

REPORT OF DIRECTORS AND CONSOLIDATED ACCOUNTS

For the year ended
31 July 2023

UCAS



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year ended 31 July 2023

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Registered company number: 2839815

Registered charity number in England and Wales: 1024741

Charity registered in Scotland: SC038598

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 July 2023



BOARD STRUCTURE

Chair	Mrs Trudy Norris-Grey	
Directors	Professor Edward Peck CBE	(Deputy Chair)
	Mr Thomas Chambers	(Senior Independent Director)
	Professor Colin Bailey CBE	
	Mr Mark Felix	
	Ms Pat Carvalho	
	Ms Caroline Hoddinott OBE	
	Professor Malcolm Press CBE	
	Mr Shuvo Saha	
	Mr Simon Bates	(appointed 17 October 2022)
	Ms Melody Stephen	(appointed 27 October 2022)
	Professor James Miller FRSE	(appointed 18 July 2023)
	Dr Ben Calvert	(appointed 21 August 2023)
	Professor Dame Sally Mapstone	(resigned 11 July 2023)
	Professor Colin Riordan CBE	(resigned 11 July 2023)
	Mr Thomas Newman	(resigned 24 August 2022)
Mrs Katharine Purser	(resigned 05 October 2022)	
Co-opted Board members	Mr Simon Bates	(06 May 2022 to 17 October 2022)
	Mr Alistair Jarvis CBE	(appointed 10 October 2022)
Company secretary	Mrs Tessa Yates	
Executive team	Mrs Clare Marchant	Chief Executive (resigned 17 September 2023)
	Mr Kevin Allison	Chief Financial Officer
	Dr Katie Bell	Chief Marketing Officer
	Mrs Elaine Chandler	Executive Director of People
	Mr John Cope	Executive Director of Strategy, Policy and Public Affairs
	Ms Fiona Johnston	Chief Product Officer
	Mr Sander Kristel	Chief Operating Officer Interim Chief Executive (appointed 17 September 2023)
	Mr Chris Kirk	Director of UCAS International

REGISTERED OFFICE

Rosehill
New Barn Lane
Cheltenham
Gloucestershire
GL52 3LZ

AUDITORS

External auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Internal auditor*

KPMG LLP
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

*PwC up until 31 July 2023

BANKERS

Barclays plc
128 High Street
Cheltenham
Gloucestershire
GL50 1EL

SOLICITORS

Wiggin LLP
Jessop House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3WG

ACTUARY

Little & Company Actuaries & Consultants Ltd
i2 Office
450 Brook Drive
Green Park
Reading
RG2 6UU

INVESTMENT MANAGERS

Rathbone Greenbank Investments
8 Finsbury Circus
London
EC2M 7AZ

A MILLION DREAMS



REPORT OF THE DIRECTORS

For the year ended 31 July 2023



The Directors of The Universities and Colleges Admissions Service, also known as UCAS (the 'Charity'), who are also Trustees of the Charity, are responsible for the financial and organisational control and management of UCAS.

The Directors present their report for the year ended 31 July 2023. This report is deemed to encompass all matters which are required to be included in both the Strategic and Directors' Reports of the Charity.

GOVERNANCE, ORGANISATIONAL STRUCTURE, AND MANAGEMENT

UCAS was incorporated on 27 July 1993. It is a private company limited by guarantee, without share capital. It is registered as a company in England (number 2839815), as a charity in England and Wales (number 1024741), and as a cross-border charity in Scotland (number SC038598). Its governing document is the Articles of Association (the 'Articles'). UCAS is also a registered trademark.

UCAS is governed by a Board of thirteen Directors (the 'Board') supported by one co-opted member, which usually meets four times a year to discharge its duties. It delegates to UCAS' Executive Team such powers as are necessary for the day-to-day management of the Charity. The Board adopts the Charity Governance Code.

The Board is supported by four subcommittees (the Finance, Audit, Remuneration, and Nominations Committees). They meet regularly to carry out responsibilities delegated by the Board.

The Board also receives advice from the UCAS Council, an advisory body comprising around 37 members, that represents the interests of UCAS' customers, and other key stakeholders. The role of the UCAS Council is to challenge and inform the work of the Board, give feedback to the Board on UCAS' performance, and inform the strategic direction of UCAS.

The 'Matters Reserved for the Board', 'Terms of Reference' for the subcommittees and UCAS Council, and details of UCAS Council members, are published on ucas.com.

SUBCOMMITTEE MEMBERSHIP DURING 2022/23 WAS:

* Co-opted Committee member

Audit Committee:

- ▶ Ms Sarah Randall-Paley (Chair)**
- ▶ Professor Colin Bailey CBE
- ▶ Mr Mark Felix
- ▶ Ms Caroline Hoddinott OBE
- ▶ Professor Wendy Robinson*

Finance Committee:

- ▶ Mr Thomas Chambers (Chair)
- ▶ Ms Pat Carvalho
- ▶ Ms Joanne Jones*
- ▶ Mr Thomas Newman (resigned 24 August 2022)
- ▶ Mr Simon Bates (appointed 17 October 2022)
- ▶ Ms Camille Stallard* (appointed 14 October 2022)

Nominations Committee:

- ▶ Mrs Trudy Norris-Grey (Chair)
- ▶ Professor Edward Peck CBE
- ▶ Mr Mark Felix
- ▶ Mr Shuvo Saha (appointed 07 December 2022)
- ▶ Dr Ben Calvert (appointed 21 August 2023)
- ▶ Professor Dame Sally Mapstone (resigned 11 July 2023)
- ▶ Mrs Katharine Purser (resigned 05 October 2022)

Remuneration Committee:

- ▶ Mr Thomas Chambers (Chair)
- ▶ Mrs Trudy Norris-Grey
- ▶ Professor Malcolm Press CBE (appointed 07 December 2022)
- ▶ Ms Pat Carvalho (appointed 07 December 2022)
- ▶ Mr Simon Bates (appointed 07 December 2022)
- ▶ Mr Thomas Newman (resigned 24 August 2022)
- ▶ Mrs Katharine Purser (resigned 05 October 2022)

[^] The Chair of Audit Committee attends a Board meeting on an annual basis and upon request from the Chair if required.

OTHER DIRECTORS' REPORT DISCLOSURES

Disclosures required by the Companies Act 2006 to be included in the directors' report about engagement with employees, suppliers, customers and other stakeholders, and energy and carbon reporting have been included below in the Strategic Report section of this report.

DIRECTORS' RECRUITMENT, APPOINTMENT, AND TRAINING

UCAS' Articles determine the constitution of the Board and appointment of Directors.

All Directors and co-opted Committee members are independently selected, and formally appointed on merit for an initial fixed term of up to four years. This is based on their specific skills, experience, and expertise, against objective criteria. With due regard for the benefits of diversity on the Boards and Committees, UCAS' recruitment processes are formal, rigorous, transparent, proportionate, and appropriate to each vacancy. This enables the widest choice of candidates to be considered.

All new Board and Committee members receive an induction pack of essential governance (including managing conflicts), and UCAS documents. They are also invited to attend a formal induction session, covering UCAS' operations. This includes meeting members of the Executive Team. Thereafter, they receive updates which can include legal and regulatory developments, Charity Commission, and other relevant guidance. Board and Committee members are given the opportunity to have ongoing learning and development, as well as visits to the Rosehill site to expand their knowledge of UCAS' operational developments.

UCAS regularly conducts a skills gap analysis, to inform succession planning, and enable specific training needs to be identified.

UCAS also conducts annual Board effectiveness reviews, which enable the Board to regularly consider its effectiveness, and that of its subsidiaries and Committees.

SUBSIDIARIES

UCAS owns 100 per cent of the share capital of its subsidiaries, UCAS Media Limited, and UCAS Consultancy and Insights Limited. UCAS Media Limited is used for non-primary purpose trading activities, while UCAS Consultancy and Insights Limited is not trading. Following the transfer of the trade and assets of UCAS International to UCAS in 2021/22, the UCAS International subsidiary was dissolved on the 7 March 2023.

Profit from the subsidiaries is gift aided back to the charity under deed of covenant for the purposes of investment in new and existing products and services. The investment is customer led, using insight and data to prioritise those investments that are most important to UCAS' customers. In 2022/23 the investment from gift aid was used for a number of developments including but not limited to; admissions reform, and further improvements to UCAS' information, advice and insight for all its stakeholders.

During the year ended 31 July 2023, UCAS Media Limited recorded a loss of £0.1m. This was largely due to targeted investments in initiatives which are not yet scheduled to payback such as the apprenticeship product and service. It is also noted that some initiatives already underway had a mixed performance in the year, with some taking longer than expected to generate the levels of returns expected, and therefore finished below their income targets. The profit before tax and Gift Aid donations, for UCAS Media Limited, during the year ended 31 July 2022, amounted to £1,613,202.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of UCAS for the purposes of company law) are responsible for preparing the Report of Directors' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and Group for that period.

In preparing these accounts, the Directors are required to:

- ▶ select suitable accounting policies, and apply them consistently
- ▶ observe the methods and principles in the Charities SORP
- ▶ make judgements and estimates that are reasonable and prudent
- ▶ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- ▶ prepare the accounts on the going concern basis, unless it is inappropriate to presume the Group and Charitable Company will continue in business

The Directors are responsible for keeping proper accounting records that show and explain both the Group's and Charitable Company's transactions, with reasonable accuracy, at any time, and the financial position of the Group and Charitable Company, and enable them to ensure the accounts comply with the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulation 2006. They are also responsible for safeguarding the assets of the Group and Charitable Company, and for taking reasonable steps for the prevention and detection of fraud, and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information

included on the Charitable Company's websites. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Given the composition of the Board, UCAS does have a relationship with the employing organisations of some of its Directors. However, all Directors have a legal obligation to act in the best interests of UCAS and in accordance with UCAS' governing document, and to avoid situations where there may be a potential conflict of interest. On accepting membership as a Director of the UCAS Board or a Director of a UCAS trading subsidiary, a Director shall supply to the Company Secretary an entry to the Declarations of Interests Register. The Company Secretary is responsible for maintaining the register and each Director is to communicate with the Company Secretary any significant additions or deletions from his/her entry as soon as practicable.

Notwithstanding any declaration made on the register, a Director shall make a further declaration of any duality or conflict of interests or conflict of loyalty at any meeting of the Board meeting where decisions are to be made on the supply of goods or services to the Company or other matters with potential financial consequences, and shall be bound by the provision of the Companies Act 2006. All such declarations are minuted.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

The Charitable Company paid a premium of £5,115 (2022: £6,307) to indemnify Directors and officers against legal liabilities arising through wrongful acts in the performance of their duties. The policy excludes claims arising through malicious or intentional breach of conduct, dishonesty, or fraud.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each Director confirms, in so far as he or she is aware, that there is no relevant information of which UCAS' auditors are unaware. As Directors, they have taken all the steps they ought to have taken, to make themselves aware of any relevant audit information, and to establish that UCAS' auditors are aware of that information.

AUDITORS

RSM UK Audit LLP was reappointed as auditor for the year ended 31 July 2023 and has indicated their willingness to continue in office.

REMUNERATION

UCAS operates a structured pay framework, which rewards employees based on performance. All salary levels are benchmarked externally, to ensure consistency and alignment with the sector and national markets. Every 3 years each role is benchmarked, and this was last conducted in 21/22. The remuneration for UCAS' Executive Team is subject to external benchmarking, with a separate meeting held regarding CEO remuneration. Awards given are reviewed and approved by UCAS' Remuneration Committee.

OBJECTIVES AND ACTIVITIES:

Public benefit

The Directors have reviewed the Charity's aims and objectives, and complied with their duties in the Charities Act 2011, with due regard to the Charity Commission's guidance on public benefit exercising any powers or duties where the guidance is relevant.

UCAS is an independent charity, focused on connecting people to their future. The charitable objectives are 'to advance and to assist in the advancement of education in universities and other higher, further, or secondary establishments, insofar as such advancement and assistance shall be exclusively charitable in nature, in particular, but without prejudice to the foregoing, by providing and maintaining an organisation to facilitate the consideration by such universities and other higher, further, or secondary education establishments of applications for admission to, and to assist applicants in gaining access to, such universities and educational establishments'.

UCAS does not conduct any fundraising activities, nor use any fundraising agencies, and has received no complaints in this regard in this or the prior period.

UCAS provides public benefit by providing information, advice, and admissions services to inspire and facilitate progression in education. The section below outlines how UCAS delivers public benefit through these services.

Information and advice services

UCAS' aim is to support people in making well-informed choices about their post-secondary education, using its in-depth insight about how and when students make their decisions to make this as personalised, engaging and informative service as possible.

UCAS supports students throughout their journey to post-secondary study, from initial research, refinement of options, final decision-making, and transition to their chosen destination. UCAS provides information and advice through its national programme of exhibitions, enabling students to meet representatives from universities, colleges and employers, explore and narrow down their choices. UCAS' online content expands beyond traditional Higher Education (HE), covering the range of destinations available to students, including apprenticeships, employment and gap years.

UCAS attracts over 32 million people from across the world to its website, ucas.com, where visitors can use the search tool to explore and filter over 50,000 undergraduate (UG), postgraduate (PG), and conservatoire courses. Students can also explore the latest degree and higher apprenticeship opportunities through the 'UCAS Hub' which provides students with all the tools and information they need, in one place, and for free. When it comes to exploring subjects, considering apprenticeships, shortlisting options, or writing an impactful personal statement or CV, the 'UCAS Hub' has comprehensive, personalised and engaging content. Each student has their own dashboard which they can customise and tailor to their needs, organise tools, and tick off their to do list. The 'UCAS Hub' is their space to explore and prepare for their future.

Not everyone has access to the same levels of support and advice, either from parents/guardians or their school and college advisers when considering what to do when they leave secondary education, or when thinking about higher education as an adult. UCAS works in partnership with charities and other organisations to provide practical and inspiring information, advice, and resources for under-represented groups, including students with disabilities, care leavers, those with parental or caring responsibilities, and estranged students.

