: to extend our collaboration and commitment to continue working in partnership, UCEM has signed 3 Memorandums of Understanding with Batangas State University (Philippines), Hashemite University (Jordan), and Philadelphia University (Jordan).
- UCEM awarded 5 new externally funded research projects, to the value of £122,000. In addition, 3 externally funded projects were successfully completed during this period – please visit www.inclusivegypt.com ; [Gender Equality in Jordanian Leadership | Safe4all \(leadjordan.com\)](#) ; [Gender Equality in Jordan | Safe4all \(upjordan.com\)](#). These projects involved leading workshops in Jordan and Egypt on Gender equality.
- UCEM's institutional repository, established in January 2023 as a public open-access database for research outputs, has seen significant engagement. To date, 95 outputs have been uploaded, 41 of which are directly research-related, and collectively garnering over 15,000 downloads in the past 16 months.

To make education and academic success accessible to all, and in the context of its charitable status, UCEM operates several bursary schemes to provide financial assistance to students from disadvantaged backgrounds, students made redundant during their course and students with other special circumstances. Awards range from discounts in one semester for temporary challenges through to 100% fee bursaries for the lifetime of a programme.

The trustees review the aims, objectives, and activities of the institution each year. This occurs through the monitoring of the institutional targets, which are set to support the delivery of the aims and objectives. The Board receive a report on what the institution has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the institution has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the institution's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the institution's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategy

UCEM's core purpose is to provide truly accessible, relevant, and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a sustainable Built Environment.

UCEM has an Institutional Strategy (2019-25) which sets out the strategic plan and goals to enable UCEM to realise its vision to be the 'Centre of Excellence for Built Environment Education'.

As the Centre of Excellence for Built Environment Education, UCEM will focus on maximising its Impact and Influence on both Education and Industry. In practical terms, this means a focus on delivering greater impact through; Student Outcomes, Widening Participation, Student Satisfaction and Reach, whilst increasing influence by offering a greater Depth and Breadth of Education, engaging more with Education and Industry partners, and actively Collaborating.

By maximising both our Impact and Influence; students, employers, Industry and the Higher Education Sector will regard UCEM as the obvious and best choice of institution for Built Environment qualifications.

In the context of the strategic plan, the Executive with the Senior Leadership Team set an annual plan for the year, which is approved by the Board of Trustees prior to the start of the financial year. This process occurs alongside budgetary planning, to ensure the appropriate resources are in place to deliver the plan for the forthcoming year.

The Board of Trustees meets four times per year, and as part of these meetings monitors delivery of the strategy, as well as holding an annual Strategy Session to review the strategy against the changing external context. In September 2024 the Board approved the institutional strategy 2025-2030, and this will be effective from 1 August 2025. Within the strategy the Vision to be 'the Centre of Excellence for Built Environment Education' will remain unchanged.

Performance of the plan is monitored against seven key institutional metrics and these key performance indicators (“the CX9”) are used to measure the success and achievements of the institution each year.

The metrics are defined in the following areas in the Strategic Plan 2019-25:

- Education; which focuses on achieving indefinite degree awarding powers, attaining a good Office for Standards in Education (Ofsted) rating, compliance with the Conditions of Registration with the Office for Students (OfS) and embedding & evaluating the student success project ‘Transform’.
- Student Outcomes: which is measured by student completion and module pass rates.
- Student Satisfaction; which is measured by satisfaction rates in the National Student Survey, Employer surveys, and the UCEM Student Experience Survey.
- Widening participation: to target increased access; success and progression for those from under-represented groups as part of UCEM’s commitment to increase diversity within the built environment sector.
- Employee Experience; which includes staff engagement, monitored through a confidential engagement survey in November and June each year, as well as a focus on employee wellbeing.
- Reach; measured by:
 - the target number of new students for each semester; and
 - the number of returning students for each semester.
- Financial health; measured by:
 - revenue *and*
 - operating margin.

These metrics are defined to ensure the institution meets its charitable aims and objectives to deliver education and training for the built environment sector in the long-term.

UCEM had an exceptional year and met its CX9 targets with significant achievements in Student Outcomes, Student Satisfaction and Financial Health. This is alongside the strategic goal to become the ‘world’s most sustainable university’ which is being driven through the ‘Globe’ project. This takes a holistic approach to sustainability, by looking at leadership and governance, what we teach, how we teach, how we operate and influence. This is integral as UCEM continues to grow and work towards its strategic vision of being the Centre of Excellence for Built Environment Education.

UCEM continued to support its subsidiary companies. UCEM approved a £514,000 grant in the year (2023: £518,390) to its wholly owned Hong Kong subsidiary, UCEM Asia Limited, to advertise UCEM’s courses, provide course registration assistance and teaching support to students in Hong Kong.

UCEM does not engage in social investment activities.

UCEM trustees are volunteers and while their influence is significant, they do not deliver UCEM services; UCEM makes no use of general volunteers to deliver its services.

Apprenticeships

Apprenticeship provision in the Built Environment is central to the institution’s core purpose. UCEM supports the Government’s apprenticeship agenda and sees apprenticeship delivery as vital to its future and that of training the sector which the institution was founded to serve.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

UCEM is listed on the Apprenticeship Provider and Assessment Register as a Main Provider and is eligible to receive government funding to train apprentices. UCEM has contracts with the Education and Skills Funding Agency (ESFA) for the delivery of apprenticeships for levy-paying and non-levy paying employers.

The apprenticeship programmes offered in 2023-24 were:

- Level 6 Chartered Surveyor (Degree) Apprenticeship
- Level 6 Building Control Surveyor (Degree) Apprenticeship
- Level 6 Construction Site Management (Degree) Apprenticeship
- Level 4 Construction Site Supervisor Apprenticeship

In 2023-24 UCEM continued to deliver apprenticeships through subcontracting arrangements with Eastleigh College. Delivery under this subcontract is limited to completion of apprenticeships that commenced prior to November 2017.

UCEM subcontracts the delivery of Functional Skills Maths and English qualifications within apprenticeships to Runway Apprenticeships Limited, trading as Runway Training. Due to the level of the apprenticeships that UCEM delivers, most apprentices have acceptable prior or equivalent Maths and English qualifications at enrolment, and therefore the volume of subcontracting with Runway Training is low.

As of July 2024, there were 2,234 apprentices employed by over 500 different employers and business entities actively studying with UCEM, including 2,113 Level 6 Chartered Surveyor (BSc and MSc) apprentices, 66 Building Control Surveyor Degree apprentices, 31 Construction Site Manager Degree apprentices and 24 Construction Site Supervisor apprentices.

Over 99% (2,229) of apprentices actively studying with UCEM were funded through UCEM's direct contracts with the ESFA. The remaining 5 were funded via UCEM's contract with Eastleigh College.

During 2023-24 UCEM also received funding of £272,372 from the Office for Students to enhance and further develop its degree apprenticeship provision, in addition to the funding for apprenticeship delivery from ESFA.

UCEM includes apprenticeship course revenue on the face of the Consolidated Statement of Comprehensive Income and Expenditure within tuition fees and educational contracts.

Achievements and performance

The year ending 31 July 2024 was a significant year for the institution's performance and achievements.

Reach

During 2023-24 UCEM enrolled 1,529 (2023: 1,561) new students in total. This outcome was 2% lower than the previous year due to fewer students in Hong Kong.

UCEM launched the Level 4 Construction Site Supervisor apprenticeship in 2023-24, achieving 26 enrolments and maintained its position as the largest provider of the Level 6 Chartered Surveyor apprenticeship in England. In total 726 (2023: 689) new apprentices started UCEM programmes in 2023-24, the highest number in any year to date. This growth was driven partly by the new Level 4 apprenticeship and by the Chartered Surveyor MSc route which attracted high levels of interest from employers interested in supporting their graduate trainees to achieve professional qualifications, producing 281 (2023: 245) new starts in the year.

UCEM continued to benefit from strong relationships with employers across property, construction, and related sectors. This resulted in sponsored students (including apprentices) being the largest segment, again representing 63% (2023: 63%) of total enrolments.

Away from the UK, Hong Kong continued to be the largest international market for UCEM, with 117 (2023: 142) enrolments in total.

Education

As a Higher Education Provider in England, UCEM in 2023-24 continued to meet the Conditions of Registration with the OfS, as a registered (fee cap) provider, and the ESFA. UCEM monitors the institution's compliance with the OfS Conditions of Registration and ESFA compliance through the Board of Trustees, Board Sub-Committees and the relevant Academic Deliberative Committees.

UCEM must also meet the requirements of Ofsted with regards to apprenticeship provision at all levels. UCEM achieved an overall Ofsted inspection outcome of 'Good' in November 2021, which related to UCEM's apprenticeships provision at the time, at Level 3, Level 6 and Level 7.

During 2023-24, UCEM saw a large increase in numbers of apprentices onto the apprenticeship programmes, with the Apprenticeships Team successfully onboarding and supporting these increased numbers of apprentices. The team have embedded feedback from the Ofsted Inspection and continued to strengthen the commitment to safeguarding apprentices by ensuring local risks, and mental health and wellbeing are discussed in every progress review.

The introduction of a new apprenticeship L4 programme in Autumn 23 has provided an opportunity for apprentices to access a lower entry point and achieve a Cert HE prior to progressing onto a L6 apprenticeship. In the published National Achievement Rates Tables (NARTS) in March 24, UCEM had achieved at least double the national average of every other provider delivering the Chartered Surveyor Programme, making UCEM the most successful provider in this sector. The QAR for 23/24 is set to be similar to this and therefore evidence of the continued hard work and performance of apprenticeships in UCEM.

Student Outcomes

UCEM monitored module success rates against an overall target key performance indicator (KPI) of 87% in 2023-24 as part of its strategy to improve student outcomes, which supports UCEM's compliance with the OfS's condition of registration B3 (successful outcomes for all students). The 87% overall KPI was supplemented by the following KPIs at the different levels of study: Level 4 – 87%; Level 5 – 90%; Level 6 – 92%; Level 7 – 83%. Over the last four years, UCEM has focused on improving student outcomes through enhancements to academic provision, the delivery model, student support and associated regulations, policies, and procedures. In 2023-24, UCEM continued the implementation of a suite of initiatives to improve student outcomes.

These included addressing student workload challenges by re-evaluating UCEM's curriculum from a programme perspective and ensuring a streamlined learning journey by reducing module content without removing the content required to meet programme learning outcomes. Enhanced modules were delivered to students in Autumn 2023 and Spring 2024. This initiative, coupled with improved student engagement monitoring from Spring 2024 and improvements to a number of policies and procedures, has resulted in a positive uplift in student engagement and student outcomes overall.

In May 2024, the full module results for Autumn 2023 modules were reported at 89.4%, exceeding the KPI and representing a +2.2% change compared to Autumn 2022. Level-specific student outcomes all experienced an uplift on Autumn 2022, reporting: Level 4 – 93.2%; Level 5 – 90.3%; Level 6 – 89.2%; Level 7 – 86.6%. At the time of writing, the Spring 2024 resubmission period is still underway, therefore, the overall final module KPI outturn for 2023-24 is not available. However, in-year data from Spring 2024 indicates that the positive trends seen in the Autumn 2023 module outcomes will likely be maintained.

UCEM seeks continual improvements to achieve its KPIs. Upon completion of the modules, the Academic Team completes an Annual Review process for all modules, to ensure that the modules and the support offered to students remain fit-for-purpose each semester and success rates can continue to improve. In the coming year, module enhancements will continue alongside work to revalidate UCEM's postgraduate provision, which is expected to deliver further improvements to student outcomes, alongside the delivery of the Learning, Teaching and Assessment Strategy action plan. In addition, a strategic initiative will launch in Autumn 2024, which builds on the improved student engagement monitoring work from Spring 2024. This initiative, titled "Intake Retention Improvement Plan" deploys a suite of planned interventions to improve student engagement with learning materials and is expected to reduce student withdrawal rates in the first semester in particular.

Student Satisfaction

Student satisfaction in 2023-24 was monitored by two surveys that covered largely the same questions. The National Student Survey (NSS) is open to all final year undergraduate students who are domiciled in the UK and the results are monitored by the OfS and publicly available. For the first time since participating in the survey UCEM NSS results have been published in the Times Higher Education Rankings. UCEM was ranked 58 out of 149 Providers.

The internally run survey is the Student Engagement Survey (SES) and is open to all other UCEM students.

UCEM exceeded the CX9 targets for Student Satisfaction for both apprentices and non-apprentices. Both surveys showed an increase in positivity scores from the previous year.

Widening Participation

UCEM's commitment to widening participation is central to its core purpose, and the outworking of the Royal Charter to provide education and training to all. This is evidenced within the five-year Institutional strategy, of which Widening Participation is one of the core tenets. UCEM recognises the challenge of diversity and inclusion within the built environment sector, and as such is committed to working with the sector and employers in this area. This year UCEM published a new Widening Participation and Access and Participation Strategy which starts 2024-25.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

The metrics for Widening Participation are drawn from UCEM's OfS approved Access and Participation Plan. UCEM made good progress towards the objectives set out in its Access and Participation Plan by achieving the majority of its targets for increasing the proportion of underrepresented students entering its programmes in 2023-24. For example, 18.6% of new part-time Undergraduate students are recorded as ethnic minority against a target of 16% (note that these figures are subject to confirmation from OfS).

The challenge on Widening Participation remains a sector wide one, but UCEM is working closely with the sector to increase diversity within the Built Environment.

Employee Experience

UCEM monitors employee satisfaction and employee experience twice a year through an Employee Engagement Survey. This is part of the on-going work throughout the year on listening to the staff voice and building engagement.

Overall staff engagement met the target of 4.2 (out of 5); the survey scored 4.3 in December 2023 and 4.1 in June 2024. In both surveys the participation rate was over 80%. Of particular note was 97% of respondents understood the importance and meaning of their job role at UCEM, and 92% of staff agreed with the statement "I can be myself in my team because I feel safe and respected."

Financial Health

In the year ending 31 July 2024 UCEM achieved a consolidated income of £21,859,911 (2023: £19,035,735), an increase of 14.8% (2023: 11.5%) on the previous year. The increase in the level of income was predominantly due to increased tuition fees from the continued expansion of the apprenticeships programme, and through organic growth and partnerships with other providers and contractors.

Consolidated expenditure increased by 14.9% (2023: 11.3%) in the year to £20,407,331 (2023: £17,768,618). This increase reflects the addition of new staff to support the expanding student numbers as well as high UK inflation levels during the period.

After unrealised gains on investments of £777,806 (2023: unrealised losses £246,203) and actuarial gains in respect of pension schemes of £3,061,739 (2023: £242,181), neither of which are budgeted, the group made a surplus of £5,292,125 against a planned surplus of £35,309 (2023: £1,263,095 against a planned deficit of £636K).

Beneficiaries of our services

The institution's main activity is the provision of education, and its beneficiaries are students, industry and the Built Environment sector worldwide. All its charitable activities focus on the sector and students developing careers in the sector and are undertaken to further UCEM's charitable purposes for public benefit.

UCEM added 1,529 new students during 2023-24 against its target of 1,490. This was a 2% year-on-year decrease compared to the 1,561 new students recruited in 2022-23 but still represented a strong performance given the prevailing market conditions.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

UCEM made 1,084 academic awards of which 976 were full academic awards and 108 were intermediate awards. Please note that this report was written prior to the final Examination Award Boards for 2023-24, so some of these awards are still to be ratified, which could alter this number marginally.

Despite the challenges faced by partner employers, UCEM maintained strong engagement with employers in the sector with 967 new students (including 726 on apprenticeship programmes) being sponsored by 323 employers.

UCEM allocated £73,333 bursaries in the year (2023: £56,719) as follows:

Bursary	Number of Students	£
New Student Bursary Fund	7	£11,158
Access & Participation Plan Fund	12	£25,550
Post Graduate Scholarship	15	£28,450
Port Graduate Scholarship - Sustainability	3	£8,175
Total	37	£73,333

In addition to the above, students were assisted with fee reductions or debt write offs for special circumstances enabling them to continue with their studies, for example, 9 awards were made from the Vice Chancellor's Discretionary Funds totalling £3,780 (2023: £4,877) and 2 award was made from the Redundancy Support Scheme totaling £2,635 (2023: £1,013).

Financial review

In the year ended 31 July 2024, UCEM achieved an increase in total consolidated income of £2,824,176, which was an increase of 14.8% on the previous year. Student income grew by 15.1% (2023: 10.0%) to £20,033,785 compared to the previous year. Costs, so far as possible in what was an inflationary economic environment for a large part of the year, have been controlled and a healthy operating surplus has been generated before investment revaluation and pension scheme actuarial adjustments.

Investment income increased in the year with all funds invested in the Sarasin & Partners Climate Active Endowment Fund throughout the year. During the year unrealised gains on investments were £777,806 (2023: unrealised losses £246,203).

Group expenditure

Group expenditure was higher than the previous year, which was driven by the need to recruit additional staff to support the increase in student numbers, as well as the inflationary economic climate.

Staff costs increased in the year by 9.8% to £15,297,228 (2023: increase of 11.2% to £13,934,865) and still remain the largest single expense to the business making up 75.0% (2023: 78.4%) of total expenditure, reflecting the nature of UCEM's online education provision. The increase in costs reflects the increase in staff numbers from 259 to 277 (full time equivalent). Further details of staff costs can be found in Note 5 to the financial statements.

Other operating expenses reflect an increase in the cost of academic and related expenditure, administration and central services, and premises costs as set out in Note 7 to the financial statements.

Summary

In summary, income has continued to grow with a corresponding increase in the cost base. Before accounting for investment valuation movements and actuarial valuation changes in respect of pension schemes, UCEM has far exceeded its budgetary targets for 2023-24. In the current year the actuarial gain in respect of pension schemes of £3,061,739 is a major factor in the overall surplus for the year and needs to be considered in any direct comparison with the prior year's performance. Further information on the pension scheme can be found in Note 18: Provision for Liabilities.

UCEM's consolidated Balance Sheet at 31 July 2024 shows an increase in value of 26.1% to £25,541,331, driven by the operational performance and the actuarial gain in respect of pension schemes. UCEM continues to retain a strong Balance Sheet and reserves position.

Pensions

UCEM is a member of the Universities Superannuation Scheme (USS), a defined benefit pension scheme with mutual employer membership. Following the latest actuarial valuation the scheme is no longer in deficit and a liability pooled amongst employer members is not required. UCEM's previous obligation to fund the past deficit of the scheme was reflected on the balance sheet and has now been released. Further details can be found in Note 18: Provision for Liabilities.

UCEM also participates in three defined contribution pensions schemes. A Group Personal Pension scheme (GPP), operated by Prudential (closed to new members), the People's Pension auto-enrolment scheme, for employees not eligible for participation in USS, and a Manulife scheme compulsory for all staff at UCEM Asia Limited in Hong Kong.

More detail on UCEM's pension arrangements can be found in Note 22: Pension Schemes.

Other factors

The focus as part of driving income during 2023-24 has been to increase the breadth of the UCEM offer to the built environment, with the launch of several new programmes for autumn 2024, and more planned for 2026, all to fulfil the objects of the Royal Charter. This is concurrent to the continued work on business optimisation, to improve efficiency and value for money.

The growth of the apprenticeship provision continued to be an important part of UCEM's offer, and the Business Development Team work very closely with the employers, who are key stakeholders for UCEM, both in terms of influence and impact.

UCEM is in a strong position having made a surplus in 2023-24, but it does not intend to be complacent against the on-going challenges within the Higher Education Sector related to financial sustainability.

Investments

UCEM seeks to invest funds in an ethical and sustainable manner, paying regard to environmental considerations and aligning the policy with the United Nations Sustainable Development Goals, alongside the institution's own sustainability agenda.

Investment policy

Following a full review of investment policy in 2021 Trustees approved the reinvestment of UCEM's portfolio into the Sarasin & Partners Climate Active Endowment Fund. Trustees continue to review the institution's investment policy annually, and some minor amendments were made this year to refresh the policy. The policy has strong ethical and sustainable objectives, aligning with both the United Nations Sustainable Development Goals and the institution's own sustainability agenda.

The Sarasin & Partners Climate Active Endowment Fund aims to bring about, and benefit from, action by businesses to strengthen their resilience to climate change. Further information about the fund can be found at <https://sarasinandpartners.com/fund/sarasin-climate-active-endowments/>

UCEM's equity holdings are held on a discretionary basis in the form of charity units and as such enjoy favorable tax and charging structures. The equity holdings are held in three separate pools: Main, Bursary and Restricted. At the year-end these funds were valued at £6,387,949, £2,248,397 and £510,076 (2023: £5,844,722, £2,057,195 and £466,699) respectively.

The objective of these funds is to outperform the Consumer Price Index (CPI) plus 3% over a rolling three-year period. The combined total return achieved by these funds in the year ended 31 July 2024 was 12.20% (2.91% income and 9.29% capital) against the target return of 5.22%. In the previous year, total return was -0.04% against a target of 9.86%. The fund's performance is also measured against the ARC Steady Growth Charity Peer Group which produced a return of 10.50% for the year.

With inflation and interest rates falling globally over the last year, and the funds significant exposure to large US technology companies alongside a prudent diversification across a range of high-quality companies in multiple sectors, the fund has increased in value returning unrealised gains of £777,806. The inflationary economic climate impacted performance in the previous year with the valuation of the fund falling by £246,203.

Principal risks and uncertainties

The Board regularly considers the risks to which it believes the institution may be exposed. This is principally done by assessing the Institutional Risk Register. The register monitors and assesses the likelihood, impact and proximity of the risk, as well as risk mitigation and controls. Specific risks are identified under five main headings in the Risk Register and summarised here:

Strategic Risks

These are risks that emerge from UCEM's external environment (political, economic, social, technological, legal and environmental) which may impact UCEM's ability to achieve its organisational objectives and/or strategic plan. This includes any potential changes to the apprenticeship levy by the government which could adversely affect UCEM, as well as the on-going threat of recession. In Hong Kong the situation remains politically unstable, which remains a strategic risk to UCEM Asia Ltd.

Compliance / Regulatory Risk

The regulatory burden on all Higher Education Providers has increased with UCEM required to meet the regulatory frameworks set by the OfS, ESFA and Ofsted. Risks are identified that would expose UCEM to penalties or loss resulting from failure to comply with legal or other regulatory requirements. As part of this area of risk UCEM's compliance with safeguarding is monitored.

Operational Risk

As an online Higher Education Provider UCEM is particularly reliant on technology for its business operations. Operational risk focusses on risks that will impact UCEM services, both internally and externally. This includes the increasing risk related to cyber-security, which continues to be mitigated both through systems resilience and training, and staff awareness.

Financial Risk

Risks identified are those that could lead to either a loss of income, or an increase in costs. This includes the potential impact to student registrations due to the cost-of-living crisis. Of particular significance is the cash flow related to any potential delay to completion of the End Point Assessment by apprentices, resulting in a delay of income to UCEM from the ESFA.

Fraud and financial loss are addressed by the internal control environment and backed with insurance. Recent challenges in the economy have increased risk in relation to inflation which may increase UCEM's costs. Long term financial planning, review of performance against plan and an appropriate reserves policy protects against insolvency risk.

Investment risk

Investment risk comprises currency, custody, market and liquidity risk and is managed through an appropriate investment policy and choice of investment manager.

Reputational Risk

These are risks that would impact UCEM's reputation with external stakeholders, including students, employers, partners and industry. Overall risk in this area is deemed to be low, but the ongoing reputational risk in the Higher Education Sector related to disability, welfare and the provision of mental health support to students is closely monitored.

Each individual risk in the Intuition Risk Register (RAR) shows the assessed scores for the likelihood, impact and proximity. Detail is provided on each risk, with commentary on the evidence of controls in place, and identification of the early warning signs of heightened risk. Net likelihood/impact scores of 10 or over are deemed to be of more significant risk and a focus is given to these areas.

The responsibility for mitigating each of the assessed risks has been delegated by the Board to the Vice Chancellor and to individual members of the SLT.

The Board believes the Risk Register to be comprehensive and that the assessed risks are appropriately mitigated by the procedures and systems in place, which are also reviewed regularly. These are further mitigated by the policies and practices which help define the institution's strategy and determine its activities.

The review and approval process includes the Risk Register being reviewed by the SLT. The Board has delegated to the Audit Committee the detailed review of the content of the RAR (and development of the appropriate control processes). The Audit Committee reviews the Risk Register twice a year, with further discussion once a year at the full Board meeting. Consequently, the trustees consider that arrangements are in place to ensure satisfactory, effective internal control and risk management.

On systemic risk, the Board continues to be very mindful of the domestic and global built environment sector from which the institution draws its student base, and economic situation. This has included consideration of risk in Hong Kong due to the ongoing political situation in the region. The Board continues to closely monitor the numbers of new student registrations, as well as the potential impact on existing students striving to continue their studies.

Reserves policy and going concern

UCEM's general reserves arose from the original donations of £55K made when UCEM (formerly the College) was set up in 1919, and its subsequent retention of modest surpluses on its activities, plus further small donations over the years.

The education sector, in general, operates on a long-term cycle, with none of UCEM's programmes lasting less than two years and many students taking five or more years to complete their studies. The sectors in which UCEM is permitted to apply its funds are land and property. These sectors are subject to considerable cyclical movement.

The trustees continue to monitor the use of reserves, in conjunction with the setting of annual budgets, and development of long-term strategies for delivering public benefit in distance learning projects to meet the changing nature of demand. The present policy is to budget for operating surpluses sufficient to build reserves to meet the needs of UCEM's long-term strategy, and to designate funds for specific projects as and when available and identified within that strategy.

The current Strategic Plan covers the period 2019-25 and sets out goals that will enable UCEM to realise its vision to be the Centre of Excellence for Built Environment Education. The trustees recognise that further funds will probably be needed to drive the current Strategic Plan and that reserves may be the appropriate source of these funds.

UCEM's income sources are closely aligned to its core purposes of providing truly accessible, relevant and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a sustainable Built Environment. The reserves policy seeks to balance spending the amount of income raised in providing such education across the academic period to which it relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any change in financial circumstances. Trustees consider that general reserves should be held in a range of a minimum of three months and a maximum of twelve months operating expenditure. This would allow the time and space necessary to consider the practicalities of providing the appropriate resources to enable existing courses to be completed without any disadvantage to students.

Total UCEM group reserves on 31 July 2024 were represented by total unrestricted reserves of £25,042,025 (2023: £19,791,112). £8,982,026 of this sum has been allocated to Designated Funds, of which £6,744,147 was in Fixed Assets and £2,237,879 has been allocated to a Bursaries Fund set up for the exclusive purpose of generating an income to provide bursaries to assist and support students and to otherwise encourage new entrants to the profession. The remaining unrestricted funds were in general reserves of £16,059,999 representing approximately nine months' operating expenditure. It is the trustees' view that this level of reserves is appropriate to provide for UCEM's normal educational commitment to students.

Accordingly, the trustees consider that UCEM is a going concern and have prepared the accounts on this basis.

Plans for the future

In August 2025 UCEM will launch its new five-year strategy, which is building on the current strategy to deliver the vision that UCEM is the 'Centre of Excellence for Built Environment Education'. This includes a continued focus on expanding the breadth of programmes offered within the built environment, developing professional training, as well as looking for opportunities for collaborative partnerships.

UCEM Apprenticeship provision will continue to be a core part of our offering, and as part of this the Board and Senior Team are watching the announcements of the new Government carefully, particularly related to Apprenticeship Levy Funding, and the opportunities and challenges this will provide for UCEM in the future.

It continues to be a challenging time for the Higher Education Sector, particularly related to financial sustainability. Whilst UCEM has achieved a surplus for the last two years it is not complacent and has appointed a Chief Operating Officer to focus on improving productivity, efficiency and value for money.

Finally, following a resolution of the Board in July 2024 UCEM applied to the Office of Students to change its name to 'University of the Built Environment' (UBE), and whilst there is no indication at present for the timescale of this decision it is hoped that this significant change can occur during 2025-2026. The proposed new name continues to fulfil the Charitable Objectives, aligns with the vision and provides greater clarity externally on our purpose and remit. It is anticipated that the Office for Students will hold a public consultation on the proposed new name during 2024-2025.

Structure, governance and management

The strategic direction for UCEM is determined by the Board of Trustees, which meets four times a year.

The Board is guided in its educational strategy by an Academic Board which also meets four times a year to assess matters such as changes in the regulatory environment (or best practice) regarding the provision of education. They are the supreme deliberative committees relating to educational matters. The Vice Chancellor is also an ex-officio trustee as required by the Royal Charter.

The Board delegates some of its power to five standing sub-committees, established to consider in detail various issues on its behalf. The sub-committees have detailed terms of reference which are reviewed annually by the Board. They debate matters within their sphere and then make recommendations for the Board to consider for approval. Details of the sub-committees and their main functions are:

The Academic Review Committee

An independent sub-committee that acts as the advisory body for all aspects of UCEM's academic delivery. Its primary responsibility is to be the final auditor of all UCEM's academic review processes and performance data. This sub-committee meets a minimum of twice a year.

The Audit Committee

The committee's remit is to review the adequacy and effectiveness of the institution's system of audit related to financial reporting, internal control and risk management. In fulfilling this function, the Audit Committee adheres to the guidance and best practice for Audit Committees outlined in the

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

Committee of University Chairs (CUC) Higher Education Code for Governance, and the CUC Handbook for Members of Audit Committees in Higher Education Institutions. This sub-committee meets a minimum of twice a year.

The Finance Committee

This committee is responsible for the management and oversight of UCEM's finances. It considers in detail the financial results against plan for the current year, the forecast results for the current and following year, the cash position and the performance of investments. This committee also assesses the policies relating to Investments, Treasury and Reserves. This sub-committee meets a minimum of twice a year.

The Nominations and Governance Committee

This committee considers and recommends to the Board all prospective appointments to the Board having assessed the type of skills and experience deemed necessary for the Board to function as effectively as possible. This committee will also recommend to the Board all candidates considered for Honorary Fellow status, as well as all nominations for the annual UCEM Property Award. This sub-committee is also charged with ensuring that the governance practice is adhered to by UCEM as a registered charity in the higher education sector. This sub-committee meets a minimum of twice a year.

The Remuneration Committee

This sub-committee meets annually, or as required, to consider the remuneration package for the Vice Chancellor, the Executive and those earning an FTE salary in excess of £100,000 and receive a report on the annual pay review for staff.

Executive Team

The Executive Team, whose responsibility is to focus on the strategic approach for UCEM, monitor the external environment, horizon scan, planning accordingly. This group is Chaired by the Vice Chancellor.

Senior Leadership Team

The day-to-day management and delivery of the institution is entrusted to the Vice Chancellor, supported by a SLT whose role is to deliver the strategic objectives set by the Board of Trustees, and ensure operational oversight.

Trustee recruitment

The terms of appointment for the Independent and Staff Trustees (other than those who are ex-officio) is three years. At the end of each three-year period these trustees are eligible for reappointment for one further term of three years.

Under the Royal Charter there is provision for two Staff Trustees, and two Student Trustees. Student Trustees are appointed for a one-year term which may be renewed for a further one-year term. The Board aims to have a Student Trustee representing undergraduate students, and a Student Trustee representing postgraduate students to ensure the UCEM Student Community is represented at Board level.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

The Board also operates a Board Apprentice Scheme, to provide an opportunity for up to two UCEM alumni to gain experience at Board level for up to two years. The Board Apprentice(s) have full access to Board papers but do not have voting rights.

When vacancies arise for new trustees, the Nominations and Governance Committee run an open and transparent recruitment process, with the aim that the Board is comprised of 50% independent trustees who bring knowledge of the built environment sector, and 50% who bring knowledge of Higher Education. As part of the recruitment process consideration is given to diversity, to ensure that the Board maintains its current levels of diversity, as a member of the 30% Club. Due regard is also given to succession planning of future trustees with an aim to ensure there remains an appropriate blend of experience for future years.

All trustees, other than the Vice Chancellor and Staff Trustees, give their time voluntarily and receive no benefits from the institution. Any expenses reclaimed from the institution are set out in Note 5: Staff Costs.

Appointment of trustees

It is a requirement of the role that the Vice Chancellor of UCEM is a trustee.

The details of all prospective new trustees identified by the Nominations and Governance Committee are presented to the Board for approval. The details presented will consist of the individual's Curriculum Vitae and include highlights of any achievements and specialisms gained.

Should the individuals proposed be approved to join the Board they are invited to attend the next Board meeting. Appointments normally run from the Board meeting at which the nomination is approved. No other person or body is entitled to appoint trustees.

Trustee induction and training

Each new trustee is sent a comprehensive briefing pack on appointment. This includes background reading about UCEM, the Royal Charter and Bye-Laws, and the most recent set of statutory accounts. All new trustees are then invited to an Induction with the University Secretary and given the opportunity to discuss any queries they may have with the Vice Chancellor and the Executive Team. UCEM promotes trustee training by providing all trustees with relevant Charity Commission guidance on serving as a trustee, as well as funding attendance at appropriate courses and seminars that are organised by third parties. In addition, new trustees are allocated a mentor from one of the existing members of the Board.

Once appointed, all trustees are subject to an annual appraisal with either the Chair or Vice Chair. UCEM is committed to meeting all relevant training needs identified by this process.

Related parties and relationships with other organisations

The consolidated accounts include UCEM together with its subsidiaries, UCEM Courses Limited and UCEM Asia Limited. UCEM Courses Limited is a wholly owned subsidiary that delivers bespoke course content to corporate clients. UCEM Asia Limited is a wholly owned subsidiary incorporated in Hong Kong that supports UCEM's marketing and teaching in Hong Kong.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

The activities (professional training), assets and liabilities of UCEM Courses Limited were transferred to UCEM as of 31 July 2023 (Note 14: Subsidiary undertakings). Income in respect of this income stream increased by 49.8% from £68,367 to £102,413 in the year largely as a result of a number of bespoke training events, as well as CPD and short courses offerings.

UCEM Asia Limited received £514,000 grant income from UCEM, its parent institution, (2023: £518,390), which led to a loss of £1,126 (2023: profit £1,994) in the year (Note 14: Subsidiary undertakings).

In 2023-24 UCEM continued to deliver teaching for Level 6 Apprenticeships as a subcontractor of Eastleigh College.

The programmes offered by UCEM are validated by relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

Remuneration policy for key management personnel

UCEM's Remuneration Committee considers the remuneration package for the Vice Chancellor, those employees earning an FTE salary over £100,000, as well as the total pay rises and discretionary bonus pool for all other staff. The Remuneration Committee has adopted the CUC Remuneration Code and uses industry statistics and remuneration surveys (e.g. UCEA) to inform the committee's decisions.

Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of the institution to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The institution has adopted the CUC Higher Education Code of Governance, and endeavors to conduct its business aligned to the core values, objectives, and expectations of the Code. Nominations and Governance Committee review UCEM's values and objectives to governance with the CUC Code annually, or as and when the Code is updated.

Readers are referred to the Structure, Governance and Management section of this report for further details on the institution's governance.

In addition, UCEM meets the OFS Conditions of Registration related to governance (E2), and these governance requirements are also monitored by the Nominations and Governance Committee.

A key part of UCEM's internal control mechanism is the ongoing review by the Board, led by the Audit Committee, of the RAR, as detailed on pages 17-18 above. Further, Audit Committee reviews particular areas of the business according to the agreed audit plan. In addition to this, UCEM's Finance Director provides regular updates to the Vice Chancellor and Treasurer on the management accounts, and the budget is reforecast where necessary. Audit Committee also takes responsibility for monitoring UCEM general compliance activities, reporting to the full Board if there are areas of concern.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

The trustees also regularly review UCEM's compliance with the OfS conditions of registration. Updates on UCEM's compliance with the OfS conditions of registration are also provided at deliberative committee meetings. UCEM has two conflicts of interest policies (one for members of the Board of Trustees and one for members of deliberative committees) and the declaration of any conflicts of interests forms the first agenda item on all Board meetings, has an approved anti-bribery policy, and a register of interests that every trustee must review and sign annually.

UCEM has reported on its Corporate Governance arrangements by drawing upon best practice available, including those aspects of the codes that the institution considers relevant to the higher education sector and the Charity Governance Code.

The institution has adopted the Higher Education Code of Governance published by CUC in September 2020. In the opinion of the trustees, the institution meets with the provisions of the CUC Code in all material respects. The trustees recognise that, as a charity and higher education institution, UCEM has a duty to observe the highest standards of corporate governance at all times.

The institution is a registered charity within the meaning of Part 3 of the Charities Act 2011. The trustees confirm that they have had due regard for the Charity Commission and that the required statements appear elsewhere in these financial statements.

The Audit Committee considers reports, recommendations, and reviews on the effectiveness of the University's arrangements for risk management, internal control and governance and it has expressed itself satisfied that the systems and controls are effective, including for public funding received from the OfS, UK Research and Innovation, including Research England and other public funding bodies ensuring:

- a. regularity in the use of this public funding
- b. propriety in the use of public funding

Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the institution's and group's financial activities during the period and of their financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Further and Higher Education SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the institution will continue in operation.

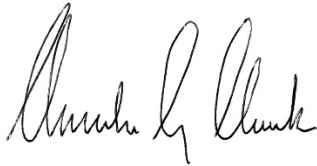
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the institution and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the institution and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

University College of Estate Management
Trustees' annual report
For the year ended 31 July 2024

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

Trustee's annual report for the year ended 31 July 2024

The trustees' annual report has been approved by the trustees on 4 December 2024 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Amanda Clack', written in a cursive style.

Amanda Clack Dr. (hc) MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMi CMC
Chair of the Board of Trustees

University College of Estate Management
Independent auditor's report to the Board of Trustees of UCEM
For the year ended 31 July 2024

Independent auditor's report to the Board of Trustees of UCEM

Opinion

We have audited the financial statements of University College of Estate Management (the 'University') and its subsidiary ('the Group') for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income and expenditure, the Consolidated and UCEM Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2024 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

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 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 Board of Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and University'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.

University College of Estate Management
Independent auditor's report to the Board of Trustees of UCEM
For the year ended 31 July 2024

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

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page 23 and 24, the Board of 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 they 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 Board of Trustees are responsible for assessing the Group and University'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 Board of Trustees either intend to liquidate all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

University College of Estate Management
Independent auditor's report to the Board of Trustees of UCEM
For the year ended 31 July 2024

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

Based on our understanding of the University Group and its operations, we considered that noncompliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the University Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation and OfS Accounts Direction.

In addition, we evaluated the Board of Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension obligations, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

University College of Estate Management
Independent auditor's report to the Board of Trustees of UCEM
For the year ended 31 July 2024

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Other Required Reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

University College of Estate Management
Independent auditor's report to the Board of Trustees of UCEM
For the year ended 31 July 2024

Use of the audit report

This report is made solely to the Board of Trustees as a body in accordance with paragraph 4 of the University's Royal Charter and Bye-Law and section 124B of the Education Reform Act 1988

Our audit work has been undertaken so that we might state to the Board of 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 Group and University and the Board of Trustees as a body for our audit work, for this report, or for the opinions we have formed.


[Helen Knowles \(Dec 11, 2024 07:33 GMT\)](#)

For and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

University College of Estate Management
Consolidated and UCEM Statement of Comprehensive Income and Expenditure
For the year ended 31 July 2024

	Notes	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Income					
Tuition fees and educational contracts	1	20,033,785	20,033,785	17,403,678	17,403,678
Other income	2	1,401,697	1,401,696	1,325,524	1,257,158
Investment income	3	373,045	372,781	306,533	306,392
		21,808,527	21,808,262	19,035,735	18,967,228
Donations	4	51,384	51,384	-	-
Total income		21,859,911	21,859,646	19,035,735	18,967,228
Expenditure					
Staff costs	5	15,297,228	15,067,319	13,934,865	13,633,047
Other operating expenditure	7	4,743,067	4,986,390	3,499,531	3,724,508
Depreciation and impairment	10	354,627	351,349	323,027	321,313
Interest and finance costs	6	12,409	885	11,195	758
Total expenditure		20,407,331	20,405,943	17,768,618	17,679,626
Surplus on operating activities					
Gain/(loss) on investments	13	1,452,580	1,453,703	1,267,117	1,287,602
Gain/(loss) on revaluation of subsidiaries	14	777,806	777,806	(246,203)	(246,203)
		-	153,357	-	(250,100)
Surplus before taxation		2,230,386	2,384,866	1,020,914	791,299
Taxation	8	-	-	-	-
Surplus after taxation		2,230,386	2,384,866	1,020,914	791,299
Other comprehensive income:					
Actuarial gain in respect of pension schemes		3,061,739	3,061,739	242,181	242,181
Total comprehensive income for the year		5,292,125	5,446,605	1,263,095	1,033,480
Represented by:					
Restricted comprehensive income for the year		41,212	41,212	(14,499)	(14,499)
Unrestricted comprehensive income for the year		5,250,913	5,405,393	1,277,594	1,047,979
Surplus for the year attributable to UCEM		5,292,125	5,446,605	1,263,095	1,033,480

All items of income and expenditure relate to continuing activities.

University College of Estate Management
Consolidated and UCEM Statement of Change in Reserves
For the year ended 31 July 2024

Consolidated

Income and expenditure account

	Restricted £	Unrestricted £	Total £
Balance at 31 July 2022	472,593	18,513,518	18,986,111
Total comprehensive income for the year Surplus/(deficit) from the income and expenditure statement	(14,499)	1,277,594	1,263,095
Balance at 31 July 2023	458,094	19,791,112	20,249,206
Total comprehensive income for the year Surplus/(deficit) from the income and expenditure statement	41,212	5,250,913	5,292,125
Balance at 31 July 2024	499,306	25,042,025	25,541,331

UCEM

Income and expenditure account

	Restricted £	Unrestricted £	Total £
Balance at 31 July 2022	472,593	18,671,009	19,143,602
Total comprehensive income for the year Surplus/(deficit) from the income and expenditure statement	(14,499)	1,047,979	1,033,480
Balance at 31 July 2023	458,094	19,718,988	20,177,082
Total comprehensive income for the year Surplus/(deficit) from the income and expenditure statement	41,212	5,405,393	5,446,605
Balance at 31 July 2024	499,306	25,124,381	25,623,687

University College of Estate Management
Consolidated and UCEM Balance Sheets
As at 31 July 2024

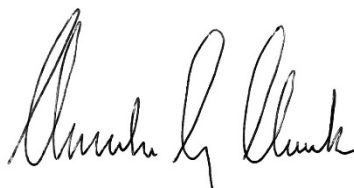
		31 July 2024	31 July 2024	31 July 2023	31 July 2023
	Notes	Consolidated	UCEM	Consolidated	UCEM
		£	£	£	£
Fixed assets					
Intangible fixed assets	10	143,494	143,494	198,216	198,216
Tangible fixed assets	11	6,600,653	6,592,478	6,684,262	6,674,073
Investment properties	12	1,700,000	1,700,000	1,700,000	1,700,000
Investments	13	9,146,422	9,147,421	8,368,616	8,369,615
		17,590,568	17,583,392	16,951,094	16,941,904
Debtors: amounts falling due after more than one year	15	2,412,596	2,412,596	1,910,261	1,910,261
Current assets					
Debtors	15	3,866,902	3,955,466	3,304,248	3,272,935
Cash at bank and in hand		4,671,386	4,654,936	4,022,295	3,940,219
		8,538,288	8,610,402	7,326,543	7,213,154
Creditors: amounts falling due within one year	16	(2,420,764)	(2,403,346)	(2,365,071)	(2,314,616)
Net current assets		6,117,524	6,207,056	4,961,472	4,898,538
Total assets less current liabilities					
		26,120,688	26,203,044	23,822,827	23,750,703
Creditors: amounts falling due after more than one year	17	(579,357)	(579,357)	(564,171)	(564,171)
Provisions	18	-	-	(3,009,450)	(3,009,450)
Total net assets					
		25,541,331	25,623,687	20,249,206	20,177,082
Represented by:					
Restricted reserves					
Income and expenditure		499,306	499,306	458,094	458,094
Unrestricted reserves					
Income and expenditure		16,059,999	16,150,530	10,848,418	10,776,294
Designated		8,982,026	8,973,851	8,942,694	8,942,694
		25,042,025	25,124,381	19,791,112	19,718,988
Total reserves					
	20	25,541,331	25,623,687	20,249,206	20,177,082

The accompanying notes and policies on pages 34 to 51 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 4 December 2024 and were signed on its behalf on that date:



A Wheaton
Vice Chancellor
Hon RICS



A Clack
Chair
MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMI CMC

University College of Estate Management
Consolidated Statement of Cash Flow
For the year ended 31 July 2024

		Year ended 31 July 2024 £	Year ended 31 July 2023 £
Cash flow from operating activities			
Surplus for the year		2,230,386	1,020,914
Adjustment for non-cash items			
Depreciation and impairment	10	354,627	323,027
(Gains)/losses on investments	12	(777,806)	246,203
(Increase)/decrease in trade and other receivables	15	(1,064,989)	(338,686)
Increase/(decrease) in trade and other payables	16 & 17	70,883	305,859
Increase/(decrease) in pension provision	18	(3,009,450)	(155,154)
Increase/(decrease) in actuarial gain in respect of pension provision		3,061,739	242,182
Adjustment for investing or financing activities			
Investment income	3	(373,045)	(306,533)
Interest and other finance costs	6	12,409	11,195
Net cash inflow from operating activities		504,754	1,349,006
Cash inflows from investing activities			
Investment income	3	373,045	306,533
Payments made to acquire fixed assets	10	(216,299)	(252,649)
Payments made to acquire investments	12	-	(34,223)
Proceeds from sale of investments	12	-	34,167
		156,746	53,828
Cash flows from financing activities			
Interest and other finance costs	6	(12,409)	(11,195)
Increase in cash and cash equivalents in the year		649,091	1,391,639
Cash and cash equivalents at beginning of the year		4,022,295	2,630,656
Cash and cash equivalents at end of the year		4,671,386	4,022,295
Cash and cash equivalents			
	At 31 July 2023 £	Cash flows £	At 31 July 2024 £
Cas at bank and in hand	4,022,295	649,091	4,671,386

University College of Estate Management

Statement of Accounting Policies

For the year ended 31 July 2024

(a) Statutory information

University College of Estate Management is a Royal Charter charity registered with the Charity Commission for England and Wales.

The registered office address and principal place of business is Horizons, 60 Queens Road, Reading, RG1 4BS.

(b) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS)102. UCEM is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. These financial statements have also been prepared in accordance with the Accounts Direction issued by the Office for Students (OfS 9, the Terms and Conditions of Funding for Higher Education Institutions) and the Terms and Conditions of Grant by the British Council.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

(c) Basis of consolidation

These financial statements consolidate the results of UCEM and its subsidiary entities as detailed in note 14 on a line-by-line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet.

Performance is closely monitored against budget, and budgets are set annually with reference to the institution's long-term strategy, assumptions on student numbers and income, and the teaching and administrative support required.

The trustees set policies on reserves designed to balance the spending required in providing education across the academic periods to which the income relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any changes in financial circumstances. General reserves are held in the range of between three to twelve months operating expenditure.

Going concern

The trustees consider that UCEM is a going concern and have prepared the financial statements on this basis.

Further information can be found in the Trustees Annual Report under the heading reserves policy and going concern.

(d) Exemptions under FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

(e) Income recognition

Income from the sale of goods or services is credited to the consolidated statement of comprehensive income and expenditure when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure and credited to the consolidated statement of comprehensive income and expenditure over the period in which students are studying. Discounts, bursaries and scholarships provided by UCEM are shown as expenditure.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds UCEM receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of UCEM where UCEM is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

(f) Grant funding

Grant funding from ESFA apprenticeships is recognised as income when UCEM is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

University College of Estate Management
Statement of Accounting Policies
For the year ended 31 July 2024

(g) Donations

Non exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when UCEM is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when UCEM is entitled to the funds.

Investment income is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms.

The main types of donations identified within reserves are:

- a) Restricted donations - the donor has specified that the donation must be used for a particular objective.
- b) Unrestricted donations - the donor has not specified that the donation must be used for a particular objective.

(h) Accounting for retirement

Defined benefit plan

The group participates in the Universities Superannuation Scheme (USS), a defined benefit scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the consolidated statement of comprehensive income and expenditure 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 trustees of the scheme must agree a recovery plan that determines how each employer within the scheme will fund an overall deficit. The institution recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related movements being recognised through the consolidated statement of comprehensive income and expenditure. Further disclosures relating to the pension schemes can be found in Note 22 to the financial statements.

Defined contribution plan

The group also operates a Group Personal Pension (GPP) and an Auto-Enrolment Compliant (AE) defined contribution scheme. The assets of these schemes are individually held by their members. Contributions to these schemes in the year were charged to the consolidated statement of comprehensive income and expenditure as incurred.

(i) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to UCEM. Any unused benefits are accrued and measured as the additional amount UCEM expects to pay as a result of the unused entitlement.

(j) Leases

Finance leases

Leases in which UCEM assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Assets held under finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation, and impairment losses. Minimum lease payments are apportioned between a finance charge and a reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

(k) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

University College of Estate Management
Statement of Accounting Policies
For the year ended 31 July 2024

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income.

(l) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Intangible assets

Third party software is capitalised where the purchase price exceeds £5,000. Amortisation costs are allocated on the basis of estimated useful life up to the maximum period of the supplier warranty. All other costs are amortised over 5 years on a straight-line basis.

Tangible assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives in use are as follows:

Freehold buildings	50 years
Leasehold improvements	20-40 years
Fixtures and fittings	10 years
Plant and machinery	15 years
Telephone systems	10 years
Furniture	10 years
Plant and equipment	5 years
Motor vehicles	4 years
Computers	3 years

No depreciation is provided on freehold land as it is deemed to have an infinite life.

(m) Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income and expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

(n) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of comprehensive income and expenditure. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments". UCEM does not acquire derivatives or other complex financial instruments.

Investments in associates and subsidiaries are carried at cost less impairment in UCEM's accounts.

Current asset investments are held at fair value with movements recognised in the statement of comprehensive income and expenditure.

(o) Bursaries

UCEM holds a designated bursary fund as part of its reserves. This fund is invested in UK common investment funds in order to generate income from which bursaries are paid. Bursaries, in the context of UCEM's operations, include fee waivers that effectively discount the cost of study for students with special circumstances and only in very limited cases are these sums paid directly to students.

(p) Debtors

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

University College of Estate Management
Statement of Accounting Policies
For the year ended 31 July 2024

(q) Cash and cash equivalents

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

(r) Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) UCEM has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives UCEM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives UCEM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

(s) Taxation

UCEM is a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly is exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (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.

(t) Reserves

Reserves are classified as restricted or unrestricted.

Restricted reserves include balances where the donor has designated a specific purpose and therefore the charity is restricted in the use of these funds.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

(u) Critical accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical accounting estimates

Recoverability of debtors

The provision for doubtful debts is based on estimates of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the consumer, the age profile of the debt and the nature of the amount due.

Retirement Benefit Obligations

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 22 of the financial statements.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi- employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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

University College of Estate Management
Statement of Accounting Policies
For the year ended 31 July 2024

represents (typically) an industry-wide scheme such as the USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the consolidated statement of comprehensive income and expenditure in accordance with Section 28 of FRS 102.

Critical judgements and assumptions

Income recognition

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

An element of income recoverable in respect of apprenticeships following their End Point Assessment is recognised over the duration of their study with UCEM and is subject to judgements on future completion rates.

(v) Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Institution becomes a party to the contracted provisions of a financial instrument, and they are classified according to the substance of the contractual arrangements.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value, unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the financial assets or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Investments

Investments that are publicly traded, or where their fair value can be measured reliably, are subsequently measured at fair value with movements recognised in the consolidated statement of comprehensive income and expenditure.

Other investments, including investments in subsidiaries and associates, are subsequently measured at cost less any provision for impairment in their value.

Debt instruments

Debt instruments payable are subsequently measured at amortised cost using the effective interest method.

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

1 Tuition fees and education contracts

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Apprenticeship income	12,909,733	12,909,733	10,319,252	10,319,252
Non-apprenticeship income	7,124,052	7,124,052	7,084,426	7,084,426
	20,033,785	20,033,785	17,403,678	17,403,678

2 Other income

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Office for Students grant	1,136,397	1,136,397	1,200,142	1,200,142
Research awards	132,250	132,250	35,550	35,550
Professional training	102,413	102,413	68,367	-
Other income	30,637	30,636	21,466	21,466
	1,401,697	1,401,696	1,325,524	1,257,158

3 Investment income

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Investment property	29,399	29,399	33,357	33,357
General reserves	182,236	195,849	183,238	183,238
Designated reserves	73,330	59,718	59,718	59,718
Other investment income	88,080	87,815	30,220	30,079
	373,045	372,781	306,533	306,392

4 Donations

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Donations with restrictions	800	800	-	-
Donations without restrictions	50,584	50,584	-	-
	51,384	51,384	-	-

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

5 Staff costs

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Salaries	12,062,131	11,900,171	10,866,816	10,626,316
Social security costs	1,172,376	1,172,376	1,043,400	1,039,400
Pension costs	1,228,559	1,221,786	1,253,722	1,241,908
Other staff costs	834,162	772,986	770,927	725,423
	15,297,228	15,067,319	13,934,865	13,633,047

Higher paid staff with remuneration in excess of £100,000 before any salary sacrifice, including P11D benefit and excluding bonus, employer national insurance and pension contributions:

	2024	2023
	No.	No.
£100,000 to £104,999	2	1
£105,000 to £109,999	1	-
£110,000 to £114,999	-	1
£115,000 to £119,999	1	-
£135,000 to £139,999	1	-
£140,000 to £144,999	-	1
£215,000 to £219,999	-	1
£230,000 to £234,999	1	-
	6	4

Average staff numbers by major category:

	2024	2023
	No.	No.
Academic	51	45
Research	3	3
Management and specialist	7	8
Technical	12	11
Other	204	188
	277	255

Average staff numbers by full time equivalent (FTE):

	2024	2023
	No.	No.
Academic	68.32	64.40
Non-academic	209.02	194.80
	277.34	259.20

Compensation for loss of office payable to a senior post-holder:

	2024	2023
	£	£
Compensation payable	32,406	-

Key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of UCEM. Staff costs include compensation paid to key management personnel including salary, bonus, P11D benefit, employer national insurance and pension contributions.

	2024	2023
	£	£
Key management personnel compensation	1,444,552	1,378,387

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

5 Staff costs (continued)

Trustees

UCEM's Board of Trustee members are trustees for the purposes of charity law. Due to the nature of UCEM's operations and the composition of the Board of Trustees, being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a trustee may have an interest. All transactions involving organisations in which a trustee may have an interest, including those identified below, are conducted at arm's length and in accordance with UCEM's Financial Regulations and usual procurement procedures.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

In accordance with the byelaws of UCEM, 1 trustee (2023: 1) received remuneration for the services they provide in undertaking the role of Vice Chancellor and not in respect of their services as trustee. Their remuneration during their period as a trustee was as follows:

	2024	2023
	£	£
Vice Chancellor – Ashley Wheaton		
Remuneration	271,554	253,046
Employer pension contributions	40,251	46,011
Other benefits	2,790	2,579
	314,595	301,636

The pension contributions are in respect of membership of the USS Scheme and are paid by the employer on the same basis as any other member's employer contribution.

	2024	2023
	£	£
Trustee travel, entertaining and subsistence		
Vice Chancellor	6,850	771
Other trustees	2,264	910
	9,114	1,681

Other than as reported above, the trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No member of the trustees received payment for professional or other services supplied to the charity (2023: £nil).

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

5 Staff costs (continued)

Justification Statement: Head of Provider Remuneration

The number of staff with a full-time equivalent basic salary of over £100,000 for the 12 months up to 31 July 2024 is shown below.

	2024	2023
Basic salary per annum	No.	No.
£100,000 to £104,999	-	2
£105,000 to £109,999	2	-
£110,000 to £114,999	1	1
£115,000 to £119,999	1	-
£140,000 to £144,999	-	1
£150,000 to £154,999	1	-
£215,000 to £219,999	-	1
£230,000 to £234,999	1	-

The basic salary and performance-related bonus element of remuneration for the Head of Provider (the Vice Chancellor) is agreed by the Remuneration Committee, which is a sub-committee of the Board of Trustees. All members of the Committee are independent trustees, and the Vice Chancellor is not present during discussions about their remuneration. The Committee has regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs, when considering senior staff pay.

The Remuneration Committee met on 12 September 2023 and approved a basic salary increase of 5% from £219,575 to £230,554 per annum, from 1 August 2023. This increase matched the percentage increase applied to the wider staff group, and the resulting salary was comfortably within the relevant Higher Education benchmarks.

In terms of a performance-related bonus for the year ending 31 July 2024, the Remuneration Committee considered this at their meeting on 12 September 2024 and again on 25 October 2024. Clear performance metrics had been set for the year to 31 July 2024, focused on four areas of work, namely 1) operational and overall business performance based on the CX9 targets; 2) strategic priorities around development of a financial resilience strategy, an estate strategy, university title, delivery of GLOBE Stage 2, and remaining in the 30% club at Board level; 3) increasing the profile and brand of UCEM; and 4) personal development.

The Committee agreed this had been another strong year on overall performance by UCEM, with significant highlights including renewal of HM The King's patronage, the Award by the King's Foundation, achievement of student recruitment targets, an increase in NSS results and rating, successful external events, and achievement of the best financial position in 105 years. It was noted these achievements had been made against a difficult political, economic, and social environment for the higher education sector. The Committee approved a performance-related bonus for the Vice Chancellor for the year ending 31 July 2024 of £40,000.

Full details of the total remuneration package for the Vice Chancellor, as at 31 July 2024:

- Basic salary: £230,554 per annum
- Bonuses and long service awarded in respect of the financial year: £41,000
- Pension contributions: £40,251
- Salary Sacrifice: Childcare voucher £12 and Cycle to Work Scheme £2,866
- Other taxable benefits: Private medical insurance £2,790

For the financial year ending 31 July 2024, the pay multiple at UCEM is as follows:

- The head of the provider's basic salary is 5.57 times (2023: 5.30) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's total remuneration is 7.59 times (2023: 7.44) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

6 Interest and other finance costs

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Exchange differences	12,409	885	11,195	758
	12,409	885	11,195	758

7 Other operating expenditure

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Academic and related expenditure	980,802	980,586	660,440	655,837
Administration and central services	3,017,101	3,385,083	2,190,748	2,569,546
Premises costs	633,820	517,484	552,105	410,303
Catering and conferences	111,344	103,237	96,238	88,821
	4,743,067	4,986,390	3,499,531	3,724,508

Other operating expenditure includes:

External auditor remuneration				
- audit services	44,583		54,690	
- non-audit services	-		7,200	
Operating lease rentals				
- other leases	182,911		185,296	

Access and participation expenditure

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Access investment	48,280	48,280	49,901	49,901
Financial support	30,068	30,068	28,701	28,701
Support for disabled students	36,932	36,932	35,141	35,141
Research and evaluation	21,917	21,917	17,680	17,680
	137,197	137,197	131,423	131,423

The above Access and Participation expenditure includes staff costs of £62,520 (2023: £87,930). These staff costs are included in the total staff costs in Note 5 to the financial statements. Further details on the Access and Participation strategy can be found on UCEM's website.

8 Taxation

UCEM is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. No taxation charges are recognised or recorded in the statement of comprehensive income.

9 Related party transactions

Amanda Clack, Trustee and Chair is a partner in HKA. During the year HKA sponsored a student studying with UCEM and UCEM received £2,200 (2023: £nil). Amanda Clack was previously Head of Strategic Advisory of CBRE and Non-Executive Director of Countryside Partnerships, resigning in November 2022. During the previous year UCEM received £124,452 and £25,220 respectively from these organisations for sponsored students and apprentices studying with UCEM.

Nick Braisby and Ashley Wheaton, Trustees, are on the Board of Trustees of GuildHE. During the year GuildHE invoiced UCEM for £22,632 (2023: £21,895).

Nick Braisby is a member of the Audit and Resource Committee of Universities UK. During the year Universities UK invoiced UCEM for £1,795 (2023: £295).

Ashley Wheaton is also a Trustee of JISC. During the year JISC invoiced UCEM for £38,480 (2023: £27,732).

Gareth Ralphs, Trustee, is Head of Policy and Inward Investment, Thames Valley Chamber of Commerce Group. During the year Thames Valley Chamber of Commerce Group invoiced UCEM for £4,147 (2023: £3,840).

Christopher Costigan, Trustee, is a member of the Strategic Advisory Group (Governance) of Advance HE. During the year, Advance HE invoiced UCEM for £7,928 (2023: £4,925).

Ros Kerslake, Trustee from 1 December 2023, is on the board of Sanctuary Group and is a non-executive director of Homes England. During the year these organisations had apprentices who were studying with UCEM and UCEM received £3,668 and £15,702 respectively (2023: £nil in both cases).

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

10 Intangible fixed assets

Group and UCEM	Computer software £	Total £
Cost		
- At 31 July 2023	410,061	410,061
- Additions	37,147	37,147
- At 31 July 2024	447,208	447,208
Amortisation		
- At 31 July 2023	211,845	211,845
- Charge for the year	91,870	91,870
- At 31 July 2024	303,715	303,715
Net book value		
- At 31 July 2024	143,494	143,494
- At 31 July 2023	198,216	198,216

11 Tangible fixed assets

Group	Freehold land and buildings £	Equipment and motor vehicles £	Computer system £	Total £
Cost				
- At 31 July 2023	7,005,250	720,278	1,530,418	9,255,946
- Additions	-	69,988	109,164	179,152
- Disposals	-	(25,383)	(33,028)	(58,411)
- At 31 July 2024	7,005,250	764,883	1,606,554	9,376,687
Depreciation				
- At 31 July 2023	709,058	513,963	1,348,663	2,571,684
- Charge for the year	100,105	56,629	106,023	262,757
- Disposals	-	(25,380)	(33,027)	(58,407)
- At 31 July 2024	809,163	545,212	1,421,659	2,776,034
Net book value				
- At 31 July 2024	6,196,087	219,671	184,895	6,600,653
- At 31 July 2023	6,296,192	206,135	181,755	6,684,262

UCEM	Freehold land and buildings £	Equipment and motor vehicles £	Computer system £	Total £
Cost				
- At 31 July 2023	7,005,250	716,115	1,522,443	9,243,808
- Additions	-	69,988	107,899	177,888
- Disposals	-	(25,383)	(33,027)	(58,410)
- At 31 July 2024	7,005,250	760,720	1,597,315	9,363,286
Depreciation				
- At 31 July 2023	709,058	513,838	1,346,838	2,569,735
- Charge for the year	100,105	56,211	103,163	259,479
- Disposals	-	(25,379)	(33,027)	(58,406)
- At 31 July 2024	809,163	544,670	1,416,974	2,770,808
Net book value				
- At 31 July 2024	6,196,087	216,050	180,341	6,592,478
- At 31 July 2023	6,296,192	202,276	176,605	6,674,073

All of the above assets are used for charitable purposes.

Freehold land and buildings are the premises planned and designed specifically for UCEM. Financial Reporting Standards require the premises to be included in the financial statements at replacement cost where this is less than actual cost. An Existing Current Use with Vacant Possession valuation was carried out by Knight Frank LLP on 23 June 2016. This valuation was lower than actual cost so an impairment at £1,108,012 was recognised in the year ended 31 July 2016. This was as anticipated and in accordance with the trustees' business plan for the acquisition of the building.

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

12 Investment properties

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Fair value at start of year	1,700,000	1,700,000	1,700,000	1,700,000
Net gain on change in fair value	-	-	-	-
Fair value at end of year	1,700,000	1,700,000	1,700,000	1,700,000

The investment property is Shinfield Grange, Cutbush Lane East, Shinfield, Reading, RG2 9AF and was last valued on 24 October 2022 by Knight Frank LLP at £1,600,000, fair value in its physical condition at the time with vacant possession. The trustees have reviewed this and consider that £1,700,000 remains an appropriate reflection of the property's value at 31 July 2024.

13 Investments

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Non-current asset investments				
Fair value at start of year	8,368,616	8,369,615	8,614,819	8,865,862
Additions at cost	-	-	34,223	34,223
Disposal proceeds	-	-	(34,167)	(284,267)
Net gain/(loss) on change in fair value	777,806	777,806	(246,203)	(246,203)
Fair value at end of year	9,146,422	9,147,421	8,368,616	8,369,615

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Investments comprise:				
UK common investment funds				
- General fund	6,387,949	6,387,949	5,844,722	5,844,722
- Designated bursary fund	2,248,397	2,248,397	2,057,195	2,057,195
- Restricted fund	510,076	510,076	466,699	466,699
Investment in subsidiary undertaking	-	999	-	999
	9,146,422	9,147,421	8,368,616	8,369,615

UCEM holds 7,201,907 units (2023: 7,201,907 units) in the Sarasin & Partners Climate Active Endowment Fund.

14 Subsidiary undertakings

The following entity is recognised as a subsidiary of UCEM due to being wholly owned by UCEM. All activities have been consolidated on a line-by-line basis in the statement of comprehensive income and expenditure.

Company	Country of registration	Registration number	Interest	Principal activities
UCEM Asia Limited	Hong Kong	2290068	100% owned	Promoting UCEM and coordinating support for local students

The registered address for UCEM Asia Limited is Unit 2, 16/F Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.

Gain/(loss) on revaluation of subsidiary undertakings

	2024 £	2023 £
UCEM		
Loss on revaluation	-	(250,100)
Intercompany debt written off	153,357	-
	153,357	(250,100)

UCEM Courses Limited (registration number 2169181) ceased trading on 31 July 2023 transferring all of its assets and liabilities to UCEM, which continues to operate professional training and continuing professional development activities, the company's principal activities, within the UCEM brand. UCEM Courses was formally dissolved on 19 March 2024. The value of the share capital was written off on 31 July 2023 and the intercompany debt of £153,357 due to UCEM was written off on dissolution.

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

15 Debtors

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Amounts falling due within one year				
Other trade receivables	1,239,045	1,239,045	1,107,064	1,083,500
Other receivables	22,609	853	26,253	4,498
Prepayments and accrued income	2,605,248	2,602,444	2,170,931	2,139,942
Amounts due from subsidiary undertakings	-	113,124	-	44,995
	3,866,902	3,955,466	3,304,248	3,272,935
Amounts falling due after more than one year				
Prepayments and accrued income	2,412,596	2,412,596	1,910,261	1,910,261
	6,279,498	6,368,062	5,214,509	5,183,196

Amounts falling due after more than one year are prepayments and accrued income of £2,412,596 (2023: £1,910,261), of which £2,397,246 (2023: £1,888,676) is due to be paid by the ESFA once apprentices go through the End Point Assessment at the end of their individual apprenticeship programmes. This amount falls due as follows

	2024	2023
	£	£
Due between one and two years	924,336	849,242
Due between two and four years	1,330,401	1,014,291
Due in more than four years	142,509	25,143
	2,397,246	1,888,676

16 Creditors: amounts falling due within one year

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Trade payables	361,741	354,791	313,973	307,296
Other payables	1,672,359	1,661,891	1,664,368	1,646,723
Finance leases	29,601	29,601	28,660	28,660
Accruals and deferred income	353,098	353,098	353,799	330,264
VAT	3,965	3,965	4,271	1,673
	2,420,764	2,403,346	2,365,071	2,314,616

17 Creditors: amounts falling after more than one year

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Finance leases	7,459	7,459	37,060	37,060
Accruals and deferred income	571,898	571,898	527,111	527,111
	579,357	579,357	564,171	564,171

Accruals and deferred income falling due after more than one year include £453,708 (2023: £383,397) which relates to costs associated with End Point Assessment for apprenticeships.

During the year UCEM had an overdraft facility of £250,000 secured by a legal charge against freehold land and buildings. The overdraft facility was not utilised in the year and has been cancelled after the year end with the security being returned.

Finance leases

Minimum payments under finance leases fall due as follows:

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Due within one year	29,601	29,601	28,660	28,660
Due between two and four years	7,459	7,459	37,060	37,060
	37,060	37,060	65,720	65,720

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

17 Creditors: amounts falling after more than one year (continued)

Deferred income

Included within total deferred income are the following:

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Current academic offer	390,666	390,666	388,156	388,156
Professional training	17,275	17,275	27,080	27,080
Research and enterprise income	63,347	63,347	82,277	82,277
	471,288	471,288	497,513	497,513

18 Provisions for liabilities

Consolidated and UCEM

Obligation to fund USS pension scheme deficit

	2024 £	2023 £
Provision at the start of the year	3,009,450	3,164,605
Movement in the year	(3,009,450)	(155,155)
Provision at the end of the year	-	3,009,450

USS pension scheme deficit

At 31 July 2023, the institution's balance sheet included a liability of £3,009,450 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 the Institution was no longer required to make deficit recovery contributions. The remaining liability of £3,009,450 was released to the consolidated statement of comprehensive income and expenditure. Further disclosures relating to the deficit recovery liability can be found in Note 22 to the financial statements.

19 Financial instruments

	2024 Consolidated £	2024 UCEM £	2023 Consolidated £	2023 UCEM £
Financial assets at fair value through Statement of Comprehensive Income				
Listed investments	-	-	-	-
Financial assets that are equity instruments measured at cost less impairment				
Other investments	9,146,422	9,147,421	8,368,616	8,369,615
Financial assets that are debt instruments measured at amortised cost				
Cash at bank and in hand	4,671,386	4,654,938	4,022,295	3,940,219
Other debtors	6,279,498	6,882,062	5,214,509	5,183,196
Financial liabilities measured at amortised cost				
Finance leases	37,060	37,060	65,720	65,720
Trade payables	361,741	354,791	313,973	307,296
Other payables	2,601,320	2,590,852	2,549,549	2,505,771

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

20 Reserves

Movement in funds – current year

	At 31 July 2023 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 July 2024 £
Restricted funds:					
Philip Rose Award	339	-	(100)	-	239
Harold Crowter Prize Fund	1,471	-	(100)	-	1,371
FJ Comerford Prize Award	500	-	-	-	500
Harold Samuel Research Prize Fund	232,367	39,647	(15,000)	-	257,014
Peter Goodacre Fund	32,000	-	(1,000)	-	31,000
David Alexander Memorial Scholarship	191,417	17,265	-	-	208,682
UCEM Sustainability Research Prize	-	800	(300)	-	500
Total restricted funds	458,094	57,712	(16,500)	-	499,306
Unrestricted funds:					
Designated funds:					
Fixed assets	6,882,479	216,299	(354,631)	-	6,744,147
Bursaries	2,060,215	250,997	(73,333)	-	2,237,879
Total designated funds	8,942,694	467,296	(427,964)	-	8,982,026
General funds	10,848,418	21,334,903	(16,123,322)	-	16,059,999
Total unrestricted funds	19,791,112	21,802,199	(16,551,286)	-	25,042,025
Total Funds	20,249,206	21,859,911	(16,567,786)	-	25,541,331

Movement in funds – prior year

	At 31 July 2022 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 July 2023 £
Restricted funds:					
Philip Rose Award	339	-	-	-	339
Harold Crowter Prize Fund	1,471	-	-	-	1,471
FJ Comerford Prize Award	500	-	-	-	500
Harold Samuel Research Prize Fund	247,219	9,436	(24,288)	-	232,367
Peter Goodacre Fund	33,000	-	(1,000)	-	32,000
David Alexander Memorial Scholarship	190,064	4,057	(2,704)	-	191,417
Total restricted funds	472,593	13,493	(27,992)	-	458,094
Unrestricted funds:					
Designated funds:					
Fixed assets	6,952,857	252,649	(323,027)	-	6,882,479
Bursaries	2,118,084	59,739	(117,608)	-	2,060,215
Total designated funds	9,070,941	312,388	(440,635)	-	8,942,694
General funds	9,442,578	18,709,853	(17,304,103)	-	10,848,418
Total unrestricted funds	18,513,519	19,022,241	(17,744,648)	-	19,791,112
Total Funds	18,986,112	19,035,734	(17,772,640)	-	20,249,206

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

20 Reserves (continued)

Purposes of restricted funds

Fund	Purpose
Philip Rose Award	To award a prize for excellence in an area of study.
Harold Crowter Prize Fund	To award a prize for excellence in an area of study.
FJ Comerford Prize Award	To award a prize for excellence in an area of study.
Harold Samuel Research Prize Fund	An annual award of up to £15,000 for an innovative research project that has the potential to provide industry- changing insight for the Built Environment. The Prize will be judged and awarded by a panel of experts from across the industry, UCEM staff and independent appointees. The Prize is open to applications from the UK and in any other part of the world.
Peter Goodacre Fund	To award £1,000 at every graduation for one student for 34 years.
David Alexander Memorial Scholarship	To the provision of scholarships for students nominated by RICS Wales.
UCEM Sustainability Research Prize	To award prizes in recognition of outstanding and collegiate contributions to sustainability research through students' final year projects and their collaboration during their studies.

Purposes of designated funds

Fund	Purpose
Fixed assets	This represents the net book value of the groups fixed assets.
Bursaries	Bursary funds are established to encourage and support wider participation in the programmes offered by UCEM, including New Student Bursary Fund, Post Graduate Scholarship, Access and Participation Plan Fund, Vice Chancellor's Discretionary Fund and Redundancy Support.

21 Lease obligations

Total rentals payable under operating leases for the group are as follows:

	2024	2023	2024	2023
	Property	Property	Equipment	Equipment
	£	£	£	£
Payable during the year	108,294	118,054	18,431	17,370
Future minimum lease payments due:				
Not later than one year	108,294	107,844	12,432	15,559
Later than one year and not later than five years	37,845	37,688	15,178	6,928
Total lease payments due	146,139	145,532	27,610	22,487

Total rentals receivable under operating leases for the group are as follows:

	2024	2023
	Property	Property
	£	£
Receivable during the year	29,399	33,357
Future minimum lease receipts due:		
Not later than one year	2,450	2,450
Total lease receivables due	2,450	2,450

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

22 Pension schemes

The total cost charged to the Consolidated Statement of Comprehensive Income is £1,228,559 (2023: £1,253,722) including Universities Superannuation Scheme (USS) but excluding the impact of the change in the deficit recovery plan, as shown below.

Deficit recovery contributions due within one year for the institution are £nil (2023: £244,414).

Statement of comprehensive income – net pension costs

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
USS	709,592	709,592	785,947	785,848
GPP	40,325	40,325	38,454	38,454
People's Pension	471,869	471,869	421,442	417,606
Manulife (Hong Kong)	6,773	-	7,879	-
	1,228,559	1,221,786	1,253,722	1,241,908

Statement of financial position – pension scheme liability

	2024	2024	2023	2023
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
USS	-	-	3,009,450	3,009,450
GPP	-	-	-	-
People's Pension	-	-	-	-
Manulife (Hong Kong)	-	-	-	-
	-	-	3,009,450	3,009,450

Different categories of staff joined one of four different schemes depending upon eligibility:

(1) Universities Superannuation Scheme (USS)

This is a defined-benefit scheme contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds. USS is a multi-employer scheme and is accounted for as set out in the accounting policies USS has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 21.6% until 31 December 2023 and 14.5% thereafter, Employee 9.8% until 31 December 2023 and 6.1% thereafter.

(2) Group Personal Pension Scheme (GPP)

Operating on a defined contribution basis in respect of pensionable service since 1 November 2004, the GPP has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 7%, Employee 2.5% (minimum).

For members of the former CEM Contracted Out Money Purchase Scheme who had joined that Scheme prior to April 1997 the rates of contribution, to the GPP, were as follows:

Age	UCEM	Member
40-49	9%	2.5% (minimum)
50-59	10%	2.5% (minimum)

This scheme is now closed to new members as it has been succeeded by an auto enrolment compliant scheme.

(3) Auto Enrolment Compliant Scheme (AE)

Operating on a defined contribution basis in respect of pensionable service since 1 January 2014, the AE scheme has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 7%, Employee 2.5% (minimum).

(4) Manulife (HK)

Operating on a defined contribution basis, this scheme is compulsory for all staff of UCEM Asia Limited in Hong Kong and has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 5%, Employee 5%, both up to a maximum of HK\$1,500 per month.

University College of Estate Management
Notes to the Financial Statements
For the year ended 31 July 2024

22 Pension schemes (continued)

Unfunded Pensions

UCEM also provided unfunded pensions to an ex-employee. Payment in the year totalled £nil (2023: £4,111).

Universities Superannuation Scheme (USS)

UCEM participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. 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.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 18 to the financial statements, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the consolidated statement of comprehensive income and expenditure.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for the assets and liabilities 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 (the statutory funding objective). 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. More detail is set out in the Statement of Funding Principles (www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

Principal Actuarial Assumptions	31 March 2023 valuation – technical provisions
Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 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:

Mortality base table	2023 valuation: 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:

Existing benefits	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

Accounts

Charity number: 313223

University College of Estate Management

Report and financial statements for the year ended 31 July 2023

University College of Estate Management

Contents

For the year ended 31 July 2023

Reference and administrative information	1
Trustees' annual report	4
Independent auditor's report to the Board of Trustees of UCEM	22
Consolidated and UCEM statement of comprehensive income and expenditure	26
Consolidated and UCEM statement of changes in reserves	27
Consolidated and UCEM cashflow	28
Consolidated statement of balance sheet.....	29
Statement of accounting policies	30
Notes to the financial statements	37

University College of Estate

Reference and administration information

For the year ending 31 July 2023

Charity number: 313223 - registered in England and Wales

Registered office and operational address:

Horizons

60 Queen's Road Reading

RG1 4BS

The institution also operates using the abbreviated name "UCEM".

University College of Estate Management

Reference and administration information

For the year ended 31 July 2023

Trustees

Trustees who served during the year and up to the date of this report were as follows:

Jatinder Kaur Brainch FCA	Honorary Treasurer, resigned 30 March 2023
Professor Nicholas Braisby BA PhD CPsychol AFBPsS PFHEA	
Christopher Costigan LLB (Hons), Barrister, FHEA	
Amanda Clack Dr. (hc) MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMi CMC	Chair
Dr Stephen Jackson FRGS FRSA	Vice Chair
Professor Michelle Jones	Appointed 29 September 2022
Alastair G Martin FRICS FAAV	
Professor Kenneth Miller LLB LLM PhD FRSA FIOSH	
Dominic James O'Rourke	
Gareth Ralphs	
Graeme Scott ACA	Honorary Treasurer, appointed 30 March 2023
Misa Lane von Tunzelman FCIM	
Chris Turley LLB (Hons)	
Ashley P Wheaton BA (Hons)	Member ex-officio

Student Trustees

Adam Denton	Appointed 1 January 2023
Joe Orrell	Resigned 6 July 2023

Staff Trustees

Helen Edwards BA (Hons) MA PG Cert AAUA	Resigned 1 December 2022
Jon Hubert	Appointed 1 January 2023
Harps Kaur	

University College of Estate Management

Reference and administration information

For the year ended 31 July 2023

Key management personnel – Executive Team

Ashley Wheaton	Principal
Jane Fawkes	Deputy Principal and University College Secretary
Dr Wendy Finlay	Vice Principal Education
Lynne Downey	Vice Principal Student and Registry Services
Stephen Bartle	Executive Director, Business Development and Apprenticeships
Tim Mills	Executive Director, Finance
Aled Williams	Executive Director, Innovation and Partnerships
Andy Youell	Executive Director, Digital and Regulations
Bank	National Westminster Bank plc, PO Box 78, 13 Market Place, Reading, Berkshire, RG21 2EP
Solicitors	DAC Beachcroft 100 Fetter Lane London EC4A 1BN Field Seymour Parkes, 1 London Street, Reading, RG1 4PN
Auditor	Mazars LLP, 90 Victoria St, Bristol, BS1 6DP
Investment Managers	Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
Insurance Adviser	Jelf Insurance Brokers Limited, 1st Floor, Gail House, 5 Lower Stone Street, Maidstone, Kent, ME15 6NB

The trustees present their report and the audited financial statements for the year ended 31 July 2023.

Reference and administrative information are set out on pages 1 to 3 and form part of this report. The financial statements comply with current statutory requirements, the institution's Royal Charter and Byelaws and the Statement of Recommended Practice: Accounting for Further and Higher Education (FEHE SORP) applicable to Higher Education institutions preparing their accounts in accordance with FRS 102.

Objectives and activities, Purposes and Aims

University College of Estate Management (UCEM) is concerned with education and training for all professions dealing with land, property, and construction. It was founded in 1919, incorporated by Royal Charter (RC000125) on 22 August 1922, and has been a registered independent charitable institution in England and Wales since 24 May 1963. In 1977, Her Majesty The Queen was graciously pleased to grant her patronage to UCEM. In 1998, His Majesty King Charles III (formerly His Royal Highness The Prince of Wales), became Patron of UCEM. The patronage is currently being reviewed by the Royal Household following His Majesty King Charles III accession to the throne.

The governing documents of UCEM are its Royal Charter and Byelaws. In June 2018, following a petition to the Privy Council, a third Supplemental Charter was granted. The Supplemental Charter reflects that UCEM has taught degree awarding powers, and that on 11 November 2015, the institution was granted University College title by the Privy Council. Shortly thereafter "The College of Estate Management" rebranded as "University College of Estate Management" or "UCEM" for short.

The opportunity was also taken to update the Byelaws to reflect best practice corporate and academic governance.

The purposes of the institution as outlined in the Charter are as follows:

- To provide training and educational facilities at any level, and facilities for research, for all or any of the professions of surveyor, auctioneer, land or estate agent, or any other profession in land, buildings or property;
- This includes within the objects and purpose of the Charter, the development of course curriculum, material examinations, and the conferring of awards;
- To undertake research that will assist those in professions, and vocations as relevant to land, property, and building; and
- The provision of continuing professional development for those in the built environment sector.

UCEM fulfils the objects of the Charter and furthers its charitable purposes for the public benefit through the provision of online educational programmes, research, continuing professional development courses, and student bursaries.

UCEM provides educational programmes from Levels 4 to 7 of the Frameworks for Higher Education Qualifications (FHEQ). All the programmes offered by UCEM sit within the core objective of the Charter and are directly linked to the surveying and property professions. The programmes offered by UCEM are accredited by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

UCEM achieved Taught Degree Awarding Powers from 1 January 2013, so all programmes that have launched since 2013 are awards conferred by the institution. UCEM received confirmation from the Privy Council in December 2018 that UCEM's taught degree awarding powers had been renewed for a further six-year period from the 1 January 2019. In 2021 UCEM applied to the Office for Students for Indefinite Degree Awarding Powers, and, following a review process, this was approved by the Privy Council effective from 1 September 2022. UCEM continues to develop the resources provided to students through the Digital Education Team working with the subject experts to ensure material is interactive and engaging to students. UCEM offers eighteen programmes awarded by the institution, all of which are delivered online, so are accessible to students worldwide. This includes the delivery of the Level 6 and 7 Apprenticeship programmes, which are core to UCEM's purpose of providing vocational programmes accessible to all.

With a new Research Strategy in place that is aligned to UCEM's strategic ambitions for a sustainable built environment (aligned to the 'Globe' programme, set out on page 8), UCEM has taken significant strides towards realising our research ambition. A Research Office has been set up within the Education department, including the appointment of a Research Operations Lead. The Research Office oversees all aspects related to research and has started work on updating or developing new policies and procedures to support our growth. These policies and procedures will ensure research integrity is maintained to the highest standard.

As part of the Globe outreach strategy, UCEM delivered 'Building Perspectives', a series of free webinars with UCEM experts and sector specialists on topical issues around the built environment and sustainability. Four sessions were delivered (on gender equality in the built environment, construction sustainability forecast, retrofit versus rebuild, and sustainability impact on SMEs); each session was attended by 70-140 persons. Following the receipt of positive feedback, UCEM will continue to deliver free webinars to serve our community.