Enabling people to make the right choices about their post-secondary education delivers public benefit by enabling people to fulfil their potential. Choice of the right subject, university, college or employer contributes to improving widening participation, student retention, and successful progression to a degree, employment, or further study, and, ultimately, value for money for the taxpayer.

Admissions services

While UCAS' core purpose is to provide an accessible and trusted undergraduate admissions service, UCAS also provides admissions services for conservatoires and postgraduate courses as well as a route through to applying for apprenticeships.

In offering centralised services, UCAS enables universities, colleges and employers to connect with a wide range of potential students in a more efficient and effective way across the UK and globally. UCAS helps to manage risks from fluctuating numbers of applications, and delivers cost-effective, efficient services to help universities and colleges plan and manage admissions decision-making. For undergraduate admissions, UCAS provides data and services to support contextualised admissions that take account of students' educational backgrounds, and help universities evaluate the effectiveness of widening participation activities. UCAS' centralised services, with a common application process and agreed timescales and business rules, also facilitates student choice and supports fairness and transparency.

UCAS employs robust eligibility criteria to its higher education provider customers to ensure students, parents, teachers, and advisers can be confident that the universities and colleges applied to are bonafide course providers, offering quality courses of educational benefit.

To support public and policy debate about participation trends including widening access, UCAS publishes comprehensive analysis and insight about who is applying to higher education, receiving offers, and securing places. Taking into account the characteristics of the applicant population, and patterns of applications, offers, and acceptances, UCAS' analysis shows that at an aggregate level, admissions to full-time, undergraduate higher education are fair.

UCAS published a specific impact report in 2022 which is available [online](#). The report provides an overview of the last year to give UCAS' stakeholders a sense of the value UCAS has delivered on behalf of its customers. UCAS' role in providing a UK-wide admissions service, on behalf of all its customers, is not taken for granted. UCAS continues to innovate and reform. UCAS has a critical role in proactively helping shape current and future HE admissions reform. UCAS strives to ensure that students from more than 200 countries have fair and transparent choice and can make aspirational choices, regardless of their background or circumstance.



STRATEGIC REPORT

Achievements and performance

UCAS is at the heart of connecting people to higher education and in 2023, UCAS celebrated 30 years since the merger of Universities Central Council on Admissions (UCCA) and Polytechnics Central Admissions System (PCAS). UCAS' core purpose is to run an accessible, trusted, and personalised undergraduate admissions and information service. The foundations are built on the core principle of offering efficiency and value to the education sector, and transparency and fairness for those students it serves.

UCAS' vision is to be the go-to place for UK higher education, apprenticeships, and lifelong learning. Its mission is to inspire and empower people, providers, and employers to achieve their potential and thrive through choices in education, skills, and learning.

By providing a clear framework and support for students making their higher education choices, UCAS facilitates £3.3 billion in economic value each year. Primarily, this value comes from helping students find courses and institutions that they might not have otherwise been aware of or considered and empowers them to make aspirational choices that may have once been perceived as out of reach. This brings benefits to the UK economy by matching the right individual to the right opportunity and helping them to reach their potential, while offering significant benefits to wider social mobility. Over 80% of students surveyed in 2022 agreed that having the option to apply to more than one university meant that they considered options they would not otherwise have considered.

The key achievements to note include:



1. MODERN ADMISSIONS – DELIVERY OF A TRUSTED AND FLEXIBLE ADMISSIONS AND CONNECTION SERVICE TO MILLIONS

Admissions is the heart of UCAS' service. Each year, UCAS support over 700,000 applicants explore over 50,000 undergraduate courses across 360+ universities and colleges, resulting in over half a million students starting their studies. In 2022, almost 50% of all 18 year olds in the UK population looked to UCAS for support. In addition to UCAS' personalised careers information, advice and guidance on the full range of pathways available, UCAS responds to half a million direct queries, guiding students through the admissions process as they seek and secure their course of choice.

UCAS continues to reform the way students explore and connect to choices. UCAS' Reimagining UK Admissions report and subsequent post qualifications consultation response in 2021, informed by the voices of 13,000 students, outlined an ambitious vision for how the current system can be improved to the benefit of all stakeholders, improving choice and supporting social mobility.

What UCAS has achieved

- ▶ In 2020, UCAS launched Clearing Plus which matches unplaced applicants with courses, based on their preferences, and provider requirements. Since then, UCAS have used customer feedback to add more features, allowing providers to target applicants based on the UCAS Tariff and mixed qualifications. This year, UCAS emailed daily Clearing Plus matches to unplaced applicants throughout the whole Clearing period. Over 4,500 applicants were placed at a provider using Clearing Plus in 2022.
- ▶ UCAS' Results and Application Service oversees the grades, placements, and offers across 38 awarding bodies. Over three million results and amendments were processed.
- ▶ UCAS promotes confidence in the validity of application. Verification plays a crucial role in protecting students and providers from fraudulent applications. Each year, UCAS' team protects universities and colleges from spending their valuable time reviewing disingenuous submissions. This year, UCAS have reviewed 36% more cases than last year, identifying and dismantling a number of new fraud rings with shared characteristics.

- ▶ UCAS launched a new Record of Prior Acceptance (RPA) service. The RPA process allows providers to record students who applied directly during Clearing with UCAS. UCAS has made this process more efficient with one central place for reporting along with the ability to report on RPAs individually and in bulk, ensuring a complete record each year of all undergraduate admissions.
- ▶ UCAS has simplified the deadlines for undergraduate applications. During the pandemic UCAS simplified the deadlines to allow more flexibility and relieve some pressure points. This included the consolidation of in-cycle 'reject by default' and 'decline by default' dates and moving the January equal consideration application deadline to later in the month, allowing more time

to support students after the Christmas break. These changes have now been made permanent, to allow students to be supported at these crucial points in the cycle.

90% OF APPLICANTS

are satisfied with their UCAS experience

- ▶ 90% of applicants are satisfied with their UCAS experience. This is an example of a KPI used by UCAS to ensure the delivery of its strategic objectives.



2. THE UCAS HUB – PERSONALISED INFORMATION, ADVICE, AND GUIDANCE

For UCAS, there is nothing more important than students making the right choice for their next step. UCAS' goal is to personalise each stage of the discovery journey so that each student has the right information and tools that they need to get them to where they want to be. Building on the trust that advisers and students have placed in UCAS for years in undergraduate admissions, UCAS is investing in market leading information and advice to make UCAS the 'go to' destination: one place for all UK higher education, apprenticeships and lifelong learning choices.

UCAS is currently the top source for finding universities and courses. 85% of students called UCAS their go-to source, ahead of Google's 68%. Students view UCAS more favourably than the BBC and Google, and on par with the NHS. More students would trust UCAS with their personal data than their high street bank.

What UCAS has achieved

- ▶ The UCAS Hub is the only personalised career platform in the UK that is free for schools, colleges, and students. UCAS introduced the UCAS Hub in 2019 and last year it became the single sign-on environment replacing Apply and Track. It gave 1.5m individuals in 2022 (up from 1m in 2021) their own dashboard to discover, save, favourite, and pin the content they find most valuable, to refine their choices, and to apply and make decisions about their higher education and training destinations.

- ▶ More support for teachers and advisers. UCAS is introducing more tools for schools on an annual basis to support students in its dedicated adviser hub. Last year this included an historic entry grade tool for teachers, which shows the profile of achieved grades students were accepted with. This helps the advisers guide students on their chances of being accepted on to a course with results that may be different from the advertised entry grades.
- ▶ In just a year, more than 1 million students have completed the Careers Quiz in the UCAS Hub. It is the only quiz in the UK that combines up-to-date labour market information with graduate outcomes data and higher education choices, and matches this with the students' preferences to suggest courses and careers.
- ▶ New multimedia content and guides streamed from the UCAS studio. UCAS push information, advice and guidance across multiple platforms and stream live sessions from the UCAS studio to social media and directly into the UCAS Hub. With podcasts, livestreams, and virtual events, UCAS is giving students direct access to experts and providing advice on topics such as preparing CVs, writing personal statements, interview tips, and making choices in Clearing. Each livestream can attract an audience of up 30,000 students – they can ask experts questions directly and chat to other students in the same position.

140,000 STUDENTS

attended a UCAS Discovery exhibition

- ▶ 2022 saw the return of in-person events, attracting 140,000 students to one of the 50 UCAS Discovery exhibitions, which UCAS has transformed to cover the full range of post-secondary choices. More than half of all secondary schools and colleges in the UK now attend these events, where students can meet up to 180 different universities, colleges, and employers under one roof.

- ▶ Stakeholder satisfaction measures are KPIs used by UCAS. For example, UCAS Discovery events are instrumental in inspiring students from the most disadvantaged backgrounds, with 30% of students attending from the most deprived neighbourhoods, and 90% of students rating their experience as good or great. 82% of students say the event makes them think differently to the opportunities available to them. 8/10 students say attending a UCAS Discovery event has supported them to take their next step in achieving their ambitions. 58% of students said that UCAS was the most important source of information for helping them choose where to apply to university.



3. APPRENTICESHIPS – ESTABLISHING PARITY OF OPPORTUNITY

With almost half of UCAS users now interested in apprenticeships, UCAS wants to provide them with the same support undergraduates receive when researching and applying. In 2022, UCAS received 2.2 million searches for apprenticeships on the UCAS website. However, UCAS knows that accessing apprenticeships in the UK can be a complicated journey – 73% of students find it easy to access information about undergraduate study, compared to 26% for apprenticeships. UCAS is investing in its apprenticeship services, working with universities, colleges and employers to directly connect students with apprenticeship opportunities.

2.2 MILLION SEARCHES

for apprenticeships on UCAS.com

The announcement by the Department for Education on 6 February 2023 regarding UCAS being the one stop for apprenticeships 'Discover, Decide, and Apply' is testament to UCAS' strides forward in this area. UCAS expanded its service in autumn 2023 so that applicants can see more personalised options, including apprenticeships. From 2024, applicants will then be able to apply for apprenticeships through UCAS alongside an undergraduate degree application.

What UCAS has achieved

- ▶ UCAS is putting more apprenticeship opportunities in front of students than ever before. UCAS' Career Finder offers employers, providers, and aggregators the opportunity to advertise their vacancies for free. There was an increase of 56% in the number of apprenticeship searches on Career Finder in 2022, compared to 2020.
- ▶ To help them make more informed decisions, UCAS has produced a series of industry guides for students who are at the start of their decision-making: while still exploring their subject interests, they need a comprehensive introduction to the sectors they may one day work in.
- ▶ Around 20 industry guides have been published, featuring companies like PwC, Dyson, and Morrisons. Made up of real-life stories which follow apprentice and graduate journeys, readers can see salaries, prospects, and each sector's pros and cons. Students spend more time on research when looking at sectors with industry guides. That means that students spend more time researching, on average from 1:49m to 8:15m.

50+ COMPANIES

have an employer profile on UCAS website

- ▶ UCAS has also created employer profiles to pick up where industry guides leave off. They bring greater visibility and clarity to the full range of post-secondary options, as well as the next step in decision-making. By continuing their sector research by looking at specific employers, students can better understand, visualise, and plan their future path.

- ▶ The number of apprenticeship employers that are customers of the service is a KPI. More than 50 companies so far – including Sky, Coca-Cola, Dyson, Ford, and KPMG – have created their own employer profile. Acting as a shop window inside the student journey, these profiles are populated by employers with their own content, in their own tone of voice, to showcase their USPs to thousands of prospective applicants.





4. SUPPORTING FAIR ACCESS – USING INSIGHT TO DRIVE CHANGE

Widening access and participation (WP) is central to UCAS' strategy, and UCAS recognises the role it plays in supporting the valuable work the higher education sector undertakes in supporting disadvantaged students progress to education and training. The future landscape will bring new challenges, as the sector potentially approaches a million higher education applicants this decade, with increased competition presenting risks to those from more disadvantaged backgrounds.

What UCAS has achieved

- ▶ UCAS is a digital equaliser for students from all backgrounds. This includes personalised content through the UCAS Hub, raising the understanding and awareness of available routes and support, and over 40 national exhibitions UCAS hold each year. These are attended by over 40,000 students from the most disadvantaged backgrounds, providing them with vital face-to-face support. 64% of UK students agree that UCAS encourages people from all backgrounds to apply to university.

UCAS HAS TRANSFORMED

how certain groups identify themselves in the application by adding seven new questions about individual circumstances

- ▶ UCAS' insight provides a spotlight on the experience of disadvantaged students and the barriers they face. Since late 2020, UCAS has released 11 insight reports – looking at the experience and motivations of the 40,000 LGBT+ students who apply each year, the one in eight applicants who share information about a disability, the growing number of care experienced individuals, and the 450% increase in students sharing a mental health condition as part of their application. In addition, UCAS has explored the key moments of choice for students, including the one in three who consider higher education as early as primary school (with advantaged students 40% more likely to do so). Qualitative KPIs are in place such as UCAS' policy outputs (as outlined above), in addition to quantitative KPIs which show over 8 million data points each cycle are released to help governments, regulators, and researchers understand the latest progression trends.
- ▶ Following a national consultation with direct feedback from over 100 stakeholders, UCAS developed a new five-point plan as part of a Fair Access Programme, that aims to build on the extensive work already underway across the sector.
 - Transform higher education providers' understanding of students, through new questions, data, and insight on disadvantaged groups.
 - Bring the hardest to reach students to providers earlier, by building an outreach connection service which brings teachers and advisers to outreach activities.
 - Help providers understand what works, through extensive, accessible, sector-wide Continuing Professional Development (CPD).
 - Help bring schools, colleges, and universities closer together, by working with organisations like UniConnect, to help seal the gaps between providers.
 - Remove barriers and inspire students, by leading meaningful research and sharing UCAS' findings with all.
- ▶ UCAS has transformed how certain groups identify themselves in the application by adding seven new questions about individual circumstances; Students estranged from their parents, Students with caring responsibilities, Students with parenting responsibilities, Refugees, asylum seekers and those with limited leave to stay in the UK, Students from military families and military veterans or service leavers, and a self-declared free school meals (FSM) question. For each, UCAS has worked closely with the expert charities to ensure UCAS provide a full support package for these students, including personalised content. These questions will transform the insight UCAS have about them, and the way they access support.
- ▶ UCAS used its data science capabilities to transform the insight universities and colleges have of their students through the modernised contextual data service, which uses the multiple equality measure to provide a truer sense of their context. UCAS enhanced this understanding further through the inclusion of verified FSM data.