A new [research webpage](#) has been launched to promote UCEM's work in the delivery of a sustainable built environment, and an [institutional repository](#) has been set up that not only acts as an archive of UCEM's research publications, but most importantly, serves to freely disseminate UCEM's research outputs to a global audience. Since its inception in January 2023, 64 articles have been deposited which have been downloaded 442 times (as at 1 August 2023). Staff have continued to produce research publications in peer-reviewed journals, conferences and books in 2022-23, which are freely accessible from our repository, including:

- Dean, K, Trillo, C and Lee, A (2022) [Sustainable Urban Regeneration: Insights and Evaluation from a UK Housing Association](#). Routledge. ISBN 9780367490003
- Sagar, SSK, Arif, M, Oladinrin, O, Kaushik, A and Islam, R (2023) [Impact of Trust in Virtual Project Teams: Structural Equation Modeling \(SEM\) approach](#). Construction Innovation. ISSN 1471-4175

In February 2023, UCEM was approved to become a 'Knowledge Partner' by InnovateUK, which makes UCEM eligible to submit for Knowledge Transfer Partnership (KTP) grants to support engagement with industry. UCEM submitted [its first KTP application in partnership with the Prince's Foundation](#), and was successfully awarded £176,000 to develop a new concept in support of sustainable mixed-use developments. In total, UCEM submitted 11 external funding applications in 2022-23, to the total value of £3million, and were successfully awarded four grants with an external research income of £240,000. In addition to the KTP project with the Prince's Foundation, UCEM was awarded three British Council projects that seek to investigate and implore gender equality barriers.

To make education and academic success accessible to all, and in the context of its charitable status, UCEM operates several bursary schemes to provide financial assistance to students from disadvantaged backgrounds, students made redundant during their course and students with other special

circumstances. Awards range from discounts in one semester for temporary challenges through to 100% fee bursaries for the lifetime of a programme. More details on UCEM's bursary awards are given in Note 20a: Movements in funds.

The trustees review the aims, objectives, and activities of the institution each year. They look at what the institution has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the institution has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the institution's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the institution's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategy

UCEM's core purpose is to provide truly accessible, relevant, and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a sustainable Built Environment.

UCEM has a five-year Institutional Strategy (2019-24) which sets out the strategic plan and goals to enable UCEM to realise its vision to be the 'Centre of Excellence for Built Environment Education'.

As the Centre of Excellence for Built Environment Education, UCEM will focus on maximising its Impact and Influence on both Education and Industry. In practical terms, this means a focus on delivering greater impact through; Student Outcomes, Widening Participation, Student Satisfaction and Reach, whilst increasing influence by offering a greater Depth and Breadth of Education, engaging more with Education and Industry partners, and actively Collaborating.

By maximising both our Impact and Influence; students, employers, Industry and the Higher Education Sector will regard UCEM as the obvious and best choice of institution for Built Environment qualifications.

In the context of the strategic plan, the Executive with the Senior Leadership Team set an annual plan for the year, which is approved by the Board of Trustees prior to the start of the financial year. This process occurs alongside budgetary planning, to ensure the appropriate resources are in place to deliver the plan for the forthcoming year.

The Board of Trustees meets four times per year, and as part of these meetings monitors delivery of the strategy, as well as holding an annual Strategy Session to review the strategy against the changing external context.

Performance of the plan is monitored against seven key institutional metrics and these key performance indicators ("the CX9") are used to measure the success and achievements of the institution each year.

The metrics are defined in the following areas in the Strategic Plan 2019-24:

- Education; which focuses on achieving indefinite degree awarding powers, attaining a good Office for Standards in Education (Ofsted) rating, compliance with the Conditions of Registration with the Office for Students (OfS) and embedding & evaluating the student success project 'Transform'.

- Student Outcomes: which is measured by student completion and module pass rates.
- Student Satisfaction; which is measured by satisfaction rates in the National Student Survey, Employer surveys, and the UCEM Student Experience Survey.
- Widening participation: to target increased access; success and progression for those from under-represented groups as part of UCEM's commitment to increase diversity within the property and construction sector.
- Employee Experience; which includes staff engagement, monitored through a confidential engagement survey in November and June each year, as well as a focus on employee wellbeing.
- Reach; measured by:
 - the target number of new students for each semester; and
 - the number of returning students for each semester.
- Financial health; measured by:
 - revenue *and*
 - operating margin.

These metrics are defined to ensure the institution meets its charitable aims and objectives to deliver education and training for the built environment sector in the long-term.

UCEM had an exceptional year and met its CX9 targets with significant achievements in Student Outcomes, Student Satisfaction and Financial Health. This is alongside the strategic goal to become the 'world's most sustainable university' which is being driven through 'Globe' This takes a holistic approach to sustainability, by looking at leadership and governance, what we teach, how we teach, how we operate and influence. This is integral as UCEM continues to grow and work towards its strategic vision of being the Centre of Excellence for Built Environment Education.

UCEM continued to support its subsidiary companies. UCEM approved a £518K grant in the year (2022: £406K) to its wholly owned Hong Kong subsidiary, UCEM Asia Limited, to advertise UCEM's courses, provide course registration assistance and teaching support to students in Hong Kong.

UCEM does not engage in social investment activities.

UCEM trustees are volunteers and while their influence is significant, they do not deliver UCEM services; UCEM makes no use of general volunteers to deliver its services.

Apprenticeships

Apprenticeship provision in the Built Environment is central to the institution's core purpose. UCEM supports the Government's apprenticeship agenda and sees apprenticeship delivery as vital to its future and that of training the sector which the institution was founded to serve.

UCEM is listed on the Register of Apprenticeship Training Providers as a Main Provider and is eligible to receive government funding to train apprentices. UCEM has contracts with the Education and Skills Funding Agency (ESFA) for the delivery of apprenticeships for levy-paying and non-levy paying employers.

The apprenticeship programmes offered in 2022-23 were:

- Level 6 Chartered Surveyor (Degree) Apprenticeship
- Level 6 Building Control Surveyor (Degree) Apprenticeship
- Level 6 Construction Site Management (Degree) Apprenticeship

In 2022-23 UCEM continued to deliver apprenticeships through subcontracting arrangements with Eastleigh College. Delivery under this subcontract is limited to completion of apprenticeships that commenced prior to November 2017.

UCEM subcontracts the delivery of Functional Skills Maths and English qualifications within apprenticeships to Runway Apprenticeships Limited, trading as Runway Training. Due to the level of the apprenticeships that UCEM delivers, most apprentices have acceptable prior or equivalent Maths and English qualifications at enrolment, and therefore the volume of subcontracting with Runway Training is low.

As of July 2023, there were 1,895 apprentices employed by over 500 different employers and business entities actively studying with UCEM, including 1,797 Level 6 Chartered Surveyor (BSc and MSc) Apprenticeships, 54 Building Control Surveyor Degree Apprentices and 29 Construction Site Manager Degree Apprentices.

Over 99% (1,883) of apprentices actively studying with UCEM were funded through UCEM's direct contracts with the ESFA. The remaining 12 were funded via UCEM's subcontract with Eastleigh College.

UCEM includes apprenticeship course revenue on the face of the Consolidated Statement of Comprehensive Income and Expenditure with other Tuition fees and education contracts.

Achievements and performance

The year ending 31 July 2023 was a significant year for the institution's performance and achievements.

Reach

During 2022-23 UCEM enrolled 1,561 (2022: 1,465) new students in total. This outcome was 6.6% higher than the previous year.

UCEM did not launch any new degree apprenticeship programmes in 2022-23 but was able to consolidate its position as the largest provider of the Level 6 Chartered Surveyor apprenticeship in England. In total 689 (2022: 596) new apprentices started UCEM programmes in 2022-23, the highest number in any year to date. This growth was driven principally by the Chartered Surveyor MSc route which attracted high levels of interest from employers interested in supporting their graduate trainees to achieve professional qualifications, producing 245 (2022: 206) new starts in the year.

UCEM continued to benefit from strong relationships with employers across property, construction, and related sectors. This resulted in sponsored students (including apprentices) being the largest segment, representing 63% (2022: 55%) of total enrolments.

Away from the UK, Hong Kong continued to be the largest international market for UCEM, with 142 (2022: 129) enrolments in total.

Education

As a Higher Education Provider in England, UCEM in 2022-23 continued to meet the Conditions of Registration with the OfS, as a registered (fee cap) provider, and the ESFA. UCEM monitors the institution's compliance with the OfS Conditions of Registration and ESFA compliance through the Board of Trustees, Board Sub-Committees and the relevant Academic Deliberative Committees.

UCEM must also meet the requirements of Ofsted with regards to apprenticeship provision at all levels. UCEM achieved an overall Ofsted inspection outcome of 'Good' in November 2021, which related to UCEM's apprenticeships provision at the time, at Level 3, Level 6 and Level 7. During 2022-23, the UCEM Apprenticeships Team continued to develop the quality of UCEM's apprenticeships provision, by strengthening good practice and delivering improvements identified in the Self-Assessment Report and documented on the Quality Enhancement Plan, which is approved and monitored by the Board of Trustees. The Level 3 Surveying Technician Apprenticeship programme closed in May 2023 when all remaining apprentices had completed their studies.

Student Outcomes

UCEM monitored module success rates against an overall target key performance indicator (KPI) of 87% in 2022-23 as part of its strategy to improve student outcomes, which supports UCEM's compliance with the OfS's condition of registration B3 (successful outcomes for all students). The 87% overall KPI was supplemented by the following KPIs at the different levels of study: Level 4 – 87%; Level 5 – 90%; Level 6 – 92%; Level 7 – 83%. Over the last four years, UCEM has focused on improving student outcomes through enhancements to academic provision, the delivery model, student support and associated regulations, policies, and procedures. In 2022-23, UCEM launched a revised suite of initiatives to improve student outcomes.

These included addressing student workload challenges by re-evaluating UCEM's curriculum from a programme perspective and ensuring a streamlined learning journey by reducing module content without removing the content required to meet programme learning outcomes. This initiative, coupled with enhanced student engagement monitoring and improvements to a number of policies and procedures, has resulted in a positive uplift in student outcomes overall.

In May 2023, the full module results for Autumn 2022 modules were reported at 87.2%, meeting the KPI target and representing a +5.7 percentage point change compared to Autumn 2021. Level-specific student outcomes all experienced an uplift on Autumn 2021, reporting: Level 4 – 91.7%; Level 5 – 86.8%; Level 6 – 88.7%; Level 7 – 84.2%. At the time of writing, the Spring 2023 resubmissions have not taken place, therefore, the overall final module KPI outturn for 2022-23 is not available. However, in-year data from Spring 2023 indicates that the positive trends seen in the Autumn 2022 module outcomes will likely be maintained.

UCEM seeks continual improvements to achieve its KPIs. Upon completion of the modules, the Academic Team completes an Annual Review process for all modules, to ensure that the modules and the support offered to students remain fit-for-purpose each semester and success rates can continue to improve. In the coming year, module enhancements will continue alongside work to revalidate UCEM's undergraduate provision, which is expected to deliver further improvements to student outcomes, alongside the delivery of the Learning, Teaching and Assessment Strategy action plan.

Student Satisfaction

Student satisfaction in 2022-23 was monitored by two surveys that covered largely the same questions. The National Student Survey (NSS) is open to all final year undergraduate students who are domiciled in the UK and the results are monitored by the OfS and publicly available. The internally run survey is the Student Engagement Survey (SES) and is open to all other UCEM students.

Due to changes in the way the surveys were conducted this year, comparison to previous years is not possible. Questions have been rephrased and the response scale has changed. The overall student satisfaction question has also been removed from the compulsory NSS questions.

UCEM exceeded the CX9 targets for Student Satisfaction for both apprentices and non-apprentices in both surveys. Further analysis of question sections shows a strong performance for UCEM when compared to the benchmark (set by the OfS) and compared to the overall sector positivity measure with UCEM exceeding the benchmark in eight out of ten sections and exceeding the sector positivity measure in seven out of ten sections.

Widening Participation

UCEM's commitment to widening participation is central to its core purpose, and the outworking of the Royal Charter to provide education and training to all. This is evidenced within the five-year Institutional strategy, of which Widening Participation is one of the core tenants. UCEM recognises the challenge of diversity and inclusion within the property and construction sectors, and as such is committed to working with sector and employers in this area.

The metrics for Widening Participation are drawn from UCEM's OfS approved Access and Participation Plan. UCEM made good progress towards the objectives set out in its Access and Participation Plan by achieving the majority of its targets for increasing the proportion of underrepresented students entering its programmes in 2022-23. For example, 12% of new part-time students are recorded as having a disability against a target of 9% (note that these figures are subject to confirmation from OfS).

The challenge on Widening Participation remains a sector wide one, but UCEM is working closely with the sector to increase diversity within the Built Environment.

Employee Experience

UCEM monitors employee satisfaction and the employee experience twice a year through an Employee Engagement Survey. This is part of the on-going work throughout the year on listening to the staff voice and building engagement.

Overall staff satisfaction met the 4.1 target; the survey scored 4.1 in December 2022 and 4.2 in June 2023. In both surveys the participation rate was over 80%. Of particular note was 99% of respondents understood the importance and meaning of their job role at UCEM, and 96% of staff agreed with the statement "I can be myself in my team because I feel safe and respected."

Financial Health

In the year ending 31 July 2023 UCEM achieved a consolidated income of £19.0M (2022: £17.1M), an increase of 11.5% (2022: 6.0%) on the previous year. The increase in the level of income was predominantly due to increased tuition fees from the continued expansion of the apprenticeships programme, and through organic growth and partnerships with other providers and contractors.

Consolidated expenditure increased by 11.3% in the year to £17.8M (2022: £16.0M). This increase reflects

the addition of new staff to support the expanding student numbers as well as high UK inflation levels during the period.

After losses on investments of £246K (2022: losses £457K) and actuarial gains in respect of pension schemes of £242K (2022: losses £1.9M) the group made a surplus of £1.3M against a planned deficit of £636K (2022: deficit of £1.3M against a planned deficit of £780K).

Beneficiaries of our services

The institution's main activity is the provision of education, and its beneficiaries are students, industry and the Built Environment sector worldwide. All its charitable activities focus on the sector and students developing careers in the sector and are undertaken to further UCEM's charitable purposes for the public benefit.

UCEM added 1,561 new students during 2022-23 against its target of 1,430. This was a 6.6% year-on-year increase compared to the 1,465 new students recruited in 2021-22 and the second successive year in which UCEM achieved a year-on-year increase in the number of new students recruited.

UCEM made 1,090 academic awards of which 989 were full academic awards and 101 were intermediate awards. Please note that this report was written prior to the final Examination Award Boards for 2022-23, so some of these awards are still to be ratified, which could alter this number marginally.

Despite the challenges faced by partner employers, UCEM continued to strengthen its sector employer engagement with 987 new students (including 689 on apprenticeship programmes) being sponsored by 552 employers.

UCEM allocated £56,719 bursaries in the year (2022: £79,074) as follows:

Bursary	Number of Students	£
UCEM Centenary Fund	3	£1,334
New Student Bursary Fund	8	£13,910
Access & Participation Plan Fund	13	£24,550
Post Graduate Scholarship	11	£16,925
Total	35	£56,719

In addition to the above, students were assisted with fee reductions or debt write offs for special circumstances enabling them to continue with their studies, for example, 9 awards were made from the Principal's Discretionary Funds totaling £4,877 (2022: £6,822) and 1 award was made from the Redundancy Support Scheme totaling £1,013 (2022: £3,076).

Financial review

In the year ended 31 July 2023, UCEM achieved a consolidated increase in total income of £1.9M, which was an increase of 11.5% on the previous year. Student income grew by 10.0% (2022: 8.5%) to £17.4M compared to the previous year, costs have been controlled and a healthy operating surplus has been generated before investment revaluation and pension scheme actuarial adjustments.

Investment income increased in the year with all funds invested in the Sarasin & Partners Climate Active Endowment Fund throughout the year. At the year-end losses on investments were £246K (2022: losses £457K).

Group expenditure

Group expenditure was higher than the previous year, which was driven by the need to recruit additional staff to support the increase in student numbers as well as the inflationary economic climate.

Staff costs increased in the year by 11.2% to £13.9M (2022: increase of 13.5% to £12.5M) and still remains the largest single expense to the business making up 78.4% (2022: 78.5%) of total expenditure, reflecting the nature of UCEM's online education provision. The increase in costs reflects the increase in staff numbers from 238 to 259 (full time equivalent). Further details of staff costs can be found in Note 5 to the financial statements.

Other operating expenses reflect an increase in the cost of administration and central services, and premises costs as set out in Note 7 to the financial statements.

Summary

In summary, income has continued to grow with a corresponding increase in the cost base. Before accounting for investment valuation movements and actuarial valuation changes in respect of pension schemes, UCEM has far exceeded its budgetary targets for 2022-23. In the previous year the actuarial loss in respect of pension schemes of £1.9M was a major factor in the overall deficit for that year. Further information on the pension scheme can be found in Note 18: Provision for Liabilities.

UCEM Courses Limited turnover (Note 13: Subsidiary undertakings) increased by 79% from £38K to £68K in the year. Much of the additional income was derived from delivering bespoke training face-to-face following the pandemic. During the year the decision was made to close down the UCEM Courses Ltd subsidiary and to run CPD, short courses and training events directly through UCEM. Trade ceased in the subsidiary at the year end.

UCEM Asia Limited received £518K grant income from UCEM, its parent institution, (2022: £406K) which led to a profit of £2K (2022: £3K) in the year (Note 13: Subsidiary undertakings).

UCEM's consolidated group Balance Sheet at 31 July 2023 shows an increase in value of 6.7% to £20.2M, driven by the operational performance. UCEM retains a strong Balance Sheet and reserves position.

Pensions

UCEM is a member of the Universities Superannuation Scheme (USS), a defined benefit pension scheme with mutual employer membership. The scheme is in deficit and the liability is pooled amongst employer members. UCEM's obligation to fund the past deficit of the scheme is reflected on the balance sheet and details can be found in Note 18: Provision for Liabilities.

A deficit recovery plan was put in place as part of the 2018 valuation which required payment of an additional 2% of salaries over the period 1 October 2019 to 30 September 2021, 6.2% over the period 1 October 2021 to 31 March 2024 and finally 6.3% from 1 April 2024 to 30 April 2038, based on the 2020 *Valuation final schedule of Contributions (March 2022)*. The deficit provision has increased not just in percentage terms but also in extending the required contribution period further from 2028 to 2038.

UCEM also participates in two defined contribution pensions schemes. A Group Personal Pension scheme (GPP), operated by Prudential (closed to new members), and the People's Pension auto-enrolment scheme, for employees not eligible for participation in USS.

More detail on UCEM's pension arrangements can be found in Note 22: Pension Schemes.

Other factors

The focus during 2022-23 has been on delivering Stage 1 of Globe, UCEM's initiative to realise the vision to be 'the world's most sustainable University. As part of 'What we teach' the new MSc Innovation in Sustainable Built Environments launched post year end in September 2023, alongside continued development of CPD, and as part of 'How we Operate' UCEM achieved ISO 140001 Stage 1 and Stage 2 accreditation.

The growth of the apprenticeship provision continued to be an important part of UCEM's offer, and the Business Development Team have continued to work very closely with key employers, who are a key stakeholder for UCEM, both in terms of influence and impact.

UCEM has continued to adopt a hybrid approach to its ways of working, to allow for flexibility (particularly related to the recruitment and retention of staff) in addition to the benefits of wellbeing. As part of this UCEM over the last year has been working to improve internal efficiency and effectiveness, through a drive to 'Simplify'. This has led to implementation of a 'lean approach' to process improvement across UCEM, which has brought considerable benefit to the use and allocation of resources within UCEM. This work will continue as part of organisational optimisation during 2023-2024.

The final factor that may affect longer-term financial planning more positively is the potential at the institution's site at Shinfield Grange. The site is valued at £1.7m in the 2022-23 Balance Sheet. Shinfield Grange is well positioned: close to the M4, the Reading Science Park and the new link road in an area undergoing significant development.

Trustees are exploring alternative uses for the site that may realise local and reputational benefits and ultimately a cash boost to the Group.

Investments

UCEM seeks to invest funds in an ethical and sustainable manner, paying regard to environmental considerations and aligning the policy with the United Nations Sustainable Development Goals, alongside the institution's own sustainability agenda.

Investment policy

Following a full review of investment policy in 2021 Trustees approved the reinvestment of UCEM's portfolio into the Sarasin & Partners Climate Active Endowment Fund. Trustees will continue to review the institution's investment policy annually. The policy has strong ethical and sustainable objectives, aligning with both the United Nations Sustainable Development Goals and the institution's own sustainability agenda.

The Sarasin & Partners Climate Active Endowment Fund aims to bring about, and benefit from, action by businesses to strengthen their resilience to climate change. Further information about the fund can be found at <https://sarasinandpartners.com/fund/sarasin-climate-active-endowments/>

UCEM's equity holdings are held on a discretionary basis in the form of charity units and as such enjoy favourable tax and charging structures. The equity holdings are held in three separate pools: Main, Bursary and Restricted. At the year-end these funds were valued at £5.8M, £2.1M and £0.5M (2022: £6.0M, £2.1M and £0.5M) respectively.

The objective of these funds is to outperform the Consumer Price Index (CPI) plus 3% over a rolling three-year period. The combined total return achieved by these funds in the year ended 31 July 2023 was -0.04%

(2.82% income and -2.86% capital) against the target return of 9.86%. In the previous year, total return was -3.03% against a target of 13.06%.

The underperformance in both years is the result of historically high levels of inflation caused by systemic problems in the global supply chain and the war being waged by Russia in Ukraine, in particular the resulting energy price increases.

The fund's performance is also measured against the ARC Steady Growth Charity Peer Group which produced a return of 0.60% for the year. The underperformance against this benchmark is primarily the result of the ethical exclusion policy and the decision not to own certain investments through the stewardship and climate related analysis carried out by the Investment Managers.

In the short term the Investment Managers expect continued volatility. However, by focusing on high quality, thematic businesses that are well positioned to benefit from ultra-long term trends such as aging, digitalisation and automation, in particular, investments well placed to benefit from the adaption to and mitigation against the growing threat of climate change, should drive returns in the longer term.

Principal risks and uncertainties

The Board regularly considers the risks to which it believes the institution may be exposed. This is principally done by assessing the Institutional Risk Register. A new Institutional Risk Register was approved in November 2022, to further develop the effective management of risk. The revised register monitors and assesses the likelihood, impact and proximity of the risk, as well as risk mitigation and controls. Specific risks are identified under five main headings in the Risk Register and summarised here:

Strategic Risks

These are risks that emerge from UCEM's external environment (political, economic, social, technological, legal and environmental) which may impact UCEM's ability to achieve its organisational objectives and/or strategic plan. This includes any potential changes to the apprenticeship levy by the government which could adversely affect UCEM, as well as the on-going threat of recession. In Hong Kong the situation remains politically unstable, which remains a strategic risk to UCEM Asia Ltd.

Compliance / Regulatory Risk

The regulatory burden on all Higher Education Providers has increased with UCEM required to meet the regulatory frameworks set by the OfS, ESFA and Ofsted. Risks are identified that would expose UCEM to penalties or loss resulting from failure to comply with legal or other regulatory requirements. As part of this area of risk UCEM's compliance with safeguarding is monitored.

Operational Risk

As an online Higher Education Provider UCEM is particularly reliant on technology for its business operations. Operational risk focusses on risks that will impact UCEM services, both internally and externally. This includes the increasing risk related to cyber-security, which continues to be mitigated both through systems resilience and training, and staff awareness.

Financial Risk

Risks identified are those that could lead to either a loss of income, or an increase in costs. This includes the potential impact to student registrations due to the cost of living crisis. Of particular significance is the cash flow related to any potential delay to completion of the End Point Assessment by apprentices, resulting in a loss of income to UCEM from the ESFA.

Investment risk

Investment risk comprises currency, custody, market and liquidity risk and is managed through an appropriate investment policy and choice of investment manager. Fraud and financial loss are addressed by the internal control environment and backed with insurance. Recent challenges in the economy have increased risk in relation to inflation which may increase UCEM's costs. Long term financial planning, review of performance against plan and an appropriate reserves policy protects against insolvency risk.

Reputational Risk

These are risks that would impact UCEM's reputation with external stakeholders, including students, employers, partners and industry. Overall risk in this area is deemed to be low, but the ongoing reputational risk in the Higher Education Sector related to disability, welfare and the provision of mental health support students is closely monitored.

Each individual risk in the Intuition Risk Register (RAR) shows the assessed scores for the likelihood, impact and proximity. Detail is provided on each risk, with commentary on the evidence of controls in place, and identification of the early warning signs of heightened risk. Net likelihood/impact scores of 10 or over are deemed to be of more significant risk and a focus is given to these areas.

The responsibility for mitigating each of the assessed risks has been delegated by the Board to the Principal and to individual members of the SLT.

The Board believes the Risk Register to be comprehensive and that the assessed risks are appropriately mitigated by the procedures and systems in place, which are also reviewed regularly. These are further mitigated by the policies and practices which help define the institution's strategy and determine its activities.

The review and approval process includes the Risk Register being reviewed by the SLT. The Board has delegated to the Audit Committee the detailed review of the content of the RAR (and development of the appropriate control processes). The Audit Committee reviews the Risk Register twice a year, with further discussion once a year at the full Board meeting. Consequently, the trustees consider that arrangements are in place to ensure satisfactory, effective internal control and risk management.

On systemic risk, the Board continues to be very mindful of the domestic and global construction sector from which the institution draws its student base, and economic situation. This has included consideration of risk in Hong Kong due to the ongoing political situation in the region. The Board continues to closely monitor the numbers of new student registrations, as well as the potential impact on existing students striving to continue their studies.

Reserves policy and going concern

UCEM's general reserves arose from the original donations of £55K made when UCEM (formerly the College) was set up in 1919, and its subsequent retention of modest surpluses on its activities, plus further small donations over the years.

The education sector, in general, operates on a long-term cycle, with none of UCEM's programmes lasting less than two years and many students taking five or more years to complete their studies. The sectors in which UCEM is permitted to apply its funds are land and property. These sectors are subject to considerable cyclical movement.

The trustees continue to monitor the use of reserves, in conjunction with the setting of annual budgets, and development of long-term strategies for delivering public benefit in distance learning projects to meet the changing nature of demand. The present policy is to budget for operating surpluses sufficient to build reserves to meet the needs of UCEM's long-term strategy, and to designate funds for specific projects as and when available and identified within that strategy.

The current Strategic Plan covers the period 2019-24 and sets out goals that will enable UCEM to realise its vision to be the Centre of Excellence for Built Environment Education. The trustees recognise that further funds will probably be needed to drive the current Strategic Plan and that reserves may be the appropriate source of these funds.

UCEM's income sources are closely aligned to its core purposes of providing truly accessible, relevant and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a sustainable Built Environment. The reserves policy seeks to balance spending the amount of income raised in providing such education across the academic period to which it relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any change in financial circumstances. Trustees consider that general reserves should be held in a range of a minimum of three months and a maximum of twelve months operating expenditure. This would allow the time and space necessary to consider the practicalities of providing the appropriate resources to enable existing courses to be completed without any disadvantage to students.

Total UCEM group reserves on 31 July 2023 were represented by total unrestricted reserves of £19.8M (2022: £18.5M). £8.9M of this sum has been allocated to Designated Funds, of which £6.9M was in Fixed Assets and £2.0M has been allocated to a Bursaries Fund set up for the exclusive purpose of generating an income to provide bursaries to assist and support students and to otherwise encourage new entrants to the profession. The remaining unrestricted funds were in general reserves of £10.9M representing approximately seven months' operating expenditure. It is the trustees' view that this level of reserves is appropriate to provide for UCEM's normal educational commitment to students.

Accordingly, the trustees consider that UCEM is a going concern and have prepared the accounts on this basis.

Plans for the future

The focus for UCEM during 2023-24 continues to be on sustainability through the 'GLOBE' strategy, developing new programmes and the continued growth of apprenticeships. This is central to the strategic vision to be 'the Centre of Excellence for Built Environment Education'. As part of this UCEM is closely monitoring the opportunities for more vocational programmes aligned to the Government Agenda of Lifelong Learning.

In terms of the student experience the strategy remains on Improving student outcomes, with a focus on student engagement to support retention, as well as ensuring compliance with HE Regulators.

The priority internally for the Institution remains on optimisation and efficiency of resources and developing services and provision to meet the needs of stakeholders in the future. This includes financial health, and the wellbeing of employees (specifically in a hybrid-working environment) to ensure the institution continues to be able to respond to these external challenges, as well as maximise the

opportunities afforded through its online learning model.

Structure, governance and management

The strategic direction for UCEM is determined by the Board of Trustees, which meets four times a year.

The Board is guided in its educational strategy by an Academic Board which also meets four times a year to assess matters such as changes in the regulatory environment (or best practice) regarding the provision of education. They are the supreme deliberative committees relating to educational matters. The Principal is also an ex-officio trustee as required by the Royal Charter.

The Board delegates some of its power to five standing sub-committees, established to consider in detail various issues on its behalf. The sub-committees have detailed terms of reference which are reviewed annually by the Board. They debate matters within their sphere and then make recommendations for the Board to consider for approval. Details of the sub-committees and their main functions are:

The Academic Review Committee

An independent sub-committee that acts as the advisory body for all aspects of UCEM's academic delivery. Its primary responsibility is to be the final auditor of all UCEM's academic review processes and performance data. This sub-committee meets a minimum of twice a year.

The Audit Committee

The committee's remit is to review the adequacy and effectiveness of the institution's system of audit related to financial reporting, internal control and risk management. In fulfilling this function, the Audit Committee adheres to the guidance and best practice for Audit Committees outlined in the Committee of University Chairs (CUC) Higher Education Code for Governance, and the CUC Handbook for Members of Audit Committees in Higher Education Institutions. This sub-committee meets a minimum of twice a year.

The Finance Committee

This considers in detail the financial results against plan for the current year, the forecast results for the current and following year, the cash position and the performance of investments. This committee also assesses the policies relating to Grant Making and Bursaries, Investments and Reserves. This sub-committee meets a minimum of twice a year.

The Nominations and Governance Committee

This committee considers and recommends to the Board all prospective appointments to the Board of Trustees having assessed the type of skills and experience deemed necessary for the Board to function as effectively as possible. This committee will also recommend to the Board all candidates considered for Honorary Fellow status, as well as all nominations for the annual UCEM Property Award. This sub-committee is also charged with ensuring that the governance practice is adhered to by UCEM as a registered charity in the higher education sector. This sub-committee meets a minimum of twice a year.

The Remuneration Committee

This sub-committee meets annually, or as required, to consider the remuneration package for the Principal, the Executive and those earning in excess of £100k and receive a report on the annual pay review for staff.

Executive Team

The Executive Team, whose responsibility is to focus on the strategic approach for UCEM, monitor the external environment, horizon scan, planning accordingly. This group is Chaired by the Principal.

Senior Leadership Team

The day-to-day management and delivery of the institution is entrusted to the Principal, supported by a SLT whose role is to deliver the strategic objectives set by the Board of Trustees, and ensure operational oversight.

Trustee recruitment

The terms of appointment for the Independent and Staff Trustees (other than those who are ex-officio) is three years. At the end of each three-year period these trustees are eligible for reappointment for one further term of three years.

Under the Royal Charter Student there is provision for two Staff Trustees, and two Student Trustees. Student Trustees are appointed for a one-year term which may be renewed for a further one-year term. The Board aims to have a Student Trustee representing undergraduate students, and a Student Trustee representing postgraduate students to ensure the UCEM Student Community is represented at Board level.

The Board also operates a Board Apprentice Scheme, to provide an opportunity for up to two UCEM alumni to gain experience at Board level for up to two years. The Board Apprentice(s) have full access to Board papers but do not have voting rights.

When vacancies arise for new trustees, the Nominations and Governance Committee run an open and transparent recruitment process, with the aim that the Board is comprised of 50% independent trustees who bring knowledge of the built environment sector, and 50% who bring knowledge of Higher Education. As part of the recruitment process consideration is given to diversity, to ensure that the Board maintains its current levels of diversity, as a member of the 30% Club. Due regard is also given to succession planning of future trustees with an aim to ensure there remains an appropriate blend of experience for future years.

All trustees, other than the Principal and Staff Trustees, give their time voluntarily and receive no benefits from the institution. Any expenses reclaimed from the institution are set out in Note 5: Staff Costs.

Appointment of trustees

It is a requirement of the role that the Principal of UCEM is a trustee. UCEM also has two staff trustees, and two student trustees.

The details of all prospective new trustees identified by the Nominations and Governance Committee are presented to the Board for approval. The details presented will consist of the individual's Curriculum Vitae and include highlights of any achievements and specialisms gained.

Should the individuals proposed be approved to join the Board they are invited to attend the next Board meeting. Appointments normally run from the Board meeting at which the nomination is approved.

No other person or body is entitled to appoint one or more of the institution's trustees.

Trustee induction and training

Each new trustee is sent a comprehensive briefing pack on appointment. This includes background reading about UCEM, the Royal Charter and Bye-Laws, and the most recent set of statutory accounts. All new trustees are then invited to an Induction with the University College Secretary and given the opportunity to discuss any queries they may have with the Principal and the Executive Team. UCEM promotes trustee training by providing all trustees with relevant Charity Commission guidance on serving as a trustee, as well as funding attendance at appropriate courses and seminars that are organised by third parties. In addition, new trustees are allocated a mentor from one of the existing members of the Board.

Once appointed, all trustees are subject to an annual appraisal with either the Chair or Vice Chair. UCEM is committed to meeting all relevant training needs identified by this process.

Related parties and relationships with other organisations

The consolidated accounts include UCEM together with its subsidiaries, UCEM Courses Limited and UCEM Asia Limited. UCEM Courses Limited is a wholly owned subsidiary that delivers bespoke course content to corporate clients. UCEM Asia Limited is a wholly owned subsidiary incorporated in Hong Kong that supports UCEM's marketing and teaching in Hong Kong.

In 2022-23 UCEM continued to deliver teaching for Level 6 Apprenticeships as a subcontractor of Eastleigh College.

The programmes offered by UCEM are validated by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

Remuneration policy for key management personnel

UCEM's Remuneration Committee meets annually, or as required, to consider the remuneration package for the Principal, those employees earning over £100k, as well as the pay rises and discretionary bonus pool for all other staff. The Remuneration Committee has adopted the CUC Remuneration Code and applies this Code in the decisions related to senior pay. UCEM uses industry statistics and remuneration surveys (e.g. UCEA) to inform the committee's decisions.

Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of the institution to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The institution has adopted the CUC Higher Education Code of Governance, and endeavors to conduct its business aligned to the core values, objectives, and expectations of the Code. Nominations and Governance Committee review UCEM's values and objectives to governance with the CUC Code annually, or as and when the Code is updated.

Users of the accounts are referred to the Structure, governance and management section of this report for further details on the institution's governance and the work of the Nominations and Governance Committee.

In addition, UCEM meets the OFS Conditions of Registration related to governance (E2), and these governance requirements are also monitored by the Nominations and Governance Committee.

A key part of UCEM's internal control mechanism is the ongoing review by the Board, led by the Audit Committee, of the RAR, as detailed on pages 17-18 above. Further, Audit Committee reviews particular areas of the business according to the agreed audit plan. In addition to this, UCEM's Executive Finance Director provides regular updates to the Principal and Treasurer on the management accounts, and the budget is reforecast where necessary. Audit Committee also takes responsibility for monitoring UCEM general compliance activities, reporting to the full Board if there are areas of concern.

The trustees also regularly review UCEM's compliance with the OfS conditions of registration, with each condition reviewed during the year according to an agreed planner. Updates on UCEM's compliance with the OfS conditions of registration are also provided at deliberative committee meetings. UCEM has two conflicts of interest policies (one for members of the Board of Trustees and one for members of deliberative committees) and the declaration of any conflicts of interests forms the first agenda item on all Board meetings, has an approved anti-bribery policy, and a register of interests that every trustee must review and sign annually.

UCEM has reported on its Corporate Governance arrangements by drawing upon best practice available, including those aspects of these codes that the institution considers relevant to the higher education sector and best practice. As part of this UCEM has due regard to the Charity Governance Code.

The institution adopted the CUC Code during the financial year 2016-17 and has since adopted the Higher Education Code of Governance published by CUC in September 2020. In the opinion of the trustees, the institution now meets with the provisions of the CUC Code in all material respects. The trustees recognise that, as a charity and higher education institution, UCEM has a duty to observe the highest standards of corporate governance at all times.

The institution is a registered charity within the meaning of Part 3 of the Charities Act 2011. The trustees confirm that they have had due regard for the Charity Commission and that the required statements appear elsewhere in these financial statements.

On behalf of the Board of Trustees the Audit Committee considers reports, recommendations, and reviews on the effectiveness of the University's arrangements for risk management, internal control and governance and it has expressed itself satisfied that the systems and controls are effective, including for public funding received from the OfS, UK Research and Innovation UKRI, including Research England and other public funding bodies ensuring:

- a. regularity in the use of this public funding
- b. propriety in the use of public funding

Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the institution's and group's financial activities during the period and of their financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Further and Higher Education SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and

Trustees' annual report

For the year ended 31 July 2023

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the institution and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the institution and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Trustee's annual report for the year ended 31 July 2023

The trustees' annual report has been approved by the trustees on 30 November 2023 and signed on their behalf by



**Amanda Clack Dr. (hc) MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMi CMC
Chair of the Board**

Independent auditor's report to the Board of Trustees of UCEM

We have audited the financial statements of University College of Estate Management University ('the University') and its subsidiary ('the Group') for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Change in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2023 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and University 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 Board of Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and University'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 Board of Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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.

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.

Responsibilities of Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page 20, the Board of 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 they 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 Board of Trustees are responsible for assessing the Group and University'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 Board of Trustees either intend to liquidate all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the University Group and its operations, we considered that noncompliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the University Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and

- Considering the risk of acts by the University Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation and the OfS Accounts Direction.

In addition, we evaluated the Board of Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension obligations, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Other Required Reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

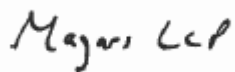
In light of the knowledge and understanding of the group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the Board of Trustees as a body in accordance with paragraph 4 of the University's Royal Charter and Bye-Law and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of 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 Group and University and the Board of Trustees as a body for our audit work, for this report, or for the opinions we have formed.



DRA Bott (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street, Bristol BS1 6DP
Date: 7 December 2023

University College of Estate Management

Consolidated and UCEM Statement of Comprehensive Income and Expenditure

For the year ended 31 July 2023

	Notes	2023 Consolidated £	UCEM £	2022 Consolidated £	UCEM £
Income					
Tuition fees and education contracts	1	17,403,678	17,403,678	15,823,298	15,823,298
Other income	2	1,325,524	1,257,158	990,987	941,249
Investment income	3	306,533	306,392	251,570	251,569
Total income before endowments and		19,035,735	18,967,228	17,065,855	17,016,116
Donations	4	-	-	-	166,375
Total income		19,035,735	18,967,228	17,065,855	17,182,491
Expenditure					
Staff costs	5	13,934,865	13,633,047	12,530,418	12,272,113
Other operating expenses	7	3,499,531	3,724,508	3,111,387	3,294,900
Depreciation and impairment charges	10	323,027	321,313	312,446	312,212
Interest and other finance costs	6	11,195	758	5,659	351
Total expenditure		17,768,618	17,679,626	15,959,910	15,879,576
Surplus/(deficit) before other gains/ losses		1,267,117	1,287,602	1,105,945	1,302,915
Net gain/(loss) on investments	12	(246,203)	(246,203)	(456,855)	(456,855)
Surplus/(deficit) of operating activities		1,020,914	1,041,399	649,090	846,060
Loss on revaluation of subsidiaries	14	-	(250,100)	-	-
Surplus/(deficit) before tax		1,020,914	791,299	649,090	846,060
Taxation	8	-	-	-	-
Surplus/(deficit) for the year		1,020,914	791,299	649,090	846,060
Other Comprehensive income:					
Actuarial (loss)/gain in respect of pension schemes		242,181	242,181	(1,949,056)	(1,949,056)
Total comprehensive income for the year		1,263,095	1,033,480	(1,299,966)	(1,102,996)
Represented by:					
Restricted comprehensive income for the year		(14,499)	(14,499)	(12,138)	154,237
Unrestricted comprehensive income for the year		1,277,593	1,047,979	(1,287,828)	(1,257,233)
Attributable to UCEM		1,263,094	1,033,480	(1,299,966)	(1,102,996)
		1,263,094	1,033,480	(1,299,966)	(1,102,996)
Surplus for the year attributable to:					
UCEM		1,263,094	1,033,480	(1,299,966)	(1,102,996)

All items of income and expenditure relate to continuing activities.