- ▶ Partnerships are a key way to make meaningful, lasting change to the sector. UCAS works with third party sector partners and charities to ensure UCAS presents students with the expert voice, but to also maximise the impact and reach of these groups. For example, UCAS worked with the Carers Trust and Stand Alone, charities that support carers and estranged students, to design and word the new WP questions and supporting content, to encourage the maximum engagement.

UCAS worked with Transforming Access and Student Outcomes (TASO) to encourage more positive disclosure around mental health in applications and trial new ways of speaking to students to improve engagement. UCAS also worked with The Brilliant Club to test and improve UCAS' outreach evaluator service, which helps organisations understand the impact of their activities in higher education.



5. INTERNATIONAL – THE GATEWAY TO UK HIGHER EDUCATION

Each year, UCAS supports over 100,000 undergraduate applicants from across 200 different countries and territories. UK higher education operates in an increasingly competitive global environment and UCAS is the single largest gateway to UK higher education. While UCAS International as a subsidiary was dissolved in 2023 (following the transfer of the trade and assets to UCAS), International remains a key strategic objective.

UCAS recognises international is much more than undergraduate applications, with nearly half of all postgraduate students coming from outside the UK. With the aspiration to provide the same support to international postgraduate applicants, UCAS launched Myriad by UCAS, to create a new gateway to UK higher education. 30% of international students said they would be less likely to apply to a UK university or college without UCAS, and 78% of international students would recommend other countries move to a UCAS-style system.

What UCAS has achieved

MORE THAN 55,000

**people downloaded Myriad in 2022
from 197 markets**

- ▶ UCAS produced new insight for the sector through 'Where Next? What influences the choices international students make?' and 'Where next? The experience of international students connecting to UK higher education'. UCAS found that students from across the globe still hold the UK's universities and colleges in the highest regard, with a renewed interest in living and learning here, as the world emerges from the pandemic.

- ▶ Myriad by UCAS is a service, which provides a seamless research, support, and application experience for international applicants. It was launched in February 2022. Since then and based on KPIs:
 - Myriad has been downloaded by more than 55,000 people, from 197 markets in 2022.
 - More than 20,000 referrals have been made to postgraduate providers since launch.
 - Almost 3,000 grants and scholarships have been published, alongside an integration with CV library.
 - 94% of all postgraduate providers and courses are now live on Myriad.
 - Over 300k student individual rooms promoted through its accommodation search, for applicants to discover and apply for.
 - Myriad English is the latest addition to the app. In collaboration with Pearson, UCAS is giving applicants the tools to assess and improve their language skills, as well as booking the required English Language test – all within the Myriad app.



6. PEOPLE – UCAS IS AN EMPLOYER OF CHOICE, WHERE ITS PEOPLE FLOURISH, PERFORM, ACHIEVE, AND BELONG

UCAS is focused on building a performance culture and the right working climate, where colleagues are valued and supported to live the UCAS values and perform at their best, enabling the delivery of the strategic priorities.

What UCAS has achieved

- ▶ 2022/23 year has been a successful year for UCAS in terms of building its capacity, capability, and culture, resulting in a more motivated and valued workforce. The staff feedback in the November 2022 staff survey, a KPI for this strategic objective, saw improvements across all areas, which was particularly impressive given the high scores experienced in the previous year's survey. Notably UCAS is seen by colleagues as a 'great place to work' (88%) with over 90% of colleagues who responded to the survey saying they are proud to work for UCAS.
- ▶ A priority of focus for this year has been on UCAS' attraction, recruitment, and retention. With regard to attraction and recruitment, UCAS' open vacancies has now dropped to its lowest number since 2017. Retention (another KPI) has also improved significantly with colleagues seeing UCAS as a supportive employer who genuinely cares for its staff (87%), helped by initiatives such as health checks and the additional support provided to colleagues through the winter months in response to the cost-of-living crisis.
- ▶ In 2022/23 UCAS re-launched its full development offer, promoting a much wider range of opportunities for UCAS colleagues to access. A new Talent and Learning hub was launched along with the creation of a UCAS promotional video, used both internally and externally, to market the extensive career development on offer at UCAS. New this year was the Senior Leadership Development programme to support increased levels of ownership and accountability, as well as the New Manager Foundation programme. A number of 'campfire' sessions were held for all staff to enhance external context such as what's happening in Scotland.
- ▶ UCAS dedicated investment to the creation of its two career academies. (Digital Academy and Sales and Marketing Academy). The academies offer a clearer development and progression pathway, supported by training, tools and resources. The aim is for UCAS colleagues to develop through 'best in class' professional development, enabling them to be highly effective in their roles, creating greater talent mobility across UCAS, as well as helping UCAS attract new talent into critical roles.
- ▶ UCAS continues to promote its commitment to wellbeing through an established group of 'champions'. Through helpful information, campaigns, and speakers, the wellbeing champions have focused on financial wellbeing, women's health, men's health, and mental and physical wellbeing. More recently, the Wellbeing Group have worked closely with colleagues driving UCAS' Equality, Diversity, and Inclusion (EDI) agenda, ensuring the impact of intersectionality on wellbeing is acknowledged. In September 2022, UCAS was awarded 'Healthy Workplaces Gloucestershire' enhanced accreditation - their highest award for commitment to wellbeing at work.
- ▶ UCAS has been shortlisted as a finalist in the Personnel Today Awards for the Hybrid Working category and was the winner of the Institute of Workplace and Facilities Management (IWFM) awards in the workplace experience category. To ensure the workplace was designed to be inclusive, UCAS completed an independent EDI audit to help inform the works. Elements delivered which demonstrate inclusivity at UCAS include, electric height adjustable desks (one third of all desks), maximising the use of accessible spaces including lower counters in the shared kitchen

OVER 90% OF COLLEAGUES

that responded to the staff survey stated they were proud to work for UCAS



areas, gender neutral and disabled shower rooms, new building signage which includes braille, and designated quiet areas including a specific 'quiet' room that is used for well-being purposes as well as a multi-faith prayer room. UCAS also takes feedback from its community groups and makes enhancements to support positive change, e.g. provision of USB desk fans based on feedback from the Menopause Wellbeing group.

- ▶ There are a number of other people KPIs in place such as FTE, unplanned turnover, and absence. Year on year improvements across

WINNER

**of workplace experience category
at Institute of Workplace and
Facilities Management (IWFM) awards**

these measures have been made. The unplanned turnover rate for 2021/22 was 18%, and following the positive interventions in 2022/23 outlined above, this has reduced to 11%.



7. PLANS FOR THE FUTURE

Modern and Flexible Admissions

UCAS' programme to reform admissions is essential to keep up with the constant changes in policy, technologies, customer expectations and behaviour. Customer needs are continually transforming its products and services, so they remain relevant:

- ▶ The reference is being completely revamped in 2023. UCAS spoke to schools and universities, and found some disparity between how they approached the information the reference provides on an applicant. The agreed solution – changing free text to set questions – removes the guesswork. Providers will have confidence in the value of references, and advisers will get a return on their time.
- ▶ Personal statements will also be reformed. Both students and universities have told UCAS that, just like referencing, a set question format would result in quicker, better personal statements. UCAS is consulting stakeholders on making this change.
- ▶ UCAS will be improving its online verification training for providers, so they can spot the tell-tale signs of fraudulent applications and provide an extra layer of vigilance.
- ▶ UCAS' Results and Application Service will make applications more flexible, so that the admissions system includes and accepts alternative, non-standard qualifications.
- ▶ UCAS is working on a simplified and more flexible approach to structuring its courses data, based on input and feedback from providers. This will make it easier for providers to present a wider range of full-time, part-time, modular and distance learning courses, set up joint courses, and separate course data into marketing and admissions information.
- ▶ UCAS is enhancing the results service responsible for processing results and amendments from awarding organisations and transferring those to providers. These enhancements, which include automating processes and overhauling the underlying reference data to create a single source of qualifications truth, will make the

service more efficient and robust, and give it potential for future expansion to encompass a wider range of qualifications.

- ▶ UCAS will be looking at the number of choices applicants have. Is the insurance choice useful? Are students stretching their time too thinly? Do they want, or need, fewer than five options? Does UCAS need to change?

UCAS HUB

The future of the UCAS Hub is an immersive and personalised experience, with content tools powered by UCAS data and insight, to help students understand their options and create a truly unique experience, for each and every individual. UCAS' plans include:

- ▶ Entry Grades Data tool - Showing students the actual grades that have historically resulted in applicants gaining entry to courses. This could help students target courses they might not have otherwise considered, discounting them based on only understanding advertised entry requirements.
- ▶ UCAS is building a Course Personalisation Engine which will use behavioural trends to suggest the most relevant pathway for each student, based on what they engage with in the Hub, surfacing options they might otherwise not have considered.
- ▶ UCAS is continuing investment in its events focusing on support for students who have yet to find their pathway. With the introduction of a new pre-event preparation tool, UCAS will help them get even more out of the events, particularly disadvantaged students.

Apprenticeships

UCAS will transform the experience of students exploring apprenticeship opportunities, creating true parity by putting these apprenticeship options side-by-side with undergraduate options. UCAS has already started on this journey with the Career Finder jobs board which was introduced to help address the lack of apprenticeship information at school level and to highlight the thousands of jobs, internships and placements available.

- ▶ Career Finder will become hyper-personalised inside the UCAS Hub. Applicants will be able to discover and evaluate all of their undergraduate, apprenticeship, and employment opportunities, in one place, side-by-side.
- ▶ A new CV builder will be launched in 2024 helping students articulate their skills and ambition, so they can make the best possible apprenticeship and job applications.

CV BUILDER

launching in 2024

- ▶ Employers will be able to use Talent Finder for talent searches. Offering a deep level of filtering – from grades and subjects to widening participation characteristics – the talent search will enable employers to actively push their jobs out to recommended matches.
- ▶ Students will be able to use UCAS to identify employers that match their ambitions. Applicants are becoming more selective, looking for employers which share their values. UCAS

Apprenticeships will help them find those with the right opportunities and select employers that match their needs – for example, by identifying disability confident employers.

Fair access

UCAS is developing a new outreach connection service to help connect schools and students to the appropriate outreach activities, following feedback from conducting a consultation which showed that this can sometimes be challenging to navigate.

- ▶ UCAS is developing truly personalised journeys for disadvantaged students, presenting them with the content and guidance they need to understand their options and support available, helping to tackle the knowledge gaps of lesser supported students. UCAS' research consistently shows this is a key ask of disadvantaged students.
- ▶ UCAS is continuing to develop leading insight on the progression of disadvantaged students. UCAS are working with The Sutton Trust to research when, why, and how the 'lightbulb moment' occurs for those choosing apprenticeships. With this knowledge, UCAS will be able to better raise the profile of apprenticeships and serve them at the right time in the student journey.



International

UCAS will continue to develop UCAS and Myriad by UCAS to enhance the UK's competitiveness by providing a single postgraduate gateway, giving students and agents unrivalled support throughout their application journey.

- ▶ The Myriad app is already changing the way the world sees and engages with UK postgraduate higher education. UCAS will soon be adding new features and services to increase the quality and diversity of applicants, providing easier filtering and enabling quicker sorting of higher quality candidates.
- ▶ Bringing existing UCAS services over to Myriad. UCAS is testing features of the existing undergraduate application process, like antiplagiarism tools, to embed them into Myriad and offer the same level of protection and trust.

- ▶ A new counsellor and agent portal. UCAS is working with counsellors and agents, to equip them with the information they need to help students make informed decisions on the diverse choices available in the UK. UCAS will launch a new agent portal in 2023/24 to help agents improve the quality of their applications and stand out among an increasing number of international applications.

People

As UCAS moves into 2023/24, if it is to deliver on its future ambitions, attention turns to maximising its capacity and capability to deliver the desired change at pace. UCAS has seen a period of growth in people over the past few years and now the benefits from this investment must be realised, meaning the UCAS workforce will need to remain in high gear to ensure its success.



SECTION 172 STATEMENT

The Board of Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company in achieving its charitable purpose and, in doing so, to have regard (amongst other matters) to:

- ▶ The likely consequences of any decision in the long term.
- ▶ The interests of the Company's employees.
- ▶ The need to foster the Company's business relationships with suppliers, customers and others.
- ▶ The impact of the Company's operations on the community and the environment.
- ▶ The desirability of the Company maintaining a reputation for high standards of business conduct.
- ▶ The need to act fairly as between members of the company.

Throughout this report, UCAS has summarised its governance framework and how UCAS is engaged with stakeholders during the year. The Trustees have considered the views and needs of key stakeholders in Board discussions and decision making. The following points are not intended to be an exhaustive list but are illustrative of how the Trustees have fulfilled these duties during the year.

Engagement with stakeholders

- ▶ The publication of UCAS' landmark Journey to a Million essays with the potential for this to shape future planning of all involved in Higher Education. The essays highlighted the challenges and opportunities the Journey to a Million higher education applicants poses both to the education sector and more broadly UK PLC. The essays were as much about an economic challenge as it is an education one, and upskilling the future workforce is key to the economic success of UCAS' communities and countries. A number of key stakeholders contributed to the essays which were also supported by industry.
- ▶ The announcement by DfE on 6 February 2023 regarding UCAS being the one stop for apprenticeships 'Discover, Decide, and Apply' coming off the back of the engagement with key stakeholders.
- ▶ In partnership with Unite Foundation, UCAS published the report "Next Steps: What is the experience of students from a care background in education?".