University College of Estate Management

Consolidated and UCEM Statement of Change in Reserves

For the year ended 31 July 2023

Consolidated

	Income and expenditure account		Total £
	Restricted £	Unrestricted £	
Balance at 31 July 2021	484,731	19,801,347	20,286,078
Surplus/(deficit) from the income and expenditure statement	(12,138)	(1,287,828)	(1,299,966)
Total comprehensive income for the year	(12,138)	(1,287,828)	(1,299,966)
Balance at 31 July 2022	472,593	18,513,519	18,986,112
Surplus/(deficit) from the income and expenditure statement	(14,499)	1,277,593	1,263,094
Total comprehensive income for the year	(14,499)	1,277,593	1,263,094
Balance at 31 July 2023	458,095	19,791,112	20,249,206

UCEM

	Income and expenditure account		Total £
	Restricted £	Unrestricted £	
Balance at 31 July 2021	318,356	19,928,241	20,246,597
Surplus/(deficit) from the income and expenditure statement	154,237	(1,257,233)	(1,102,996)
Total comprehensive income for the year	154,237	(1,257,233)	(1,102,996)
Balance at 31 July 2022	472,593	18,671,008	19,143,601
Surplus/(deficit) from the income and expenditure statement	(14,499)	1,047,979	1,033,481
Total comprehensive income for the year	(14,499)	1,047,979	1,033,481
Balance at 31 July 2023	458,094	19,718,987	20,177,082

University College of Estate Management

Consolidated Statement of Cash Flow

For the year ended 31 July 2023

	Notes	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Cash flow from operating activities (Deficit)/surplus for the year			
Adjustment for non-cash items		1,020,914	649,090
Depreciation and impairment charges	10	323,027	312,446
(Gain)/loss on investments	12	246,203	456,855
(Increase) in trade and other receivables	15	(338,686)	(695,264)
Increase/(decrease) in trade and other payables	16 & 17	305,859	(58,025)
Increase/(decrease) in pension provision	18	(155,154)	1,883,758
Adjustment for investing or financing activities		242,182	(1,949,056)
Investment income	3	(306,533)	(251,570)
Interest and other finance costs	6	11,195	5,659
Net cash inflow from operating activities		1,349,006	353,893
Cash flows from investing activities			
Investment income	3	306,533	251,570
Payments made to acquire fixed assets	10	(252,649)	(108,019)
Payments made to acquire investments	12	(34,223)	(6,950,759)
Proceeds from sale of investments	12	34,167	4,716,292
		53,828	(2,090,916)
Cash flows from financing activities			
Interest and other finance costs	6	(11,195)	(5,659)
		(11,195)	(5,659)
(Decrease)/Increase in cash and cash equivalents in the year		1,391,639	(1,742,682)
Cash and cash equivalents at beginning of the year		2,630,656	4,373,338
Cash and cash equivalents at end of the year		4,022,295	2,630,656

University College of Estate Management
Consolidated and UCEM Balance Sheets

As at 31 July 2023

		As at 31 July 2023		As at 31 July 2022	
		Consolidated	UCEM	Consolidated	UCEM
		£	£	£	£
Fixed assets					
Intangible Fixed assets	10	198,216	198,216	239,211	239,211
Tangible Fixed assets	11	6,684,262	6,674,073	6,713,645	6,711,232
Investment properties	12	1,700,000	1,700,000	1,700,000	1,700,000
Investments	13	8,368,616	8,369,615	8,614,819	8,865,918
		16,951,094	16,941,904	17,267,675	17,516,361
Current assets					
Debtors (including £1,910,261 (2020: £1,434,772) due after one year)	15	5,214,509	5,183,196	4,875,823	4,867,074
Cash at bank and in hand		4,022,295	3,940,219	2,630,603	2,497,821
		9,236,804	9,123,415	7,506,426	7,364,895
Creditors: amounts falling due within one year	16	(2,365,071)	(2,314,616)	(2,298,242)	(2,247,908)
Net current assets/(liabilities)		6,871,733	6,808,799	5,208,184	5,116,987
Total assets less current liabilities		23,822,827	23,750,703	22,475,859	22,633,348
Creditors: amounts falling due after one year	17	(564,171)	(564,171)	(325,142)	(325,142)
Provisions	18	(3,009,450)	(3,009,450)	(3,164,605)	(3,164,605)
Total net assets		20,249,206	20,177,082	18,986,112	19,143,601
Restricted Reserves					
Income and expenditure reserve - restricted reserve		458,094	458,094	472,593	472,593
Unrestricted Reserves					
Income and expenditure reserve - unrestricted Income and expenditure reserve - designated		10,848,418	10,776,294	9,442,578	9,600,067
		8,942,694	8,942,694	9,070,941	9,070,941
		19,791,112	19,718,988	18,513,519	18,671,008
Total Reserves		20,249,206	20,177,082	18,986,112	19,143,601

The financial statements were approved by the Governing Body on 30 November 2023 and were signed on its behalf on that date.

The accompanying notes and policies on pages 26 to 54 form part of these financial.



A Wheaton
Principal



A Clack
Chair
MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMi CMC

Statement of accounting policies

For the year ended 31 July 2023

a) Statutory information

University College of Estate Management is a Royal Charter charity registered with the Charity Commission for England and Wales.

The registered office address and principal place of business is Horizons, 60 Queens Road, Reading, RG1 4BS.

b) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS)102. UCEM is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. They have been prepared in accordance with the Accounts Direction issued by the Office for Students (OfS 9, the Terms and Conditions of Funding for Higher Education Institutions) and the Terms and Conditions of Grant by the British Council.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

(c) Basis of consolidation

These financial statements consolidate the results of UCEM and its subsidiary entities as detailed in note 12 on a line-by-line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet.

The trustees consider that UCEM is a going concern and have prepared the financial statements on this basis.

Performance is closely monitored against budget, and budgets are set annually with reference to the institution's long-term strategy, assumptions on student numbers and income, and the teaching and administrative support required.

The trustees set policies on reserves designed to balance the spending required in providing education across the academic periods to which the income relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any changes in financial circumstances. General reserves are held in the range of between three to twelve months operating expenditure.

Further information can be found in the Trustees Annual Report under the heading Reserves policy and going concern.

(d) Exemptions under FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

(e) Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Statement of accounting policies

For the year ended 31 July 2023

Fee income is stated gross of any expenditure and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Discounts, bursaries and scholarships provided by UCEM are shown as expenditure.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds UCEM receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of UCEM where UCEM is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

(f) Grant funding

Grant funding from ESFA apprenticeships are recognised as income when UCEM is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

(g) Donations

Non exchange transactions without performance related conditions are donations. Donations with donor-imposed restrictions are recognised in income when UCEM is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when UCEM is entitled to the funds.

Investment income is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms.

The main types of donations identified within reserves are:

- a) Restricted donations - the donor has specified that the donation must be used for a particular objective.
- b) Unrestricted donations - the donor has not specified that the donation must be used for a particular objective.

(h) Accounting for retirement

Defined benefit plan

The group participates in the Universities Superannuation Scheme (USS), a defined benefit scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The group is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by section 28 of FRS 102, accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. UCEM also complies with FRS 102 section 28.11A. UCEM has entered into an agreement with USS to fund its deficits and recognises a liability for the contributions payable that arise from this agreement. The expense resulting from this liability and any movements in this liability are recognised in the consolidated statement of comprehensive income and expenditure.

Defined Contribution Plan

The group also operates a Group Personal Pension (GPP) and an Auto-Enrolment Compliant (AE) defined contribution scheme. The assets of these schemes are individually held by their members. Contributions to these schemes in the year were charged to the consolidated statement of comprehensive income and expenditure as incurred.

(i) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to UCEM. Any unused benefits are accrued and measured as the additional amount UCEM expects to pay as a result of the unused entitlement.

Leases

(i) Finance leases

Leases in which UCEM assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Assets held under finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation, and impairment losses. Minimum lease payments are apportioned between a finance charge and a reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

(k) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

(l) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Intangible assets

Third party software is capitalised where the purchase price exceeds £5,000. Amortisation costs are allocated on the basis of estimated useful life up to the maximum period of the supplier warranty. All other costs are amortised over 5 years on a straight line basis.

Tangible assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Statement of accounting policies

For the year ended 31 July 2023

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives in use are as follows:

Freehold buildings	50 years
Leasehold Improvement	20-40 years
Fixtures and Fittings	10 years
Plant & Machinery	15 years
Telephone system	10 years
Furniture	10 years
Plant and equipment	5 years
Motor vehicles	4 years
Computers	3 years

No depreciation is provided on freehold land as it is deemed to have an infinite life.

(m) Investment Properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income and expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

(n) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of comprehensive income and expenditure. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments". UCEM does not acquire derivatives or other complex financial instruments.

Investments in associates and subsidiaries are carried at cost less impairment in UCEM's account.

Current asset investments are held at fair value with movements recognised in the statement of comprehensive income and expenditure.

(o) Bursaries

UCEM holds a designated bursary fund as part of its reserves. This fund is invested in UK common investment funds in order to generate income from which bursaries are paid. Bursaries, in the context of UCEM's operations, include fee waivers that effectively discount the cost of study for students with special circumstances and only in very limited cases are these sums paid directly to students.

(p) Debtors

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

(q) Cash and cash equivalents

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

(r) Provisions, contingent liabilities and contingent

Provisions are recognised in the financial statements

- (a) UCEM has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives UCEM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives UCEM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

(s) Taxation

UCEM is a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly is exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (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.

(t) Reserves

Reserves are classified as restricted or unrestricted.

Restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

(u) Critical Accounting Estimates and Judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical Accounting Estimates

Recoverability of Debtors

The provision for doubtful debts is based on estimates of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the consumer, the age profile of the debt and the nature of the amount due.

Retirement Benefit Obligations

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 22.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

As the Institution is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit recovery payment required as a percentage of future salaries until 2038. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 22.

Critical Judgements and Assumptions

Income Recognition

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

An element of income recoverable in respect of apprenticeships following their End Point Assessment is recognised over the duration of their study with UCEM and is subject to judgements on future withdrawal rates.

(v) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Institution becomes a party to the contracted provisions of a financial instrument and they are classified according to the substance of the contractual arrangements entered into.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value, unless the arrangement constitutes a financing transaction. If the arrangement constitutes a financing transaction, the financial assets or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Investments

Investments are publicly traded, or where their fair value can be measured reliably, are subsequently measured at fair value with movements recognised in the statement of comprehensive income.

Other investments, including investments in subsidiaries and associates, are subsequently measured at cost less any provision for impairment in their value.

Debt Instruments

Debt instruments payable are subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 31 July 2023

1 Tuition fees and education contracts

	Year ended 31 July 2023		As at 31 July 2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Apprenticeships	10,319,252	10,319,252	7,965,362	7,965,362
Non-Apprenticeships income	7,084,426	7,084,426	7,857,936	7,857,936
	17,403,678	17,403,678	15,823,298	15,823,298

2 Other income

	Year ended 31 July 2023		As at 31 July 2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Grant income from the OfS	1,200,142	1,200,142	920,222	920,222
Hong Kong ESS Government Grant	-	-	12,228	-
Government Grant from Coronavirus Job Retention Scheme	-	-	1,225	1,225
Fee income for research awards	35,550	35,550	8,427	8,427
Corporate services - UCEM Courses	68,367	-	37,510	-
Other income	21,466	21,466	11,375	11,375
	1,325,524	1,257,158	990,987	941,249

3 Investment income

	Year ended 31 July 2023		As at 31 July 2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Investment property	33,357	33,357	43,635	43,635
General reserves	183,238	183,238	147,025	147,025
Designated reserves	59,718	59,718	59,718	59,718
Other investment income	30,220	30,079	1,192	1,191
	306,533	306,392	251,570	251,569

4 Donations

	Year ended 31 July 2023		As at 31 July 2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Donations with restrictions	-	-	-	166,375
	-	-	-	166,375

Notes to the financial statements

For the year ended 31 July 2023

5 Staff costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Salaries	10,866,816	10,626,316	9,909,832	9,689,563
Social security costs	1,043,400	1,039,400	939,146	934,517
Other pension costs	1,253,722	1,241,908	1,051,062	1,032,134
Other staff costs	770,927	725,423	630,378	615,899
Total	13,934,865	13,633,047	12,530,418	12,272,113

Remuneration in excess of £100,000 of higher paid staff (Head of Providers remuneration includes P11D benefit), excluding bonus, employer's pension contributions and employer's national insurance [all shown before any salary sacrifice]:

	2023 No.	2022 No.
£100,000 to £104,999	1	-
£110,000 to £114,999	1	-
£125,000 to £129,999	-	1
£140,000 to £144,999	1	-
£215,000 to £219,999	1	1
	4	2

Average staff numbers by major category :

	2023 No.	2022 No.
Academic	45	45
Research	3	2
Management & specialist	8	8
Technical	11	7
Other	188	171
	255	233

Average staff numbers by FTE:

	2023 No.	2022 No.
Average Academic Staff numbers	64.40	67.87
Average Non-Academic Staff numbers	194.80	170.39
	259.20	238.26

Compensation for loss of office payable to a senior post-holder:

	2023 £	2022 £
Compensation payable recorded within staff costs	-	-

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of UCEM. Staff costs includes compensation paid to key management personnel. The figures below include employer national insurance and employer pension contributions.

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Key management personnel compensation	1,269,987	1,198,520

Notes to the financial statements

For the year ended 31 July 2023

5 Staff costs (continued)

Trustees

UCEM's Board of Trustee members are trustees for the purposes of charity law. Due to the nature of UCEM's operations and the composition of the Board of Trustees, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a trustee may have an interest. All transactions involving organisations in which a trustee may have an interest, including those identified below, are conducted at arms length and in accordance with UCEM's Financial Regulations and usual procurement procedures.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

In accordance with the bye-laws of UCEM, 1 trustee (2022: 1) received remuneration for the services they provide in undertaking the role of Principal and not in respect of their services as trustee. Their remuneration during their period as a trustee was as follows:

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Principal - Ashley Wheaton		
Remuneration	253,046	252,680
Employer pension contributions	46,011	44,416
Other benefits	2,579	2,424
	<u>301,636</u>	<u>299,520</u>

The pension contributions are in respect of membership of the USS Scheme and are paid by the employer on the same basis as any other member's employer contribution.

Trustee travel, entertaining and subsistence

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Principal	771	-
Other trustees	910	1,470
	<u>1,681</u>	<u>1,470</u>

Other than as reported above, the trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No member of the trustees received payment for professional or other services supplied to the charity (2022: £nil).

5 Staff costs (continued)

Justification Statement: Head of Provider Remuneration

The number of staff with a full-time equivalent basic salary of over £100,000 for the 12 months up to 31 July 2023 is shown below. The number of staff has increased from two to five due to pay rises awarded in the August 2022 planned pay review round:

<u>Basic salary per annum</u>	<u>Number of staff (2022-23)</u>
£100,000 - £104,999	2
£110,000 - £114,999	1
£140,000 - £144,999	1
£215,000 - £219,999	1

The basic salary and performance-related bonus element of remuneration for the Head of Provider (the Principal) is agreed by the Remuneration Committee, which is a sub-committee of the Board of Trustees. All members of the Committee are independent trustees, and the Principal is not present during discussions about their remuneration. The Committee has regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs, when considering senior staff pay.

The Remuneration Committee met on 30 August 2022 and approved a basic salary increase of 3% from £213,180 to £219,575 per annum, from 1 August 2022. This represented an inflationary increase only, as the Committee were satisfied basic salary sat comfortably within the relevant Higher Education sector salary benchmarks, and it matched the percentage increase applied to the wider staff group.

In terms of a performance-related bonus for the year ending 31 July 2023, the Remuneration Committee met to consider this on 12 September 2023. Clear performance metrics had been set for the year to 31 July 2023, focused on four areas of work, namely 1) operational and overall business performance based on the CX9 targets; 2) strategic priorities around development of a financial resilience strategy, an estate strategy, delivery of GLOBE Stage 1, and work towards achieving University Title; 3) increasing the profile and brand of UCEM; and 4) personal development.

The Committee agreed it had been an exceptionally strong year for UCEM against performance of the core institutional metrics, and the Principal had made excellent progress in his enhanced external activities. Any areas where progress had not been at the desired levels, was accepted by the Committee as attributable to institutional capacity and resources, which would require a further plan of action. The Committee approved a performance-related bonus for the Principal for the year ending 31 July 2023, of £40,000.

Full details of the total remuneration package for the Principal, as at 31 July 2023:

- Basic salary: £219,575 per annum
- Bonuses and recognition awarded in respect of the financial year: £40,030
- Pension contributions: £46,011
- Salary Sacrifice: Childcare voucher £12 and Cycle to Work Scheme £260
- Other taxable benefits: Private medical insurance £2,790

For the financial year ending 31 July 2023, the pay multiple at UCEM is as follows:

- The head of the provider's basic salary is 5.30 times (2022: 5.15) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's total remuneration is 7.44 times (2022: 7.23) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

6 Interest and other finance costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Exchange differences	11,195	758	5,659	351
	11,195	758	5,659	351

7 Other operating expenses

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Academic and related expenditure	660,440	655,837	839,184	838,442
Administration and central services				
Premises	2,190,748	2,569,546	1,713,733	2,021,224
Catering and conferences	552,105	410,303	474,617	355,134
	96,238	88,821	83,853	80,100
	3,499,531	3,724,508	3,111,387	3,294,900
Other operating expenses include:				
External auditor remuneration - audit services	54,690		38,682	
External auditor remuneration - non-audit services	7,200		1,409	
Operating lease rentals:				
• Other	185,296		177,990	

Access and Participation Expenditure

	Year ended 31 July 2023		Year ended 31 July 2022	
	£	£	£	£
Access Investment	49,901	49,901	80,017	80,017
Financial Support	28,701	28,701	33,013	33,013
Support for Disabled Students	35,141	35,141	48,686	48,686
Research and Evaluation	17,680	17,680	13,653	13,653
	131,423	131,423	175,369	175,369

The above Access and Participation expenditure includes staff costs of £87,930 (2022: £86,740). These staff costs are included in the total staff costs in Note 5 to the financial statements. Further details on the Access and Participation strategy can be found on UCEM's website.

8 Taxation

UCEM is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Recognised in the statement of comprehensive income

	2023 £	2022 £
Current tax		
Current tax expense	-	-
Adjustment in respect of previous years	-	-
Current tax expense	-	-

University College of Estate Management

Notes to the financial statements

For the year ended 31 July 2023

Total tax expense

-

-

9 Related party

Amanda Clack, a Trustee and Chair, was Head of Strategic Advisory of CBRE and Non-Executive Director of Countryside Partnerships (resigned in November 2022). CBRE and Countryside Partnerships are sponsoring a number of students who are studying with UCEM. During the year UCEM invoiced CBRE for £12,000 (2022: £3,875) and also received £112,452 (2022: £252,870) income on CBRE Apprentices who are studying with UCEM. During the year UCEM invoiced Countryside Partnerships for £4,700 (2022: £Nil) and received £20,520 (2022: £45,721) income on Countryside Partnerships Apprentices.

Nick Braisby and Ashley Wheaton, Trustees, are on the Executive Board of Guild HE. During the year Guild HE invoiced UCEM for £21,895 (2022: £19,755).

Ashley Wheaton is also a Trustee of JISC. During the year JISC invoiced UCEM for £27,732 (2022: £7,166).

Gareth Ralphs, a Trustee, is Head of Policy and Inward Investment, Thames Valley Chamber of Commerce Group. During the year Thames Valley Chamber of Commerce Group invoiced UCEM for £3,840 (2022: £3,840).

Mrs Misa Lane von Tunzelman, a Trustee, is Head of Corporate Affairs and Marketing - Europe of Lendlease. Lendlease were sponsoring a number of students who were studying with UCEM. During the year UCEM invoiced Lendlease £Nil (2022: £1,100).

Christopher Costigan, a Trustee, is a member of the Strategic Advisory Group (Governance) of Advance HE. During the year, Advance HE invoiced UCEM for £4,925 (2022: £2,850).

10 Intangible Fixed Assets - Group

	Computer software	Total
	£	£
Cost		
At 31 July 2022	365,651	365,651
Additions	44,410	44,410
	<u>410,061</u>	<u>410,061</u>
At 31 July 2023	<u>410,061</u>	<u>410,061</u>
Depreciation		
At 31 July 2022	126,440	126,440
Charge for the year	85,405	85,405
	<u>211,845</u>	<u>211,845</u>
At 31 July 2023	<u>211,845</u>	<u>211,845</u>
Net book value		
At 31 July 2023	<u>198,216</u>	<u>198,216</u>
At 31 July 2022	<u>239,211</u>	<u>239,211</u>

10 Tangible Fixed Assets - Group

	Freehold land and buildings	Equipment and motor vehicles	Computer system	Total £
	£	£	£	
Cost				
	7,005,250	718,187	1,351,706	9,075,143
At 31 July 2022	-	5,523	202,716	208,239
Additions	-	15,779	(410)	15,369
Restatement	-	(19,212)	(23,594)	(42,806)
Disposals	-	-	-	-
At 31 July 2023	7,005,250	720,278	1,530,418	9,255,946
Depreciation				
At 31 July 2022	609,352	465,068	1,287,078	2,361,498
Charge for the year	100,105	52,339	85,178	237,622
Restatement	(399)	15,768	-	15,369
Disposals	-	(19,212)	(23,594)	(42,806)
At 31 July 2023	709,058	513,963	1,348,662	2,571,684
Net book value				
At 31 July 2023	6,296,192	206,315	181,755	6,684,262
At 31 July 2022	6,395,898	253,119	64,628	6,713,645

All of the above assets are used for charitable purposes.

Freehold land and buildings are the premises planned and designed specifically for UCEM. Financial Reporting Standards require the premises to be included in the financial statements at replacement cost where this is less than actual cost. An Existing Current Use with Vacant Possession valuation was carried out by Knight Frank LLP on 23 June 2016. This valuation was lower than actual cost so an impairment at £1,108,012 was recognised in the year ended 31 July 2016. This was as anticipated and in accordance with the trustees' business plan for the acquisition of the building.

10 Intangible Fixed Assets - UCEM

	Computer software £	Total £
Cost		
At 31 July 2022	365,651	365,651
Additions	44,410	44,410
	<u>410,061</u>	<u>410,061</u>
At 31 July 2023	<u>410,061</u>	<u>410,061</u>
Depreciation		
At 31 July 2022	126,440	126,440
Charge for the year	85,405	85,405
	<u>211,845</u>	<u>211,845</u>
At 31 July 2023	<u>211,845</u>	<u>211,845</u>
Net book value		
At 31 July 2023	<u>198,216</u>	<u>198,216</u>
At 31 July 2022	<u>239,211</u>	<u>239,211</u>

10 Tangible Fixed Assets - UCEM

	Freehold land and buildings £	Equipment and motor vehicles £	Computer system £	Total £
Cost				
At 31 July 2022	7,005,250	718,187	1,349,059	9,072,496
Additions	-	1,360	197,388	198,748
Restatement	-	15,779	(410)	15,369
Disposals	-	(19,212)	(23,594)	(42,806)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2023	7,005,250	716,115	1,522,443	9,243,808
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation				
At 31 July 2022	609,352	465,068	1,286,844	2,361,264
Charge for the year	100,105	52,214	83,588	235,908
Restatement	(399)	15,768	-	15,369
Disposals	-	(19,212)	(23,594)	(42,806)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2023	709,058	513,838	1,346,838	2,569,735
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 31 July 2023	6,296,192	202,276	175,605	6,674,073
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 July 2022	6,395,898	253,119	62,215	6,711,232
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All of the above assets are used for charitable purposes.

Freehold land and buildings are the premises planned and designed specifically for UCEM. Financial Reporting Standards require the premises to be included in the financial statements at replacement cost where this is less than actual cost. An Existing Current Use with Vacant Possession valuation was carried out by Knight Frank LLP on 23 June 2016. This valuation was lower than actual cost so an impairment at £1,108,012 was recognised in the year ended 31 July 2016. This was as anticipated and in accordance with the trustees' business plan for the acquisition of the building.

Notes to the financial statements

For the year ended 31 July 2023

10 Investment properties

The investment property is Shinfield Grange, Cutbush Lane East, Shinfield, Reading, RG2 9AF and was last valued on 24 October 2022 by Knight Frank LLP at £1,600,000, fair value in its current physical condition with vacant possession. The trustees have reviewed this and consider that £1,700,000 remains an appropriate reflection of the property's value for the financial year 2022-23.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Fair value at the start of the year	1,700,000	1,700,000	1,700,000	1,700,000
Net gain on change in fair value	-	-	-	-
Fair value at the end of the year	1,700,000	1,700,000	1,700,000	1,700,000

12 Non-current asset investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Fair value at the start of the year	8,614,763	8,865,862	6,837,151	6,962,761
Additions at cost	34,223	34,223	6,950,759	6,950,759
Disposal proceeds	(34,167)	(284,267)	(4,716,292)	(4,716,292)
Net gain/(loss) on change in fair value	(246,203)	(246,203)	(456,855)	(456,855)
	8,368,616	8,369,615	8,614,763	8,740,373
Cash held with investment manager	-	-	56	56
Transfer	-	-	-	125,489
Fair value at the end of the year	8,368,616	8,369,615	8,614,819	8,865,918

Investments comprise:

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
UK Common investment funds				
• General UCEM fund	5,844,722	5,844,722	6,017,715	6,017,715
• Designated bursary fund	2,057,195	2,057,195	2,118,084	2,118,084
• Restricted funds	466,699	466,699	478,964	478,964
Cash held with investment manager				
• General UCEM fund	-	-	-	-
• Designated bursary fund	-	-	-	-
• Restricted funds	-	-	56	56
Investment in subsidiary undertakings	-	999	-	251,099
	8,368,616	8,369,615	8,614,819	8,865,918

Notes to the financial statements

For the year ended 31 July 2023

13 Subsidiary undertakings

The following entities are recognised as subsidiaries of UCEM due to being wholly-owned by UCEM. All activities have been consolidated on a line by line basis in the statement of comprehensive income and expenditure.

Company	Country of registration	Registration number	Interest	Principal activities
UCEM Courses Limited	UK	2169181	100% owned	Non-primary purpose trading activities
UCEM Asia Limited	Hong Kong	2290068	100% owned	Promoting UCEM and coordinating support for local students

The registered address for UCEM Courses Limited is Horizons, 60 Queens Road, Reading, RG1 4BS and for UCEM Asia Limited is Unit 2, 16/F Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.

14 Revaluation of Subsidiaries

UCEM Courses Limited ceased trading on 31 July 2023 transferring all of its assets and liabilities to UCEM, which will continue to operate training and continuing professional development activities within the UCEM brand. It is intended to wind up UCEM Courses Limited as soon as practically possible.

UCEM	Year ended 31 July	
	2023 £	2022 £
Loss on revaluation	250,100	-

University College of Estate Management

Notes to the financial statements

For the year ended 31 July 2023

15 Debtors

	2023		2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Amounts falling due within one year:				
Other trade receivables	1,107,064	1,083,500	1,110,398	1,087,402
Other receivables	26,253	4,498	28,391	222
Prepayments and accrued income	2,170,931	2,139,942	2,302,262	3,730,394
Amounts due from subsidiary companies	-	44,995	-	49,056
Amounts falling due later than 1 year:				
Prepayments and accrued income	1,910,261	1,910,261	1,434,772	-
	5,214,509	5,183,196	4,875,823	4,867,074

Amounts falling due later than 1 year are prepayments and accrued income of £1,910,261 (2022: £1,434,772), of which £1,888,676 (2022: £1,415,244) is due to be paid by the ESFA once apprentices go through the End Point Assessment at the end of their individual apprenticeship programmes.

Of the ESFA accrued income, £849,242 (2022: £832,611) is receivable after 1 year, £1,014,291 (2022: 582,634) between 2 to 4 years and £25,143 (2022: nil) in more than 4 years, based on different cohorts of apprentices having different end point dates.

16 Creditors: amounts falling due within one year

	2023		2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Trade payables	313,973	307,296	274,175	268,363
Other payables	1,520,654	1,503,009	1,463,838	1,453,952
Finance Leases	28,660	28,660	-	-
Amounts due to subsidiary companies	-	-	-	-
Deferred income	497,513	473,978	556,925	525,399
VAT	4,271	1,673	3,304	194
	2,365,071	2,314,616	2,298,242	2,247,908

17 Creditors: amounts falling due after one year

	2023		2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Finance Leases	37,060	37,060	-	-
Accruals	527,111	527,111	325,142	325,142
	564,171	564,171	325,142	325,142

Accruals falling due after one year include £383,397 (2022: £325,142) which relates to costs associated with End Point Assessment for Apprenticeships.

UCEM has an overdraft facility of £250,000 secured by a legal charge against its premises which has not been utilised.

University College of Estate Management

Notes to the financial statements

For the year ended 31 July 2023

17 Creditors: amounts falling due after one year (Continued)

Finance Leases

Minimum lease payments under finance leases fall due as follows:

	2023		2022	
	Consolidated	UCEM	Consolidated	UCEM
Within 1 year	28,660	28,660	-	-
Between 1-2 years	37,060	37,060	-	-
Between 2-5 years	-	-	-	-
	65,720	65,720	-	-

Deferred income

Included within deferred income are the following items of income which have been deferred.

	2023		2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Current Academic Offer	470,433	470,433	287,343	287,343
Corporate services - UCEM Courses	27,080	27,080	31,526	31,526
	497,513	497,513	318,869	318,869

Cash and cash equivalents

	At 1 August 2022	Cash flows	At 31 July 2023
	£		£
Cash at bank and in hand	2,630,603	1,391,692	4,022,295
Cash held by investment manager Bank	56	(56)	-
Overdraft	-	-	-
	2,630,659	1,391,636	4,022,295

Notes to the financial statements

For the year ended 31 July 2023

18 Provisions for liabilities

Consolidated and UCEM

	2023	2022
	£	£
Obligation to fund deficit on USS pension		
At the start of the year		
Movement in the year	3,164,605	1,280,847
	(155,155)	1,883,758
At the end of the year	3,009,450	3,164,605

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Further information can be found in Note 22.

19 Financial instruments

	2023		2022	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Financial assets at fair value through Statement of comprehensive Income				
Listed Investments	-	-	-	-
Financial assets that are equity instruments measured at cost less impairment				
Other Investments	8,368,616	8,369,615	8,614,819	8,865,918
Financial assets that are debt instruments measured at amortised cost				
Cash at bank and in hand	4,022,295	3,940,219	2,630,603	2,497,821
Other debtors	5,214,509	5,181,308	4,875,823	4,633,133
Financial Liabilities				
Financial liabilities measured at amortised cost				
Finance leases	65,720	65,720	-	-
Trade creditors	313,973	305,408	274,175	268,363
Other creditors	2,549,549	2,505,770	2,349,210	2,070,748

University College of Estate Management

Notes to the financial statements

For the year ended 31 July 2023

20a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
BCSC Educational Trust Fund	-				-
Philip Rose Award	339				339
BSc Estate Management Club	-				-
Marsh & Company	-				-
Harold Samuel Educ. Trust-Bursary Fund	-				-
Harold Crowter Prize fund	1,471				1,471
FJ Comerford Prize award	500				500
QS Student Bursary Fund	-				-
Centenary Fund	-				-
Harold Samuel Research Prize Fund	247,219				232,367
Peter Goodacre Fund	33,000	9,436	(24,288)		32,000
David Alexander Memorial Scholarship	190,064		(1,000)		191,417
		4,057	(2,704)		
Total restricted funds	472,593	13,493	(27,992)	-	458,094
Unrestricted funds:					
Designated funds:					
Fixed assets	6,952,857	252,649	(323,027)		6,882,479
Bursaries	2,118,084	59,739	(117,608)		2,060,215
Total designated funds	9,070,941	312,388	(440,635)	-	8,942,694
General funds	9,442,578	18,709,853	(17,304,013)		10,848,418
Total unrestricted funds	18,513,519	19,022,241	(17,744,648)	-	19,791,112
Total funds	18,986,112	19,035,734	(17,772,640)	-	20,249,206

University College of Estate Management

Notes to the financial statements

For the year ended 31 July 2023

20b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
BCSC Educational Trust Fund	1,472	-	(1,472)	-	-
Philip Rose Award	339	-	-	-	339
BSc Estate Management Club	1,286	-	(1,286)	-	-
Marsh & Company	2,032	-	(2,032)	-	-
Harold Samuel Educ. Trust-Bursary Fund	2,185	-	(2,185)	-	-
Harold Crowter Prize fund	1,471	-	-	-	1,471
FJ Comerford Prize award	500	-	-	-	500
QS Student Bursary Fund	150	-	(150)	-	-
Centenary Fund	6,880	-	(8,545)	1,665	-
Harold Samuel Research Prize Fund	268,041	9,433	(30,255)	-	247,219
Peter Goodacre Fund	34,000	-	(1,000)	-	33,000
David Alexander Memorial Scholarship	166,375	23,689	-	-	190,064
Total restricted funds	484,731	33,122	(46,925)	1,665	472,593
Unrestricted funds:					
Designated funds:					
Fixed assets	7,157,286	108,018	(312,447)	-	6,952,857
Bursaries	2,237,058	59,718	(182,378)	3,686	2,118,084
Total designated funds	9,394,344	167,736	(494,825)	3,686	9,070,941
General funds	10,407,003	16,864,996	(17,824,070)	(5,351)	9,442,578
Total unrestricted funds	19,801,347	17,032,732	(18,318,895)	(1,665)	18,513,519
Pension fund	-	-	-	-	-
Total funds	20,286,078	17,065,854	(18,365,820)	-	18,986,112

Notes to the financial statements

For the year ended 31 July 2023

20 Purposes of restricted funds

BCSC Educational Trust Fund - The provision of bursaries to UCEM students studying for the Diploma in Shopping Centre Management.

Philip Rose Award - To award a prize for excellence in an area of study.

BSc Estate Management Club - The provision of bursaries to undergraduate UCEM students.

Marsh & Company - The provision of bursaries to UCEM students.

Harold Samuel Educational Trust - The provision of bursaries for UCEM students.

Harold Crowter Prize fund - To award a prize for excellence in an area of study.

FJ Comerford Prize award - To award a prize for excellence in an area of study.

QS Student Bursary Fund - The provision of bursaries for UCEM students.

Centenary Fund - The provision of bursaries for UCEM students from the UK or internationally.

Harold Samuel Research Prize Fund - An annual award of up to £15,000 for an innovative research project that has the potential to provide industry-changing insight for the Built Environment. The Prize will be judged and awarded by a panel of experts from across the industry, UCEM staff and independent appointees. The Prize is open to applications from the UK and in any other part of the world.

Peter Goodacre Fund - To award £1,000 at every graduation for one student for 34 years

David Alexander Memorial Scholarship -To the provision of scholarships for students nominated by RICS Wales.

Purposes of designated funds

Fixed assets - This represents the net book value of the groups fixed assets.

Bursaries - The New Student Bursary Fund was established to encourage wider participation in UCEM courses.

Notes to the financial statements

For the year ended 31 July 2023

21 Lease obligations

Total rentals payable under operating leases for the group were:

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Payable during the year	118,054	119,287	17,370	15,456
Future minimum lease payments due:				
Not later than 1 year	107,844	93,630	15,559	13,189
Later than 1 year and not later than 5 years	37,688	-	6,928	13,1718.5
Total lease payments due	145,532	93,630	22,487	26,360

Total rentals receivable under operating leases for the group were:

	Property	
	2023	2022
	£	£
Receivable during the year	33,357	43,435
Future minimum lease receivable due: Not later than 1 year		
	2,450	3,049
Total lease receivable due	2,450	3,049

Notes to the financial statements

For the year ended 31 July 2023

22 Pension schemes

The total cost charged to the Consolidated Statement of Comprehensive Income is £1,026,659 (2022: £1,253,722) including Universities Superannuation Scheme, but excluding the impact of the change in the deficit recovery plan, as shown below.

Deficit recovery contributions due within one year for the institution are £244,414 (2022: £220,197).

Statement of comprehensive income - net pension cost in year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
USS	785,947	785,848	619,524	619,524
GPP	38,454	38,454	37,890	37,890
People's Pension	421,442	417,606	378,418	374,720
Manulife (HK)	7,879	-	15,230	-
	<u>1,253,722</u>	<u>1,241,908</u>	<u>1,051,062</u>	<u>1,032,134</u>

Statement of Financial Position - Pension Scheme Liability

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £	UCEM £	Consolidated £	UCEM £
USS	3,009,450	3,009,450	3,164,605	3,164,605
GPP	-	-	-	-
People's Pension	-	-	-	-
Manulife (HK)	-	-	-	-
	<u>3,009,450</u>	<u>3,009,450</u>	<u>3,164,605</u>	<u>3,164,605</u>

Different categories of staff joined one of four different schemes depending upon eligibility:

(1) Universities Superannuation Scheme (USS)

This is a defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

(2) Group Personal Pension Scheme (GPP)

Operating on a defined contribution basis in respect of pensionable service since 1 November 2004, the GPP has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 7%, Employee 2.5% (minimum).

For members of the former CEM Contracted Out Money Purchase Scheme who had joined that Scheme prior to April 1997 the rates of contribution, to the GPP, were as follows:

Age	UCEM	Member
40-49	9%	2.5% (minimum)
50-59	10%	2.5% (minimum)

This scheme is now closed to new members as it has been succeeded by an auto enrolment compliant scheme.

22 Pension Schemes (continued)

(3) Auto Enrolment Compliant Scheme (AE)

Operating on a defined contribution basis in respect of pensionable service since 1 January 2014, the AE scheme has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 7%, Employee 2.5% (minimum).

(4) Manulife (HK)

Operating on a defined contribution basis, this scheme is compulsory for all staff of UCEM Asia Limited in Hong Kong and has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 5%, Employee 5%, both up to a maximum of HK\$1,500 per month.

Unfunded Pensions

UCEM also provided unfunded pensions to an ex-employee. Payment in the year totalled £4,111 (2022: £5,311).

Universities Superannuation Scheme (USS)

UCEM participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. 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.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth 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 £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:
	1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward	Fixed interest gilt yield curve plus:
	Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

22 Pension Schemes (continued)

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 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2020 valuation 101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65

Existing benefits	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	4.17%	2.75%
Pensionable salary growth	2.33%	N/A
Price inflation (CPI)	0.00%	1.00%

Accounts

Charity number: 313223

University College of Estate Management

Report and financial statements for the year ended 31 July 2022

Contents

For the year ended 31 July 2022

Reference and administrative information	1
Trustees' annual report	4
Independent auditor's report to the Board of Trustees of UCEM.....	26
Consolidated and UCEM statement of comprehensive income and expenditure.....	30
Consolidated and UCEM statement of changes in reserves.....	31
Consolidated and UCEM cashflow.....	32
Consolidated statement of balance sheet	33
Statement of accounting policies	34
Notes to the financial statements.....	38

University College of Estate Management

Reference and administrative information

For the year ended 31 July 2022

Charity number: 313223 – registered in England and Wales

Registered office and operational address:

Horizons
60 Queen's Road
Reading
RG1 4BS

The institution also operates using the abbreviated name "UCEM".

Trustees

Trustees who served during the year and up to the date of this report were as

follows: Jatinder Kaur Brainch FCA	Honorary Treasurer
Amanda Clack Dr. (hc) MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMI CMC	Chair
Christopher D Costigan	Barrister FAUA FHEA FRSA
Helen Edwards BA (Hons) MA PG Cert AAUA	Staff Trustee
Amanda Milambo	Resigned 1 October 2021
Muhammed Ahmed	Resigned 7 July 2022
Grant Alexander	Resigned 31 July 2022
Andrew Hynard FRICS BSc	Resigned 31 March 2022
Dr Stephen Jackson FRGS FRSA	Vice Chair
Alastair G Martin FRICS FAAV	

University College of Estate Management

Reference and administrative information

For the year ended 31 July 2022

Professor Nicholas Braisby BA PhD CPsychol AFBPsS PFHEA

Professor Kenneth Miller LLB LLM PhD FRSA FIOSH

Misa Lane von Tunzelman FCIM

Chris Turley LLB (Hons)

Ashley P Wheaton BA (Hons)

Member ex-officio

Wendy Appleby BA MA MSc

Resigned 31 March 2022

Gareth Ralphs

Appointed 7 July 2022

Harps Kaur

Staff Trustee Appointed 7 July 2022

Joe Orrell

Student Trustee Appointed 7 July 2022

Dominic James O'Rourke

Appointed 25 November 2021

University College of Estate Management

Reference and administrative information

For the year ended 31 July 2022

Key management personnel – Executive Team

Ashley Wheaton	Principal
Jane Fawkes	Deputy Principal and University College Secretary
Wendy Finlay	Vice Principal Learning, Teaching and Apprenticeships
Lynne Downey	Vice Principal Digital Education and Professional Services
Stephen Bartle	Executive Director, Business Development and Apprenticeships
Tim Mills	Executive Director, Finance
Aled Williams	Executive Director, Innovations and Partnerships
Andy Youell	Executive Director, Regulations

Bank National Westminster Bank plc, PO Box 78, 13 Market Place, Reading, Berkshire, RG21 2EP

Solicitors DAC Beachcroft 100 Fetter Lane London EC4A 1BN
Field Seymour Parkes, 1 London Street, Reading, RG1 4PN

Auditor Mazars LLP, 90 Victoria St, Bristol, BS1 6DP

Investment Managers Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Insurance Adviser Jelf Insurance Brokers Limited, 1st Floor, Gail House, 5 Lower Stone Street, Maidstone, Kent, ME15 6NB

Trustees' annual report

For the year ended 31 July 2022

The trustees present their report and the audited financial statements for the year ended 31 July 2022.

Reference and administrative information are set out on pages 1 to 3 and forms part of this report. The financial statements comply with current statutory requirements, the institution's Royal Charter and Byelaws and the Statement of Recommended Practice: Accounting for Further and Higher Education (FEHE SORP) applicable to Higher Education institutions preparing their accounts in accordance with FRS 102.

Objectives and activities, Purposes and Aims

University College of Estate Management (UCEM) is concerned with education and training for all professions dealing with land, property, and construction. It was founded in 1919, incorporated by Royal Charter (RC000125) on 22 August 1922, and has been a registered independent charitable institution in England and Wales since 24 May 1963. In 1977, Her Majesty The Queen was graciously pleased to grant her patronage to UCEM. In 1998, His Majesty King Charles III (formerly His Royal Highness The Prince of Wales), became Patron of UCEM.

The governing documents of UCEM are its Royal Charter and Byelaws. In June 2018, following a petition to the Privy Council, a third Supplemental Charter was granted. The Supplemental Charter reflects that UCEM has taught degree awarding powers, and that on 11 November 2015, the institution was granted University College title by the Privy Council. Shortly thereafter "The College of Estate Management" rebranded as "University College of Estate Management" or "UCEM" for short.

The opportunity was also taken to update the Byelaws to reflect best practice corporate and academic governance.