The report made recommendations for a range of organisations with the aim of easing the transition for care-experienced applicants, who remain under-represented in higher education. These included personalised information, advice and guidance, better quality data collection and sharing, and support for Universities UK's recommendations that universities and colleges should consider implementing minimum entry requirements for care-experienced applicants across the UK.

- ▶ Reform of undergraduate admissions continues with the publication of an admissions reform report in January and regional workshops garnering feedback involving over 250 attendees, with particular feedback from some customers on the reference and the need for further guidance.
- ▶ UCAS continues to work closely with DfE officials, UUK, and the devolved nations (including but not limited to SQA (Scottish Qualifications Authority), Colleges Scotland, Universities Scotland, Association of Colleges Universities Wales) on a range of topics. Quarterly meetings are also held with sector agencies (JISC, AdvanceHE, and QAA).
- ▶ Conferences and exhibitions also continue, and over 400 people from the admissions community came together in person at UCAS' Annual Admissions conference.
- ▶ UCAS Council discussed a number of topics such as lifelong learning, the reform of the personal statement, and international. External speakers focussing on the external environment continue for each UCAS Council meeting which the Board are invited to join. The outcomes of council meetings are fed through to the UCAS Board to aid decision making.
- ▶ UCAS celebrated its 30th anniversary bringing together a range of key stakeholders together from Trustees, UCAS colleagues and sector leaders to apprentices and prospective students both internationally and across the UK, highlighting the wide range of supporters and connections it takes to work together for a common goal.
- ▶ The Chair of the Board continues to meet relevant stakeholders and has participated in roundtable discussions. On SQA results day, UCAS' Chief Executive was in Scotland and met with a number of providers, ministers and students. On results day, some of the Trustees were present at the Cheltenham office and met with students, government, sector agencies and suppliers, and listened to calls from applicants.



- ▶ As stakeholder engagement is key to the delivery of the strategy, the Chief Executive provides an update at each Board meeting which includes all the customer and stakeholder engagement that has occurred at an Executive level since the last meeting for discussion. Additional key updates are also provided to Trustees between meetings.
- ▶ The Trustees review financial and operational performance, as well as information covering areas such as external drivers which includes the number of applications, staff including UCAS' people plans, pensions, delivery, and key risks. This information is provided to the Trustees through routine reports circulated in advance of each Board meeting which were then reviewed, discussed and approved, as necessary.
- ▶ The Board reviewed UCAS' current maturity in relation to environmental impact, sustainability, and social value and endorsed the future direction.

Engagement with employees

- ▶ In 2022, the Board signalled its support for UCAS to take a much more ambitious approach to EDI, endorsing an appetite to shift from measuring process against local benchmarks to national benchmarks. Since then, significant work has been undertaken to evolve the existing EDI framework

into a more accessible and actionable form, and to galvanise a group of key internal stakeholders empowered to take a more collaborative approach to delivery as a formal EDI committee. Delivery focus has been centred in four key areas: training, engagement, data and reporting, and culture.

- ▶ Commissioned an EDI internal audit report which found a wide range of positive EDI related work / initiatives happening across UCAS, with some recommendations to make further enhancements.
- ▶ The Board approved a new 'Speak Up' policy, a natural extension of the UCAS whistleblowing policy (with a link to the whistleblowing included) and which further enhances UCAS' culture of openness and transparency. UCAS' Staff Consultation Group were consulted and were supportive of the proposed policy.
- ▶ How and where employees work is a contributing factor when choosing whether to work for UCAS. The final phase of the refurbishment to support UCAS' hybrid way of working with the latest technology and workstations was completed. A survey was conducted to ask how the hybrid working model was working and the results were positive with 93% of responses saying that UCAS is set up for effective hybrid working.

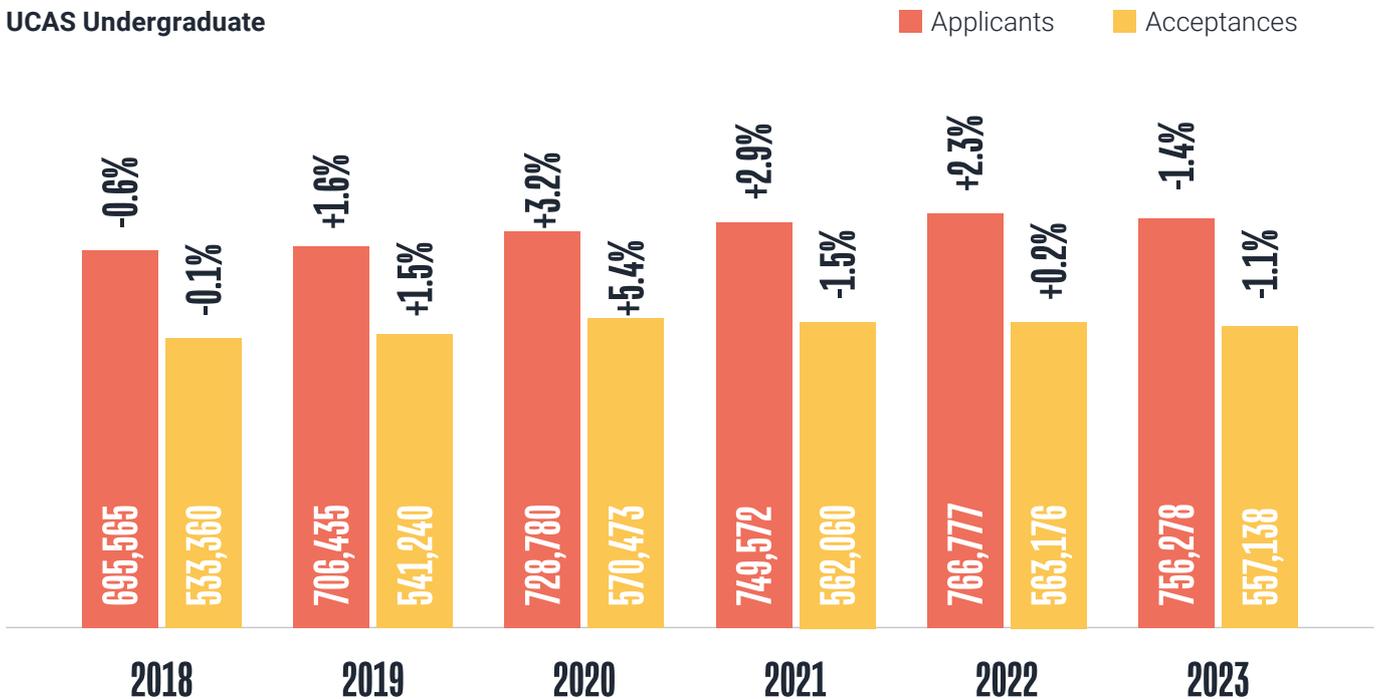
- ▶ The Executive team are actively involved in the engagement of staff through frequent briefings, use of internal communication tools, and regular CEO stand ups and newsletters to provide updates on business developments and to answer questions directly. This includes but not limited to achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of UCAS.
- ▶ Worked effectively with the Staff Consultation Group (SCG) on a number of initiatives. The SCG represent all staff and are the body recognised formally by UCAS for these purposes (it is not a negotiation body or trade union).
- ▶ A cost-of-living support package to staff was implemented during the year.

The need to foster the Company's business relationships with suppliers, customers and others, as well as the need to act fairly as between members of the company, is captured above and throughout this report. For example, this is demonstrated through interactions with these key stakeholders outlined above, and in the achievements and performance (page 12), which outlines some partnerships which are a key way to make meaningful, lasting change to the sector.

With regard to the impact of the Company's operations on the community and the environment, this is demonstrated in the streamlined energy and carbon reporting section of this report (page 27). The Trustees have also discussed environmental, social, and corporate governance during the year.

APPLICANT NUMBERS FOR THE UNDERGRADUATE SCHEME

UCAS Undergraduate

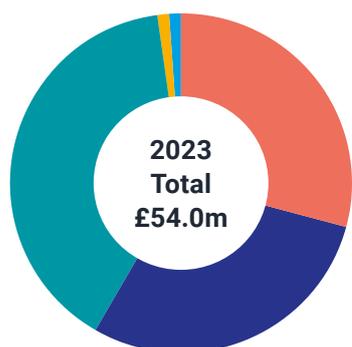


FINANCIAL REVIEW

The applicant numbers detailed above, and the associated income disclosed below, are some of the key performance indicators used to measure the performance of the charity. The performance of UCAS Media Limited, as detailed below, is also considered a key indicator of the Group's performance.

Total group income increased by 0.7 per cent, to £54.0m. The increase in income was driven by trading activities from UCAS Media, along with interest receivable from cash on deposit. While the total number of applicants and acceptances is down in 2023 compared with 2022, the total numbers are higher than pre-pandemic levels (following the surge of demand seen during the pandemic).

Total income (note 3) in 2023 vs. 2022 is shown below:



Provider fees	29%
Applicant fees	29%
UCAS Media	40%
Investment income	1%
Other	1%



Provider fees	31%
Applicant fees	29%
UCAS Media	39%
Investment income	0%
Other	1%

Expenditure (note 4) is further broken down below, showing expenditure by business area.



Digital and Data	43%
Operations	13%
IAG*, Marketing, and Sales	33%
Support**	11%



Digital and Data	42%
Operations	13%
IAG*, Marketing, and Sales	28%
Support**	17%

* IAG – Information, advice and guidance
 ** Support includes pension gains/losses

Expenditure increased during the year primarily due to an increased level of investment to accelerate the progress of the strategy. Looking ahead, UCAS will continue to manage its expenditure in order to deliver the strategy in an effective and efficient manner.

Cash reserves for the Group decreased from £25.9m to £22.9m due to the increased levels of investment which has a later payback, and also a £1.0m transfer to the investment fund.

UCAS also holds a liquid investment portfolio, containing a combination of bonds, equities, and property. This year has seen the investment increase by 6.2 per cent to a value of £9.7m as at 31 July 2023 (2022: £9.1m value) due to a transfer from the cash reserves offsetting a decline in performance linked to market conditions.

Details of UCAS' pension arrangements, including two final salary schemes, and two money purchase arrangements, are set out in note 18 of the accounts. The net charge for the UCAS Pension and Life Assurance Scheme (PLAS) for the year ended 31 July 2023 is £0.0m (2022: £0.1m), included in note 18, after cash contributions of £0.8m (2022: £1.0m). The contributions were made under a formal agreement with the Trustees of the pension scheme, to alleviate the pension Trustees' measure of the deficiency of net assets in the scheme. In the year ended 31 July 2023, the return on scheme assets negatively impacted by market conditions was greater than the actuarial gain on the scheme liabilities resulting in a loss (£0.8m), being recognised in other comprehensive income (2022: gain £5.6m). The scheme surplus is £3.0m compared with £2.9m in 2022. As this surplus is not recoverable, it has not been recognised on the Balance Sheet. A triennial valuation was completed in 2023 and given the scheme is in surplus, it was agreed with the scheme that no further additional contributions would be made and that this decision would be reviewed again at the next triennial valuation. The last additional contribution was made in May 2023.

Under FRS 102, the Group has also recognised the present value of future deficit contributions payable to the Universities Superannuation Scheme (USS) pension scheme, resulting in a deficit of £2.4m (2022: £2.8m) being recognised on the balance sheet.

The Group's financial reserves mainly comprise cash at bank, and liquid investment funds. The main purpose of these reserves is to maintain sufficient finance for the Group's planned future operations and activities. The main financial risk arising from the Group's operations and activities, is liquidity risk. The Group funds its operations and activities from operating income and cash reserves.

The Group made no political contributions or donations during the two years ended 31 July 2023. As a registered charity, UCAS seeks to benefit from the appropriate tax exemptions where it can.

STREAMLINED ENERGY AND CARBON REPORTING

This report was undertaken in accordance with the Streamlined Energy and Carbon ("SECR") Reporting requirements outlined in the Companies Act (2006) for large quoted and unlisted companies which requires the Universities and Colleges Admissions Service (UCAS) to report on its Greenhouse Gas (GHG) emissions. UCAS have used the BEIS and Greenhouse Gas Protocol Corporate Reporting Standard (GHG Protocol) methodology for compiling this GHG data and have calculated our GHG emissions in accordance with the UK Government's reporting guidelines for Company Reporting. The GHG intensity ratios that UCAS use are tonnes CO₂e/£M turnover and tonnes CO₂e/m². These ratios are used as a benchmark for future performance to be compared against for SECR, and to enable comparisons with other organisations.

This report contains details on annual GHG emissions, total energy consumption from the UCAS Cheltenham office, transport assets, and energy efficiency actions implemented for each financial year. This report contains UCAS' SECR disclosure for the 2022/23 financial year.

During the reporting year sustainability was a key consideration with the installation of LED lighting with 55% efficiency across all floor plates, with 2,000 lights reduced from 36w per light to 16w per light. The outdated data centre was also replaced with a 48% efficiency gain, providing a significant reduction in power usage.

Over 2022/23 data was collected for the UCAS Cheltenham office site and business travel activities including; electricity consumption (kWh), electricity transmission and distribution (kWh losses), gas consumption (kWh), company car mileage, and employee mileage claims (Grey Fleet). All primary data used within this report is from 1st August 2022 – 31st July 2023, covering the financial year. The scope of the UCAS GHG emissions calculation covers all of UCAS' operations from the UCAS head office, as a consolidated group report.

The following reporting scopes are included:

- ▶ Scope 1 GHG Emissions: direct emissions from sources which UCAS owns or controls. This includes natural gas consumption in the office.
- ▶ Scope 2 GHG Emissions: indirect emissions relating solely to the generation of purchased electricity that is consumed by UCAS.
- ▶ Scope 3 GHG Emissions: indirect emissions relating to the transmission and distribution of purchased electricity and the well-to-tank emissions for transport vehicles.