The purposes of the institution as outlined in the Charter are as follows:

- To provide training and educational facilities at any level, and facilities for research, for all or any of the professions of surveyor, auctioneer, land or estate agent, or any other profession in land, buildings or property;
- This includes within the objects and purpose of the Charter, the development of course curriculum, material examinations, and the conferring of awards;
- To undertake research that will assist those in professions, and vocations as relevant to land, property, and building; and
- The provision of continuing professional development for those in the built environment sector.

Trustees' annual report

For the year ended 31 July 2022

UCEM fulfils the objects of the Charter and furthers its charitable purposes for the public benefit through the provision of online educational programmes, research, continuing professional development courses, and student bursaries.

UCEM provides educational programmes from Levels 4 to 7 of the Frameworks for Higher Education Qualifications (FHEQ). All the programmes offered by UCEM sit within the core objective of the Charter, and are directly linked to the surveying, and property professions. The programmes offered by UCEM are validated by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

UCEM achieved Taught Degree Awarding Powers from 1 January 2013, so all programmes that have launched since 2013 are awards conferred by the institution. UCEM received confirmation from the Privy Council in December 2018 that UCEM's taught degree awarding powers had been renewed for a further six-year period from the 1 January 2019. In 2021 UCEM applied to the Office for Students for Indefinite Degree Awarding Powers, and this following a review process has been approved by the Privy Council effective from 1 September 2022. UCEM continues to develop the resources provided to students through the Digital Education Team working with the subject experts to ensure material is interactive and engaging to students. UCEM offers eighteen programmes awarded by the institution, all of which are delivered online, so are accessible to students worldwide. This includes the delivery of the Level 6 and 7 Apprenticeship programmes, which are core to UCEM's purpose of providing vocational programmes accessible to all.

UCEM is transforming into a research-informed institution. With this, as part of UCEM's Research Strategy up to 2025, UCEM will place sustainability as central to UCEM's core purpose. UCEM have a clear intention to play a leading role in setting the built environment research agenda, nationally and internationally, through real-world focused research. UCEM's aspiration is to build upon UCEM's reputation to deliver world-leading, co-created research that shapes communities of the future, delivering global impact to support the creation of sustainable, resilient built environments that embrace ideas to improve the wellbeing and wider cultural lives of all their citizens. UCEM's new research strategy will acknowledge the new fast-changing realities in our towns and cities. Disruptive innovations, largely relying on the significant advance in digital technologies, have already made significant strides towards achieving sustainable, resilient, and more inclusive future cities. UCEM therefore will position itself in a way to best deliver against these new realities. Staff are poised to generate concepts and solutions that are designed to create ideas, digital tools and new infrastructure, that all work together to deliver solutions for new forms of living.

Trustees' annual report

For the year ended 31 July 2022

Staff have continued to produce a number of publications in peer-reviewed journals, conferences and books, including:

- Ritson J, Koch FH and Cox P (2021) 'Case Study: 19th-century Tenements in Use by a Housing Association at Lauriston Place in Edinburgh', in Labadi S, Giliberto F, Rosetti I, Shetabi L and Yildirim E *Heritage and the Sustainable Development Goals: Policy Guidance for Heritage and Development Actors*, [online], Paris: ICOMOS. Available at: www.icomos.org/en/focus/un-sustainable-development-goals/91455-icomos-releases-sustainable-development-goals-policy-guidance-for-heritage-and-development-actors [accessed 13 Oct 2021].
- Fedigan M (2021) 'Defects in Dispute: Common modern construction related defects and their context in construction disputes', *Journal of Building Survey, Appraisal & Valuation*, 10(1): 34-45.

Collaborative research projects include British Council funding to support sustainable energy research in collaboration with the British University of Egypt.

To make education and academic success accessible to all, and in the context of its charitable status, UCEM operates several bursary schemes to provide financial assistance to new students from disadvantaged backgrounds, students made redundant during their course and students with other special circumstances. Awards range from discounts in one semester for temporary challenges through to 100% fee bursaries for the lifetime of a programme. More details on UCEM's bursary awards are given in Note 18a: Movements in funds.

The trustees review the aims, objectives, and activities of the institution each year. They look at what the institution has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the institution has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the institution's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the institution's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategy

UCEM's core purpose is to provide truly accessible, relevant, and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a sustainable Built Environment.

UCEM has a five-year Institutional Strategy (2019-24) which sets out the strategic plan and goals to enable UCEM to realise its vision to be the 'Centre of Excellence for Built Environment Education'.

As the Centre of Excellence for Built Environment Education, UCEM will focus on maximising its Impact and Influence on both Education and Industry. In practical terms, this means a focus on

Trustees' annual report

For the year ended 31 July 2022

delivering greater impact through; Student Outcomes, Widening Participation, Student Satisfaction and Reach, whilst increasing influence by offering a greater Depth and Breadth of Education, engaging more with Education and Industry partners and actively Collaborating.

By maximising both our Impact and Influence; students, employers, Industry and the Higher Education Sector will regard UCEM as the obvious and best choice of institution for Built Environment qualifications.

In the context of the strategic plan, the Executive with the Senior Leadership Team set an annual plan for the year, which is approved by the Board of Trustees prior to the start of the financial year. This process occurs alongside budgetary planning, to ensure the appropriate resources are in place to deliver the plan for the forthcoming year.

The Board of Trustees meets four times per year, and as part of these meetings monitors delivery of the strategy, as well as holding an annual Strategy Day to review the strategy against the changing external context.

Performance of the plan is monitored against seven key institutional metrics and these key performance indicators ("the M7") are used to measure the success and achievements of the institution each year.

The metrics are defined in the following areas in the Strategic Plan 2019–24:

- Education; which focuses on achieving indefinite degree awarding powers, attaining a good Office for Standards in Education (Ofsted) rating, compliance with the Conditions of Registration with the Office for Students (OfS) and embedding & evaluating the student success project 'Transform';
- Student Outcomes: which is measured by student completion and module pass rates.
- Student Satisfaction; which is measured by satisfaction rates in the National Student Survey, Employer surveys, and the UCEM Student Experience Survey.
- Widening participation: to target increased access; success and progression for those from under-represented groups as part of UCEM's commitment to increase diversity within the property and construction sector.
- Employee Experience; which includes staff engagement, monitored through a confidential engagement survey in November and June each year, as well as a focus on employee wellbeing.
- Reach: measured by:
 - the target number of new students for each semester; and
 - the number of returning students for each semester.

Trustees' annual report

For the year ended 31 July 2022

- Financial health: measured by:
 - revenue; *and*
 - operating margin.

These metrics are defined to ensure the institution meets its charitable aims and objectives to deliver education and training for the built environment sector in the long-term.

2021–2022 was a very significant year for UCEM, achieving Ofsted 'Good' in November 2021, and successful application of Indefinite Degree Awarding Powers approved by the OfS in July 2022, as well as a clean audit by the Education and Skills Funding Agency (ESFA). UCEM continued to meet the majority of the institutional targets, including relating to financial health. The institution continues to grow and work towards its goal of being the Centre of Excellence for Built Environment

Education. The achievements are discussed in the following section:

Achievements and performance

UCEM continued to support its subsidiary companies. UCEM approved a £406K grant in the year (2021: £385K) to its wholly owned Hong Kong subsidiary, UCEM Asia Limited, to advertise UCEM's courses, provide course registration assistance and teaching support to students in Hong Kong.

In the previous year UCEM committed to support Building People Skills CIC, which had been a subsidiary due to UCEM's control of their board until 13 July 2021, to a maximum of £150,000 across the three years 2021–22 to 2023–24. £100,000 of this commitment was paid in the year.

UCEM does not engage in social investment activities.

UCEM trustees are volunteers and while their influence is significant, they do not deliver UCEM services; UCEM makes no use of general volunteers to deliver its services.

Apprenticeships

Apprenticeship provision in the Built Environment is central to the institution's core purpose. UCEM supports the Government's apprenticeship agenda, including the "Build Back Better" plan, and sees apprenticeship delivery as vital to its future and that of training the sector which the institution was founded to serve.

UCEM is listed on the Register of Apprenticeship Training Providers as a Main Provider and is eligible to receive government funding to train apprentices. UCEM has contracts with the ESFA for the delivery of apprenticeships for levy-paying and non-levy paying employers.

The apprenticeship programmes offered in 2021–22 were:

- Level 6 Chartered Surveyor (Degree) Apprenticeship

Trustees' annual report

For the year ended 31 July 2022

- Level 6 Building Control Surveyor (Degree) Apprenticeship
- Level 6 Construction Site Management (Degree) Apprenticeship

In 2021–22 UCEM continued to deliver apprenticeships through subcontracting arrangements with Eastleigh College. Delivery under this subcontract is limited to completion of apprenticeships that commenced prior to November 2017. In December 2019, Rathbone Training ceased trading and UCEM was subsequently awarded a direct contract by the ESFA for the completion of the apprenticeships that were formerly under the Rathbone Training subcontract. These apprentices were transferred into the UCEM learner cohort during the first quarter of 2020–21.

UCEM subcontracts the delivery of Functional Skills Math's and English qualifications within apprenticeships to Runway Apprenticeships Limited, trading as Runway Training. Due to the level of the apprenticeships that UCEM delivers, most apprentices have acceptable prior or equivalent Math's and English qualifications at enrolment, and therefore the volume of subcontracting with Runway Training is low.

In 2021–22, 1,897 apprentices employed by over 500 different employers and business entities were actively studying with UCEM, including 1,709 Level 6 Chartered Surveyor Degree Apprentices, 74 Building Control Surveyor Degree Apprentices and 27 Construction Site Manager Degree Apprentices. This represents growth of approximately 25% on the number of apprentices actively studying with UCEM in 2020–21.

Approximately 98% (1,860) of apprentices actively studying with UCEM during 2021–22 were funded through UCEM's direct contracts with the ESFA. The remaining 2%, (37) were funded via UCEM's subcontract with Eastleigh College.

UCEM includes apprenticeship course revenue on the face of the Consolidated Statement of Comprehensive Income and Expenditure with other Tuition fees and education contracts.

Achievements and performance

The year ending 31 July 2022 was a significant year for the institution's performance and achievements.

Reach

During 2021–22 UCEM enrolled 1,465 new students in total. This outcome was 5% higher than the previous year, reflecting increasing levels of confidence in the industry following the Covid-19 pandemic which affected many employers' ability to recruit and train new staff.

Trustees' annual report

For the year ended 31 July 2022

UCEM did not launch any new degree apprenticeship programmes in 2021–22 but was able to consolidate its position as the largest provider of the Level 6 Chartered Surveyor apprenticeship in England. In total 596 new apprentices started UCEM programmes in 2021–22, the highest number in any year to date. This growth was driven principally by the Chartered Surveyor MSc route which attracted high levels of interest from employers interested in supporting their graduate trainees to achieve professional qualifications, producing 206 new starts in the year.

UCEM continued to benefit from strong relationships with employers across property, construction, and related sectors. This resulted in sponsored students (including apprentices) being the largest segment, representing 55% of total enrolments.

Away from the UK, Hong Kong continued to be the largest international market for UCEM, with 129 enrolments in total.

Education

The focus on Education in 2021–22 was defined in the following areas.

As a Higher Education Provider in England, UCEM in 2021–22 continued to meet the Conditions of Registration with the OfS, as a registered (fee cap) provider, and the ESFA. UCEM monitors the institution's compliance with the OfS Conditions of Registration through the Board of Trustees, Board Sub-Committees and the relevant Academic Deliberative Committees.

UCEM must also meet the requirements of Ofsted with regards to apprenticeship provision at all levels. Since April 2021, Ofsted has been responsible for inspection of Level 6 and 7 apprenticeships in addition to lower levels. In November 2021, Ofsted inspected all UCEM's apprenticeships provision, at Level 3, Level 6 and Level 7. UCEM achieved an overall inspection outcome of 'Good', which represented an excellent achievement for UCEM's first full inspection. UCEM was judged across five different areas of its provision, gaining a 'Good' rating in the 'Quality of Education', 'Personal Development', 'Leadership and Management', and 'Apprenticeships' categories, and an 'Outstanding' rating in the 'Behaviour and Attitudes' category. For the remainder of 2021–22, the UCEM Apprenticeships Team continued to develop the quality of UCEM's apprenticeships provision, by strengthening good practice and delivering improvements identified in the Self-Assessment Report and documented on the Quality Enhancement Plan, which is approved and monitored by the Board of Trustees.

Finally, during 2021–22, UCEM completed a full evaluation of Project Transform: The Student Success Project, following its launch in Autumn 2020. The purpose of the Transform Project was to transform the opportunities for student success at UCEM through the removal of barriers to student success that had been identified within the student journey. The Transform Project Evaluation was considered by the UCEM Academic Board and the Trustee-led Academic Review Committee. The Transform Project Evaluation considered key findings, high level data and analysis to draw together conclusions about the success of the project, and recommendations for the ongoing work to improve student success. It also made a series of recommendations to be utilised during future improvement projects at UCEM.

Student Outcomes

UCEM monitored module success rates against a target key performance indicator (KPI) of 87% in 2021–22 as part of its strategy to improve student outcomes, which supports UCEM's compliance with condition of registration B3 (successful outcomes for all students). The 87% KPI represented a step up from the 2020–21 KPI of 75%, to ensure UCEM is continuing to seek improvements in student outcomes. Over the last three years, UCEM has focused on improving student outcomes through enhancements to academic provision, the nature of the delivery model, student support and associated regulations, policies, and procedures. In 2021–22, UCEM launched a revised suite of initiatives to improve student outcomes, although given the lead time to make module changes, many of the impacts will not be realised until 2022–23. In May 2022, the full module results for Autumn 2021 modules were reported at 81.5%. At the time of writing, the Spring 2022 resubmission results are unknown, therefore the overall final module KPI outturn for 2021–22 is not available. However, in-year data from Spring 2022 indicates that the KPI will not be met. Notwithstanding this, resubmissions continue to play a role in driving improvements in module success rates, and UCEM continues to seek continual improvements to achieve its KPI's. Upon completion of the modules, the Academic Team completes an Annual Review process for all modules, to ensure that the modules and the support offered to students remain fit-for-purpose each semester and success rates can continue to improve. In the coming year, the improvement work carried out in 2021–22 will launch to students, which is expected to deliver further improvements to student outcomes, alongside the delivery of the Learning, Teaching and Assessment Strategy action plan.

Student Satisfaction

Student satisfaction in 2021–22 was monitored externally by the National Student Survey (NSS). The survey is open to all final year undergraduate students who are domiciled in the UK. The results of the NSS are monitored by the OfS and form part of the dataset for the Teaching Excellence and Student Outcomes Framework. They are also published nationally to form league tables for universities.

UCEM achieved an overall student satisfaction rating of 74.88% in the NSS 2022, which compares to an overall student satisfaction score of 74.68% in the NSS 2021. Although this is a very small increase from last year it is disappointing given the efforts of academic and professional service teams to work with students to improve the rating. There is a significant difference in the satisfaction rating between apprenticeship and non-apprenticeship students with non-apprentices satisfaction rating of 82.19% compared to 71.01% for apprentices. Plans for the coming year will focus on activities to improve apprentices satisfaction.

Widening Participation

UCEM's commitment to widening participation is central to its core purpose, and the outworking of the Royal Charter to provide education and training to all. This is evidenced within the five-year Institutional strategy, of which Widening Participation is one of the core tenants. UCEM recognises the challenge of diversity and inclusion within the property and construction sectors, and as success

Trustees' annual report

For the year ended 31 July 2022

committed to working with the sector and employers in this area.

The metrics for Widening Participation are drawn from UCEM's OfS approved Access and Participation Plan. UCEM made good progress towards the objectives set out in its Access and Participation Plan by achieving the majority of its targets for increasing the proportion of underrepresented students entering its programmes in 2021–22. For example, 16% of new part-time students and 20% of new full-time/apprenticeship students were recorded ethnic minority versus respective targets of 14% and 17% (note that these figures are subject to confirmation from OfS).

The challenge on Widening Participation remains a sector wide one, but UCEM is working closely with the sector to increase diversity within the Built Environment.

Employee Experience

UCEM monitors employee satisfaction and the employee experience twice a year through an Employee Engagement Survey.

Overall staff satisfaction continued to meet the 4.00 target; the survey scored 4.1 in November 2021 and in 4.0 June 2022. The participation rate exceeded the 85% target on both occasions. This was against the backdrop of the end of the pandemic and moving to a more permanent way of hybrid working, alongside the challenge of Ofsted and Indefinite Degree Awarding Powers.

Financial Health

In the year ending 31 July 2022 UCEM achieved a consolidated income of £17.1M (2021: £16.1M), an increase of 6.0% (2021: 4.1%) on the previous year. The increase in the level of income was predominantly due to increased tuition fees from the continued expansion of the apprenticeships programme, and through organic growth and partnerships with other providers and contractors.

Consolidated expenditure increased by 10.0% in the year to £16.0M (2021: £14.6M). This increase reflects the addition of new staff to support the expanding student numbers as well as the reopening of the office building with the majority of staff having been working from home in the previous year.

After losses on investments of £457K (2021: gains £775K) and actuarial losses in respect of pension schemes of £1.9M (2021: losses £434K) the group made a deficit of £1.3M against a planned breakeven for the year (2021: surplus of £1.5M against a planned deficit of £780K). The previous year also included loss of disposal of subsidiaries at £529K accounted for as an exceptional item.

Beneficiaries of our services

The institution's main activity is the provision of education, and its beneficiaries are students, industry and the Built Environment sector worldwide. All its charitable activities focus on the sector and students developing careers in the sector and are undertaken to further UCEM's charitable purposes for the public benefit.

Trustees' annual report

For the year ended 31 July 2022

UCEM added 1,465 new students during 2021–22 against its target of 1,400. This was a 5% year on year increase compared to the 1,394 new students recruited in 2020–21 and marked the first time since 2017–18 that UCEM had achieved a year-on-year increase in the number of new students recruited.

UCEM made 1,099 academic awards of which 981 were full academic awards and 118 were intermediate awards. Please note that this report was written prior to the final Examination Award Boards for 2021–22, so some of these awards are still to be ratified, which could alter this number marginally.

Despite the challenges faced by partner employers, UCEM continued to strengthen its sector employer engagement with 813 new students (including those on apprenticeship programmes) being sponsored by 295 employers.

UCEM allocated £79,074 bursaries in the year (2021: £57,794) as follows:

Bursary	Number of Students	£
UCEM Centenary Fund	6	£8,545
New Student Bursary Fund	21	£31,104
Access & Participation Plan Fund	12	£25,450
Post Graduate Scholarship	7	£13,975
Total	46	£79,074

In addition to the above, many students were assisted with fee reductions or debt write offs for special circumstances enabling them to continue with their studies, for example, 11 awards were made from the Principal's Discretionary Funds totaling £6,822 (2021: £4,316) and 4 awards were made from the Redundancy Support Scheme totaling £3,076 (2021: £5,234).

Financial review

In the year ended 31 July 2022, UCEM achieved a consolidated increase in total income of £821K, which was an increase of 5.1% on the previous year. Student income grew by 8.5% (2021: 4.6%) to £15.8M compared to the previous year, costs have been controlled and a healthy operating surplus has been generated before investment revaluation and pension scheme actuarial adjustments.

Investment income decreased in the year largely due to the reinvestment of UCEM's portfolio away from the Barings Targeted Return Fund, which closed on 31 August 2021, and into the Sarasin & Partners Climate Active Endowment Fund. This reinvestment was completed on 19 August 2021. At the year-end losses on investments were £457K (2021: gains £775K).

Group expenditure

Group expenditure was higher than the previous year, which was driven by the need to recruit

Trustees' annual report

For the year ended 31 July 2022

additional staff to support the increase in student numbers. This was due to the reopening of the office building as the effects of the Covid-19 pandemic receded.

Staff costs increased in the year by 13.5% to £12.5M (2021: increase of 4.5% to £11.0M) and still remains the largest single expense to the business. The increase in costs reflects the increase in staff numbers from 229 to 238. Further details of staff costs can be found in note 5 to the financial statements.

Other operating expenses reflect a decrease in the cost of other non-staff expenditure as set out in note 7 to the financial statements.

Academic and related expenditure

The 12.4% decrease in group academic and related expenditure was due to the Access & Participation being £78K less, and examination costs being £76K less than the previous year as a number of apprenticeship students deferred their End Point Assessment (EPA).

Administration and central services expenditure

Administration and central services expenditure reduced by 8.1% from the previous year due to the general decrease in overhead donation support costs.

Premises expenditure

Premises expenditure increased by 15.9% primarily as a result of the office building reopening. The cost of utilities has increased, along with maintenance issues due to damage caused to the office building by extreme weather.

In summary, income has continued to grow with a corresponding increase in the cost base. Before accounting for investment valuation movements and actuarial valuation changes in respect of pension schemes, UCEM has achieved its ambition of making its operations break-even in 2021-22 as stated in last year's accounts. Those changes do however push the overall result into deficit, with the actuarial loss in respect of pension schemes at £1.9M (2021: £434K) being a major factor in the outcome. Further information on the pension scheme can be found in Note 17: Provision for Liabilities.

UCEM Courses Limited turnover (Note 12: Subsidiary undertakings) decreased by 19.1% from £47K to £38K in the year. Income continues to be generated by online Continuing Professional Development courses and it has not been possible to host any face-to-face workshops in the period.

UCEM Asia Limited received £406K grant income from UCEM, its parent institution, (2021: £385K) which led to a profit of £3K (2021: £1K) in the year (Note 12: Subsidiary undertakings).

UCEM's consolidated group Balance Sheet on 31 July 2022 shows a decrease in value of 6.4% to

Trustees' annual report

For the year ended 31 July 2022

£19.0M, largely driven by the £1.9M increase in the pension liability and the losses in value of the investment portfolio. However, UCEM retains a strong Balance Sheet and reserves position.

Pensions

UCEM is a member of the Universities Superannuation Scheme (USS), a defined benefit pension scheme with mutual employer membership. The scheme is in deficit and the liability is pooled amongst employer members. UCEM's obligation to fund the past deficit of the scheme is reflected on the balance sheet and details can be found in Note 17: Provision for Liabilities.

A deficit recovery plan was put in place as part of the 2018 valuation which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021, 6.2% over the period 1 October 2021 to 31 March 2024 and finally 6.3% from 1 April 2024 to 30 April 2038, based on the 2020 *Valuation final schedule of Contributions (March 2022)*. The deficit provision has increased not just in percentage terms but also in extending the required contribution period further from 2028 to 2038.

UCEM also participates in two defined contribution pensions schemes. A Group Personal Pension scheme (GPP), operated by Prudential (closed to new members), and the People's Pension auto-enrolment scheme, for employees not eligible for participation in USS.

More detail on UCEM's pension arrangements can be found in Note 22: Contingent Liabilities and Assets.

Other factors

The beginning of the year was still impacted by the end of the Covid-19 pandemic which has continued to influence the strategic approach of the Board, Executive and Senior Leadership Team since March 2020, including future ways of working, and the ongoing model of hybrid and remote working.

The focus during the year was to ensure the quality and standards of the student and employer experience, as well as meeting the expectations of the dual regulators within Higher Education of the OfS and ESFA.

The growth of the apprenticeship provision continued to be an important part of UCEM's offer, and the Business Development Team have continued to work very closely with key employers, who are a key stakeholder for UCEM, both in terms of influence and impact.

In November 2021 the Board approved the investment and development of 'GLOBE' a strategic initiative with the vision for UCEM to become the world's most sustainable University. This is an ambitious programme for the next decade, which focuses on all aspects of UCEM – Leadership and Governance, What We Teach, How We Teach and How We Operate.

UCEM also achieved successful re-accreditation of the National Union of Students Responsible Futures, which is an audit undertaken by students to assess an Institutions evidence-based commitment to sustainability.

Trustees' annual report

For the year ended 31 July 2022

UCEM has now adopted a hybrid approach to its ways of working, to allow for flexibility (particularly related to the recruitment and retention of staff) in addition to the benefits of wellbeing. This is in recognition that as an online provider UCEM works effectively with a proportion of its workforce remote for all or some of the time.

The final factor that may affect longer-term financial planning more positively is the potential at the institution's site at Shinfield Grange. The site was valued at fair value (open market value) at £1.7m in the 2021-22 Balance Sheet. Shinfield Grange is well positioned: close to the M4, the Reading Science Park and the new link road in an area undergoing significant development.

Trustees are exploring alternative uses for the site that may realise local and reputational benefits and ultimately a cash boost to the Group.

Investments

UCEM seeks to invest funds in an ethical and sustainable manner, paying regard to environmental considerations and aligning the policy with the United Nations Sustainable Development Goals, alongside the institution's own sustainability agenda.

Investment policy

Following a full review of investment policy in 2021 Trustees approved the reinvestment of UCEM's portfolio into the Sarasin & Partners Climate Active Endowment Fund.

Trustees will continue to review the institution's investment policy annually. The policy has strong ethical and sustainable objectives, aligning with both the United Nations Sustainable Development Goals and the institution's own sustainability agenda.

The Sarasin & Partners Climate Active Endowment Fund aims to bring about, and benefit from, action by businesses to strengthen their resilience to climate change. Further information about the fund can be found at <https://sarasinandpartners.com/fund/sarasin-climate-active-endowments/>

UCEM's equity holdings are held on a discretionary basis in the form of charity units and as such enjoy favourable tax and charging structures. The equity holdings are held in three separate pools: Main, Bursary and Restricted. At the year-end these funds were valued at £6.0M, £2.1M and £0.5M (2021: £6.4M, £2.2M and £0.5M) respectively.

The objective of these funds is to outperform the Consumer Price Index (CPI) plus 3% over a rolling three-year period. The combined total return achieved by these funds in the year ended 31 July 2022 was -3.03% (2.01% income and -5.04% capital) against the target return of 13.06%. In the previous year total return was 12.37% against a target of 5.02%.

The outperformance against target in the previous year reflected the recovery of the fund in that year from the effects of the Covid-19 worldwide pandemic which saw valuations plummet in the

Trustees' annual report

For the year ended 31 July 2022

Spring of 2020. This year's underperformance is the result of historically high levels of inflation caused by systemic problems in the global supply chain and the war being waged by Russia in Ukraine, in particular the resulting energy price increases.

The fund performance is also measured against the ARC Steady Growth Charity Peer Group which produced a return of -2.70% for the year. The underperformance against this benchmark is primarily the result of the ethical exclusion policy and the decision not to own certain investments through the stewardship and climate related analysis carried out by the Investment Managers. Many such companies have rallied from a very low base in the period having suffered throughout the pandemic, our Investment Managers expect this trend to be relatively transitory.

Principal risks and uncertainties

The Board regularly considers the risks to which it believes the institution may be exposed. This is principally done by assessing the Institutional Risk Register which identifies risks and the likelihood and impact both pre and post identified mitigation.

Specific risks are identified under five main headings in the Risk Register and summarised here:

- **Reach:** UCEM is dependent on maintaining and growing its student numbers. A failure to recruit new students or retain existing students would impact the institution's finances and reputation. Particular areas of risk to UCEM are threats to the B2B market (such as loss of key clients) or changes to the apprenticeship market. Political instability in Hong Kong is an ongoing risk to UCEM Asia Limited. The risks are reviewed regularly against KPI's by the Board, and Senior Leadership Team (SLT). Institutional KPI's are used to monitor performance in these areas and indicate increased risk.
- **Operational excellence:** UCEM is an online business so the impact of technology failure in business operations or the online learning environment (VLE) can be significant. Like many organisations, cyber-security incidents are a significant threat. The risks are managed through the appropriate use of market-leading software solutions with appropriate support contracts, cloud software solutions, data back-ups and best practice in information technology.
- **Student Outcomes and Satisfaction:** product and student risks encompass quality, standards, consistency, complaints, student success and welfare. This includes monitoring student satisfaction and academic performance. Mitigation is achieved through the monitoring of student survey results, External Examiner reports, annual programme monitoring and Codes of Practice. Academic risks are also reviewed regularly by the Academic Board.
- **Financial:** investment risk comprises currency, custody, market and liquidity risk and is managed through appropriate investment policy and choice of investment manager. Fraud and financial loss are addressed by the internal control environment and backed with insurance. Recent challenges in the economy have increased risk in relation to inflation which may increase UCEM's costs. Long term financial planning, review of performance against plan

Trustees' annual report

For the year ended 31 July 2022

and an appropriate reserves policy protects against insolvency risk.

- Employee Engagement: the loss of key personnel or an inability to recruit appropriate personnel would restrain the institution's ability to deliver its academic programmes and charitable objects. The current job market is challenging and competitive. Recruiting and retaining the right people are supported by a strong Performance Development Review (PDR) process, a staff satisfaction survey, benchmarked remuneration, an evolving benefits' offering, relevant insurances and an increasing investment in training.

Each individual risk in the RAR shows the assessed scores for the likelihood and the impact pre-mitigation, leading to a gross risk score, and likelihood and impact scores post the identified mitigating actions, leading to a net risk score. Detail is provided on each risk, with commentary on the evidence of controls in place, and identification of the early warning signs of heightened risk. Net risk scores of 20 or above are deemed to be of more significant risk and a focus is given to these areas.

The responsibility for mitigating each of the assessed risks has been delegated by the Board to the Principal and to individual members of the SLT.

The Board believes the Risk Register to be comprehensive and that the assessed risks are appropriately mitigated by the procedures and systems in place, which are also reviewed regularly. These are further mitigated by the policies and practices which help define the institution's strategy and determine its activities. Work has been undertaken this year to enhance the Risk Register and a new Risk Register is in place as of November 2022.

The review and approval process include the Risk Register being reviewed by the SLT. The Board has delegated to the Audit Committee the detailed review of the content of the RAR (and development of the appropriate control processes). The Audit Committee review the Risk Register twice a year, with further discussion once a year at the full Board meeting. Consequently, the trustees consider that arrangements are in place to ensure satisfactory, effective internal control and risk management.

On systemic risk, the Board continues to be very mindful of the domestic and global construction sector from which the institution draws its student base, and economic situation. This has included consideration of risk in Hong Kong due to the ongoing political situation in the region. The Board continues to closely monitor the numbers of new student registrations, as well as the potential impact on existing students striving to continue their studies.

Reserves policy and going concern

UCEM's general reserves arose from the original donations of £55K made when the College was set up in 1919, and its subsequent retention of modest surpluses on its activities, plus further small donations over the years.

The education sector, in general, operates on a long-term cycle, with none of UCEM's courses lasting less than two years and many students taking five or more years to complete their studies. The

Trustees' annual report

For the year ended 31 July 2022

sectors in which UCEM is permitted to apply its funds are land and property. These sectors are subject to considerable cyclical movement.

The trustees continue to monitor the use of reserves, in conjunction with the setting of annual budgets, and development of long-term strategies for delivering public benefit in distance learning projects to meet the changing nature of demand. The present policy is to budget for operating surpluses sufficient to build reserves to meet the needs of UCEM's long-term strategy, and to designate funds for specific projects as and when available and identified within that strategy.

The current Strategic Plan covers the period 2019–24 and sets out goals that will enable UCEM to realise its vision to be the Centre of Excellence for Built Environment Education. The trustees recognise that further funds will probably be needed to drive the current Strategic Plan and that reserves may be the appropriate source of these funds.

UCEM's income sources are closely aligned to its core purposes of providing truly accessible, relevant and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a sustainable Built Environment. The reserves policy seeks to balance spending the amount of income raised in providing such education across the academic period to which it relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any change in financial circumstances. Trustees consider that general reserves should be held in a range of a minimum of three months and a maximum of twelve months operating expenditure. This would allow the time and space necessary to consider the practicalities of providing the appropriate resources to enable existing courses to be completed without any disadvantage to students.

Total UCEM group reserves at 31 July 2022 were represented by total unrestricted reserves of £18.5M (2021: £19.8M). £9.1M of this sum has been allocated to Designated Funds, of which £7.0M was in Fixed Assets and £2.1M has been allocated to a Bursaries Fund set up for the exclusive purpose of generating an income to provide bursaries to assist and support students and to otherwise encourage new entrants to the profession. The remaining unrestricted funds were in general reserves of £9.4M representing approximately six months' operating expenditure. It is the trustees' view that this level of reserves is appropriate to provide for UCEM's normal educational commitment to students.

Accordingly, the trustees consider that UCEM is a going concern and have prepared the accounts on this basis.

Plans for the future

The focus for UCEM during 2022–23 is to maximise the opportunities afforded by the award of Indefinite Degree Awarding Powers, a focus on sustainability through the 'GLOBE' strategy, and the continued growth of apprenticeships.

In terms of the student experience the strategy remains on increasing student outcomes, with a focus on student engagement to support retention, as well as ensuring compliance with HE Regulators.

Trustees' annual report

For the year ended 31 July 2022

UCEM continues to look at opportunities to develop new programmes within the built environment sector, including opportunities for new apprenticeship programmes, as part of the strategic vision to be 'the Centre of Excellence for Built Environment Education'. This is also aligned to the Government Agenda of Lifelong Learning and providing opportunities for more vocational programmes.

The priority internally for the Institution remains on ongoing organisational health. This includes financial health, and the wellbeing of employees to ensure the institution continues to be able to respond to these external challenges, as well as maximise the opportunities afforded through its online learning model.

Structure, governance and management

The strategic direction for UCEM is determined by the Board of Trustees, which meets four times a year. The Board is guided in its educational strategy by an Academic Board which also meets four times a year to assess matters such as changes in the regulatory environment (or best practice) regarding the provision of education. They are the supreme deliberative committees relating to educational matters. The Principal is also an ex-officio trustee as required by the Royal Charter.

The Board delegates some of its power to five standing sub-committees, established to consider in detail various issues on its behalf. The sub-committees have detailed terms of reference which are reviewed annually by the Board. They debate matters within their sphere and then make recommendations for the Board to consider for approval. Details of the sub-committees and their main functions are:

The Academic Review Committee

An independent sub-committee that acts as the advisory body for all aspects of UCEM's academic delivery. Its primary responsibility is to be the final auditor of all UCEM's academic review processes and performance data. This sub-committee meets a minimum of twice a year.

The Audit Committee

The committee's remit is to review the adequacy and effectiveness of the institution's system of audit related to financial reporting, internal control and risk management. In fulfilling this function, the Audit Committee adheres to the guidance and best practice for Audit Committees outlined in the Committee of University Chairs (CUC) Higher Education Code for Governance, and the CUC Handbook for Members of Audit Committees in Higher Education Institutions. This sub-committee meets a minimum of twice a year.

The Finance Committee

This considers in detail the financial results against plan for the current year, the forecast of results for the following year, the cash position and the performance of investments. This committee also assesses the policies relating to Grant Making and Bursaries, Investments and Reserves. This sub-

Trustees' annual report

For the year ended 31 July 2022

committee meets a minimum of twice a year.

The Nominations and Governance Committee

This committee considers and recommends to the Board all prospective appointments to the Board of Trustees having assessed the type of skills and experience deemed necessary for the Board to function as effectively as possible. This committee will also recommend to the Board all candidates considered for Honorary Fellow status, as well as all nominations for the annual UCEM Property Award. This sub-committee is also charged with ensuring that the very best governance practice is adhered to by UCEM as a registered charity in the higher education sector. This sub-committee meets a minimum of twice a year.

The Remuneration Committee

This sub-committee meets annually, or as required, to consider the remuneration package for the Principal, the Senior Leadership Team and all other staff.

Executive Team

The Executive Team, whose responsibility is to focus on the strategic approach for UCEM, monitor the external environment, horizon scan, planning accordingly. This group is Chaired by the Principal.

Senior Leadership Team

The day-to-day management and delivery of the institution is entrusted to the Principal, supported by a SLT whose role is to deliver the strategic objectives set by the Board of Trustees, and ensure operational oversight.

Trustees

Trustee recruitment

The terms of appointment for the Independent and Staff Trustees (other than those who are ex-officio) is three years. At the end of each three-year period these trustees are eligible for reappointment for one further term of three years.

Under the Royal Charter Student there is provision for two Staff Trustees, and two Student Trustees. Student Trustees are appointed for a one-year term which may be renewed for a further one-year term. The Board aims to have a Student Trustee representing undergraduate students, and a Student Trustee representing postgraduate students to ensure the UCEM Student Community is represented at Board level.

In 2020–21 the Board approved the launch of a Board Apprentice Scheme, to provide an opportunity for up to two UCEM alumni to gain experience at Board level for a year. The Board Apprentice(s) will have full access to Board papers but will not have voting rights. The first appointments were made in November 2021 and have proved to be very successful.

Trustees' annual report

For the year ended 31 July 2022

When vacancies arise for new trustees, the Nominations and Governance Committee run an open and transparent recruitment process, with the aim that the Board is comprised of 50% independent trustees who bring knowledge of the built environment sector, and 50% who bring knowledge of Higher Education. As part of the recruitment process consideration is given to diversity, to ensure that the Board maintains its current levels of diversity, as a member of the 30% Club. Due regard is also given to succession planning of future trustees with an aim to ensure there remains an appropriate blend of experience for future years.

All trustees, other than the Principal and Staff Trustees, give their time voluntarily and receive no benefits from the institution. Any expenses reclaimed from the institution are set out in Note 5: Staff Costs.

Appointment of trustees

It is a requirement of the role that the Principal of UCEM is a trustee. UCEM also has two staff trustees, and two student trustees.

The details of all prospective new trustees identified by the Nominations and Governance Committee are presented to the Board for approval. The details presented will consist of the individual's Curriculum Vitae and include highlights of any achievements and specialisms gained. Should the individuals proposed be approved to join the Board they are invited to attend the next Board meeting. Appointments normally run from the Board meeting at which the nomination is approved.

No other person or body is entitled to appoint one or more of the institution's trustees.

Trustee induction and training

Each new trustee is sent a comprehensive briefing pack on appointment. This includes background reading about UCEM, the Royal Charter and Bye-Laws, the current prospectus and the most recent set of statutory accounts. All new trustees are then invited to an Induction with the University College Secretary and given the opportunity to discuss any queries they may have with the Principal and the Executive Team. UCEM promotes trustee training by providing all trustees with relevant Charity Commission guidance on serving as a trustee, as well as funding attendance at appropriate courses and seminars that are organised by third parties. In addition, new trustees are allocated a mentor from one of the existing members of the Board.

Once appointed, all trustees are subject to an annual appraisal with either the Chair or Vice Chair. UCEM is committed to meeting all relevant training needs identified by this process.

Related parties and relationships with other organisations

The consolidated accounts include UCEM together with its subsidiaries, UCEM Courses Limited and UCEM Asia Limited. UCEM Courses Limited is a wholly owned subsidiary that delivers bespoke course content to corporate clients. UCEM Asia Limited is a wholly owned subsidiary incorporated in Hong Kong that supports UCEM's marketing and teaching in Hong Kong.

Trustees' annual report

For the year ended 31 July 2022

In 2021–22 UCEM continued to deliver teaching for Level 6 Apprenticeships as a subcontractor of Eastleigh College.

The programmes offered by UCEM are validated by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

Remuneration policy for key management personnel

UCEM's Remuneration Committee meets annually, or as required, to consider the remuneration package for the Principal, those employees earning over £100k, as well as the pay rises and discretionary bonus pool for all other staff. The Remuneration Committee has adopted the CUC Remuneration Code and applies this Code in the decisions related to senior pay. UCEM uses industry statistics and remuneration surveys (e.g. UCEA) to inform the committee's decisions.

Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of the institution to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2021 to 31 July 2022 and up to the date of approval of the annual report and financial statements.

The institution endeavors to conduct its business in full accordance with the requirements of The Higher Education Code of Governance issued by the CUC. Nominations and Governance review compliance with the Code annually, or as and when the Code is updated.

Compliance with the CUC Code is reviewed annually by the institution's Nominations and Governance Committee. Users of the accounts are referred to the Structure, governance and management section of this report for further details on the institution's governance and the work of the Nominations and Governance Committee.

In addition, UCEM meets the governance conditions of the OfS, and these governance requirements are also monitored by the Nominations and Governance Committee.

A key part of UCEM's internal control mechanism is the ongoing review by the Board, led by the Audit Committee, of the RAR, as detailed on pages 17–18 above. Further, Audit Committee reviews particular areas of the business according to the agreed audit plan. In addition to this, UCEM's Finance Director provides monthly updates to the Chief Executive Officer and Treasurer on the management accounts, and the budget is reforecast where necessary. Audit Committee also takes responsibility for monitoring UCEM general compliance activities, reporting to the full Board if there are areas of concern.

The trustees also regularly review UCEM's compliance with the OfS conditions of registration, with each condition reviewed during the year according to an agreed planner. Updates on UCEM's compliance with the OfS conditions of registration are also provided at deliberative committee

Trustees' annual report

For the year ended 31 July 2022

meetings. UCEM has two conflicts of interest policies (one for members of the Board of Trustees and one for members of deliberative committees) and the declaration of any conflicts of interests forms the first agenda item on all Board meeting, has an approved anti-bribery policy, and a register of interest that every trustee must review and sign annually.

The institution has not adopted and therefore does not apply the UK Corporate Governance Code; however, it has due regard to the Charity Governance Code. UCEM has reported on its Corporate Governance arrangements by drawing upon best practice available, including those aspects of these codes that the institution considers relevant to the higher education sector and best practice.

The institution adopted the CUC Code during the financial year 2016–17 and has since adopted the new Higher Education Code of Governance published by CUC in September 2020. In the opinion of the trustees, the institution now complies with, or exceeds, the provisions of the CUC Code in all material respects. The trustees recognise that, as a charity and higher education institution, UCEM has a duty to observe the highest standards of corporate governance at all times.

The institution is a registered charity within the meaning of Part 3 of the Charities Act 2011. The trustees confirm that they have had due regard for the Charity Commission and that the required statements appear elsewhere in these financial statements.

Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the institution's and group's financial activities during the period and of their financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Further and Higher Education SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the institution and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the institution and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

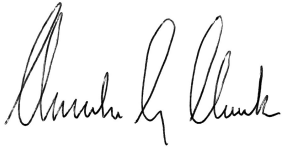
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the institution's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other

Trustees' annual report

For the year ended 31 July 2022

jurisdictions.

The trustees' annual report has been approved by the trustees on 1st December 2022 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Amanda Clack', written in a cursive style.

Amanda Clack Dr. (hc) MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMi CMC
Chair of the Board

Independent auditor's report

To the members of University College of Estate Management

Opinion

We have audited the financial statements of University College of Estate Management University ('the University') and its subsidiaries ('the Group') for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Change in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2022 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and University 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 Board of Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and University'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 Board of Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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.

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

Independent auditor's report

To the members of University College of Estate Management

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.

Responsibilities of Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page 26, the Board of 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 they 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 Board of Trustees are responsible for assessing the Group and University'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 Board of Trustees either intend to liquidate all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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.

Based on our understanding of the University Group and its operations, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the University Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

Independent auditor's report
To the members of University College of Estate Management

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the University Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation and the OfS Accounts Direction.

In addition, we evaluated the Board of Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension obligations, revenue recognition (which we pinpointed to the cut-off assertion, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Other Required Reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and

Independent auditor's report
To the members of University College of Estate Management

- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the Board of Trustees as a body in accordance with paragraph 4 of the University's Royal Charter and Bye-Law and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of 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 Group and University and the Board of Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

DRA Bott (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol BS1 6DP

Date: 13 December 2022

Consolidated and UCEM Statement of Comprehensive Income and Expenditure

For the year ended 31 July 2022

	Notes	2022		2021	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Income					
Tuition fees and education contracts	1	15,823,298	15,823,298	14,585,580	14,585,580
Other income	2	990,987	941,249	1,264,108	1,211,879
Investment income	3	251,570	251,569	257,940	253,783
Total income before endowments and donations		17,065,855	17,016,116	16,107,628	16,051,242
Donations	4	-	166,375	137,463	(200)
Total income		17,065,855	17,182,491	16,245,091	16,051,042
Expenditure					
Staff costs	5	12,530,418	12,272,113	11,036,496	10,763,366
Other operating expenses	7	3,111,387	3,294,900	3,234,616	3,345,066
Depreciation and impairment charges	9	312,446	312,212	300,927	300,927
Interest and other finance costs	6	5,659	351	8,825	75
Total expenditure		15,959,910	15,879,576	14,580,864	14,409,434
Surplus/(deficit) before other gains/ losses		1,105,945	1,302,915	1,664,227	1,641,608
Net gain/(loss) on investments	10, 11	(456,855)	(456,855)	774,735	740,585
Surplus/(deficit) of operating activities		649,090	846,060	2,438,962	2,382,193
Exceptional items:					
Loss on Disposal of Subsidiaries	13	-	-	(528,517)	-
Surplus/(deficit) before tax		649,090	846,060	1,910,445	2,382,193
Taxation	7	-	-	-	-
Surplus/(deficit) for the year		649,090	846,060	1,910,445	2,382,193
Other Comprehensive income:					
Actuarial (loss)/gain in respect of pension schemes		(1,949,056)	(1,949,056)	(434,038)	(434,038)
Total comprehensive income for the year		(1,299,966)	(1,102,996)	1,476,408	1,948,155
Represented by:					
Restricted comprehensive income for the year		(12,138)	154,237	12,334	(25,955)
Unrestricted comprehensive income for the year		(1,287,828)	(1,257,233)	1,464,074	1,974,110
Attributable to UCEM		(1,299,966)	(1,102,996)	1,476,408	1,948,155
		(1,299,966)	(1,102,996)	1,476,408	1,948,155
Surplus for the year attributable to:					
UCEM		(1,299,966)	(1,102,996)	1,476,408	1,948,155

All items of income and expenditure relate to continuing activities

Consolidated and UCEM Statement of Change in Reserves

For the year ended 31 July 2022

Consolidated

	Income and expenditure account		Total £
	Restricted £	Unrestricted £	
Balance at 31 July 2020	472,397	18,337,274	18,809,671
Surplus/(deficit) from the income and expenditure statement	12,334	1,464,074	1,476,408
Total comprehensive income for the year	12,334	1,464,074	1,476,408
Balance at 31 July 2021	484,731	19,801,347	20,286,078
Surplus/(deficit) from the income and expenditure statement	(12,138)	(1,287,828)	(1,299,966)
Total comprehensive income for the year	(12,138)	(1,287,828)	(1,299,966)
Balance at 31 July 2022	472,593	18,513,519	18,986,112

UCEM

	Income and expenditure account		Total £
	Restricted £	Unrestricted £	
Balance at 31 July 2020	344,311	17,954,131	18,298,442
Surplus/(deficit) from the income and expenditure statement	(25,955)	1,974,110	1,948,155
Total comprehensive income for the year	(25,955)	1,974,110	1,948,155
Balance at 31 July 2021	318,356	19,928,241	20,246,597
Surplus/(deficit) from the income and expenditure statement	154,237	(1,257,233)	(1,102,996)
Total comprehensive income for the year	154,237	(1,257,233)	(1,102,996)
Balance at 31 July 2022	472,593	18,671,008	19,143,601

University College of Estate Management

Consolidated Statement of Cash Flows

For the year ended 31 July 2022

	Notes	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Cash flow from operating activities			
(Deficit)/surplus for the year		649,090	2,438,962
Adjustment for non-cash items			
Depreciation and impairment charges	9	312,446	300,927
(Gain)/loss on investments	11	456,855	(774,735)
(Increase) in trade and other receivables	14	(695,264)	(1,056,628)
Increase/(decrease) in trade and other payables	15 & 16	(58,025)	358,030
Increase/(decrease) in pension provision	17	1,883,758	403,327
Increase/(decrease) in actuarial gain in respect of pension provision		(1,949,056)	(434,038)
(Loss) on disposal of subsidiaries	13		(528,517)
Adjustment for investing or financing activities			
Investment income	3	(251,570)	(257,940)
Interest payable	6	5,659	8,825
Net cash inflow from operating activities		353,893	458,213
Cash flows from investing activities			
Investment income	3	251,570	257,940
Payments made to acquire fixed assets	9	(108,019)	(426,422)
Payments made to acquire investments	11	(6,950,759)	(2,236,407)
Proceeds from sale of investments	11	4,716,292	4,470,932
		(2,090,916)	2,066,043
Cash flows from financing activities			
Interest and other finance costs	6	(5,659)	(8,825)
		(5,659)	(8,825)
(Decrease)/Increase in cash and cash equivalents in the year		(1,742,682)	2,515,431
Cash and cash equivalents at beginning of the year		4,373,338	1,857,907
Cash and cash equivalents at end of the year		2,630,656	4,373,338

As at 31 July 2022

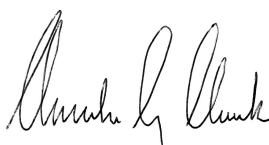
	Notes	As at 31 July 2022		As at 31 July 2021	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Fixed assets					
Intangible Fixed assets	9	239,211	239,211	267,467	267,467
Tangible Fixed assets	9	6,713,645	6,711,232	6,889,816	6,889,816
Investment properties	10	1,700,000	1,700,000	1,700,000	1,700,000
Investments	11	8,614,819	8,865,918	9,071,675	9,197,285
		17,267,675	17,516,361	17,928,958	18,054,568
Current assets					
Trade and other receivables	14	4,875,823	4,867,074	4,180,559	4,204,742
Cash at bank and in hand		2,630,603	2,497,821	2,138,817	1,932,797
		7,506,426	7,364,895	6,319,376	6,137,539
Less: Creditors: amounts falling due within one year	15	(2,298,242)	(2,247,908)	(2,420,306)	(2,403,560)
Less: Creditors: amounts falling due after one year	16	(325,142)	(325,142)	(261,103)	(261,103)
Net current assets/(liabilities)		4,883,042	4,791,845	3,637,967	3,472,876
Total assets less current liabilities		22,150,717	22,308,206	21,566,925	21,527,444
Provisions	17	(3,164,605)	(3,164,605)	(1,280,847)	(1,280,847)
Total net assets		18,986,112	19,143,601	20,286,078	20,246,597
Restricted Reserves					
Income and expenditure reserve – restricted reserve		472,593	472,593	484,731	318,356
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		9,442,578	9,600,067	10,407,003	10,533,898
Income and expenditure reserve – designated		9,070,941	9,070,941	9,394,344	9,394,343
		18,513,519	18,671,008	19,801,347	19,928,241
Total Reserves	18a	18,986,112	19,143,601	20,286,078	20,246,597

The financial statements were approved by the Governing Body on 1st December 2022 and were signed on its behalf on that date

by: The accompanying notes and policies on pages 34 to 60 form part of these financial statements



A Wheaton
Principal



A Clack
Chair
MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMI CMC

a) Statutory information

University College of Estate Management is a Royal Charter charity registered with the Charity Commission for England and Wales.

The registered office address and principal place of business is Horizons, 60 Queens Road, Reading, RG1 4BS.

b) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS)102. UCEM is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. They have been prepared in accordance with the Accounts Direction issued by the Office for Students (OfS 9, the Terms and Conditions of Funding for Higher Education Institutions) and the Terms and Conditions of Grant by the British Council.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Basis of consolidation

These financial statements consolidate the results of UCEM and its subsidiary entities as detailed in note 12 on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet.

The trustees consider that UCEM is a going concern and have prepared the financial statements on this basis.

Performance is closely monitored against budget, and budgets are set annually with reference to the institution's long-term strategy, assumptions on student numbers and income, and the teaching and administrative support required.

The trustees set policies on reserves designed to balance the spending required in providing education across the academic periods to which the income relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any changes in financial circumstances. General reserves are held in the range of between three to twelve months operating expenditure.

Further information can be found in the Trustees Annual Report under the heading Reserves policy and going concern.

d) Exemptions under FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

e) Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Discounts, bursaries and scholarships provided by UCEM are shown as expenditure.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds UCEM receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of UCEM where UCEM is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Statement of accounting policies

For the year ended 31 July 2022

f) Grant funding

Grant funding from ESFA apprenticeships are recognised as income when UCEM is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

g) Donations

Non exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when UCEM is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when UCEM is entitled to the funds.

Investment income is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms.

The main types of donations identified within reserves are:

a) Restricted donations – the donor has specified that the donation must be used for a particular objective.

b) Unrestricted donations – the donor has not specified that the donation must be used for a particular objective.

h) Accounting for retirement benefits

Defined benefit plan

The group participates in the Universities Superannuation Scheme (USS), a defined benefit scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The group is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by section 28 of FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. UCEM also complies with FRS 102 section 28.11A. UCEM has entered into an agreement with USS to fund its deficits, and recognises a liability for the contributions payable that arise from this agreement. The expense resulting from this liability and any movements in this liability are recognised in the consolidated statement of comprehensive income and expenditure.

Defined Contribution Plan

The group also operates a Group Personal Pension (GPP) and an Auto-Enrolment Compliant (AE) defined contribution scheme. The assets of these schemes are individually held by their members. Contributions to these schemes in the year were charged to the consolidated statement of comprehensive income and expenditure as incurred.

i) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to UCEM. Any unused benefits are accrued and measured as the additional amount UCEM expects to pay as a result of the unused entitlement.

j) Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Statement of accounting policies

For the year ended 31 July 2022

k) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

l) Fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives in use are as follows:

Freehold buildings	50 years
Leasehold Improvement	20–40 years
Fixtures and Fittings	10 years
Plant & Machinery	15 years
Telephone system	10 years
Furniture	10 years
Plant and equipment	5 years
Motor vehicles	4 years
Computers	3 years

No depreciation is provided on freehold land as it is deemed to have an infinite life.

m) Investment Properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income and expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

n) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of comprehensive income and expenditure. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments". UCEM does not acquire put options, derivatives or other complex financial instruments.

Investments in associates and subsidiaries are carried at cost less impairment in UCEM's accounts.

Current asset investments are held at fair value with movements recognised in the statement of comprehensive income and expenditure.

Statement of accounting policies

For the year ended 31 July 2022

o) Bursaries

UCEM holds a designated bursary fund as part of its reserves. This fund is invested in UK common investment funds in order to generate income from which bursaries are paid. Bursaries, in the context of UCEM's operations, are fee waivers that effectively discount the cost of study for students with special circumstances and only in very limited cases are these sums paid directly to students.

p) Debtors

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

q) Cash and cash equivalents

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

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) UCEM has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives UCEM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives UCEM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

s) Taxation

UCEM is a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, UCEM is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478–488 of the Corporation Tax Act 2010 (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.

t) Reserves

Reserves are classified as restricted or unrestricted.

Restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes

Notes to the financial statements

For the year ended 31 July 2022

1 Tuition fees and education contracts

Notes	Year ended 31 July 2022		As at 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Part-time students	15,823,298	15,823,298	14,585,580	14,585,580
	15,823,298	15,823,298	14,585,580	14,585,580

2 Other income

	Year ended 31 July 2022		As at 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Grant income from the OfS	920,222	920,222	1,146,876	1,146,875
Hong Kong ESS Government Grant	12,228	-	-	-
Government Grant from Coronavirus Job Retention Scheme	1,225	1,225	34,567	34,567
Fee income for research awards	8,427	8,427	-	-
Corporate services – UCEM Courses	37,510	-	47,204	-
Other income	11,375	11,375	35,461	30,437
	990,987	941,249	1,264,108	1,211,879

3 Investment income

	Year ended 31 July 2022		As at 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Investment income from investment property	43,635	43,635	47,735	47,735
Investment income on general reserves	147,025	147,025	156,392	152,252
Investment income on designated reserves	59,718	59,718	53,607	53,607
Other investment income	1,192	1,191	206	189
	251,570	251,569	257,940	253,783

4 Donations

	Year ended 31 July 2022		As at 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Donations with restrictions	-	166,375	-	-
Unrestricted donations	-	-	137,463	(200)
	-	166,375	137,463	(200)

Notes to the financial statements

For the year ended 31 July 2022

5 Staff costs

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
			Re-stated	
Salaries	9,909,832	9,689,563	9,023,960	8,783,883
Social security costs	939,146	934,517	857,893	853,137
Other pension costs	1,051,062	1,032,134	845,361	827,068
Other staff costs	630,378	615,899	309,282	299,278
Total	12,530,418	12,272,113	11,036,496	10,763,366

Remuneration in excess of £100,000 of higher paid staff (Head of Providers remuneration includes P11D benefit), excluding bonus, employer's pension contributions and employer's national insurance [all shown before any salary sacrifice]:

	2022 No.	2021 No.
£115,000 to £119,999	-	1
£125,000 to £129,999	1	-
£210,000 to £214,999	-	1
£215,000 to £219,999	1	-
	2	2

Average staff numbers by major category :	2022 No.	2021 (Re-Styled) No.
Academic	45	43
Research	2	4
Management & specialist	8	4
Technical	7	8
Other	171	169
	233	228

Average staff numbers by FTE :	2022 No.	2021 No.
Average Academic Staff numbers	67.87	62.42
Average Non-Academic Staff numbers	170.39	167.07
	238.26	229.49

Compensation for loss of office payable to a senior post-holder:	2022 £	2021 £
Compensation payable recorded within staff costs	-	-

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of UCEM. Staff costs includes compensation paid to key management personnel. The figures below include employer national insurance and employer pension contributions.

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Key management personnel compensation	1,198,520	676,948

Notes to the financial statements

For the year ended 31 July 2022

5 Staff costs (continued)

Council Members

UCEM's Council members are the trustees for charity law purposes. Due to the nature of UCEM's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arms length and in accordance with UCEM's Financial Regulations and usual procurement procedures.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

In accordance with the bye-laws of UCEM, 1 trustee (2021: 1) received remuneration for the services they provide in undertaking the role of Principal and not in respect of their services as trustee. Their remuneration during their period as a trustee was as follows:

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Principal – Ashley Wheaton		
Remuneration	252,680	250,800
Employer pension contributions	44,416	44,099
Other benefits	2,424	2,351
	299,520	297,250

The pension contributions are in respect of membership of the USS Scheme and are paid by the employer on the same basis as any other member's employer contribution.

Trustee travel, entertaining and subsistence

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Principal	-	-
Other trustees (2020: 8)	-	-
	-	-
	-	-

Other than as reported above, the trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No member of the trustees received payment for professional or other services supplied to the charity (2021: £nil).

5 Staff costs (continued)

Justification Statement: Head of Provider Remuneration

The number of staff with a full-time equivalent basic salary of over £100,000 for the 12 months up to 31 July 2022:

<u>Basic salary per annum</u>	<u>Number of staff (2021–22)</u>
£125,000 – £129,999	1
£210,000 – £214,999	1

The remuneration (pay and bonus) of the Head of Provider (the Principal) is agreed by the Remuneration Committee, which is a sub-committee of the Board of Trustees. All members of the Committee are independent trustees, and the Principal is not present during discussions about their remuneration. The Committee has regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs, when considering senior staff pay.

The Remuneration Committee met on 9 July 2021 and approved a basic pay increase of 2%, from £209,000 to £213,180 per annum, from 1 August 2021. This represented an inflationary increase only, as the Committee were satisfied basic pay sat comfortably within the relevant Higher Education sector benchmarks.

In terms of a performance-related bonus for the year ending 31 July 2022, the Remuneration Committee met to consider this on 30 August 2022. Clear performance metrics had been set the prior year, focused on four areas of work, namely 1) operational and overall business performance based on annual Key Performance Indicators; 2) strategic priorities and projects, including the Ofsted inspection outcome and Indefinite Degree Awarding Powers application outcome; 3) increasing the profile and brand of UCEM; and 4) personal development activities. By the end of August 2022 all results against performance metrics were available for the Committee to review, and it was noted that these had been monitored throughout the year via the quarterly report to the wider Board of Trustees.

The Committee noted it had been a difficult year personally for the Principal but that despite taking a three-month leave of absence from May to July 2022 inclusive, leadership of the Institution had been strong with strong performance against metrics, particularly Ofsted Good and the generation of a financial surplus. As a result, the Committee approved a performance-related bonus for the Principal of £39,500.

Full details of the total remuneration package for the Principal, as at 31 July 2022:

- Basic salary : £213,130 per annum
- Bonuses awarded during the financial year in full: £39,500
- Pension contributions: £44,416
- Salary Sacrifice: Childcare voucher £12, Cycle to Work Scheme £9,792
- Other taxable benefits: Private medical insurance £2,423

For the financial year ending 31 July 2022, the pay multiple at UCEM is as follows:

- The head of the provider's basic salary is 5.15 times (2021: 5.05) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's total remuneration is 7.23 times (2021: 7.18) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

Notes to the financial statements

For the year ended 31 July 2022

6 Interest and other finance costs

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Exchange differences	5,659	351	8,825	75
	<u>5,659</u>	<u>351</u>	<u>8,825</u>	<u>75</u>

7 Other

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Academic and related expenditure	839,184	838,442	958,284	951,844
Administration and central services	1,713,733	2,021,224	1,863,960	2,114,427
Premises	474,617	355,134	409,410	280,125
Catering and conferences	83,853	80,100	2,962	(1,330)
	<u>3,111,387</u>	<u>3,294,900</u>	<u>3,234,616</u>	<u>3,345,066</u>
Other operating expenses include:				
External auditor remuneration – audit services	38,682		42,272	
External auditor remuneration – non-audit services	1,409		300	
Operating lease rentals:				
• Other	177,990		188,018	
	<u>177,990</u>		<u>188,018</u>	

Access and Participation Expenditure

	Year ended 31 July 2022		Year ended 31 July 2021	
	£	£	£	£
Access Investment	80,017	80,017	85,723	85,723
Financial Support	33,013	33,013	20,893	20,893
Support for Disabled Students	48,686	48,686	34,595	34,595
Research and Evaluation	13,653	13,653	15,101	15,101
	<u>175,369</u>	<u>175,369</u>	<u>156,312</u>	<u>156,312</u>

The above Access and Participation expenditure includes staff costs of £86,740 (2021: £76,228). These staff costs are included in the total staff costs in Note 5 to the financial statements. Further details on the Access and Participation strategy can be found on UCEM's website.

Taxation

UCEM is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. UCEM's trading subsidiaries distribute available profits to UCEM under Gift Aid.

Recognised in the statement of comprehensive income

	2021 £	2020 £
Current tax		
Current tax expense	-	-
Adjustment in respect of previous years	-	-
Current tax expense	<u>-</u>	<u>-</u>
Total tax expense	<u>-</u>	<u>-</u>

8 Related party transactions

Amanda Clack, a Trustee is Head of Strategic Advisory of CBRE. CBRE is sponsoring a number of students who are studying with UCEM. During the year UCEM invoiced CBRE for £3,875 (2021: £37,555) and also received £252,870 (2021:169,682) income on CBRE Apprentices who are studying with UCEM.

Nick Braisby and Ashley Wheaton, Trustees are on the Executive Board of Guild HE. During the year Guild HE invoiced UCEM for £19,755 (2021: £19,470).

Gareth Ralphs, a Trustee, is Head of Policy and Inward Investment, Thames Valley Chamber of Commerce Group. During the year Thames Valley Chamber of Commerce Group invoiced UCEM for an annual membership £3,840 (2021: £9,000).

Mrs Misa Lane von Tunzelman, a Trustee is Head of Corporate Affairs and Marketing – Europe of Lendlease. Lendlease is sponsoring a number of students who are studying with UCEM. During the year UCEM invoiced Lendlease £1,100 (2021: £5,500).

Andrew Hynard, a former Trustee (resigned 31 March 2022) is the Chair of the Advisory Board at Taurus Consulting. During the year Taurus invoiced UCEM for £21,770 (2021: 26,819).

Christopher Costigan, a Trustee is the Strategic Advisory Group (Governance) of Advance HE. During the year, Advance HE invoiced UCEM for £2,850 (2021: £9,740).

9 Intangible Fixed Assets – Group

	Computer software £	Total £
Cost		
At 31 July 2021	315,064	315,064
Additions	50,587	50,587
At 31 July 2022	365,651	365,651
Depreciation		
At 31 July 2021	47,597	47,597
Charge for the year	78,843	78,843
At 31 July 2022	126,440	126,440
Net book value		
At 31 July 2022	239,211	239,211
At 31 July 2021	267,467	267,467

Notes to the financial statements

For the year ended 31 July 2022

9 Tangible Fixed Assets – Group

	Freehold land and buildings £	Equipment and motor vehicles £	Computer system £	Total £
Cost				
At 31 July 2021	8,113,591	768,664	1,636,686	10,518,941
Additions	–	2,063	55,369	57,432
Restatement	(1,108,012)	–	(15,186)	(1,123,198)
Disposals	(329)	(52,540)	(325,163)	(378,032)
At 31 July 2022	7,005,250	718,187	1,351,706	9,075,143
Depreciation				
At 31 July 2021	1,617,588	464,664	1,546,873	3,629,125
Charge for the year	100,105	52,944	80,554	233,603
Restatement	(1,108,012)	–	(15,186)	(1,123,198)
Disposals	(329)	(52,540)	(325,163)	(378,032)
At 31 July 2022	609,352	465,068	1,287,078	2,361,498
Net book value				
At 31 July 2022	6,395,898	253,119	64,628	6,713,645
At 31 July 2021	6,496,003	304,000	89,813	6,889,816

All of the above assets are used for charitable purposes.

The new premises were planned and designed specifically for UCEM. Financial Reporting Standards require the premises to be included in the financial statements at replacement cost where this is less than actual cost. An Existing Current Use with Vacant Possession valuation was carried out by Knight Frank LLP on 23 June 2016. This valuation was lower than actual cost so an impairment was recognised in the year ended 31 July 2016. This was as anticipated and in accordance with the trustees' business plan for the acquisition of a new headquarters building. A further impairment review was performed in the year 2016–17 and did not identify any further reductions in value and it remains the same for this year.

The impairment of £1,108,012 in the year ended 31 July 2016 was incorrectly carried forward as part of the accumulated depreciation balance rather than being reflected as a reduction in the valuation of the property. This has been restated above and does not affect the net book value of the asset.

Notes to the financial statements

For the year ended 31 July 2022

9 Intangible Fixed Assets – UCEM

	Computer software £	Total £
Cost		
At 31 July 2021	315,064	315,064
Additions	50,587	50,587
	<hr/>	<hr/>
At 31 July 2022	365,651	365,651
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
At 31 July 2021	47,597	47,597
Charge for the year	78,843	78,843
	<hr/>	<hr/>
At 31 July 2022	126,440	126,440
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At 31 July 2022	239,211	239,211
	<hr/> <hr/>	<hr/> <hr/>
At 31 July 2021	267,467	267,467
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

For the year ended 31 July 2022

9 Tangible Fixed Assets – UCEM

	Freehold land and buildings £	Equipment and motor vehicles £	Computer system £	Total £
Cost				
At 31 July 2021	8,113,591	768,664	1,636,686	10,518,941
Additions	–	2,063	53,773	55,836
Transfers	–	–	(1,051)	(1,051)
Restatement	(1,108,012)	–	(15,186)	(1,123,198)
Disposals	(329)	(52,540)	(325,163)	(378,032)
At 31 July 2022	7,005,250	718,187	1,349,059	9,072,496
Depreciation				
At 31 July 2021	1,617,588	464,664	1,546,873	3,629,125
Charge for the year	100,105	52,944	80,408	233,457
Transfers	–	–	(88)	(88)
Restatement	(1,108,012)	–	(15,186)	(1,123,198)
Disposals	(329)	(52,540)	(325,163)	(378,032)
At 31 July 2022	609,352	465,068	1,286,844	2,361,264
Net book value				
At 31 July 2022	6,395,898	253,119	62,215	6,711,232
At 31 July 2021	6,496,003	304,000	89,813	6,889,816

All of the above assets are used for charitable purposes.

The new premises were planned and designed specifically for UCEM. Financial Reporting Standards require the premises to be included in the financial statements at replacement cost where this is less than actual cost. An Existing Current Use with Vacant Possession valuation was carried out by Knight Frank LLP on 23 June 2016. This valuation was lower than actual cost so an impairment was recognised in the year ended 31 July 2016. This was as anticipated and in accordance with the trustees' business plan for the acquisition of a new headquarters building. A further impairment review was performed in the year 2016–17 and did not identify any further reductions in value and it remains the same for this year.

The impairment of £1,108,012 in the year ended 31 July 2016 was incorrectly carried forward as part of the accumulated depreciation balance rather than being reflected as a reduction in the valuation of the property. This has been restated above and does not affect the net book value of the asset.

Notes to the financial statements

For the year ended 31 July 2022

10 Investment properties

The investment property is Shinfield Grange, Cutbush Lane East, Shinfield, Reading, RG2 9AF and was last valued on 1 August 2017 by Knight Frank LLP at fair value in its current physical condition with vacant possession. Following this, the value of the property was increased by £700,000. The trustees have reviewed this and consider that it remains an appropriate reflection of the property's value for the financial year 2021–22.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Fair value at the start of the year	1,700,000	1,700,000	1,700,000	1,700,000
Net gain on change in fair value	-	-	-	-
Fair value at the end of the year	1,700,000	1,700,000	1,700,000	1,700,000

11 Non-current asset investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Fair value at the start of the year	6,837,151	6,962,761	8,296,941	8,457,701
Additions at cost	6,950,759	6,950,759	2,236,407	2,236,407
Disposal proceeds	(4,716,292)	(4,716,292)	(4,470,932)	(4,471,932)
Net gain/(loss) on change in fair value	(456,855)	(456,855)	774,735	740,585
	8,614,763	8,740,373	6,837,151	6,962,761
Cash held with investment manager	56	56	2,234,524	2,234,524
Transfer	-	125,489	-	-
Fair value at the end of the year	8,614,819	8,865,918	9,071,675	9,197,285

Investments comprise:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
UK Common investment funds				
• General UCEM fund	6,017,715	6,017,715	4,768,219	4,768,219
• Designated bursary fund	2,118,084	2,118,084	1,678,293	1,678,293
• Restricted funds	478,964	478,964	390,638	265,149
Cash held with investment manager				
• General UCEM fund	-	-	1,587,515	1,587,515
• Designated bursary fund	-	-	558,765	558,765
• Restricted funds	56	56	88,245	88,245
Investment in subsidiary undertakings	-	251,099	-	251,099
	8,614,819	8,865,918	9,071,675	9,197,285

Notes to the financial statements

For the year ended 31 July 2022

12 Subsidiary undertakings

The following entities are recognised as subsidiaries of UCEM due to either being wholly-owned or effectively controlled by UCEM. All activities have been consolidated on a line by line basis in the statement of comprehensive income and expenditure.

Company	Country of registration	Registration number	Interest	Principal activities
UCEM Courses Limited	UK	2169181	100% owned	Non-primary purpose trading activities
UCEM Asia Limited	Hong Kong	2290068	100% owned	Promoting UCEM and coordinating support for local students

The registered address for UCEM Courses Limited is Horizons, 60 Queens Road, Reading, RG1 4BS and for UCEM Asia Limited is Unit 2, 16/F Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.

13 Disposal of Subsidiaries

During the previous year UCEM disposed of Chartered Surveyors Training Trust on 31 December 2020 and Building People Skills CIC on 13th July 2021. The disposals were both carried out at nil value as a result of UCEM no longer having influence and control of the Board.

	2022 £	2021 £
Loss on Disposal	-	528,517

Notes to the financial statements

For the year ended 31 July 2022

14 Trade and other receivables

	2022		2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Amounts falling due within one year:				
Other trade receivables	1,110,398	1,087,402	789,282	789,598
Other receivables	28,391	222	38,132	9,964
Prepayments and accrued income	2,302,262	3,730,394	2,186,576	2,179,623
Amounts due from subsidiary companies	-	49,056	15.00	59,003
Amounts falling due later than 1 year:				
Prepayments and accrued income	1,434,772	-	1,166,554	1,166,554
	4,875,823	4,867,074	4,180,559	4,204,742

Amounts falling due later than 1 year are prepayments and accrued income of £1,434,772, of which £1,415,244 is due to be paid by ESFA once apprentices go through the End Point Assessment towards the end of their individual degree programmes.

Out of the ESFA accrued income, £832,611 is receivable after 1 year and £582,634 between 2 to 4 years based on different cohorts of apprentices having different end point dates.

15 Creditors : amounts falling due within one year

	2022		2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Trade payables	274,175	268,363	258,342	256,863
Other payables	1,463,838	1,453,952	1,602,986	1,578,276
Finance Leases	-	-	18,720	18,720
Amounts due to subsidiary companies	-	-	-	12,500
Deferred income	556,925	525,399	533,937	530,880
VAT	3,304	194	6,321	6,321
	2,298,242	2,247,908	2,420,306	2,403,560

16 Creditors : amounts falling due after one year

	2022		2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Finance Leases	-	-	-	-
Accruals	325,142	325,142	261,103	261,103
	325,142	325,142	261,103	261,103

Accruals falling due after one year relates to costs associated with End Point Assessment for Apprenticeships: £325,142 UCEM has on the overdraft facility of £250,000 which has not been utilised and the Bank has a legal charge over it.

16 Creditors : amounts falling due after one year (continued)**Finance Leases**

Minimum lease payments under finance leases fall due as follows:

	2022		2021	
	Consolidated	UCEM	Consolidated	UCEM
Within 1 year	-	-	18,720	18,720
Between 1-2 years	-	-	-	-
Between 2-5 years	-	-	-	-
	-	-	18,720	18,720

Deferred income

Included within deferred income are the following items of income which have been deferred as is in relation to the year 2021-22.

	2022		2021	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Current Academic Offer	287,343	287,343	498,602	498,602
Corporate services – UCEM Courses	31,526	31,526	3,058	-
	318,869	318,869	501,660	498,602

Cash and cash equivalents

	At 1 August 2021	Cash flows	At 31 July 2022
	£	£	£
Cash at bank and in hand	2,138,813	491,786	2,630,599
Cash held by investment manager	2,234,525	(2,234,469)	56
Bank Overdraft	-	-	-
	4,373,338	(1,742,683)	2,630,655

Notes to the financial statements

For the year ended 31 July 2022

17 Provisions for liabilities

Consolidated and UCEM

	2022	2021
	£	£
Obligation to fund deficit on USS pension		
At the start of the year	1,280,847	877,520
Movement in the year	1,883,758	403,327
At the end of the year	3,164,605	1,280,847

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

A deficit recovery plan was put in place as part of the 2018 valuation which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021, 6.2% over the period 1 October 2021 to 31 March 2024 and finally 6.3% from 1 April 2024 to 30 April 2038. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount Rate	2.75%	1.13%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	1.00%	1.00%

17 Provisions for liabilities (continued)

Financial instruments

	2022		2021	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Financial assets at fair value through Statement of comprehensive Income				
Listed Investments	-	-	-	-
Financial assets that are equity instruments measured at cost less impairment				
Other Investments	8,614,819	8,865,918	9,071,675	9,197,285
Financial assets that are debt instruments measured at amortised cost				
Cash at bank and in hand	2,630,603	2,497,821	2,138,817	1,932,796
Other investments	-	-	-	-
Loan notes	-	-	-	-
Other debtors	4,875,823	4,633,133	4,180,555	4,204,741

Financial Liabilities

	2022		2021	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Financial liabilities measured at amortised cost				
Forward foreign currency contracts	-	-	-	-
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Service concessions	-	-	-	-
Finance leases	-	-	18,720	18,720
Trade creditors	274,175	268,363	258,342	256,863
Other creditors	2,349,210	2,070,748	2,404,966	2,389,024

Notes to the financial statements

For the year ended 31 July 2022

18a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
BCSC Educational Trust Fund	1,472	-	(1,472)	-	-
Philip Rose Award	339	-	-	-	339
BSc Estate Management Club	1,286	-	(1,286)	-	-
Marsh & Company	2,032	-	(2,032)	-	-
Harold Samuel Educ. Trust-Bursary Fund	2,185	-	(2,185)	-	-
Harold Crowter Prize fund	1,471	-	-	-	1,471
FJ Comerford Prize award	500	-	-	-	500
QS Student Bursary Fund	150	-	(150)	-	-
Centenary Fund	6,880	-	(8,545)	1,665	-
Harold Samuel Research Prize Fund	268,041	9,433	(30,255)	-	247,219
Peter Goodacre Fund	34,000	-	(1,000)	-	33,000
David Alexander Memorial Scholarship	166,375	23,689	-	-	190,064
Total restricted funds	484,731	33,122	(46,925)	1,665	472,593
Unrestricted funds:					
Designated funds:					
Fixed assets	7,157,286	108,018	(312,447)	-	6,952,857
Bursaries	2,237,058	59,718	(182,378)	3,686	2,118,084
Total designated funds	9,394,344	167,736	(494,825)	3,686	9,070,941
General funds	10,407,003	16,864,996	(17,824,070)	(5,351)	9,442,578
Total unrestricted funds	19,801,347	17,032,732	(18,318,895)	(1,665)	18,513,519
Total funds	20,286,078	17,065,854	(18,365,820)	-	18,986,112

Notes to the financial statements

For the year ended 31 July 2022

18b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
BCSC Educational Trust Fund	1,472	-	-	-	1,472
Philip Rose Award	339	-	-	-	339
BSc Estate Management Club	1,286	-	-	-	1,286
Marsh & Company	2,032	-	-	-	2,032
Harold Samuel Educ. Trust-Bursary Fund	2,185	-	-	-	2,185
Harold Crowter Prize fund	1,471	-	-	-	1,471
FJ Comerford Prize award	500	-	-	-	500
QS Student Bursary Fund	150	-	-	-	150
Centenary Fund	20,335	-	(13,455)	-	6,880
Harold Samuel Research Prize Fund	280,541	-	(12,500)	-	268,041
Peter Goodacre Fund	34,000	-	-	-	34,000
David Alexander Memorial Scholarship	128,086	38,290	(1)	-	166,375
Total restricted funds	472,397	38,290	(25,956)	-	484,731
Unrestricted funds:					
Designated funds:					
Fixed assets	7,031,791	321,631	(196,136)	-	7,157,286
Bursaries	2,213,943	53,607	(44,339)	13,847	2,237,058
UCEM Academic Offer	3,084,012	-	-	(3,084,012)	-
Total designated funds	12,329,746	375,238	(240,475)	(3,070,165)	9,394,344
General funds	6,007,528	16,606,296	(15,276,986)	3,070,165	10,407,003
Total unrestricted funds	18,337,274	16,981,534	(15,517,461)	-	19,801,347
Pension fund	-	-	-	-	-
Total funds	18,809,671	17,019,824	(15,543,417)	-	20,286,078

Notes to the financial statements

For the year ended 31 July 2022

19 Purposes of restricted funds

BCSC Educational Trust Fund – The provision of bursaries to College students studying for the Diploma in Shopping Centre Management.

Philip Rose Award – To award a prize for excellence in an area of study.

BSc Estate Management Club – The provision of bursaries to undergraduate College students.

Marsh & Company – The provision of bursaries to College students.

Harold Samuel Educational Trust – The provision of bursaries for College students.

Harold Crowter Prize fund – To award a prize for excellence in an area of study.

FJ Comerford Prize award – To award a prize for excellence in an area of study.

QS Student Bursary Fund – The provision of bursaries for College students.

Centenary Fund – The provision of bursaries for College students from the UK or internationally.

Harold Samuel Research Prize Fund – An annual award of up to £15,000 for an innovative research project that has the potential to provide industry-changing insight for the Built Environment. The Prize will be judged and awarded by a panel of experts from across the industry, UCEM staff and independent appointees. The Prize is open to applications from the UK and in any other part of the world.

Peter Goodacre Fund – To award £1,000 at every graduation for one student for 34 years

David Alexander Memorial Scholarship –To the provision of scholarships for students nominated by RICS Wales.

Purposes of designated funds

Fixed assets – This represents the net book value of the groups fixed assets.

Bursaries – The New Student Bursary Fund was established to encourage wider participation in College courses.

UCEM Academic Offer – Investment in UCEM's Academic Offer including project Transform (£3m) and other Apprenticeships related projects.

20 Lease obligations

Total rentals payable under operating leases for the group were:

	Property		Equipment	
	2022	2021	2022	2021
	£	£	£	£
Payable during the year	119,287	113,788	15,456	26,543
Future minimum lease payments due:				
Not later than 1 year	93,630	110,000	13,189	13,746
Later than 1 year and not later than 5 years	-	93,500	13,171	15,447
Total lease payments due	93,630	203,500	26,360	29,193

Total rentals receivable under operating leases for the group were:

	Property	
	2022	2021
	£	£
Receivable during the year	43,435	47,735
Future minimum lease receivable due:		
Not later than 1 year	3,049	8,337
Total lease receivable due	3,049	8,337

Notes to the financial statements

For the year ended 31 July 2022

21 Pension schemes

Different categories of staff were eligible to join one of three different schemes:

(1) Universities Superannuation Scheme

This is a defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds. USS is a multi-employer scheme and is accounted for as set out in the accounting policies

The total cost charged to the Consolidated Statement of Comprehensive Income is £1,130,834 (2021: £1,279,398) including Universities Superannuation Scheme, but excluding the impact of the change in the deficit recovery plan, as shown below.

Statement of comprehensive income – net pension cost in year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
USS	619,524	619,524	401,299	401,299
GPP	37,890	37,890	47,001	47,001
People's Pension	378,418	374,720	382,493	378,768
Manulife (HK)	15,230		14,567	
	<u>1,051,062</u>	<u>1,032,134</u>	<u>845,361</u>	<u>827,068</u>

Statement of Financial Position – Pension Scheme Liability

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £	UCEM £	Consolidated £	UCEM £
USS	3,164,605	3,164,605	1,280,847	1,280,847
GPP	-	-	-	-
People's Pension	-	-	-	-
	<u>3,164,605</u>	<u>3,164,605</u>	<u>1,280,847</u>	<u>1,280,847</u>

(2) Group Personal Pension Scheme (GPP)

Operating on a defined contribution basis in respect of pensionable service since 1 November 2004, the GPP has

For members of the former CEM Contracted Out Money Purchase Scheme who had joined that Scheme prior to

Age	College	Member
40-49	9%	2½% (minimum)
50-59	10%	2½% (minimum)

This scheme is now closed to new members as it has been succeeded by an auto enrolment compliant scheme

(3) Auto Enrolment Compliant Scheme (AE)

Operating on a defined contribution basis in respect of pensionable service since 1 January 2014, the AE scheme

The pension charge for the period was £369,462 (2021: £392,913).

Unfunded Pensions

The College also provided unfunded pensions to an ex-employee. Payment in the year totalled £5,311 (2021:

Notes to the financial statements

For the year ended 31 July 2022

22 Contingent Liabilities and Assets

UCEM participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. 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.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth 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 £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

Deficit recovery contributions due within one year for the institution are £220,197 (2020: £165,934).

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2020 valuation 101% of S2PMA "light" for males and 95% of S£PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

Existing benefits	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

Notes to the financial statements

For the year ended 31 July 2022

Pension Schemes (continued)

	2022	2021
Discount rate	2.75%	1.13%
Pensionable salary growth		
Price inflation (CPI)	1.00%	1.00%

The increase in the term of the deficit recovery plan has given rise to an increase in the deficit provision £1.28 million to £3.16 million as set out in note 17. £1.88 million of this increase is attributable to the change in the deficit contributions contractual commitment. See also Staff costs note 7 in respect of significant one-off pension costs / gains.

Accounts

Charity number: 313223

University College of Estate Management

Report and financial statements
For the year ended 31 July 2021

Contents

For the year ended 31 July 2021

Reference and administrative information	1
Trustees' annual report	4
Independent auditor's report to the Board of Trustees of UCEM.....	30
Consolidated and UCEM statement of comprehensive income and expenditure.....	35
Consolidated and UCEM statement of changes in reserves	36
Consolidated and UCEM balance sheets	37
Consolidated statement of cash flows	38
Statement of accounting policies.....	39
Notes to the financial statements	43

University College of Estate Management

Reference and administrative information

For the year ended 31 July 2021

Charity number 313223 – registered in England and Wales

Registered office and operational address

Horizons
60 Queen's Road
Reading
RG1 4BS

The institution also operates using the abbreviated name "UCEM".