Emissions source	GHC Scope	Baseline Year*	2021/22*	Current Year*	% Change on Baseline Year
Electricity	Scope 2 & 3	994,890	878,861	723,497	-27.3%
Company Cars	Scope 1	52,259	9,220	12,779	-75.6%
Company Vans	Scope 1	5,649	2,339	4,777	-15.4%
Natural Gas	Scope 1	513,883	352,937	386,404	-24.8%
Grey Fleet	Scope 3	54,410	46,869	39,947	-26.6%
Total Energy Consumption (kWh)		1,621,091	1,290,226	1,167,404	-28.0%

*Reporting unit kilowatts per hour (kWh)

In accordance with the SECR Emissions Reporting requirements the UCAS GHG disclosure for the 2022/23 financial year is listed below. Results have been split by Scope as outlined by the GHG Protocol calculation methodology. The baseline year is 2019/20.

GHG Emissions Scope	Baseline Year*	2021/22*	Current Year*	% of GHG Emissions	% Change on Baseline Year
Scope 1	108.64	67.56	75.14	30.3%	-30.8%
Scope 2	254.29	181.61	149.82	60.5%	-41.1%
Scope 3	12.95	11.54	22.69	9.2%	75.2%
Total GHG Emissions*	375.89	265.71	247.65	100%	-34.1%
GHG Emissions Intensity**	7.69	4.96	4.64		-39.7%
GHG Emissions Intensity***	0.07	0.05	0.05		-28.6%

*Results unit tonnes CO₂e
 **Results unit tonnes CO₂e/£M Gross Income
 ***Results unit tonnes CO₂e/m²

Moving forwards, UCAS are continuing to implement measures to further reduce UCAS' annual energy demand. For example, measures under consideration include lockable temperature control valves on all radiators, replacing kitchen appliances with higher rated appliances when replacement is due. Feasibility studies are also being conducted on larger capital initiatives to reduce energy demand.

RISK MANAGEMENT

The Directors have given consideration to the significant risks UCAS is exposed to and have satisfied themselves that controls are in place to mitigate those risks.

The UCAS Board seeks to manage and mitigate risk, particularly through the activities of its Audit Committee. Working in conjunction with the Executive Team, the Audit Committee monitors the following activity:

1. Risk management – the Corporate Risk Management Framework sets out UCAS' approach to risk management, covering the end-to-end process, roles, and responsibilities, and defining the scope of its activities.

The Directors consider the key principal strategic risks to be monitored currently are:

- ▶ **Compromise of sensitive or personal data** – UCAS continues to make improvements to its technical security, in response to the constantly changing cyber threat landscape. UCAS have robust security incident management procedures, backup and recovery plans, as well as a comprehensive plan for business continuity and recovery which is tested. Recognising dependencies across the supply chain, UCAS have engaged with other organisations to share knowledge and learnings regarding cyber security. UCAS continues to hold the ISO 27001 accreditation and continues to run awareness campaigns, to increase the vigilance and diligence of its employees, and help mitigate the risk of a compromise of sensitive or personal data.
- ▶ **Inability to attract and retain a sufficient number of specialist skills** – The recruitment market for certain skills remains competitive and therefore to help mitigate this risk, UCAS continues to develop proactive attraction strategies and building a future talent pipeline. Retention also remains a clear focus, with UCAS seeing a significant drop in attrition rates in 2023 compared to all previous years supported by the investment in the Digital and Data Academy and the Sales and Marketing Academy. The departure of the previous Chief Executive in September and the appointment of the new Chief Executive (starting January 2024) also falls within this strategic risk. The appointment of an interim Chief Executive ensuring no gaps between permanent appointments helps to mitigate this risk.

Strategic risks are reviewed by the Executive Team on a regular basis, and UCAS' corporate risk exposure is reported to all meetings of the Audit Committee and UCAS Board. Tactical risks at a business unit level are reviewed frequently.

2. Internal audit – PricewaterhouseCoopers (PwC), as UCAS' internal auditor up to July 2023, undertook a series of audits in which they reviewed the organisation's activities and governance functions, and reported their findings to the Audit Committee. A risk-based approach is taken to the development of the annual audit plan. This is agreed with, and guided by, the Executive Team and the Audit Committee. The 2022/23 audit programme included reviews such as EDI, IT roadmap Development, Talent acquisition and resource planning, Planning for changes in the external environment, cyber security, and IT systems and controls. KPMG have now been appointed as the internal auditor following a tender process. Internal audit is conducted in conjunction with the external audit function which was tendered in 2023/24, with RSM retaining the external audit contract.

3. Health and safety – UCAS maintains a dedicated and centrally-managed health, safety, and environmental function. This role undertakes regular reviews of operational activities, and provides advice, including risk assessments, as well as wellbeing developments, reporting to the Chief Executive and Audit Committee, through the Executive sponsor for health and safety. The priorities are to maintain a healthy and safe environment for the UCAS workforce, ensure compliance with relevant health and safety legislation and regulation, ensure the requirements of the Energy Savings Opportunities Scheme (ESOS) are being satisfied, and effectively manage UCAS' environmental impact and wellbeing.

RESERVES POLICY

The aim of the reserves policy is to protect UCAS from unforeseen financial challenges, while making funds available for investment in future activities.

Due to the cyclical nature of the annual application cycles, UCAS' income can vary seasonally. By contrast, expenditure is, for the most part, incurred evenly throughout the year. This can cause timing issues, where expenditure exceeds income at certain points within the year. There are also risks which need to be managed.

There is therefore a need for cash at a sufficient level to fund expenditure as noted in the general reserve section below.

The Directors recognise that the sectors in which UCAS operates are constantly evolving and are subject to many external factors. As such, there is a need for reserves. This is highlighted in the income and technology reserve sections below.

The reserves policy sets out the criteria used to designate UCAS' reserves and explains the reasoning behind putting each reserve in place. Where the full value of any reserve cannot be designated from available funds, the reserve will be partially set aside, with the aspiration to build the full reserve in subsequent years.

The policy is reviewed annually, to take account of changes to the external environment and the performance of current operations.

For the purposes of this policy, the calculation of the reserves held in the UCAS Group balance sheet is based on the net assets, excluding the UCAS Pension & Life Assurance Scheme (PLAS) pension scheme liability, minus tangible and intangible fixed assets. The PLAS pension liability is excluded from the total, as UCAS had committed to a multi-year scheme recovery plan, which can be met from projected future income without significant impact on its planned levels of charitable activity. As the scheme is now in surplus on a technical provisions basis, there is no legal obligation for UCAS to make additional contributions. UCAS has therefore agreed with the PLAS Trustees to cease paying contributions to the Scheme and therefore no reserve is required (2022 £2.0m).

The value of the reserves target is currently £34.9m (2022 £35.0m) based on the definition in the reserves policy versus actual reserves of £32.6m (2022 £35.1m). Significant investment continues to be made to deliver the Discover your Future strategy which is available at ucas.com. While the reserves target overall is similar to prior year, the reduction in the PLAS pension reserve has been offset by an increase in the technology reserve.

When considering the appropriateness of the level of reserves for the UCAS Group (the Charity and Subsidiaries), the Directors have regard to the strategic risks facing the business and their possible financial implications, and the current business plan which includes the availability of cash in the bank and investment funds and the need for reserves to offset significant timing differences in the receipt of cash, particularly at the year end, when cash balances are typically at their lowest levels. The establishment of appropriate levels of reserves is therefore considered important to the continued operation of UCAS.

The Directors have noted that UCAS Media is a wholly owned subsidiary of UCAS, which Gift Aids its profits to

the Charity. It was therefore not considered appropriate to devise a separate reserves policy for UCAS Media. The total balance sheet fund value is £49.5m, of which designated reserves account for £15.2m and general reserves account for £34.3m (of which intangible assets account for £11.4m, and tangible assets £7.8m). At the end of the year the general reserves less intangible and tangible assets represented just over three months' worth of working capital requirements.

The following unrestricted reserves have been identified (none of UCAS' reserves is deemed to be restricted):

GENERAL RESERVES

UCAS' income is seasonal, largely due to the application cycles, while expenditure is relatively constant throughout the year. There are also risks to be managed. There is, therefore, a need for cash at a sufficient level to fund expenditure. The total value of liquid assets (cash plus investment fund) that UCAS should look to maintain at any given time as general reserves, is based on the following assumptions:

- ▶ Two and half months' working capital
- ▶ Two years of PLAS deficit recovery plan payments
- ▶ USS liability (as per balance sheet)
- ▶ New initiatives or opportunities with expenditure needed ahead of income being received.

The value of general reserves (unrestricted reserves minus pension liability) as at 31 July 2023 was £34.3m (2022 £35.9m).

INCOME RESERVE

The Directors recognise that the sectors in which UCAS operates are constantly evolving and are subject to many external factors. They therefore consider it important to establish sufficient reserves to protect against any unforeseen reduction in income. The Directors have therefore designated a specific reserve to protect against any strategic risks that could lead to a loss of income. Each risk identified at the corporate level, where a potential financial loss is highlighted, is assigned a likelihood in percentage terms. This percentage is multiplied by the estimated loss, to arrive at a corresponding value. The total of all amounts is reflected in the final value of the income reserve. The value of this reserve as at 31 July 2023 was £4.1m (2022 £4.1m).

TECHNOLOGY RESERVE

Acknowledging the dependency of technology, coupled with the risks of operational failure and the serious compromise of sensitive or personal data, leading to reputational damage, the Directors believe a designated technology reserve should be held. Investment in technology must continue to ensure successful delivery of core services, as well as security and recovery provision. The Directors therefore consider it essential to hold sufficient reserves for this purpose. UCAS' technology spend can be segmented into three core areas:

- ▶ Tier one – architectural building blocks for the future and security and recovery provision
- ▶ Tier two – technology suppliers
- ▶ Tier three – other smaller technology suppliers

The target value should represent the annual cost of tier one. The value of this reserve as at 31 July 2023 was £11.1m (2022 £9.5m).

INVESTMENT POLICY

UCAS' Memorandum of Association allows the Group to make such investments, including securities or property as may be thought fit, subject to legal and constitutional conditions and consents. This also allows the Group to subscribe for interests in any company or undertaking established, with the intention of directly or indirectly benefiting the Group. All cash funds generated by UCAS, or any subsidiary companies, will be invested and managed through UCAS, in accordance with all legal requirements, and with regard to UCAS' reserves policy, and both short-term and long-term working capital requirements. The funds to be invested represent the excess of cash reserves over the amount needed to fund investment in the company's infrastructure. The objective for the fund is to achieve a balance of income and capital growth, while at least maintaining the real capital value of the investment funds in the long term. UCAS seeks an annual return equal to three percentage points above the consumer prices index (CPI) over a rolling five years, and the fund is benchmarked against the Asset Risk Consultants (ARC) Charity Sterling Steady Growth Index or suitable equivalent.

The performance of the fund up to September is below the stated objectives and some of the under-performance of the investment portfolio is due to

ethical restrictions. For managed funds, the appointed investment manager may use their discretion in selecting the most appropriate investments, subject to the risk appetite and ethical parameters set out in UCAS' investment policy which is monitored, along with investment managers performance, by Finance Committee.

EMPLOYEE ENGAGEMENT

UCAS is driven to be an employer of choice, where its people flourish, perform, achieve, and belong.

This is achieved through:

- ▶ providing a performance framework that measures and rewards success
- ▶ clear career pathways and growth opportunities
- ▶ ensuring all UCAS leaders are role models for the UCAS values in action (Be Ambitious, Be Smart, Be Inclusive, Be Trusted)
- ▶ ensuring the right capability within the workforce, knowing what skills and knowledge are required to execute the strategy
- ▶ offering learning academies linked to career frameworks, and promoting a balanced approach to development
- ▶ having multiple ways to communicate to and engage with colleagues, including through the staff consultation group and the wellbeing group. UCAS also encourages and supports its employee community groups (e.g. menopause champions)
- ▶ promoting a hybrid way of working where people can work in ways which suits both the business and individual success, while also creating a culture space within the office where people can connect and collaborate
- ▶ colleague health checks and additional support provided to colleagues through the winter months in response to the cost-of-living crisis
- ▶ an update and review on people initiatives and metrics at Board and Audit Committee meetings, with a more detailed review also undertaken by Remuneration Committee.

EQUALITY AND INCLUSION

At UCAS everyone, no matter their identity, background or abilities, can Discover their Future. UCAS believes that each individual is different with something unique to offer, and realise the value this has for UCAS' community and the work it does. UCAS is firmly committed to advancing EDI and this will be measured and evident through its workforce demographics and employee experience and satisfaction scores.

UCAS gives full and fair consideration to applications for employment from people with disabilities, having regard to their particular aptitudes and abilities. All reasonable adjustments are made for the continued employment and training, career development and promotion of people with disabilities employed by UCAS. UCAS does not condone or tolerate any form of discrimination in its recruitment or employment practices.

Key updates which were discussed by the Directors for 2022/23 include:

- ▶ UCAS continued to promote its commitment to wellbeing through an established group of 'champions'. Through helpful information, campaigns, and speakers, the wellbeing champions have focused on financial wellbeing, women's health, men's health, and mental and physical wellbeing.
- ▶ The Wellbeing Group have worked closely with colleagues driving UCAS' EDI agenda, ensuring the impact of intersectionality on wellbeing is acknowledged.

- ▶ Significant work has been undertaken, supported by internal audit recommendations, to evolve the existing EDI framework into a more accessible and actionable form, and to galvanise a group of key internal stakeholders empowered to take a more collaborative approach to delivery as a formal EDI committee.
- ▶ With the establishment of both the simplified EDI framework and the EDI Committee, delivery focus has been centred in four key areas: training, engagement, data and reporting, and culture. The EDI committee continues to meet monthly to track progress against actions in the framework, remove any blockers that may arise and drive progress forward.
- ▶ Workforce metrics such as FTE, absence, turnover, and workforce profile were discussed, along with gender and ethnicity pay gaps. A specific paper was discussed and approved by the Board regarding the EDI framework, the strategy and the speed and scope of ambition in relation to targets.

The Directors' report and incorporated Strategic report were approved by the Board on 07 December 2023, and signed on its behalf by:



Trudy Norris-Grey
Chair

Date: 07 December 2023

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF THE UNIVERSITIES AND COLLEGES ADMISSIONS SERVICE

For the year ended 31 July 2023



OPINION

We have audited the financial statements of The Universities and Colleges Admissions Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated and Charity Statements of Financial Activities (incorporating an income and expenditure account), the Consolidated and Charity Statements of Financial Position, the Consolidated and Charity Statements of Cash Flows and notes to the financial statements, including 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 the parent charitable company's affairs as at 31 July and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

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

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 parent charitable company in

accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

Our responsibilities and the responsibilities of the 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 Report of Directors other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of Directors. 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.



OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the Report of the Directors, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the directors' report and the strategic report, included within the Report of the Directors, have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the Report of the Directors.

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

- ▶ adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of trustees' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities set out on page 34, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company 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 THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- ▶ obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- ▶ inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- ▶ discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Directors, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of

business, challenging judgments and estimates and performing data analytics, analytical review, test of controls and substantive tests of details over a sample of income transactions.

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

USE OF OUR REPORT

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an

auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

H Catchpool

Hannah Catchpool (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor

Chartered Accountants
25 Farringdon Street,
London,
EC4A 4AB

Date: 15th January 2024

RSM UK AUDIT LLP is eligible to act as an auditor
in terms of section 1212 of the Companies Act 2006



CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 July 2023



	Notes	Group		Charity	
		Unrestricted Funds		Unrestricted Funds	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Income from charitable activities:					
Provider and applicant fees	3	31,502	32,224	31,502	32,224
Other income	3	539	536	6,001	5,662
Raising funds:					
Income from trading activities	3	21,276	20,836	-	-
Gift Aid		-	-	-	1,614
Investment income	3	722	226	695	220
Total income		54,039	53,822	38,198	39,720
Expenditure					
Raising funds	4	(20,473)	(19,261)	(45)	(28)
Charitable activities	4	(32,067)	(29,430)	(36,477)	(34,556)
Total expenditure		(52,540)	(48,691)	(36,522)	(34,584)
Net (loss) on investments	9	(765)	(418)	(765)	(418)
Net income		734	4,713	911	4,718
Other recognised (losses)/gains:					
Remeasurements of defined benefit obligation	18	(820)	5,638	(820)	5,638
Net movement in funds		(86)	10,351	91	10,356
Reconciliation of funds:					
Total funds brought forward		49,545	39,194	50,250	39,913
Total funds carried forward		49,459	49,545	50,341	50,250

CONSOLIDATED AND CHARITY STATEMENTS OF FINANCIAL POSITION

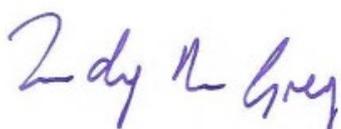
For the year ended 31 July 2023



	Notes	Group		Charity	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Goodwill	7	124	164	124	164
Other intangible assets	7	11,276	9,005	9,335	7,944
Total intangible assets		11,400	9,169	9,459	8,108
Tangible assets	8	7,770	7,883	7,746	7,844
Investments	9	9,685	9,120	9,685	9,120
Investment in subsidiaries	10	-	-	1,026	1,026
		28,855	26,173	27,916	26,098
Current assets					
Debtors - falling due within one year	11	10,200	9,100	7,295	7,353
Cash at bank and in hand		22,886	25,948	22,504	24,749
		33,086	35,048	29,799	32,102
Current liabilities					
Creditors amounts falling due within one year	12	(10,016)	(8,809)	(4,909)	(5,083)
Net current assets		23,070	26,239	24,890	27,019
Creditors: amounts falling due after more than one year					
Deposit from property tenant		(80)	(80)	(80)	(80)
		(80)	(80)	(80)	(80)
Net assets excluding pension scheme liability		51,845	52,332	52,727	53,037
Deduct:					
Defined benefit pension scheme liability	18	(2,386)	(2,788)	(2,386)	(2,788)
Net assets		49,459	49,544	50,341	50,249
Funds					
Unrestricted funds: designated	15	15,184	13,643	15,184	13,643
Unrestricted funds: general	16	36,661	38,689	37,542	39,393
Pension scheme liability	18	(2,386)	(2,788)	(2,386)	(2,788)
Called up share capital		-	-	1	1
Total funds		49,459	49,544	50,341	50,249

The financial statements on pages 38 to 74 were approved by the Board of Directors, and authorised for issue on 07 December 2023.

Signed on behalf of the Board



Trudy Norris-Grey, Chair

CONSOLIDATED AND CHARITY STATEMENTS OF CASH FLOWS

For the year ended 31 July 2023



	Notes	Group		Charity	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Net cash flow from operating activities		3,680	6,599	1,615	4,210
Cash flow from investing activities					
Interest received on bank and cash balances		456	57	431	51
Gift Aid income from subsidiary		-	-	1,614	2,066
Purchase of intangible fixed assets	7	(5,524)	(4,065)	(4,229)	(3,772)
Purchase of tangible fixed assets	8	(676)	(1,967)	(676)	(1,967)
Cash Investment	9	(1,000)	(1,000)	(1,000)	(1,000)
Net cash used in investing activities		<u>(6,744)</u>	<u>(6,975)</u>	<u>(3,860)</u>	<u>(4,622)</u>
Net (decrease) in cash and cash equivalents		<u>(3,062)</u>	<u>(376)</u>	<u>(2,244)</u>	<u>(412)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>25,948</u>	<u>26,325</u>	<u>24,749</u>	<u>25,161</u>
Cash and cash equivalents at the end of the reporting period		<u>22,886</u>	<u>25,948</u>	<u>22,504</u>	<u>24,749</u>

Notes to the statements of cash flows	Notes	Group		Charity	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Operating surplus for the financial year		831	4,939	1,035	3,336
Adjustments for:					
(Increase) / decrease in debtors	11	(1,219)	(644)	(1,677)	(2,535)
Increase / (decrease) in creditors	12	1,207	(1,342)	(174)	76
Depreciation and amortisation	7 & 8	3,746	3,113	3,316	2,800
Impairment of fixed assets	7 & 8	336	-	336	-
Remeasurement of USS liability	18	(401)	1,435	(401)	1,435
FRS102 pension adjustment	18	(820)	(902)	(820)	(902)
Net cash flow from operating activities		<u>3,680</u>	<u>6,599</u>	<u>1,615</u>	<u>4,210</u>

NOTES TO THE FINANCIAL ACCOUNTS

For the year ended 31 July 2023



1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been used consistently, in dealing with items that are considered material in relation to the Group's and Charitable Company's accounts.

General information

UCAS is a private limited company by guarantee, without share capital. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company. UCAS is registered as a company in England (number 2839815), as a charity in England and Wales (number 1024741), and as a cross-border charity in Scotland (number SC038598). The address of the Group's registered office and principal place of business is: Rosehill, New Barn Lane, Cheltenham GL52 3LZ.

The Group consists of UCAS and its subsidiaries. The Group's principal activities, and the nature of the Group's operations, are as described in the Report of the Directors.

Basis of accounting

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). The accounts comply with the following:

- ▶ The Companies Act 2006
- ▶ The Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 01 January 2019
- ▶ The Charities and Trustee Investment (Scotland) Act 2005
- ▶ The Charities Accounts (Scotland) Regulations 2006 (as amended)

The Charitable Company has availed itself of Section 4 of Schedule 1, Part 1 of the Large and Medium sized Companies and Groups (Accounts and Reports) regulations 2008, and adapted the Companies Act formats, to reflect the special nature of the Charitable Company's activities.

The Charitable Company constitutes a public benefit entity, as defined by FRS 102.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

Throughout the year, the Trustees at the Board meetings and through the relevant Committees review the financial performance, business planning and the financial outlook and scenarios.

Financial modelling of income, surplus and cash has been conducted through to 2025/26 and was presented to the Board as part of the business planning agenda in June. As at July 2023, UCAS has a cash balance of £22.9m and an investment fund of £9.7m.

As such, the Trustees consider there are no material uncertainties that would cast significant doubt around the Group's and the Charitable Company's ability to operate as a going concern.

Basis of consolidation

Assets and liabilities of the subsidiaries are consolidated on a line-by-line basis using acquisition accounting. They include the assets and liabilities of UCAS Media Limited, a wholly owned subsidiary of UCAS. All financial statements are made up to 31 July.

All intra-group transactions, balances, and unrealised gains on transactions between group companies, are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the parent Charity.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent consideration acquired is recognised as goodwill.

Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Charitable Company.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies), are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to income or expenditure, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Income

All income is included in the Statement of Financial Activities, in respect of the services provided during the period, and is stated net of value added tax.

Income is recognised in the accounts when all of the following criteria are met:

- ▶ Entitlement – control over the rights or other access to the economic benefit has passed to the charity.
- ▶ Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity.
- ▶ Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Income is shown in two main categories:

- ▶ Income from charitable activities includes capitation fees from higher education providers, application fees, grants, and other income.
- ▶ Income from raising funds includes income from trading subsidiaries and investment income.

Provider and applicant income, grants, and other income is accounted for on a receivable basis. Other income includes income from the provision of training, the UCAS search tool facility available to providers, other consultancy work, subscriptions, and student financial assessment. For subscriptions, income is recognised over the life of the subscription, during which time the service is delivered in full.

Income from trading operations includes marketing services and income from events. For these categories, income is recognised in line when the services are delivered, and is deferred as necessary.

The Group and Charitable Company also receive income from investments. This is accounted for on a receivable basis.

Expenditure

All expenditure is accounted for on an accruals basis, and has been classified under the headings:

- ▶ costs of charitable activities
- ▶ costs of raising funds

Costs of charitable activities relate to costs incurred in delivering UCAS' charitable objects. These costs include those related to operating UCAS' core admissions services, as well as the development, implementation, and maintenance of our infrastructure capabilities.

Costs of raising funds relate primarily to the activities of the trading subsidiary, UCAS Media Limited. These costs are incurred in generating trading income.

Support costs are incurred in the process of supporting the above activities, and are allocated to those activities on the number of employees basis.

Investment policy

Investments in subsidiary undertakings are measured at cost, less any impairments recognised.

Other fixed asset investments are valued at their market value, per the Rathbone Greenbank investment report on the last day of the accounting period. Changes in the valuation of the investments during the year are shown as unrealised gains or losses. Gains or losses arising from the disposal of investment assets are disclosed as being realised, being the difference between the sales proceeds, and the market value at the start of the year.

Tangible fixed assets and depreciation

In UCAS and its subsidiaries, tangible fixed assets are capitalised where the individual cost of an item exceeds £5,000, or if an item is a component of a larger asset. Tangible fixed assets are initially measured at cost, and subsequently measured at cost, net of depreciation, and any impairment losses. Depreciation is provided against tangible fixed assets, other than freehold land, at the following straight-line rates. This reflects the anticipated useful lives, and estimated residual values:

- | | |
|--|-------------|
| ▶ Computer hardware | Three years |
| ▶ Office equipment | Four years |
| ▶ Motor vehicles | Four years |
| ▶ Other plant, furniture and equipment | Ten years |
| ▶ Freehold buildings | Fifty years |

During the year, the capitalisation policy was reviewed, with no changes made.

Where elements of the freehold buildings are rented under formal lease arrangement, the directors consider whether this element of the buildings is required to be accounted for as mixed-use property under FRS 102.

Intangible assets and amortisation

Intangible fixed assets – goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets

and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years, which represents the period over which the goodwill is expected to give rise to economic benefits. Amortisation is charged to the expenditure: charitable activities line on the statement of financial activities.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets – other than goodwill

Internally developed software is initially recognised at cost and, once it becomes available to use, amortised over the expected useful life of that software prior to replacement (up to a maximum of five years, depending on the characteristics of the asset). Ahead of the completion of internally developed software, the cumulative direct cost of resources and services



incurred during development are held as Software work in progress.

Intangible assets arising on a business combination are recognised separately from goodwill if the intangible asset is both separable and arises from legal or contractual rights. Intangible assets acquired on a business combination are initially recognised at cost (the fair value of the asset at acquisition date) and, once it becomes available to use, amortised over the useful life of that software.

Capitalised software licences are initially recognised at cost and then amortised over the shorter of five years or the agreed licence period.

Intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

- ▶ Software (internally developed)
Five years
- ▶ Licences
The shorter of five years or the period of the licence

Impairment policy

An assessment is made at each reporting date, whether there are indications a fixed asset may be impaired, or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets, and their recoverable amounts – being the higher of fair value less costs to sell, and value in use – are recognised as impairment losses in income or expenditure.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income or expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted, to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Policy on capitalisation of software development costs

Only expenditure of substantial amounts for enhancements on authorised projects, incurred in direct relation to the project, may be incorporated into capitalised software development costs. In general, costs incurred necessarily, and exclusively, in the creation of an asset that will deliver future economic benefit, are capitalised and amortised over the useful life of that asset, subject to the amortisation periods set out above. This will not generally include any pre-development costs, such as feasibility studies or market research. However, this will include any beta testing period, where an application has been made available to customers in a pre-final version for feedback, with a view to further enhancements before release into production.

Development is deemed to end when the application is released into production. Any subsequent development expenditure is deemed to be continuous improvement, and would not be considered for capitalisation, unless it contributes to a significant increase in the economic value of the asset. Capitalised development expenditure is initially recognised at cost, and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Leases

The Group as lessee – operating leases, and the annual rentals are charged to income or expenditure on a straight-line basis over the lease term. Rent free periods, or other incentives received for entering into an operating lease, are accounted for as a reduction to the expense, and are recognised on a straight-line basis over the lease term.

Cash and cash equivalents

These amounts comprise cash at the bank and in hand, as well as short-term deposits, typically with a short maturity of three months or less from the date of acquisition.

Financial instruments

The Group has applied the provisions of Section 11 'Basic Financial Instruments' of FRS 102, in full, to all its financial instruments.