Trustees

Trustees who served during the year and up to the date of this report were as follows:

John G T Gellatly AIIIMR FRICS BA (Hons)	Chair, resigned 27 November 2020
Jatinder Kaur Brainch FCA	Honorary Treasurer from 13 December 2018
Amanda Clack Dr. (hc) MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMi CMC	Appointed as Chair from 27 November 2020
Christopher D Costigan Barrister FAUA FHEA FRSA	
Helen Edwards BA (Hons) MA PG Cert AAUA	Staff Trustee
Amanda Milambo	Staff Trustee appointed 26 March 2020, effective from the 1 August 2020
Muhammed Ahmed	Student Trustee appointed 9 July 2021
Grant Alexander	Student Trustee appointed 9 July 2021, effective from 1 September 2021
Ella Campbell	Student Trustee, resigned 9 July 2021
Andrew Hynard FRICS BSc	
Dr Stephen Jackson FRGS FRSA	Vice Chair
Alastair G Martin FRICS FAAV	

University College of Estate Management

Reference and administrative information

For the year ended 31 July 2021

Professor Kenneth Miller LLB LLM PhD FRSA
FIOSH

Misa Lane von Tunzelman FCIM

Chris Turley LLB (Hons)

Ashley P Wheaton BA (Hons)

Member ex-officio

Professor Nicholas Braisby BA PhD CPsychol
AFBPsS PFHEA

Appointed 24 September 2020

Wendy Appleby BA MA MSc

Appointed 24 September 2020

Jane Fawkes BA(Hons) PgDip AFHEA

University College Secretary

University College of Estate Management

Reference and administrative information

For the year ended 31 July 2021

Key management personnel – Executive Team

Ashley Wheaton	Principal
Jane Fawkes	Deputy Principal and University College Secretary
Wendy Finlay	Vice Principal Learning, Teaching and Apprenticeships
Lynne Downey	Vice Principal Digital Education and Professional Services

Bank	National Westminster Bank plc, PO Box 78, 13 Market Place, Reading, Berkshire, RG21 2EP
Solicitors	DAC Beachcroft 100 Fetter Lane London EC4A 1BN Field Seymour Parkes, 1 London Street, Reading, RG1 4PN Freeths LLP, Cardinal Square, 2nd Floor, West point, 10 Nottingham Road, Derby DE1 3QT
Auditor	Mazars LLP, 90 Victoria St, Bristol, BS1 6DP
Investment Managers	Baring Asset Management Limited, 155 Bishopsgate, London, EC2M 3XY Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
Insurance Adviser	Jelf Insurance Brokers Limited, 1st Floor, Gail House, 5 Lower Stone Street, Maidstone, Kent, ME15 6NB

Trustees' annual report

For the year ended 31 July 2021

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

Reference and administrative information is set out on pages 1 to 3 and forms part of this report. The financial statements comply with current statutory requirements, the institution's Royal Charter and Bye-Laws and the Statement of Recommended Practice: Accounting for Further and Higher Education (FEHE SORP) applicable to Higher Education institutions preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

University College of Estate Management (UCEM) is concerned with education and training for all professions dealing with land, property and construction. It was founded in 1919, incorporated by Royal Charter (RC000125) on 22 August 1922, and has been a registered independent charitable institution in England and Wales since 24 May 1963. In 1977, Her Majesty The Queen was graciously pleased to grant her patronage to UCEM. In 1998, His Royal Highness The Prince of Wales became Patron of UCEM.

The governing documents of UCEM are its Royal Charter and Bye-Laws. In June 2018, following a petition to the Privy Council, a third Supplemental Charter was granted. The Supplemental Charter reflects that UCEM has taught degree awarding powers, and that on 11 November 2015, the institution was granted University College title by the Privy Council. Shortly thereafter "The College of Estate Management" rebranded as "University College of Estate Management" or "UCEM" for short.

The opportunity was also taken to update the Bye-Laws to reflect best practice corporate and academic governance.

The purposes of the institution as outlined in the Charter are as follows:

- To provide training and educational facilities at any level, and facilities for research, for all or any of the professions of surveyor, auctioneer, land or estate agent, or any other profession in land, buildings or property;
- This includes within the objects and purpose of the Charter, the development of course curriculum, material examinations, and the conferring of awards;
- To undertake research that will assist those in professions, and vocations as relevant to land, property and building; and

Trustees' annual report

For the year ended 31 July 2021

- The provision of continuing professional development for those in the built environment sector.

UCEM fulfils the objects of the Charter and furthers its charitable purposes for the public benefit through the provision of online educational programmes, research, continuing professional development courses, and student bursaries.

UCEM provides educational programmes from Levels 4 to 7 of the Frameworks for Higher Education Qualifications (FHEQ). All the programmes offered by UCEM sit within the core objective of the Charter, and are directly linked to the surveying, land and property professions. The programmes offered by UCEM are validated by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

UCEM achieved Taught Degree Awarding Powers (TDAP) from 1 January 2013, so all programmes that have launched since 2013 are awards conferred by the institution. UCEM received confirmation from the Privy Council in December 2018 that UCEM's taught degree awarding powers had been renewed for a further six-year period from the 1 January 2019. UCEM continues to develop the resources provided to students through the Digital Education Team working with the subject experts to ensure material is interactive and engaging to students. UCEM offers eighteen programmes awarded by the institution, all of which are delivered online, so are accessible to students worldwide. This includes the delivery of the Level 6 and 7 Apprenticeship programmes, which are core to UCEM's purpose of providing vocational programmes accessible to all.

UCEM research is directed from two Research Centres, Online Learning (OLRC) and Property and Construction (PCRC), whose main objective is to support enhancements to students' learning opportunities. UCEM research in 2020–21 had wide ranging academic outcomes including: nine publications (book chapters, reports, academic and professional journals); joint publications with Taylor Wessing and the Edge on 'City 2040' as well as CIC on 'Build Back Better: Improving the apprenticeship system'. External collaborations included materials development through 'The Rapid Urbanisation Toolkit for Urban Expansion' with The Prince's Foundation and completion of externally funded projects led by Royal Agricultural University's Higher Education Funding Council for England (HEFCE) Catalyst Fund bid (£1.2m) to develop flexible industry-led programmes. Additionally, activities in 2020–21 have increased profile within the industry and Higher Education sector, where presence has been enhanced through twenty conference presentations and workshops. Awards and scholarships included Responsible Futures Host Partnership status for 2020–21 playing a leadership role with three National Union of Students (NUS) external partnership events. This is buttressed through a range of research and scholarly activities, which include senior roles in public bodies and associations, external examining and corporate events. Research and scholarship at UCEM support the achievement of the institution's vision becoming 'the Centre of Excellence for Built Environment Education'.

Trustees' annual report

For the year ended 31 July 2021

To make education and academic success accessible to all, and in the context of its charitable status, UCEM operates several bursary schemes to provide financial assistance to new students from poorer backgrounds, students made redundant during their course and students with other special circumstances. Awards range from discounts in one semester for temporary challenges through to 100% fee bursaries for the lifetime of a programme. More details on UCEM's bursary awards are given in *Movements in funds* Note 18a to the Financial Statements.

The trustees review the aims, objectives and activities of the institution each year. They look at what the institution has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the institution has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the institution's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the institution's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategy

UCEM's core purpose is to provide truly accessible, relevant and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a better built environment.

UCEM has a five-year Institutional Strategy (2019–24) which sets out the strategic plan and goals to enable UCEM to realise its vision to be the 'Centre of Excellence for Built Environment Education'.

As the Centre of Excellence for Built Environment Education, UCEM will focus on maximising its Impact and Influence on both Education and Industry. In practical terms, this means a focus on delivering greater impact through; Student Outcomes, Widening Participation, Student Satisfaction and Reach, whilst increasing influence by offering a greater Depth and Breadth of Education, engaging more with Education and Industry partners and actively Collaborating.

By maximising both our Impact and Influence; students, employers, Industry and the Higher Education Sector will regard UCEM as the obvious and best choice of institution for Built Environment qualifications.

In the context of the strategic plan, the Executive with the Senior Leadership Team (SLT) set an annual plan for the year, which is approved by the Board of Trustees prior to the start of the financial year. This process occurs alongside budgetary planning, to ensure the appropriate resources are in place to deliver the plan for the forthcoming year.

Trustees' annual report

For the year ended 31 July 2021

The Board of Trustees meets four times per year, and as part of these meetings monitors delivery of the strategy, as well as holding an annual Strategy Day to review the strategy against the changing external context.

Performance of the plan is monitored against seven key institutional metrics and these key performance indicators ("the M7") are used to measure the success and achievements of the institution each year.

The metrics are defined in the following areas in the Strategic Plan 2019–24:

- Education; which focuses on the successful delivery of 'Project Transform' which is a project focused on student success, and this was launched in Autumn 2020, compliance with the Conditions of Registration with the Office for Students and attaining an Ofsted good rating.
- Student Outcomes: which is measured by student completion and module pass rates.
- Student Satisfaction; which is measured by satisfaction rates in the National Student Survey, ESFA (Education and Skills Funding Agency) Student and Employer surveys, and the UCEM Student Experience Survey.
- Widening participation to target increased access; success and progression for those from under-represented groups as part of UCEM's commitment to increase diversity within the property and construction sector.
- Employee Experience; which includes staff engagement, monitored through the Gallup Q12 survey, as well as a focus on employee wellbeing.
- Reach, measured by:
 - the target number of new students for each semester; and
 - the number of returning students for each semester.
- Financial health, measured by:
 - revenue; *and*
 - operating margin.

These metrics are defined to ensure the institution meets its charitable aims and objectives to deliver education and training for the built environment sector in the long-term.

In 2020–21, UCEM continued to make significant progress, despite the challenges of the Covid-19 pandemic and met the majority of the targets, including relating to financial health. The institution continues to grow and work towards its goal of being the Centre of Excellence for Built Environment

Education. The achievements are discussed in the following section:

Achievements and performance.

UCEM continued to support its subsidiary companies. UCEM approved a £385K grant in the year (2020: £549K) to its wholly owned Hong Kong subsidiary, UCEM Asia Limited, to advertise UCEM's courses, provide course registration assistance and teaching support to students in Hong Kong.

Two other companies were previously being accounted for as subsidiaries due to UCEM's control of their boards. UCEM no longer has control over either of these companies' boards as the majority of its trustees stepped down during the year, from Chartered Surveyors Training Trust (CSTT) on 31 December 2020 and from Building People Skills CIC (BPS) on 13 July 2021. A loss on disposal of subsidiaries in the financial statements reflects the loss of control. During the year grants of £50K were made to each of CSTT and BPS (2020: £50K each). In addition, UCEM has committed to support BPS to a maximum of £50K in each of the three years 2021–22 to 2023–24.

UCEM does not engage in social investment activities.

UCEM trustees are volunteers and while their influence is significant, they do not deliver UCEM services; UCEM makes no use of general volunteers to deliver its services.

Apprenticeships

Apprenticeship provision in the built environment is central to the institution's core purpose. UCEM supports the Government's apprenticeship agenda, including the "Build Back Better" plan, and sees apprenticeship delivery as vital to its future and that of training the sector which the institution was founded to serve.

UCEM is listed on the Register of Apprenticeship Training Providers (RoATP) as a Main Provider and is eligible to receive government funding to train apprentices. UCEM has contracts with the ESFA for the delivery of apprenticeships for levy-paying and non-levy paying employers.

The apprenticeship programmes offered in 2020–21 are:

- Level 3 Surveying Technician (suspended for new starts in June 2020)
- Level 6 Chartered Surveyor (Degree) Apprenticeship
- Level 6 Building Control Surveyor (Degree) Apprenticeship
- Level 7 Senior Leader Master's Degree Apprenticeship

In 2020–21 UCEM continued to deliver apprenticeships through subcontracting arrangements with Eastleigh College. Delivery under this subcontract is limited to completion of apprenticeships that

commenced prior to November 2017. In December 2019, Rathbone Training ceased trading and UCEM was subsequently awarded a direct contract by the Education and Skills Funding Agency (ESFA) for the completion of the apprenticeships that were formerly under the Rathbone Training subcontract. These apprentices were transferred into the UCEM learner cohort during the first quarter of 2020–21.

UCEM subcontracts the delivery of Functional Skills Maths and English qualifications within apprenticeships to Runway Apprenticeships Limited, trading as Runway Training. Due to the level of the apprenticeships that UCEM delivers, most apprentices have acceptable prior or equivalent Maths and English qualifications at enrolment, and therefore the volume of subcontracting with Runway Training is low.

In 2020–21, 1519 apprentices employed by over 500 different employers and business entities were actively studying with UCEM, including 11 Level 7 Senior Leader Master's Degree Apprentices, 1,295 Level 6 Chartered Surveyor Degree Apprentices, 29 Building Control Surveyor Degree Apprentices, 13 Construction Site Manager Degree Apprentices and 171 Level 3 Surveying Technician apprentices. This represents growth of approximately 15% on the number of apprentices actively studying with UCEM in 2019–20.

Approximately 95.5% (1,452) of apprentices actively studying with UCEM during 2020–21 were funded through UCEM's direct contracts with the ESFA. The remaining 4.5%, (67) were funded via UCEM's subcontract with Eastleigh College.

UCEM includes apprenticeship course revenue on the face of the Consolidated Statement of Comprehensive Income and Expenditure (CSCIE) with other Tuition fees and education contracts.

Achievements and performance

The year ending 31 July 2021 was a significant year for the institution's performance and achievements.

Reach

During 2020–21 UCEM enrolled 1,394 new students in total. This outcome was slightly lower than the previous year but was better than expected given the impact of the Covid-19 pandemic which affected many employers' ability to recruit and train new staff. This factor was particularly marked in the autumn 2020 semester but the position improved in spring 2021 which yielded the best result for student recruitment in a spring intake for 4 years.

UCEM launched two new degree apprenticeship programmes in 2020–21: the Level 6 Chartered Surveyor MSc route and the Level 6 Construction Site Management apprenticeship. The Chartered Surveyor MSc route attracted high levels of interest from employers interested in supporting their graduate trainees to achieve professional qualifications, producing 120 new starts in the first year alone.

UCEM continued to benefit from strong relationships with employers across property, construction and related sectors. This resulted in sponsored students (including apprentices) being the largest segment, representing 41% of total enrolments.

Away from the UK, Hong Kong continued to be the largest international market for UCEM, with 169 enrolments in total.

Education

The focus on Education in 2020–21 was defined in the following areas.

As a Higher Education Provider in England, UCEM in 2020–21 continued to meet the Conditions of Registration with the Office for Students (OfS), as a registered (fee cap) provider, and the Education and Skills Funding Agency (ESFA). UCEM monitors the institution's compliance with the OfS Conditions of Registration through the Board of Trustees, Board Sub-Committees and the relevant Academic Deliberative Committees.

UCEM must also meet the requirements of Office for Standards in Education (Ofsted) with regards to apprenticeship provision at all levels. In April 2021, Ofsted became responsible for inspection of Level 6 and 7 apprenticeships in addition to lower levels. Therefore, all UCEM's provision, at Level 3, Level 6 and Level 7, became subject to Ofsted inspection during 2020–21. The Apprenticeships Team continued to support UCEM's readiness for Ofsted inspection by strengthening good practice and delivering improvements identified in the Self-Assessment Report (SAR) and documented on the Quality Enhancement Plan (QEP), which is approved and monitored by the Board of Trustees. Apprenticeships senior leadership at UCEM was strengthened in the first half of 2021–21 through the appointment of two new Directors in two distinct areas – Apprenticeships Compliance and Apprenticeships Operations – and the implementation of new operating structures within the Apprenticeships Team.

Finally, during 2020–21, UCEM launched the outputs of Project Transform: the Student Success Project. The purpose of the Transform Project was to transform the opportunities for student success at UCEM. The project was designed to remove the barriers to student success that had been identified within the student journey. A number of workstreams were delivered to offer a simplified student journey, giving students more opportunity to progress in a timely manner through their programmes, and to achieve success at UCEM on a more consistent basis. The Transform project also removed the barriers to growth and profitability that previously existed within UCEM's operational delivery model, through the development of administrative processes and systems that are efficient and scalable, ensuring UCEM can support students effectively both now and in the future. The Transform project was supported by £1.2m investment by the Board over three years.

Student Outcomes

UCEM monitored module success rates against a target KPI 75% in 2020–21 as part of its strategy to improve student outcomes, which supports UCEM's compliance with condition of registration B3 (successful outcomes for all students). Over the last three years, UCEM has focused on improving student outcomes through enhancements to academic provision, the nature of the delivery model, student support and associated regulations, policies and procedures. In 2020–21, end of semester resubmissions for failed assessments were introduced for the first time. At the time of writing the Spring 2021 resubmission results are unknown, therefore the overall final module KPI outturn for

2020–21 is not available. Notwithstanding this, the module success KPI of 75% was exceeded in

Autumn 2020 with an overall module success rate of 81.9% (post-resubmissions, final module success rates). Further, the Spring 2021 module results are currently showing an interim module success rate of 77.5% (pre-resubmissions, interim module success rates). Even with these interim Spring 2021 results, it is evident that the full year module success rate outturn will exceed the 75% KPI. Upon completion of the modules, the Academic Team completes an Annual Review process for all modules, to ensure that the modules and the support offered to students remain fit-for-purpose each semester and success rates can continue to improve. In the coming year, a new project will launch, focused on further improvements to student outcomes, alongside the delivery of the Learning, Teaching and Assessment Strategy action plan.

Student Satisfaction

Student satisfaction in 2020–21 was monitored externally by the National Student Survey (NSS). The survey is open to all final year undergraduate students who are domiciled in the UK. The results of the NSS are monitored by the OfS and form part of the dataset for the Teaching Excellence and Student Outcomes Framework (TEF). They are also published nationally to form league tables for universities.

UCEM achieved an overall student satisfaction rating of 74.68% in the NSS 2021; which compares to an overall student satisfaction score of 83.4% in the NSS 2020. This was a disappointing result and did not reflect the hard work of the academic and professional service teams over the previous 12 months to deliver an action plan targeted to improve Student Satisfaction against the backdrop of the Covid-19 pandemic. It should be noted that despite a fall of 8.76% in UCEM's overall satisfaction rate, this fall was mirrored across the entire higher education sector. UCEM remained above average for our sector discipline and within 1% of all higher education providers. Further, the NSS 2021 contained six additional questions relating to the support provided to students by their higher education provider during the Covid-19 pandemic. It is worthy of note that against these questions, UCEM students' responses were overwhelmingly positive in comparison to the rest of the sector. For example, in answer to the question "COVID5. I am content with the delivery of learning and teaching of my course during the covid-19 pandemic", the higher education sector average was 47.57%, with UCEM scoring 91.38%. The NSS scores represent a highly turbulent year for providers and students alike and the outcomes of the survey will be used to inform areas for improvement in the coming year.

Widening Participation

UCEM's commitment to widening participation is central to UCEM's core purpose, and the outworking of the Royal Charter to provide education and training to all. This is evidenced within the five-year Institutional strategy, of which Widening Participation is one of the core tenants. UCEM recognises the challenge of diversity and inclusion within the property and construction sectors, and as such is committed to working with the sector and employers in this area.

Trustees' annual report

For the year ended 31 July 2021

The metrics for Widening Participation are monitored through the OfS approved Access and Participation Plan. In 2020–21 UCEM increased the percentage of new students on undergraduate programmes who are Black, Asian or minority ethnic (BAME) from 13% in 2019–20 to 16%. 11% of new undergraduate students identified themselves as disabled.

The challenge on Widening Participation remains a sector wide one, but UCEM is working closely with employers to increase diversity within the built environment.

Employee Experience

UCEM monitors employee satisfaction and the employee experience twice a year through an employee engagement survey, which uses the Gallup 12 question format.

Overall staff satisfaction continued to meet the 4.00 target; it scored 4.1 in November 2020 and in June 2021. The participation rate exceeded our 85% target on both occasions. This was against the back drop of staff continuing to work remotely and reflects the focus of the institution on wellbeing during this period. In addition to the Employee Engagement Survey staff were asked to anonymously rate their wellbeing on a scale monthly, and these results were monitored by the Senior Leadership Team as part of the continued care of staff.

Financial Health

In the year ending 31 July 2021 UCEM achieved a consolidated income of £16.2m (2020: £15.6m), an increase of 4.1% (2020: 5.8%) on the previous year. The increase in the level of income was predominantly due to increased tuition fees from the continued expansion of the apprenticeships programme through organic growth and partnership with other providers and contractors.

Costs were controlled in the year as UCEM reacted to the ongoing pandemic decreasing by 8.2% to £15m (2020: increase of 1% to £16.3m), with cost savings made as the office building was temporarily closed and the majority of staff worked from home, no travel expenses and furlough support. The previous year saw increased costs due to additional holiday accruals whilst staff were unable to take holiday and unbudgeted restructuring costs due to the pandemic, as well as additional End Point Assessment costs accrued from UCEM's apprenticeship programme alongside an additional £1M of agreed business planning costs approved by the Board of Trustees.

After gains on the investment portfolio of £775k (2020: losses £816k) and a loss on disposal of subsidiaries (Exceptional item) of £529K (2020: £nil) the group made an operating surplus of £1.5m against a planned operating deficit of £0.78m (2020: operating deficit of £1.6m against a planned operating deficit of £1.4m).

Beneficiaries of our services

The institution's main activity is the provision of education and its beneficiaries are students, industry and the built environment sector worldwide. All its charitable activities focus on the sector and students developing careers in the sector and are undertaken to further UCEM's charitable purposes for the public benefit.

UCEM added 1,394 new students during 2020–21 against its target of 975. This was a 4% year on year fall compared to the 1,455 new students recruited in 2019–20 but was significantly above the annual target that had been adjusted downward to take account of the pandemic.

UCEM made 1,099 academic awards of which 981 were full academic awards and 118 were intermediate awards. Please note that this report was written prior to the final Examination Award Boards for 2019–20, so some of these awards are still to be ratified, which could alter this number marginally.

UCEM continued to strengthen its sector employer engagement: despite the challenges faced by partner employers 574 new students (including those on apprenticeship programmes) were sponsored by 295 employers.

UCEM allocated £57,794 bursaries in the year (2020: £63,125) as follows:

Bursary	Number of Students	£
UCEM Centenary Fund	10	£13,455
New Student Bursary Fund	28	£42,335
Post Graduate Scholarship	2	£2,004
Total	40	£57,794

In addition to the above, many students were assisted with fee reductions or debt write offs for special circumstances so that they could continue with their studies, for example, 5 awards were made from the Principal's Discretionary Funds totaling £4,316 (2020: 5 at £4,470) and 4 awards were made from the Redundancy Support Scheme totaling £5,234 (2020: 10 at £10,387).

Financial review

Whilst the financial year ending 31 July 2021 has been a challenging one for UCEM in the wider context of the Covid–19 pandemic and its effects on the operation of its business, the fact that UCEM is a wholly online provider of education has meant that it has been able to demonstrate that its business model is extremely robust. Student income grew by 4.6% (2020: 2%) compared to the previous year, costs have been controlled and a healthy operating surplus has been generated strengthening the balance sheet.

Trustees' annual report

For the year ended 31 July 2021

Investment income decreased in the year, and this was again due to lower returns in the form of distributions from the group's main holding in the Barings Targeted Return Fund. At the year-end UCEM's investment in this fund was in the process of being fully redeemed, since the fund was closing down on 31 August 2021, and reinvested into the Sarasin & Partner Climate Active Endowment Fund. At the year-end gains on investments were £774,735 (2020: losses £815,532).

Group expenditure

Group expenditure was down on the previous year despite the increase in student numbers and tuition fee income. As previously noted, this was as a result of the cost savings made as the office building was temporarily closed and the majority of staff worked from home during the pandemic and redundancies made at the end of the previous financial year. As a result of this UCEM was able to control costs well within its approved expenditure budget. UCEM received £35K in respect of the HMRC furlough scheme in the year.

Despite decreasing in the year by 4.5% to £11.5m (2020: increase of 1.7% to £12m) staff costs remain the largest single expense to the business. The decrease in costs reflects the decrease in staff numbers from 245 to 228, with a freeze on recruitment only being eased towards the end of the financial year as the situation stabilised. UCEM's share of the deficit on the USS pension scheme increased by £403k (2020: £36k) in the year. Further details of staff costs can be found in note 5 to the financial statements.

Other operating expenses reflect a decrease in the cost of other non-staff expenditure as set out in note 7 to the financial statements.

Academic and related expenditure

The 26.7% decrease in group academic and related expenditure was due to the assessment, examination and graduation process being conducted fully online and the redundancies from the previous year. It should also be noted that additional End Point Assessment costs were accrued from UCEM's apprenticeship programme in the previous year.

Administration and central services expenditure

Administration and central services expenditure reduced by 5.5% from the previous year due to the general decrease in support costs whilst the office building was temporarily closed.

Premises expenditure

Premises expenditure decreased by 26.6% again primarily as a result of the office building being temporarily closed during the pandemic. UCEM did not reopen the building until July 2021.

Alongside the decreasing number of staff (reduced staff cost in year), UCEM did however take advantage of the office closure and implemented a new security and CCTV system at Horizons (this has been capitalised). In summary, income continued to grow, but cost reduced significantly due to the pandemic and investment into the student success projects was capitalised in year. The institution did achieve its ambition of making its operations break-even in 2020-21 as stated in last years accounts, and in fact made more than £1m surplus.

UCEM Courses Limited turnover (Note 12: Subsidiary undertakings) decreased by 39% from £77k to £47k in the year. It has not been possible to host any face-to-face workshops and the income continues to be generated by online Continuing Professional Development courses.

UCEM Asia Limited received £385k grant income from its parent institution (2020: £594k) which led to a profit of £1k (2020: £6k) in the year (Note 12: Subsidiary undertakings).

David Alexander Memorial Scholarship received £4,140 in investment income and the fund had investment gains of £34,150 in the year.

UCEM's consolidated group Balance Sheet on 31 July 2021 shows an increase in value of 7.8% to £20.3m driven by the positive operational performance and the gains in value of the investment portfolio. UCEM retains a strong Balance Sheet and reserves position.

Pensions

UCEM is a member of the Universities Superannuation Scheme (USS), a defined benefit pension scheme with mutual employer membership. The scheme is in deficit and the liability is pooled amongst employer members. UCEM's obligation to fund the past deficit of the scheme is reflected on the balance sheet and details can be found in note 17 to the financial statements.

A deficit recovery plan was put in place as part of the 2018 valuation which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%.

UCEM also participates in two defined contribution pensions schemes. A Group Personal Pension scheme (GPP), operated by Prudential (closed to new members), and the People's Pension auto-enrolment scheme, for employees not eligible for participation in USS.

More detail on UCEM's pension arrangements can be found in note 22 to the financial statements.

Other factors

The impact of the Covid-19 pandemic has continued to shape discussions and the strategic approach of the Board, Executive and Senior Leadership Team (SLT) since March 2020.

The majority of staff have continued to work remotely over the last year, due to Government guidance during the pandemic to continue to work at home. From 1 September 2021 staff have been encouraged to come back to the building, with a trial period of hybrid working in place until the end of the year.

The focus during the year was to ensure the quality and standards of the student experience were maintained and met the expectations of the OfS, alongside meeting the expectations of employers. UCEM as an online provider was in a stronger position than most other Higher Education Providers to meet the challenges of the pandemic, but additional support was put in place for students, with a Covid Steering Group meeting regularly to monitor the student experience and put in place any adjustments that were required. This was monitored through the Academic Deliberative Committees, as well as by the Board.

The Business Development Team have continued to work very closely with key employers, who are a key stakeholder for UCEM, both in terms of influence and impact.

A large focus during the year has also been on staff wellbeing, and maintaining a sense of community, recognising the on-going nature of remote working has had on mental health, as well as the challenge of continuing to ensure teams are working effectively. This has led to a significant increase in the number of internal communication meetings, as well as opportunity for social connection. Additional wellbeing sessions have been provided for staff by MIND, as well as the

continued support of the UCEM Mental Health First Aiders, and the Employee Assistance programme.

Externally, the increased compliance of the Higher Education Sector and the OfS requirements continue to be one of change. The monitoring of Apprenticeships also continues to change, including proposed programme amendments to cap funding, as well as approval of new apprenticeship standards.

The final factor that may affect longer-term financial planning more positively is the potential at the institution's site at Shinfield Grange. The site was valued at fair value (open market value) at £1.7m in the 2020-21 Balance Sheet. Shinfield Grange is well positioned: close to the M4, the Reading Science Park and the new link road in an area undergoing significant development.

Trustees are exploring alternative uses for the site that may realise local and reputational benefits and ultimately a cash boost to the Group.

Investments

During the year Barings announced that their Targeted Return Fund would be closed at the end of August 2021. Since the majority of UCEM's investment portfolio was invested in this fund, Trustees took the opportunity to undertake a full review of their investment policy, seeking to invest funds in an ethical and sustainable manner, paying regard to environmental considerations and aligning the policy with the United Nations Sustainable Development Goals, alongside the institution's own sustainability agenda.

Investment policy

Trustees will continue to review the institution's investment policy annually. The policy aims to at least maintain the invested fund's real value (over a rolling five-year period) and to cover the income requirement of the institution. The investment portfolio is regularly reviewed by the Finance Committee in conjunction with independent investment advisers.

Following the review of the investment policy Trustees identified three funds that met their investment objectives and ethical and sustainable requirements. Following a formal tender process, the Sarasin & Partners Climate Active Endowment Fund was chosen to replace the Barings Targeted Return Fund with investment transitioning over a four-week period across the year end. At the year-end, the fund consisted of investments in both these multi-asset class equity funds, and cash awaiting reinvestment. Full reinvestment of the funds into the Sarasin & Partner Climate Active Endowment Fund was completed after the year end on 19 August 2021.

The institution's equity holdings are held on a discretionary basis in the form of charity units and as such enjoy favourable tax and charging structures. The equity holdings are held in two separate pools: 'Main' and 'Bursary.' At the year end the Main and Bursary Funds were valued at £6.4m and £2.2m (2020: £5.8m and £2.1m) respectively.

The objective of these funds is to outperform the Consumer Price Index (CPI) plus 3% over a rolling three-year period. Utilising the values achieved in selling the Barings Targeted Return Fund, investment in this fund achieved a total return of 12.37% in the year to 31 July 2021 as adjusted to include the post year-end sales (3.12% income and 9.26% capital returns) against the target return of 5.02%. This largely reflected the recovery of the fund in the year from the effects of the Covid- 19 worldwide pandemic which saw valuations plummet in the Spring of 2020.

Principal risks and uncertainties

The Board regularly considers the risks to which it believes the institution may be exposed. This is principally done by assessing the Risk Assessment Register (RAR) which identifies risks and the probability and impact both pre and post identified mitigation.

Specific risks are identified under six main headings in the RAR and summarised here:

- **Reach:** UCEM is dependent on maintaining and growing its student numbers. A failure to recruit new students or retain existing students would impact the institution's finances and reputation. The risks are reviewed regularly against Key Performance Indicators by the Board, and Senior Leadership Team (SLT).
- **Operational excellence:** UCEM is an online business so the impact of technology failure in business operations or the online learning environment (VLE) can be significant. The risks are managed through the appropriate use of market-leading software solutions with appropriate support contracts, cloud software solutions, data back-ups and best practice in information technology.
- **Compliance and governance:** damage to reputation could cause UCEM to lose students, staff, industry accreditation partners and ultimately its status as a charity with degree awarding powers. Governance is key and UCEM takes its regulatory, compliance and policy framework policy very seriously. Codes of practice, guidelines and policies undergo periodic review and staff are trained and expected to follow policy.
- **Student Outcomes and Satisfaction:** product and student risks encompass quality, standards, consistency, complaints, student success and welfare. This includes monitoring student satisfaction and academic performance. Mitigation is achieved through the monitoring of student survey results, External Examiner reports, annual programme monitoring and Codes of Practice. Academic risks are also reviewed regularly by the Academic Board.
- **Financial:** investment risk comprises currency, custody, market and liquidity risk and is managed through appropriate investment policy and choice of investment manager. Fraud and financial loss are addressed by the internal control environment and backed with insurance. Long term financial planning, review of performance against plan and an appropriate reserves policy protect against insolvency risk.
- **Employee Engagement:** the loss of key personnel or an inability to recruit appropriate personnel would restrain the institution's ability to deliver its academic programmes and charitable objects. Recruiting and retaining the right people are supported by a strong Performance Development Review (PDR) process, a staff satisfaction survey, benchmarked

Trustees' annual report

For the year ended 31 July 2021

remuneration, an evolving benefits' offering, relevant insurances and an increasing investment in training.

Each individual risk in the RAR shows the assessed scores for the probability and the impact pre-mitigation, leading to a gross risk score, and probability and impact scores post the identified mitigating actions, leading to a net risk score. Detail is provided on each risk, with commentary on the evidence of controls in place, and identification of the early warning signs of heightened risk. Net risk scores of 20 or above are deemed to be of more significant risk and a focus is given to these areas.

The responsibility for mitigating each of the assessed risks has been delegated by the Board to the Principal and to individual members of the SLT.

The Board believes the RAR to be comprehensive and that the assessed risks are appropriately mitigated by the procedures and systems in place, which are also reviewed regularly. These are further mitigated by the policies and practices which help define the institution's strategy and determine its activities.

The review and approval process include the RAR being reviewed by the SLT. The Board has delegated to the Audit Committee the detailed review of the content of the RAR (and development of the appropriate control processes). The Audit Committee review the Risk Register twice a year, with further discussion once a year at the full Board meeting. Consequently, the trustees consider that arrangements are in place to ensure satisfactory, effective internal control and risk management.

On systemic risk, the Board continues to be very mindful of the domestic and global construction sector from which the institution draws its student base, and economic situation. This has included ongoing consideration of risk in Hong Kong due to the ongoing political situation in the region. The Board continues to closely monitor the numbers of new student registrations, as well as the potential impact on existing students striving to continue their studies.

Reserves policy and going concern

UCEM's general reserves arose from the original donations of £55k made when the College was set up in 1919, and its subsequent retention of modest surpluses on its activities, plus further small donations over the years.

The education sector, in general, operates on a long-term cycle, with none of UCEM's courses lasting less than two years and many students taking five or more years to complete their studies. The sectors in which UCEM is permitted to apply its funds are land and property. These sectors are subject to considerable cyclical movement.

The trustees continue to monitor the use of reserves, in conjunction with the setting of annual budgets, and development of long-term strategies for delivering public benefit in distance learning projects to meet the changing nature of demand. The present policy is to budget for operating surpluses sufficient to build reserves to meet the needs of our long-term strategy, and to designate funds for specific projects as and when available and identified within that strategy.

The current Strategic Plan covers the period 2019–24 and sets out goals that will enable UCEM to realise its vision to be the Centre of Excellence for Built Environment Education. The trustees recognise that further funds will probably be needed to drive the current Strategic Plan and that reserves may be the appropriate source of these funds.

UCEM's income sources are closely aligned to its core purposes of providing truly accessible, relevant and cost-effective education, enabling students to enhance careers, increase professionalism and contribute to a better built environment. The reserves policy seeks to balance spending the amount of income raised in providing such education across the academic period to which it relates, whilst maintaining the minimum level of reserves required to ensure uninterrupted operation and provide time to adjust to any change in financial circumstances. Trustees consider that general reserves should be held in a range of a minimum of three months and a maximum of twelve months operating expenditure. This would allow the time and space necessary to consider the practicalities of providing the appropriate resources to enable existing courses to be completed without any disadvantage to students.

Total UCEM group reserves at 31 July 2021 were represented by total unrestricted reserves of £19.8m (2020: £18.3m). £9.4m of this sum has been allocated to Designated Funds, of which £7.2m was in Fixed Assets and £2.2m has been allocated to a Bursaries Fund set up for the exclusive purpose of generating an income to provide bursaries to assist and support students and to otherwise encourage new entrants to the profession. The remaining unrestricted funds were in general reserves of £10.4m representing approximately eight months' operating expenditure. It is the trustees' view that this level of reserves is appropriate to provide for UCEM's normal educational commitment to students.

Accordingly, the trustees consider that UCEM is a going concern and have prepared the accounts on this basis.

Plans for the future

The focus for UCEM during 2021–22 will be to achieve Permanent Degree Awarding Powers, as part of the Strategic Plan by the Board to apply for full university title. In addition, it is expected that during 2021–22 UCEM will receive an inspection from Ofsted.

In terms of the student experience the focus remains on increasing student outcomes, with a project to increase student numbers through retention and new programmes by 1,000 additional students by 2025.

UCEM continues to look at opportunities to develop new programmes within the built environment sector, including opportunities for new apprenticeship programmes, as part of the strategic vision to be 'the Centre of Excellence for Built Environment Education'. This is also aligned to the Government Agenda of Lifelong Learning and providing opportunities for more vocational programmes.

The priority internally for the Institution remains on ongoing organisational health. This includes financial health, and the wellbeing of employees to ensure the institution continues to be able to respond to these external challenges, as well as maximise the opportunities afforded through its online learning model.

Structure, governance and management

The strategic direction for UCEM is determined by the Board of Trustees, which meets four times a year. The Board is guided in its educational strategy by an Academic Board which also meets four times a year to assess matters such as changes in the regulatory environment (or best practice) regarding the provision of education. They are the supreme deliberative committees relating to educational matters.

The Board delegates some of its power to five standing sub-committees, established to consider in detail various issues on its behalf. The sub-committees have detailed terms of reference which are reviewed annually by the Board. They debate matters within their sphere and then make recommendations for the Board to consider for approval. Details of the sub-committees and their main functions are:

The Academic Review Committee

An independent sub-committee that acts as the advisory body for all aspects of UCEM's academic delivery. Its primary responsibility is to be the final auditor of all UCEM's academic review processes and performance data. This sub-committee meets a minimum of twice a year.

The Audit Committee

The committee's remit is to review the adequacy and effectiveness of the institution's system of audit related to financial reporting, internal control and risk management. In fulfilling this function, the Audit Committee adheres to the guidance and best practice for Audit Committees outlined in the Committee of University Chairs (CUC) Higher Education Code for Governance, and the CUC Handbook for Members of Audit Committees in Higher Education Institutions. This sub-committee meets a minimum of twice a year.

The Finance Committee

This considers in detail the financial results against plan for the current year, the forecast of results for the following year, the cash position and the performance of investments. This committee also assesses the policies relating to Grant Making and Bursaries, Investments and Reserves. This sub-committee meets a minimum of twice a year.

The Nominations and Governance Committee

This committee considers and recommends to the Board all prospective appointments to the Board of Trustees having assessed the type of skills and experience deemed necessary for the Board to function as effectively as possible. This committee will also recommend to the Board all candidates considered for Honorary Fellow status, as well as all nominations for the annual UCEM Property Award. This sub-committee is also charged with ensuring that the very best governance practice is adhered to by UCEM as a registered charity in the higher education sector. This sub-committee meets a minimum of twice a year.

The Remuneration Committee

This sub-committee meets annually, or as required, to consider the remuneration package for the Principal, the Senior Leadership Team and all other staff.

Executive Team

The Executive Team, whose responsibility is to focus on the strategic approach for UCEM, monitor the external environment, horizon scan, planning accordingly. This group is Chaired by the Principal and since the start of the pandemic in March 2020 has met three times a week to ensure continued oversight of the UCEM response to Covid-19, financial sustainability and the wellbeing of staff.

Senior Leadership Team

The day-to-day management of the institution is entrusted to the Principal, supported by a SLT whose role is to deliver the strategic objectives and policies set by the Board of Trustees. The Principal is also an ex-officio trustee as required by the Royal Charter.

Trustees

Trustee recruitment

The terms of appointment for the Independent and Staff Trustees (other than those who are ex-officio) is three years. At the end of each three-year period these trustees are eligible for reappointment for one further term of three years.

Under the Royal Charter Student there is provision for two Staff Trustees, and two Student Trustees. Student Trustees are appointed for a one-year term which may be renewed for a further one-year term. The Board aims to have a Student Trustee representing undergraduate students, and a Student Trustee representing postgraduate students to ensure the UCEM Student Community is represented at Board level.

In 2020-21 the Board approved the launch of a Board Apprentice Scheme, to provide an opportunity for up to two UCEM alumni to gain experience at Board level for a year. The Board Apprentice(s) will have full access to Board papers, but will not have voting rights. The first appointments are due to be made in November 2021.

When vacancies arise for new trustees, the Nominations and Governance Committee run an open and transparent recruitment process, with the aim that the Board is comprised of 50% independent trustees who bring knowledge of the built environment sector, and 50% who bring knowledge of Higher Education. As part of the recruitment process consideration is given to diversity, to ensure that the Board maintains its current levels of diversity, as a member of the 30% Club. Due regard is also given to succession planning of future trustees with an aim to ensure there remains an appropriate blend of experience for future years.

All trustees, other than the Principal and Staff Trustees, give their time voluntarily and receive no benefits from the institution. Any expenses reclaimed from the institution are set out in Staff costs: Note 5 to the accounts.

Appointment of trustees

It is a requirement of the role that the Principal of UCEM is a trustee. UCEM also has two staff trustees, and two student trustees.

The details of all prospective new trustees identified by the Nominations and Governance Committee are presented to the Board for approval. The details presented will consist of the individual's Curriculum Vitae and include highlights of any achievements and specialisms gained. Should the individuals proposed be approved to join the Board they are invited to attend the next Board meeting. Appointments normally run from the Board meeting at which the nomination is approved.

No other person or body is entitled to appoint one or more of the institution's trustees.

Trustee induction and training

Each new trustee is sent a comprehensive briefing pack on appointment. This includes background reading about UCEM, the Royal Charter and Bye-Laws, the current prospectus and the most recent set of statutory accounts. All new trustees are then invited to an Induction with the University College Secretary and given the opportunity to discuss any queries they may have with the Principal and the Executive Team. UCEM promotes trustee training by providing all trustees with relevant Charity Commission guidance on serving as a trustee, as well as funding attendance at appropriate courses and seminars that are organised by third parties. In addition, new trustees are allocated a mentor from one of the existing members of the Board.

Once appointed, all trustees are subject to an annual appraisal with either the Chair or Vice Chair. UCEM is committed to meeting all relevant training needs identified by this process.