Financial assets and financial liabilities are recognised when the Group and Charitable Company become a party to the contractual provisions of the instrument, and are offset only when the Group and Charitable Company currently have a legally enforceable right to set off the recognised amounts, and intend either to settle on a net basis, or to simultaneously realise the asset and settle the liability.

Trade, group, and other debtors

Trade, group, and other debtors (including accrued income), which are receivable within one year, and which do not constitute a financing transaction, are initially measured at the transaction price, and subsequently measured at amortised cost, being the transaction price less any amounts settled, and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected, according to the original terms of the contract. Impairment losses are recognised in profit or loss, for the excess of the carrying value of the trade debtor over the present value of the future cash flows, discounted using the original effective interest rate. Subsequent reversals of an impairment loss, that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Creditors

Trade, group, and other creditors, including accruals, payable within one year, that do not constitute a financing transaction, are initially measured at the transaction price, and subsequently measured at amortised cost, being transaction price less any amounts settled.

Taxation

The parent company is a registered charity and, as such, is exempt from taxation of its income and gains falling within Part II of the Corporation Tax Act 2010, or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that they are applied to its charitable objectives. Any tax charge arising in the subsidiaries are mitigated via the payment of Gift Aid to the parent charity.

Employee benefits

The costs of short-term employee benefits are recognised as a liability, and an expense.

The Group's holiday entitlement year runs from April to March, and employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the Group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

Retirement benefits

The Group participates in four pension schemes.

- ▶ UCAS Pension and Life Assurance Scheme (1993) is a defined benefit scheme. The scheme was closed to future accrual of benefits on 31 December 2017. The assets and liabilities of the scheme are held in a separate trust, and the net defined benefit asset/liability represents the present value of the defined benefit obligation, minus the fair value of plan assets, out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan. The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds, with terms and currencies consistent with those of the benefit obligations.

Gains or losses recognised in Statement of Financial Activities:

- The change in the net defined benefit liability arising from employee service during the year, is recognised as an employee cost.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation, and interest income on the plan assets. This is calculated by multiplying the fair value of the plan assets at the beginning of the period, by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets, and the actual return on the plan assets.
- ▶ UCAS participates in Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions, and a scheme-wide contribution rate is set. UCAS 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', UCAS therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since UCAS has entered into an agreement (the 'Recovery Plan') that determines how each employer in the scheme will fund the overall deficit, UCAS recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit), and therefore an expense is recognised.

- ▶ UCAS Group Stakeholder Pension Plan (2007), and UCAS Group Stakeholder Pension Plan (2014), are defined contribution schemes with associated

life assurance attachment. The employer liability towards these schemes is limited to the contributions made on a regular monthly basis. These are subject to an upper limit, graduated on the option made by the employee to the scheme. These contributions are charged to the Statement of Financial Activities as they become due.

Further details of the accounting adopted for these schemes is detailed in note 18 to these accounts.

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the Directors, for the general objectives of the Group, and which have not been designated for other purposes.

Designated funds comprise unrestricted funds set aside by the Directors for specific purposes.



2. STAFF NUMBERS AND COSTS

The average monthly number of employees during the year was as follows:

	Group		Charity	
	2023	2022	2023	2022
	No.	No.	No.	No.
Application services	447	396	447	396
Commercial management	4	3	-	-
Sales and commercial administration	95	81	-	-
	<u>546</u>	<u>480</u>	<u>447</u>	<u>396</u>

The aggregate payroll costs of these persons were as follows:

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Salaries	23,598	19,618	16,950	12,689
Social security costs	2,595	2,197	2,107	1,840
Defined contribution pension cost	1,354	1,076	1,097	832
Pensions costs - multi-employer DB scheme	639	654	600	654
	<u>28,186</u>	<u>23,545</u>	<u>20,754</u>	<u>16,015</u>
Capitalised	(1,865)	(1,574)	(1,865)	(1,574)
	<u>26,321</u>	<u>21,971</u>	<u>18,889</u>	<u>14,441</u>
Restructure costs	11	19	11	19
	<u>26,332</u>	<u>21,990</u>	<u>18,900</u>	<u>14,460</u>

While all staff are employed through the Charity, those staff that are conducting commercial activities through UCAS Media are excluded from the Charity numbers. Group numbers include all staff.

Employer costs relating to Defined Contribution (DC) and Defined Benefit (DB) pension schemes are analysed separately.

During the year, redundancy costs of £11k (2022: £19k) were incurred (of which £11k (2022: £19k) were statutory and non-statutory/voluntary payments), to align staff capability to new roles. Such costs are recognised as expenses immediately within expenditure, and are included in the table below where appropriate. At the reporting date, all such payments had either been made, or were due to be made to employees participating in consultation.

Included in the table on page 51 are costs for the following numbers of employees, whose emoluments (including benefits in kind, but not pension costs) fell within the following bands:

	Group		Charity	
	2023	2022	2023	2022
	No.	No.	No.	No.
£60,001 - £70,000	33	13	27	12
£70,001 - £80,000	24	15	18	14
£80,001 - £90,000	9	8	6	8
£90,001 - £100,000	2	2	1	1
£100,001 - £110,000	4	2	4	2
£110,001 - £120,000	2	2	2	2
£120,001 - £130,000	1	-	1	-
£130,001 - £140,000	-	1	-	1
£150,001 - £160,000	2	1	2	1
£160,001 - £170,000	1	2	-	1
£210,001 - £220,000	1	-	1	-
£220,001 - £230,000	-	1	-	1

The key management personnel of UCAS comprises the Executive Team, which includes the Chief Executive, Chief Operating Officer, Chief Financial Officer, Executive Director of People, Chief Product Officer, Chief Marketing Officer, Executive Director of Strategy, Policy and Public Affairs and, Director of UCAS International.

The total employee benefits, including employer pension contributions of the key management personnel of UCAS Group, were £1,391,684, (2022: £1,275,133), and employer NI contributions for these personnel were £143,500 (2022: £149,540).

Pension scheme contributions paid by the Group in respect of the people listed above amounted to £817,890 (2022: £689,422). The pension scheme contributions paid by the Charity in respect of the people listed above amounted to £713,663 (2022: £624,323). In the year 2022/23, the contribution to the USS scheme was £590,854 (2022: £583,058), and to the UCAS Group Stakeholder Pension Plan was £227,036, (2022: £106,365).

Directors

During the year a Student Trustee to the Board was appointed to whom an agreed nominal payment of £600 was made as part of the appointment. No other Directors received remuneration for services to the Charity (2022: nil). Travelling expenses of £19,977 were reimbursed to the Directors (2022: £11,905), in respect of attendance at meetings. During the year, no emoluments were paid to non-executive Directors of UCAS Media Limited (2022: £nil).

Professional indemnity insurance

The Charitable Company paid a premium of £5,115 (2022 £6,307) to indemnify Directors and officers against legal liabilities arising through wrongful acts in the performance of their duties. The policy excludes claims arising through malicious or intentional breach of conduct, dishonesty, or fraud.



3. INCOME

	2023	2022
	£'000	£'000
Institutional and applicant fees		
Provider fees	15,723	16,414
Applicant fees	15,779	15,810
	31,502	32,224
Other income		
Data services sales	72	72
Brand and data charge	3,407	3,340
Management and resourcing recharge	2,055	1,786
Fraud grant	67	67
Other income	400	397
	6,001	5,662
Investment income	695	220
	38,198	38,106
Charity income excluding gift aid		
Trading operations		
UCAS Media Limited	21,276	20,841
Investment income	27	6
	21,303	20,847
Intercompany	(5,462)	(5,131)
Group income	54,039	53,822

UCAS Media's principal business activity is the provision of marketing services to commercial clients, higher education providers seeking to make contact with applicants, and prospective applicants to higher education courses.

The majority of the accounting profits of the trading subsidiary are Gift Aided to the parent company under the deed of covenant. A Gift Aid payment of £nil (2022: £1,613k) is due from UCAS Media to UCAS.

4. EXPENDITURE

GROUP	Direct staff costs	Direct costs	Brand and data	Other support costs	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds						
Cost of investments	-	45	-	-	45	28
Commercial activities	6,282	8,508	3,407	2,231	20,428	19,233
	6,282	8,553	3,407	2,231	20,473	19,261
Charitable activities						
Admissions service	12,002	3,576	(3,407)	9,609	21,780	22,237
Special projects	1,206	3,452	-	2,403	7,061	4,530
Analysis and research	1,812	195	-	1,219	3,226	2,663
	15,020	7,223	(3,407)	13,231	32,067	29,430
Total expenditure of the group	21,302	15,776	-	15,462	52,540	48,691
Analysis of support costs						
	Raising funds	Admissions service	Special projects	Analysis & research	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Governance	103	684	-	-	787	716
Finance	528	1,650	-	18	2,196	2,052
Human resources	431	753	335	167	1,686	1,576
Information technology	1,142	4,690	1,648	824	8,304	8,974
Facilities	-	1,494	420	210	2,124	2,240
General management	27	338	-	-	365	378
Total support costs	2,231	9,609	2,403	1,219	15,462	15,936
Analysis of governance costs						
	Total 2023	Total 2022				
	£'000	£'000				
Internal audit	82	89				
External audit	60	53				
Legal & professional consulting	455	427				
Trustees	80	53				
Other governance costs	110	94				
Total governance costs	787	716				

CHARITY

	Direct staff costs	Direct costs	Other support costs	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Raising funds					
Cost of investments	-	45	-	45	28
	-	45	-	45	28

Charitable activities

Admissions service	11,874	3,764	10,619	26,257	27,363
Special projects	1,206	3,452	2,336	6,994	4,530
Analysis and research	1,812	195	1,219	3,226	2,663
	14,892	7,411	14,174	36,477	34,556
Total expenditure of the charity	14,892	7,456	14,174	36,522	34,584

Analysis of support costs

	Admissions service	Special projects	Analysis & research	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Governance	770	-	-	770	701
Finance	1,163	-	18	1,181	1,121
Human resources	995	335	167	1,497	1,440
Information technology	5,832	1,648	824	8,304	8,974
Facilities	1,494	420	210	2,124	2,240
General management	365	-	-	365	378
Total support costs	10,619	2,403	1,219	14,241	14,854

Analysis of governance costs

	Total 2023	Total 2022
	£'000	£'000
Internal audit	86	89
External audit	42	43
Legal & professional consulting	452	422
Trustees	80	53
Other governance costs	110	94
Total governance costs	770	701

5. TAXATION

Current tax

UK corporation tax

Group		Charity	
2023	2022	2023	2022
£'000	£'000	£'000	£'000
-	-	-	-

Factors affecting the tax charge for the year:

Net income for the year before tax

Tax on income at standard CT rate of 19%

Effects of:

Income not taxable for tax purposes

Total current tax charge

Group		Charity	
2023	2022	2023	2022
£'000	£'000	£'000	£'000
734	4,713	911	4,718
140	895	173	896
(140)	(895)	(173)	(896)
-	-	-	-

6. NET INCOME FOR THE YEAR IS STATED AFTER CHARGING

Depreciation of tangible fixed assets

Amortisation of intangible assets

Impairment of intangible assets

Operating lease costs

Auditor's remuneration - audit fees

Auditor's remuneration - taxation compliance services

Internal auditor's remuneration

And after crediting:

Interest on deposits receivable

Dividends receivable on investment portfolio

Group		Charity	
2023	2022	2023	2022
£'000	£'000	£'000	£'000
789	444	774	421
2,621	2,669	2,206	2,381
336	-	336	-
7	3	7	3
61	58	42	48
6	8	4	6
82	89	82	89
520	57	493	51
202	169	202	169

7. INTANGIBLE ASSETS

CONSOLIDATED

	Goodwill	Licences	Software	Work in progress	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 August 2022	1,601	869	23,278	1,215	26,963
Additions	-	139	1,295	4,090	5,524
Transfers	-	-	2,956	(2,956)	-
At 31 July 2023	1,601	1,008	27,529	2,349	32,487
Amortisation and impairment					
At 1 August 2022	1,437	854	15,503	-	17,794
Amortisation charge for the year	40	18	2,899	-	2,957
Impairment charge for the year	-	-	-	336	336
At 31 July 2023	1,477	872	18,402	336	21,087
Net book value					
At 31 July 2022	164	15	7,775	1,215	9,169
At 31 July 2023	124	136	9,127	2,013	11,400

CHARITY

	Goodwill	Licences	Software	Work in progress	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 August 2022	240	869	21,667	1,215	23,991
Additions	-	139	-	4,090	4,229
Transfers	-	-	2,956	(2,956)	-
At 31 July 2023	240	1,008	24,623	2,349	28,220
Amortisation and impairment					
At 1 August 2022	76	854	14,953	-	15,883
Amortisation charge for the year	40	18	2,484	-	2,542
Impairment charge for the year	-	-	-	336	336
At 31 July 2023	116	872	17,437	336	18,761
Net book value					
At 31 July 2022	164	15	6,714	1,215	8,108
At 31 July 2023	124	136	7,186	2,013	9,459

Amortisation and impairment charges are reflected in Expenditure: Charitable activities in the Statement of Financial Activities.