Related parties and relationships with other organisations

The consolidated accounts include UCEM together with its subsidiaries, UCEM Courses Limited and UCEM Asia Limited. UCEM Courses Ltd is a wholly owned subsidiary that delivers bespoke course content to corporate clients. UCEM Asia Ltd is a wholly owned subsidiary incorporated in Hong Kong that supports UCEM's marketing and teaching in Hong Kong.

In 2020–21 UCEM continued to deliver teaching for Level 6 Apprenticeships as a subcontractor of Eastleigh College.

The programmes offered by UCEM are validated by the relevant professional bodies, such as the Royal Institution of Chartered Surveyors (RICS) and the Chartered Institute of Building (CIOB).

Remuneration policy for key management personnel

UCEM's Remuneration Committee meets annually, or as required, to consider the remuneration package for the Principal, those employees earning over £100k, as well as the pay rises and discretionary bonus pool for all other staff. The Remuneration Committee has adopted the CUC Remuneration Code and applies this Code in the decisions related to senior pay. UCEM uses industry statistics and remuneration surveys (e.g. UCEA) to inform the committee's decisions.

Statement of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of the institution to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

The institution endeavours to conduct its business in full accordance with the requirements of The Higher Education Code of Governance issued by the CUC. Nominations and Governance review compliance with the Code annually, or as and when the Code is updated.

Compliance with the CUC Code is reviewed annually by the institution's Nominations and Governance Committee. Users of the accounts are referred to the Structure, governance and management section of this report for further details on the institution's governance and the work of the Nominations and Governance Committee.

In addition, UCEM meets the governance conditions of the OfS, and these governance requirements are also monitored by the Nominations and Governance Committee.

A key part of UCEM's internal control mechanism is the ongoing review by the Board, led by the Audit Committee, of the RAR, as detailed on pages 20–21 above. Further, Audit Committee reviews particular areas of the business according to the agreed audit plan. In addition to this, UCEM's Finance Director provides monthly updates to the Chief Executive Officer and Treasurer on the management accounts, and the budget is reforecast where necessary. Audit Committee also takes responsibility for monitoring UCEM general compliance activities, reporting to the full Board if there are areas of concern. The trustees also regularly review UCEM's compliance with the OfS conditions of registration, with each condition reviewed during the course of the year according to an agreed planner. Updates on UCEM's compliance with the OfS conditions of registration are also provided at deliberative committee meetings. UCEM has two conflicts of interest policies (one for members of the Board of Trustees and one for members of deliberative committees) and the declaration of any conflicts of interests forms the first agenda item on all Board meeting, has an approved anti-bribery policy, and a register of interest that every trustee has to review and sign annually.

Trustees' annual report

For the year ended 31 July 2021

The institution has not adopted and therefore does not apply the UK Corporate Governance Code; however, it has due regard to the Charity Governance Code. UCEM has reported on its Corporate

Governance arrangements by drawing upon best practice available, including those aspects of these codes that the institution considers relevant to the higher education sector and best practice.

The institution adopted the CUC Code during the financial year 2016–17, and has since adopted the new Higher Education Code of Governance published by CUC in September 2020. In the opinion of the trustees, the institution now complies with, or exceeds, the provisions of the CUC Code in all material respects. The trustees recognise that, as a charity and higher education institution, UCEM has a duty to observe the highest standards of corporate governance at all times.

The institution is a registered charity within the meaning of Part 3 of the Charities Act 2011. The trustees confirm that they have had due regard for the Charity Commission and that the required statements appear elsewhere in these financial statements.

Statement of responsibilities of the trustees

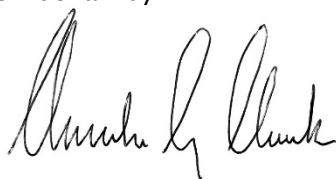
Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the institution's and group's financial activities during the period and of their financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Further and Higher Education SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the institution will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the institution and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the institution and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the institution'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 has been approved by the trustees on 25th November 2021 and signed on their behalf by



Amanda Clack Dr. (hc) MSc BSc PPRICS FRICS FICE FAPM FRSA FIC CCMi CMC
Chair of the Board

Independent auditor's report

To the members of

University College of Estate Management

Independent auditor's report to the Board of Trustees of the University College of Estate Management

Opinion

We have audited the financial statements of University College of Estate Management ('the University') and its subsidiaries ('the Group') for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2021 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of 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

Independent auditor's report

To the members of

University College of Estate Management

events or conditions that, individually or collectively, may cast significant doubt on the Group's and University'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 Board of Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Responsibilities of Board of Trustees

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page 29, the Board of 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 they 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 Board of Trustees are responsible for assessing the Group and University'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 Board of Trustees either intend to liquidate all or part of the University Group or to cease operations, or have no realistic alternative but to do so.

To the members of

University College of Estate Management

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the University Group and its operations, we identified that the principal risks of non-compliance with laws and regulations related to the OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to Covid-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the OfS Accounts Direction and ESFA Audit Code of Practice.

We evaluated the Board of Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Board of Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the University Group which were contrary to applicable laws and regulations, including fraud.

Independent auditor's report

To the members of

University College of Estate Management

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Other Required Reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS, the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Independent auditor's report

To the members of

University College of Estate Management

Use of the audit report

This report is made solely to the Board of Trustees as a body in accordance with paragraph 4 of the University's Royal Charter and Bye-Law and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of 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 Group and University and the Board of Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

DRA Bott (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Address 90 Victoria Street, Bristol, BS1 6DP

Date 5 December 2021

Consolidated and UCEM Statement of Comprehensive Income and Expenditure

For the year ended 31 July 2021

	Notes	2021		(Re-Styled) 2020	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Income					
Tuition fees and education contracts	1	14,585,580	14,585,580	13,947,720	13,947,720
Other income	2	1,264,108	1,211,879	1,218,147	1,141,020
Investment income	3	257,940	253,783	347,146	340,733
Total income before endowments and donations		16,107,628	16,051,242	15,513,013	15,429,473
Donations	4	137,463	(200)	93,935	23,935
Total income		16,245,091	16,051,042	15,606,948	15,453,408
Expenditure					
Staff costs	5	11,470,534	11,197,404	12,009,571	11,749,795
Other operating expenses	7	3,234,616	3,345,066	4,024,525	4,026,552
Depreciation and impairment charges	9	300,927	300,927	309,107	308,214
Interest and other finance costs	6	8,825	75	14,642	599
Total expenditure		15,014,902	14,843,472	16,357,845	16,085,160
Surplus/(deficit) before other gains/ losses		1,230,189	1,207,570	(750,897)	(631,751)
Net gain/(loss) on investments	10, 11	774,735	740,585	(815,532)	(778,361)
Surplus/(deficit) of operating activities		2,004,924	1,948,155	(1,566,429)	(1,410,112)
Exceptional items:					
Loss on Disposal of Subsidiaries	13	(528,517)	-	-	-
Surplus/(deficit) before tax		1,476,407	1,948,155	(1,566,429)	(1,410,112)
Taxation	7	-	-	-	-
Surplus/(deficit) for the year and total comprehensive income for the year		1,476,407	1,948,155	(1,566,429)	(1,410,112)
Total comprehensive income for the year		1,476,407	1,948,155	(1,566,429)	(1,410,112)
Represented by:					
Restricted comprehensive income for the year		12,334	(25,955)	(15,245)	16,485
Unrestricted comprehensive income for the year		1,464,073	1,974,110	(1,551,184)	(1,426,597)
Attributable to UCEM		1,476,407	1,948,155	(1,566,429)	(1,410,112)
		1,476,407	1,948,155	(1,566,429)	(1,410,112)
Surplus for the year attributable to:					
UCEM		1,476,407	1,948,155	(1,566,429)	(1,410,112)

All items of income and expenditure relate to continuing activities

Consolidated

	Income and expenditure account		Total £
	Restricted £	Unrestricted £	
Balance at 1 August 2019	487,642	19,888,458	20,376,100
Surplus/(deficit) from the income and expenditure statement	(15,245)	(1,551,184)	(1,566,429)
Total comprehensive income for the year	(15,245)	(1,551,184)	(1,566,429)
Balance at 31 July 2020	472,397	18,337,274	18,809,671
Surplus/(deficit) from the income and expenditure statement	12,334	1,464,073	1,476,407
Total comprehensive income for the year	12,334	1,464,073	1,476,407
Balance at 31 July 2021	484,731	19,801,347	20,286,078

UCEM

	Income and expenditure account		Total £
	Restricted £	Unrestricted £	
Balance at 1 August 2019	327,826	19,380,728	19,708,554
Surplus/(deficit) from the income and expenditure statement	16,485	(1,426,597)	(1,410,112)
Total comprehensive income for the year	16,485	(1,426,597)	(1,410,112)
Balance at 31 July 2020	344,311	17,954,131	18,298,442
Surplus/(deficit) from the income and expenditure statement	(25,955)	1,974,110	1,948,155
Total comprehensive income for the year	(25,955)	1,974,110	1,948,155
Balance at 31 July 2021	318,356	19,928,241	20,246,597

As at 31 July 2021

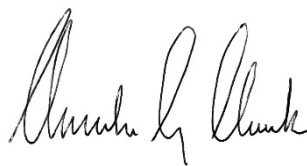
	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Fixed assets					
Intangible Fixed assets	9	267,467	267,467	16,000	16,000
Tangible Fixed assets	9	6,889,816	6,889,816	7,015,791	7,015,791
Investment properties	10	1,700,000	1,700,000	1,700,000	1,700,000
Investments	11	9,071,675	9,197,285	8,296,941	8,457,701
Investment in subsidiaries	12	-	-	-	-
		17,928,958	18,054,568	17,028,732	17,189,492
Current assets					
Trade and other receivables	14	4,180,559	4,204,742	3,123,931	3,036,433
Cash at bank and in hand		2,138,817	1,932,797	1,857,907	1,177,465
		6,319,376	6,137,539	4,981,838	4,213,898
Less: Creditors: amounts falling due within one year	15	(2,420,306)	(2,403,560)	(2,070,866)	(1,974,915)
Less: Creditors: amounts falling due after one year	16	(261,103)	(261,103)	(252,513)	(252,513)
Net current assets/(liabilities)		3,637,967	3,472,876	2,658,459	1,986,470
Total assets less current liabilities		21,566,925	21,527,444	19,687,191	19,175,962
Provisions	17	(1,280,847)	(1,280,847)	(877,520)	(877,520)
Total net assets		20,286,078	20,246,597	18,809,671	18,298,442
Restricted Reserves					
Income and expenditure reserve – restricted reserve		484,731	318,356	472,397	344,311
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		10,407,003	10,533,898	6,007,528	5,624,385
Income and expenditure reserve – designated		9,394,344	9,394,343	12,329,746	12,329,746
		19,801,347	19,928,241	18,337,274	17,954,131
Total Reserves	18a	20,286,078	20,246,597	18,809,671	18,298,442

The financial statements were approved by the Governing Body on 25th November 2021 and were signed on its behalf on that date by:

The accompanying notes and policies on pages 37 to 60 form part of these financial statements



A Wheaton
Principal



A Clack
Chair of the Board

University College of Estate Management

Consolidated Statement of Cash Flows

For the year ended 31 July 2021

	Notes	Year ended 31 July 2021	Year ended 31 July 2020
		£	£
Cash flow from operating activities			
(Deficit)/surplus for the year		2,004,924	(1,566,429)
Adjustment for non-cash items			
Depreciation and impairment charges	9	300,927	309,107
(Gain)/loss on investments	11	(774,735)	815,532
Decrease/(increase) in stock			4,333
(Increase) in trade and other receivables	14	(1,056,628)	(503,020)
Increase/(decrease) in trade and other payables	15	358,030	335,616
Increase/(decrease) in pension provision	17	403,327	36,494
(Loss) on disposal of subsidiaries	13	(528,517)	-
Loss on disposal of fixed assets		-	12,956
Adjustment for investing or financing activities			
Investment income	3	(257,940)	(347,146)
Interest payable	6	8,825	14,642
Net cash inflow from operating activities		458,213	(887,915)
Cash flows from investing activities			
Investment income	3	257,940	347,146
Payments made to acquire fixed assets	9	(426,422)	(149,671)
Payments made to acquire investments	11	(2,236,407)	-
Proceeds from sale of investments	11	4,470,932	1,500,000
		2,066,043	1,697,475
Cash flows from financing activities			
Interest and other finance costs	6	(8,825)	(14,642)
		(8,825)	(14,642)
(Decrease)/Increase in cash and cash equivalents in the year		2,515,431	794,918
Cash and cash equivalents at beginning of the year		1,857,907	1,062,989
Cash and cash equivalents at end of the year	16	4,373,338	1,857,907

a) Statutory information

University College of Estate Management is a Royal Charter charity registered with the Charity Commission for England and Wales.

The registered office address and principal place of business is Horizons, 60 Queens Road, Reading, RG1 4BS.

b) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS)102. UCEM is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. They have been prepared in accordance with the Accounts Direction issued by the Office for Students (OfS 9, the Terms and Conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Basis of consolidation

These financial statements consolidate the results of UCEM and its subsidiary entities as detailed in note 12 on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the entities are disclosed in the notes of the charity's balance sheet.

The trustees consider that UCEM is a going concern and have prepared the accounts on this basis. More information can be found in the Trustees Annual Report under the heading Reserves policy and going concern.

d) Exemptions under FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

e) Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Bursaries and scholarships provided by UCEM are shown as other operating expenses.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds UCEM receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of UCEM where UCEM is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

f) Grant funding

Grant funding from ESFA apprenticeships are recognised as income when UCEM is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

g) Donations

Non exchange transactions without performance related conditions are donations. Donations with donor imposed restrictions are recognised in income when UCEM is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when UCEM is entitled to the funds.

Investment income is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms.

The main types of donations identified within reserves are:

- a) Restricted donations – the donor has specified that the donation must be used for a particular objective.
- b) Unrestricted donations – the donor has not specified that the donation must be used for a particular objective.

h) Accounting for retirement benefits

Defined benefit plan

The group participates in the Universities Superannuation Scheme (USS), a defined benefit scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The group is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by section 28 of FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. UCEM also complies with FRS 102 section 28.11A. UCEM has entered into an agreement with USS to fund its deficits and recognises a liability for the contributions payable that arise from this agreement. The expense resulting from this liability and any movements in this liability are recognised in the consolidated statement of comprehensive income and expenditure.

Defined Contribution Plan

The group also operates a Group Personal Pension (GPP) and an Auto-Enrolment Compliant (AE) defined contribution scheme. The assets of these schemes are individually held by their members. Contributions to these schemes in the year were charged to the consolidated statement of comprehensive income and expenditure as incurred.

i) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to UCEM. Any unused benefits are accrued and measured as the additional amount UCEM expects to pay as a result of the unused entitlement.

j) Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

k) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

Statement of accounting policies

For the year ended 31 July 2021

l) Fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives in use are as follows:

Freehold buildings	50 years
Leasehold Improvement	20–40 years
Fixtures and Fittings	10 years
Plant & Machinery	15 years
Telephone system	10 years
Furniture	10 years
Plant and equipment	5 years
Motor vehicles	4 years
Computers	3 years

No depreciation is provided on freehold land as it is deemed to have an infinite life.

m) Investment Properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income and expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

n) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of comprehensive income and expenditure. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments". UCEM does not acquire put options, derivatives or other complex financial instruments.

Investments in associates and subsidiaries are carried at cost less impairment in UCEM's accounts.

Current asset investments are held at fair value with movements recognised in the statement of comprehensive income and expenditure.

o) Bursaries

UCEM holds a designated bursary fund as part of its reserves. This fund is invested in UK common investment funds in order to generate income from which bursaries are paid. Bursaries, in the context of UCEM's operations, are fee waivers that effectively discount the cost of study for students with special circumstances and only in very limited cases are these sums paid directly to students.

p) Debtors

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

q) Cash and cash equivalents

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

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) UCEM has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives UCEM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives UCEM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of UCEM.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

s) Accounting for Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

UCEM previously accounted for its share of joint ventures using the equity method. However, these JV's were disposed of in the current year.

t) Taxation

UCEM is a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, UCEM is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478–488 of the Corporation Tax Act 2010 (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.

u) Reserves

Reserves are classified as restricted or unrestricted.

Restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 31 July 2021

1 Tuition fees and education contracts	Notes	Year ended 31 July 2021		(Re-Styled) As at 31 July 2020	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Part-time students		14,585,580	14,585,580	13,947,720	13,947,720
		14,585,580	14,585,580	13,947,720	13,947,720
2 Other income					
		Year ended 31 July 2021		(Re-Styled) As at 31 July 2020	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Grant income from the OfS		1,146,876	1,146,875	974,080	974,080
Government Grant from Coronavirus Job Retention Scheme		34,567	34,567	111,160	111,160
Fee income for research awards		-	-	38,000	38,000
Corporate services – UCEM Courses		47,204	-	77,337	210
Other income		35,461	30,437	17,570	17,570
		1,264,108	1,211,879	1,218,147	1,141,020
3 Investment income					
		Year ended 31 July 2021		As at 31 July 2020	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Investment income from investment property		47,735	47,735	45,968	45,968
Investment income on general reserves		156,598	152,441	217,118	211,566
Investment income on designated reserves		53,607	53,607	80,520	80,520
Other investment income		-	-	3,540	2,679
		257,940	253,783	347,146	340,733
4 Donations					
		Year ended 31 July 2021		As at 31 July 2020	
		Consolidated £	UCEM £	Consolidated £	UCEM £
Donations with restrictions		-	-	23,710	23,710
Unrestricted donations		137,463	(200)	70,225	225
		137,463	(200)	93,935	23,935

Notes to the financial statements

For the year ended 31 July 2021

5 Staff costs

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Salaries	9,023,960	8,783,883	9,579,319	9,366,492
Social security costs	857,893	853,137	857,045	856,635
Movement on USS provision	434,038	434,038	25,644	25,644
Other pension costs	845,361	827,068	905,638	886,104
Other staff costs	309,282	299,278	641,925	614,920
Total	11,470,534	11,197,404	12,009,571	11,749,795

Remuneration in excess of £100,000 of higher paid staff (Head of Providers remuneration includes P11D benefit), excluding bonus, employer's pension contributions and employer's national insurance (all shown before any salary sacrifice):

	2021	2020
	No.	No.
£110,000 to £114,999	-	1
£115,000 to £119,999	1	-
£210,000 to £214,999	1	1
	2	2

Average staff numbers by major category:	2021	2020
	No.	No.
Academic	73	85
Research	4	3
Management & specialist	4	4
Technical	8	5
Other	139	148
	228	245

Average staff numbers by FTE:	2021	2020
	No.	No.
Average Academic Staff numbers	62.42	65.77
Average Non-Academic Staff numbers	167.07	173.32
	229.49	239.09

Compensation for loss of office payable to a senior post-holder:	2021	2020
	£	£
Compensation payable recorded within staff costs	-	18,475

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of UCEM. Staff costs includes compensation paid to key management personnel. The figures below include employer national insurance and employer pension contributions.

	Year ended 31 July 2021	Year ended 31 July 2020
	£	£
Key management personnel compensation	676,948	659,872

5 Staff costs (continued)**Council Members**

UCEM's Council members are the trustees for charity law purposes. Due to the nature of UCEM's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arms length and in accordance with UCEM's Financial Regulations and usual procurement procedures.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

In accordance with the bye-laws of UCEM, 3 trustees (2020: 2) received remuneration for the services they provide in undertaking the roles of Principal and member of staff and not in respect of their services as trustees. Their remuneration during their period as a trustee was as follows:

	Year ended 31 July 2021	Year ended 31 July 2020
	£	£
Principal – Ashley Wheaton		
Remuneration	250,800	209,000
Employer pension contributions	44,099	43,542
Other benefits	2,351	2,256
	<u>297,250</u>	<u>254,798</u>
Staff Trustee – Helen Edwards		
Remuneration	55,769	53,174
Employer pension contributions	6,221	3,802
	<u>61,990</u>	<u>56,976</u>
Staff trustee – Amanda Milambo		
Remuneration	51,209	–
Employer pension contributions	10,187	–
Other benefits	857	–
	<u>62,253</u>	<u>–</u>

The pension contributions are in respect of membership of the USS Scheme and are paid by the employer on the same basis as any other member's employer contribution.

Trustee travel, entertaining and subsistence

	Year ended 31 July 2021	Year ended 31 July 2020
	£	£
Principal	–	1,445
Other trustees (2020: 8)	–	1,244
	<u>–</u>	<u>2,689</u>

Other than as reported above, the trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No member of the trustees received payment for professional or other services supplied to the charity (2020: £nil).

5 Staff costs (continued)

Justification Statement: Head of Provider Remuneration

The number of staff with a full-time equivalent basic salary of over £100,000 for the 12 months up to 31 July 2021:

<u>Basic salary per annum</u>	<u>Number of staff (2020-21)</u>
£120,000 – £124,999	1
£205,000 – £209,999	1

The remuneration (pay and bonus) of the Head of Provider (the Principal) is agreed by the Remuneration Committee, which is a sub-committee of the Board of Trustees. All members of the Committee are independent trustees, and the Principal is not present during discussions about their remuneration. The Committee has regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs, when considering senior staff pay.

The Remuneration Committee met on 9 July 2021 to discuss the basic pay and bonus award for the Principal. It was agreed by the Committee that the basic pay award would take effect from 1 August 2021 which was in the next financial year. As a result, the basic pay for the Principal remained unchanged at £209,000 as at 31 July 2021. The Committee approved a performance-related bonus for the Principal of 20% of basic salary, £41,800, to reward strong leadership of UCEM throughout the pandemic, achievement of Key Performance Indicators, and the financial surplus generated over the last year.

Full details of the total remuneration package for the Principal, as at 31 July 2021:

- Basic salary (as from 1 July 2020): £209,000 per annum
- Bonuses awarded during the financial year in full: £41,800
- Pension contributions: £44,099
- Salary Sacrifice: Childcare voucher £1, Cycle to Work Scheme £11,750
- Other taxable benefits: Private medical insurance £2,351

The head of the provider's basic salary is 5.1x (2020:5.1) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 7.2 (2020:6.2) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

6 Interest and other finance costs

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Exchange differences	8,825	75	14,642	599
	8,825	75	14,642	599

7 Other

	Year ended 31 July 2021		Re-Styled Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Academic and related expenditure	958,284	951,844	1,306,563	1,302,992
Administration and central services	1,863,960	2,114,427	1,973,287	2,130,320
Premises	409,410	280,125	557,978	413,571
Catering and conferences	2,962	(1,330)	186,697	179,669
	3,234,616	3,345,066	4,024,525	4,026,552

Other operating expenses include:

External auditor remuneration – audit services	42,272	49,327
External auditor remuneration – non-audit services	300	456
Operating lease rentals:		
• Other	188,018	160,656

Access and Participation Expenditure

	Year ended 31 July 2021		Year ended 31 July 2020	
	£	£	£	£
Access Investment	85,723	85,723	64,345	64,345
Financial Support	20,893	20,893	10,330	10,330
Support for Disabled Students	34,595	34,595	40,289	40,289
Research and Evaluation	15,101	15,101	15,741	15,741
	156,312	156,312	130,705	130,705

The above Access and Participation expenditure includes staff costs of £76,228 (2020: £59,028). These staff costs are included in the total staff costs in Note 5 to the financial statements. Further details on the Access and Participation strategy can be found on UCEM's website.

Taxation

UCEM is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. UCEM's trading subsidiaries distribute available profits to UCEM under Gift Aid.

Recognised in the statement of comprehensive income

	2021		2020	
Current tax		£		£
Current tax expense	-		-	
Adjustment in respect of previous years	-		-	
	<hr/>		<hr/>	
	-		-	
Total tax expense	<hr/> <hr/>		<hr/> <hr/>	

8 Related party transactions

Amanda Clack, a Trustee is Head of Strategic Advisory of CBRE. CBRE is sponsoring a number of students who are studying with UCEM. During the year UCEM invoiced CBRE for £37,555 (2020: £97,630) and CBRE UK invoiced UCEM for £3,963 (2020: £6,000).

Mrs Misa Lane von Tunzelman, a Trustee is UK Head of Marketing & Communications for BNP Paribas Real Estate. BNP is sponsoring a number of students who are studying with UCEM. During the year UCEM invoiced BNP £16,624 (2020: £35,615) and BNP invoiced UCEM for £1,000 (2020: Nil).

Christopher Turley, a Trustee is Partner at Taylor Wessing. During the year Taylor Wessing invoiced UCEM £1,200 (2020: Nil).

9 Intangible Fixed Assets – Group and UCEM

Cost	Computer Software £	Total £
At 31 July 2020	23,520	23,520
Additions	291,544	291,544
At 31 July 2021	315,064	315,064
Depreciation		
At 31 July 2020	7,520	7,520
Charge for the year	40,077	40,077
At 31 July 2021	47,597	47,597
Net book value		
At 31 July 2021	267,467	267,467
At 31 July 2020	16,000	16,000

Tangible Fixed Assets – Group

	Freehold land and buildings £	Equipment and motor vehicles £	Computer system £	Total £
Cost				
At 31 July 2020	8,113,591	772,383	1,602,880	10,488,854
Additions	–	101,072	33,806	134,878
Disposals	–	(104,791)	–	(104,791)
At 31 July 2021	8,113,591	768,664	1,636,686	10,518,941
Depreciation				
At 31 July 2020	1,517,483	512,371	1,443,212	3,473,066
Charge for the year	100,105	57,084	103,661	260,850
Disposals	–	(104,791)	–	(104,791)
At 31 July 2021	1,617,588	464,664	1,546,873	3,629,125
Net book value				
At 31 July 2021	6,496,003	304,000	89,813	6,889,816
At 31 July 2020	6,596,108	260,012	159,668	7,015,788

All of the above assets are used for charitable purposes.

9 Investment properties

The investment property is Shinfield Grange, Cutbush Lane East, Shinfield, Reading, RG2 9AF and was last valued on 1 August 2017 by Knight Frank LLP at fair value in its current physical condition with vacant possession. Following this, the value of the property was increased by £700,000. The trustees have reviewed this and consider that it remains an appropriate reflection of the property's value for the financial year 2020-21.

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Fair value at the start of the year	1,700,000	1,700,000	1,700,000	1,700,000
Net gain on change in fair value	-	-	-	-
Fair value at the end of the year	1,700,000	1,700,000	1,700,000	1,700,000

11 Non-current asset investments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Fair value at the start of the year	8,296,941	8,457,701	10,612,473	10,736,062
Additions at cost	2,236,407	2,236,407	-	-
Disposal proceeds	(4,470,932)	(4,471,932)	(1,500,000)	(1,500,000)
Net gain/(loss) on change in fair value	774,735	740,585	(815,532)	(778,361)
	6,837,151	6,962,761	8,296,941	8,457,701
Cash held with investment manager	2,234,524	2,234,524	-	-
Fair value at the end of the year	9,071,675	9,197,285	8,296,941	8,457,701

Investments comprise:

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
UK Common investment funds				
• General UCEM fund	4,768,219	4,768,219	5,836,334	5,836,334
• Designated bursary fund	1,678,293	1,678,293	2,054,242	2,054,242
• Restricted funds	390,638	265,149	406,365	315,026
Cash held with investment manager				
• General UCEM fund	1,587,515	1,587,515	-	-
• Designated bursary fund	558,765	558,765	-	-
• Restricted funds	88,245	88,245	-	-
Investment in subsidiary undertakings	-	251,099	-	252,099
	9,071,675	9,197,285	8,296,941	8,457,701

Notes to the financial statements

For the year ended 31 July 2021

12 Subsidiary undertakings

The following entities are recognised as subsidiaries of UCEM due to either being wholly-owned or effectively controlled by UCEM. All activities have been consolidated on a line by line basis in the statement of comprehensive income and expenditure.

Company	Country of registration	Registration number	Interest	Principal activities
UCEM Courses Limited	UK	2169181	100% owned	Non-primary purpose trading activities
UCEM Asia Limited	Hong Kong	2290068	100% owned	Promoting UCEM and coordinating support for local students

The registered address for UCEM Courses Limited is Horizons, 60 Queens Road, Reading, RG1 4BS and for UCEM Asia Limited is Unit 2, 16/F Admiralty Centre Tower 2, 18 Harcourt Road, Admiralty, Hong Kong.

13 Disposal of Subsidiaries

During the year UCEM disposed of Chartered Surveyors Training Trust on 31 December 2020 and Building People Skills CIC on 13th July 2021. The disposals were both carried out at nil value as a result of UCEM no longer having influence and control of the Board.

	2021	2020
	£	£
Loss on Disposal of Subsidiaries	528,517	–

Notes to the financial statements

For the year ended 31 July 2021

14 Trade and other receivables

	2021		2020	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Amounts falling due within one year:				
Other trade receivables	789,282	789,598	697,123	692,703
Other receivables	38,132	9,964	32,397	2,025
Prepayments and accrued income	2,186,576	2,179,623	1,261,276	1,208,570
Amounts due from subsidiary companies	15	59,003	-	-
Amounts falling due later than 1 year:				
Prepayments and accrued income	1,166,554	1,166,554	1,133,135	1,133,135
	4,180,559	4,204,742	3,123,931	3,036,433

Amounts falling due later than 1 year are prepayments and accrued income of £1,166,554, of which £1,155,894 is due to be paid by the ESFA once apprentices go through the End Point Assessment towards the end of their individual degree programmes.

Out of the ESFA accrued income, £572,586 is receivable after 1 year and £583,308 between 2 to 4 years based on different cohorts of apprentices having different end point dates.

15 Creditors: amounts falling due within one year

	2021		2020	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Trade payables	258,342	256,863	351,035	284,025
Other payables	1,602,986	1,578,276	1,171,131	1,134,963
Finance Leases	18,720	18,720	18,495	18,495
Amounts due to subsidiary companies	-	12,500	-	16,080
Deferred income	533,937	530,880	486,978	478,124
VAT	6,321	6,321	43,227	43,228
	2,420,306	2,403,560	2,070,866	1,974,915

16 Creditors: amounts falling due after one year

	2021		2020	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Finance Leases	-	-	18,720	18,720
Accruals	261,103	261,103	233,793	233,793
	261,103	261,103	252,513	252,513

Accruals falling due after one year relates to costs associated with End Point Assessment for Apprenticeships. £261,103 UCEM has an overdraft facility of £250,000 which has not been utilised during the year The Bank has a legal charge secured on property in respect of this facility. it.

16 Creditors: amounts falling due after one year (continued)

Finance Leases

Minimum lease payments under finance leases fall due as follows:

	2021		2021	
	Consolidated	UCEM	Consolidated	UCEM
Within 1 year	18,720	18,720	18,495	18,495
Between 1-2 years	-	-	-	18,720
Between 2-5 years	-	-	-	-
	18,720	18,720	37,215	37,215

Deferred income

Included within deferred income are the following items of income which have been deferred as is in relation to the year 2021-22.

	2021		2020	
	Consolidated £	UCEM £	Consolidated £	UCEM £
Current Academic Offer	498,602	498,602	457,193	457,193
Corporate services – UCEM Courses	3,058	-	8,854	-
	<u>501,660</u>	<u>498,602</u>	<u>466,047</u>	<u>457,193</u>

Cash and cash equivalents

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
	Cash at bank and in hand		1,857,907
Cash held by investment manager	-	2,234,525	2,234,525
Bank Overdraft	-	-	-
	<u>1,857,907</u>	<u>2,515,431</u>	<u>4,373,338</u>

Notes to the financial statements

For the year ended 31 July 2021

17 Provisions for liabilities

Consolidated and UCEM

	2021 £	2020 £
Obligation to fund deficit on USS pension		
At the start of the year	877,520	841,027
Movement in the year	403,327	36,493
At the end of the year	1,280,847	877,520

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

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

	2021	2020
Discount Rate	1.13%	1.45%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	1.00%	1.00%

Financial instruments

	Consolidated 2021	UCEM 2021	Consolidated 2020	UCEM 2020
Financial assets at fair value through Statement of comprehensive Income	-	-	-	-
Listed Investments	-	-	-	-
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
Other investments	9,071,675	9,197,285	8,296,941	8,457,701
Financial assets that are debt instruments measured at amortised cost				
Cash at bank and in hand	2,138,817	1,932,796	1,857,907	1,177,465
Other investment	-	-	-	-
Loan notes	-	-	-	-
Other debtors	4,180,555	4,204,741	3,123,931	3,036,433

University College of Estate Management

Notes to the financial statements

For the year ended 31 July 2021

Financial Liabilities

	2021		2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
Financial liabilities measured at amortised cost				
Forward foreign currency contracts	-	-	-	-
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Service concessions	-	-	-	-
Finance leases	18,720	18,720	37,215	37,215
Trade creditors	258,342	256,863	351,035	284,025
Other creditors	2,404,966	2,389,024	1,935,129	1,906,188

Notes to the financial statements

For the year ended 31 July 2021

18a Movements in funds (current year)

	At the start of the year	Income & gains	Expenditure & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
BCSC Educational Trust Fund	1,472				1,472
Philip Rose Award	339				339
BSc Estate Management Club	1,286				1,286
Marsh & Company	2,032				2,032
Harold Samuel Educ. Trust-Bursary Fund	2,185				2,185
Harold Crowter Prize fund	1,471				1,471
FJ Comerford Prize award	500				500
QS Student Bursary Fund	150				150
Centenary Fund	20,335		(13,455)		6,880
Harold Samuel Research Prize Fund	280,541		(12,500)		268,041
Peter Goodacre Fund	34,000				34,000
David Alexander Memorial Scholarship	128,086	38,290	(1)		166,375
Total restricted funds	472,397	38,290	(25,956)	-	484,731
Unrestricted funds:					
Designated funds:					
Fixed assets	7,031,791	321,631	(196,136)	-	7,157,286
Bursaries	2,213,943	53,607	(44,339)	13,847	2,237,058
UCEM Academic Offer	3,084,012	-	-	(3,084,012)	-
Total designated funds	12,329,746	375,238	(240,475)	(3,070,165)	9,394,344
General funds	6,007,528	16,606,296	(15,276,986)	3,070,165	10,407,003
Total unrestricted funds	18,337,274	16,981,534	(15,517,461)	-	19,801,347
Total funds	18,809,671	17,019,824	(15,543,417)	-	20,286,078

Notes to the financial statements

For the year ended 31 July 2021

18b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
BCSC Educational Trust Fund	1,472				1,472
Philip Rose Award	339				339
BSc Estate Management Club	1,286				1,286
Marsh & Company	2,032				2,032
RICS Presidents' bursaries	–				–
Harold Samuel Educ. Trust–Bursary Fund	2,185				2,185
Harold Crowter Prize fund	1,571		(100)		1,471
FJ Comerford Prize award	500				500
QS Student Bursary Fund	150				150
Centenary Fund		23,710	(3,375)		20,335
Harold Samuel Research Prize Fund	284,291		(3,750)		280,541
Peter Goodacre Fund	34,000				34,000
The Harold Samuel Educational Trust	–				–
David Alexander Memorial Scholarship	159,816	5,552	(37,282)		128,086
Total restricted funds	487,642	29,262	(44,507)	–	472,397
Unrestricted funds:					
Designated funds:					
Fixed assets	7,204,183	120,488	(292,880)		7,031,791
Bursaries	2,196,548	80,520	(63,125)		2,213,943
UCEM Academic Offer	3,621,799		(537,787)		3,084,012
Total designated funds	13,022,530	201,008	(893,792)	–	12,329,746
General funds	6,865,927	14,490,532	(15,348,931)	–	6,007,528
Total unrestricted funds	19,888,457	14,691,540	(16,242,723)	–	18,337,274
Pension fund	–	–	–	–	–
Total funds	20,376,099	14,720,802	(16,287,230)	–	18,809,671

Notes to the financial statements

For the year ended 31 July 2021

19 Purposes of restricted funds

BCSC Educational Trust Fund – The provision of bursaries to College students studying for the Diploma in Shopping Centre Management.

Philip Rose Award – To award a prize for excellence in an area study.

BSc Estate Management Club – The provision of bursaries to undergraduate College students.

Marsh & Company – The provision of bursaries to College students.

RICS Presidents' bursaries – The provision of bursaries to College students based overseas.

Harold Samuel Educational Trust – The provision of bursaries for College students.

Harold Crowter Prize fund – To award a prize for excellence in an area of study.

FJ Comerford Prize award – To award a prize for excellence in an area of study.

QS Student Bursary Fund – The provision of bursaries for College students.

Peter Goodacre Fund – To award £1,000 at every graduation for one student for 34 years

Harold Samuel Research Prize Fund – An annual award of up to £15,000 for an innovative research project that has the potential to provide industry-changing insight for the Built Environment. The Prize will be judged and awarded by a panel of experts from across the industry, UCEM staff and independent appointees. The Prize is open to applications from the UK and in any other part of the world.

Centenary Fund – The provision of bursaries for College students from the UK or internationally.

Research Bursary – Harold Samuel Educational Trust released funds to support UCEM sustainability research.

The Harold Samuel Educational Trust. The Harold Samuel Educational Trust was dissolved and transferred to UCEM where two restricted funds were set up, the Peter Goodacre Fund and the Harold Samuel Research Prize Fund.

David Alexander Memorial Scholarship – To the provision of scholarships for students nominated by RICS Wales.

Purposes of designated funds

Fixed assets – This represents the net book value of the groups fixed assets.

Bursaries – The New Student Bursary Fund was established to encourage wider participation in College courses.

Property – The fund was established for essential maintenance requirements for the College's operational properties. This fund has now been closed and funds have been moved to the newly created fund called UCEM Academic Offer.

UCEM Academic Offer – Investment in UCEM's Academic Offer including project Transform (£3m) and other Apprenticeships related projects.

20 Lease obligations

Total rentals payable under operating leases for the group were:

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Payable during the year	113,788	129,492	26,543	17,779
Future minimum lease payments due:				
Not later than 1 year	110,000	121,201	13,746	12,111
Later than 1 year and not later than 5 years	93,500	214,601	15,447	5,117
Total lease payments due	203,500	335,802	29,193	17,228

Total rentals receivable under operating leases for the group were:

	Property	
	2021	2020
	£	£
Receivable during the year	47,735	45,968
Future minimum lease receivable due:		
Not later than 1 year	8,337	14,238
Total lease receivable due	8,337	14,238

21 Events after the reporting period

A new USS Schedule of Contributions (SOC) based on the 2020 valuation was agreed and effective from 1 October 2021. This has resulted in an increase in employer contribution rate from 21.1% to 21.4% and an increase in the deficit recovery rate from 6.0% to 6.3%, which is effective from 1 April 2022. The new SOC (leg one option), which only becomes applicable if the Joint Negotiating Committee (JNC) recommended deed on benefit changes has been executed by 28 February 2022, results in an increase of £3.8m in the USS provision, from £2.1m to £5.9m, and represents the obligation to fund the deficit. If the JNC recommended deed on benefit changes has not been executed by 28 February 2022, the deficit recovery rate under the SOC (leg two option) will be 3% from 1 October 2022, then increase every 6 months to 20% from 1 October 2025 and remain at this level until 31 July 2032. This will result in an increase in employer contribution rates, which will also increase every six months from 1 October 2022, rising to 38.2% from 1 October 2025 to 31 July 2032 and an increase of £7.3m in the USS provision, from £2.1m to £9.4m, and represents the obligation to fund the deficit. The impact of the SOC adopted, leg one or leg two option, will be reflected in the Financial Statements for the year ended 31 July 2022.

22 Pension schemes

Different categories of staff were eligible to join one of three different schemes:

(1) Universities Superannuation Scheme

This is a defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds. USS is a multi-employer scheme and is accounted for as set out in the accounting policies

The total cost charged to the Consolidated Statement of Comprehensive Income is £1,279,398 (2020: £931,282) including Universities Superannuation Scheme, but excluding the impact of the change in the deficit recovery plan, as shown below.

Statement of comprehensive income – net pension cost in year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
USS	835,337	835,337	427,724	426,408
GPP	47,001	47,001	56,165	56,165
People's Pension	382,493	378,768	428,547	429,175
Manulife (HK)	14,567	-	18,846	-
	<u>1,279,398</u>	<u>1,261,105</u>	<u>931,282</u>	<u>911,748</u>

Statement of Financial Position – Pension Scheme Liability

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	UCEM	Consolidated	UCEM
	£	£	£	£
USS	1,280,847	1,280,847	877,520	877,520
GPP	-	-	-	-
People's Pension	-	-	-	-
	<u>1,280,847</u>	<u>1,280,847</u>	<u>877,520</u>	<u>877,520</u>

Notes to the financial statements

For the year ended 31 July 2021

22 Pension schemes (continued)

The increase in the term of the deficit recovery plan has given rise to an increase in the deficit provision £0.88 million to £1.28 million as set out in note 17. £0.4 million of this increase is attributable to the change in the deficit contributions contractual commitment. See also Staff costs note 7 in respect of significant one-off pension costs / gains.

(1) Universities Superannuation Scheme (continued)

The current life expectancies on retirement at age 65 are:

<i>Existing benefits</i>	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

(2) Group Personal Pension Scheme (GPP)

Operating on a defined contribution basis in respect of pensionable service since 1 November 2004, the GPP has received contributions on behalf of members from the Employer and Employee at the following rates: Employer 7%, Employee 2½% (minimum).

For members of the former CEM Contracted Out Money Purchase Scheme who had joined that Scheme prior to April 1997 the rates of contribution, to the GPP, were as follows:

Age	UCEM	Member
40-49	9%	2½% (minimum)
50-59	10%	2½% (minimum)

This scheme is now closed to new members as it has been succeeded by an auto enrolment compliant scheme (see

(3) Auto Enrolment Compliant Scheme (AE)

Operating on a defined contribution basis in respect of pensionable service since 1 January 2014, the AE scheme

The pension charge for the period was £392,913 (2020: £430,404).

Unfunded Pensions

UCEM also provided unfunded pensions to an ex-employee. Payment in the year totaled £5,239 (2020: £5,171).