8. TANGIBLE ASSETS

CONSOLIDATED

	Land	Freehold Buildings	Hardware & equipment	Vehicles	Work in progress	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2022	3,150	6,731	4,777	15	105	14,778
Additions	-	443	58	-	175	676
Disposals	-	-	(538)	-	-	(538)
Transfer	-	191	89	-	(280)	-
At 31 July 2023	3,150	7,365	4,386	15	-	14,916
Depreciation						
At 1 August 2022	-	2,737	4,143	15	-	6,895
Disposals	-	-	(538)	-	-	(538)
Depreciation charge for the year	-	601	188	-	-	789
At 31 July 2023	-	3,338	3,793	15	-	7,146
Net book value						
At 31 July 2022	3,150	3,994	634	-	105	7,883
At 31 July 2023	3,150	4,027	593	-	-	7,770

CHARITY

	Land	Freehold Buildings	Hardware & equipment	Vehicles	Work in progress	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2022	3,150	6,690	3,833	15	105	13,793
Additions	-	443	58	-	175	676
Disposals	-	-	(538)	-	-	(538)
Transfer	-	191	89	-	(280)	-
At 31 July 2023	3,150	7,324	3,442	15	-	13,931
Depreciation						
At 1 August 2022	-	2,695	3,239	15	-	5,949
Disposals	-	-	(538)	-	-	(538)
Depreciation charge for the year	-	601	173	-	-	774
At 31 July 2023	-	3,296	2,874	15	-	6,185
Net book value						
At 31 July 2022	3,150	3,995	594	-	105	7,844
At 31 July 2023	3,150	4,028	568	-	-	7,746

9. INVESTMENTS

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Opening value	9,120	8,403	9,120	8,403
Cash Investment	1,000	1,000	1,000	1,000
Interest and dividends	384	169	384	169
Net unrealised (loss)	(765)	(418)	(765)	(418)
Charges for the period	(45)	(28)	(45)	(28)
VAT payable on charges	(9)	(6)	(9)	(6)
Closing value	9,685	9,120	9,685	9,120

VAT is payable on investment management charges. Gross charges are deducted from the portfolio, with the VAT element reclaimed via the Charitable Company's VAT return.

Income receivable from dividends and interest is reinvested in the portfolio.

Investments comprise:

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
UK bonds	1,958	824	1,958	824
Overseas bonds	459	299	459	299
Equities				
UK	3,578	3,261	3,578	3,261
Europe	743	766	743	766
North America	941	1,395	941	1,395
Asia Pacific	93	133	93	133
Emerging markets	87	127	87	127
Property	196	236	196	236
Alternative assets	1,425	1,559	1,425	1,559
Cash	205	520	205	520
	9,685	9,120	9,685	9,120

The Directors do not consider any individual investment to be material in the context of the investment portfolio.

10. SUBSIDIARY UNDERTAKINGS (CHARITY ONLY)

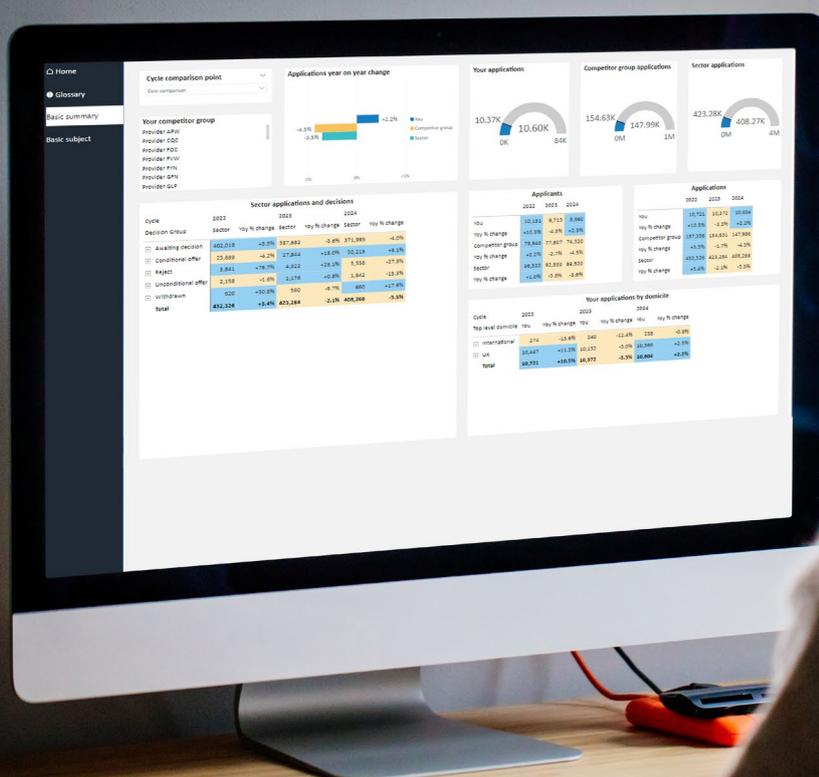
Name of undertaking	Class of shareholding	Proportion of nominal value held directly	Cost (£'000)	Nature of business
UCAS Media Limited	Ordinary	100%	1,026	Marketing services
UCAS Consultancy and Insights	Ordinary	100%	-	Marketing services

UCAS Media Limited, registered in England, is a wholly owned subsidiary of the Charitable Company, UCAS, with issued share capital of 1,000 ordinary shares (2022: 1,000 shares). This investment is held at a carrying amount of £1,025,768 (2022: £1,025,768). The principal activity of the company is to assist the parent company in achieving its objective, through the provision of marketing services concerned with higher education. Profits of the subsidiary company are transferred under the Gift Aid regime to the parent company.

UCAS Consultancy and Insights is not trading.

The registered office of all subsidiaries is Rosehill, New Barn Lane, Cheltenham, Gloucestershire, United Kingdom, GL52 3LZ.

The statutory accounts of UCAS Media Limited are fully audited and published separately. Refer to note 19 for a summary of the trading results of UCAS Media Limited.



11. DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	5,600	5,251	55	50
Amounts owed by subsidiaries	-	-	4,579	4,587
Other debtors	114	127	114	50
Prepayments and accrued income	3,541	2,757	2,168	1,971
Value Added Tax	945	965	379	695
	<u>10,200</u>	<u>9,100</u>	<u>7,295</u>	<u>7,353</u>

12. CREDITORS

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	3,721	3,212	2,978	2,623
Social security and other taxes	706	650	706	650
Other creditors	446	358	343	291
Accruals and deferred income	5,143	4,589	882	1,519
	<u>10,016</u>	<u>8,809</u>	<u>4,909</u>	<u>5,083</u>

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Deferred income				
Deferred income at 1 August	2,503	4,252	44	38
Deferred income released during the year	(2,503)	(4,252)	(44)	(38)
Income deferred during the year	3,873	2,503	39	44
Deferred income at 31 July	<u>3,873</u>	<u>2,503</u>	<u>39</u>	<u>44</u>

Deferred income relates to advertising income, events income, and income from subscriptions. For advertising campaigns and events, income is deferred on the basis of when the service is to be delivered. In the case of subscriptions, income is recognised over the life of the subscription, during which time, the service is delivered in full.

13. FINANCIAL INSTRUMENTS

The carrying value of financial instruments for the Group and the Charitable Company, held at fair value, as at 31 July were:

	Group		Charity	
	2023	2022	2023	2022
Financial assets:	£'000	£'000	£'000	£'000
Investments	9,685	9,120	9,685	9,120
Total	9,685	9,120	9,685	9,120

14. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments for both the Group and the Charitable Company, under non-cancellable operating leases of other assets, are as follows:

	2023	2022
Amounts due:	£'000	£'000
Within one year	5	7
Between one and five years	-	5
	<u>5</u>	<u>12</u>

15. UNRESTRICTED FUNDS: DESIGNATED

	Technology reserve	Income reserve	Total	Total
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
Group				
Value at beginning of the year	9,541	4,102	13,643	12,000
Transfer into fund in the year	1,518	23	1,541	1,643
Value at end of the year	<u>11,059</u>	<u>4,125</u>	<u>15,184</u>	<u>13,643</u>
Charity				
Value at beginning of the year	9,541	4,102	13,643	12,000
Transfer into fund in the year	1,518	23	1,541	1,643
Value at end of the year	<u>11,059</u>	<u>4,125</u>	<u>15,184</u>	<u>13,643</u>

Designated reserves reflect the Directors' view of the funds required to be allocated to meet future obligations and to ensure the sustainability of the Group's and Charity's core operations. UCAS recognises that the timeframe for utilising the designated reserves but that this varies depending on which events occur. Further detail of the Reserves Policy is given in the Report of the Directors.

16. UNRESTRICTED FUNDS: GENERAL

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Value at beginning of the year	38,689	35,087	39,394	35,785
Surplus for the year	734	4,712	911	4,718
Transfer (to) designated funds	(1,541)	(1,643)	(1,541)	(1,643)
FRS102 pension adjustments	(1,221)	533	(1,221)	533
Value at end of the year	36,661	38,689	37,543	39,394

Funds are transferred between unrestricted designated and general funds to maintain key technology contracts, and to protect against loss of income through realisation of strategic risks (note 15) as agreed by the Directors in the Reserves Policy. It's likely that the amounts above the reserves policy will be used over the next few years given the investment levels are aligned to the 2020 to 2025 strategy.



17. NET ASSETS BY FUND

Group

The consolidated net assets held as at 31 July 2023 for the various funds are as follows:

	Fixed assets (excl. investments)	Net current assets and investments	Long term liabilities	Pension scheme liability	Total	Total
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds: designated	11,059	4,125	-	-	15,184	13,643
Unrestricted funds: general	8,112	28,630	(80)	(2,386)	34,276	35,901
	19,171	32,755	(80)	(2,386)	49,459	49,544

The consolidated net assets held as at 31 July 2022 for the various funds are as follows:

	Fixed assets (excl. investments)	Net current assets and investments	Long term liabilities	Pension scheme liability	Total	Total
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds: designated	9,541	4,102	-	-	13,643	12,000
Unrestricted funds: general	7,512	31,257	(80)	(2,788)	35,901	27,194
	17,053	35,359	(80)	(2,788)	49,544	39,194



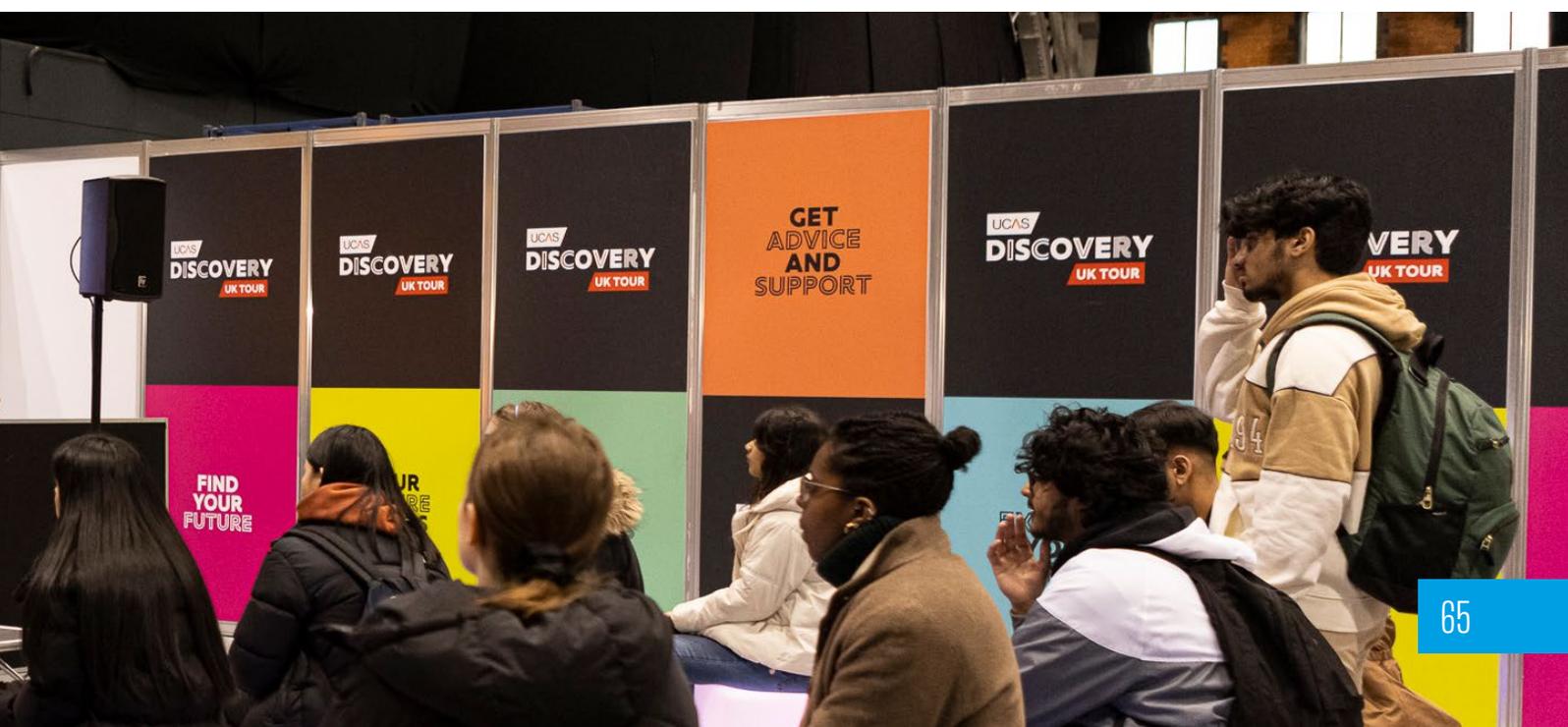
Charity

The consolidated net assets held as at 31 July 2023 for the various funds are as follows:

	Fixed assets (excl. investments)	Net current assets and investments	Long term liabilities	Pension scheme liability	Total	Total
	2023	2023	2023	2023	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds: designated	11,059	4,125	-	-	15,184	13,643
Unrestricted funds: general	6,146	31,476	(80)	(2,386)	35,156	36,606
	<u>17,205</u>	<u>35,601</u>	<u>(80)</u>	<u>(2,386)</u>	<u>50,340</u>	<u>50,249</u>

The consolidated net assets held as at 31 July 2022 for the various funds are as follows:

	Fixed assets (excl. investments)	Net current assets and investments	Long term liabilities	Pension scheme liability	Total	Total
	2022	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds: designated	9,541	4,102	-	-	13,643	12,000
Unrestricted funds: general	6,411	33,063	(80)	(2,788)	36,606	28,555
	<u>15,952</u>	<u>37,165</u>	<u>(80)</u>	<u>(2,788)</u>	<u>50,249</u>	<u>40,555</u>



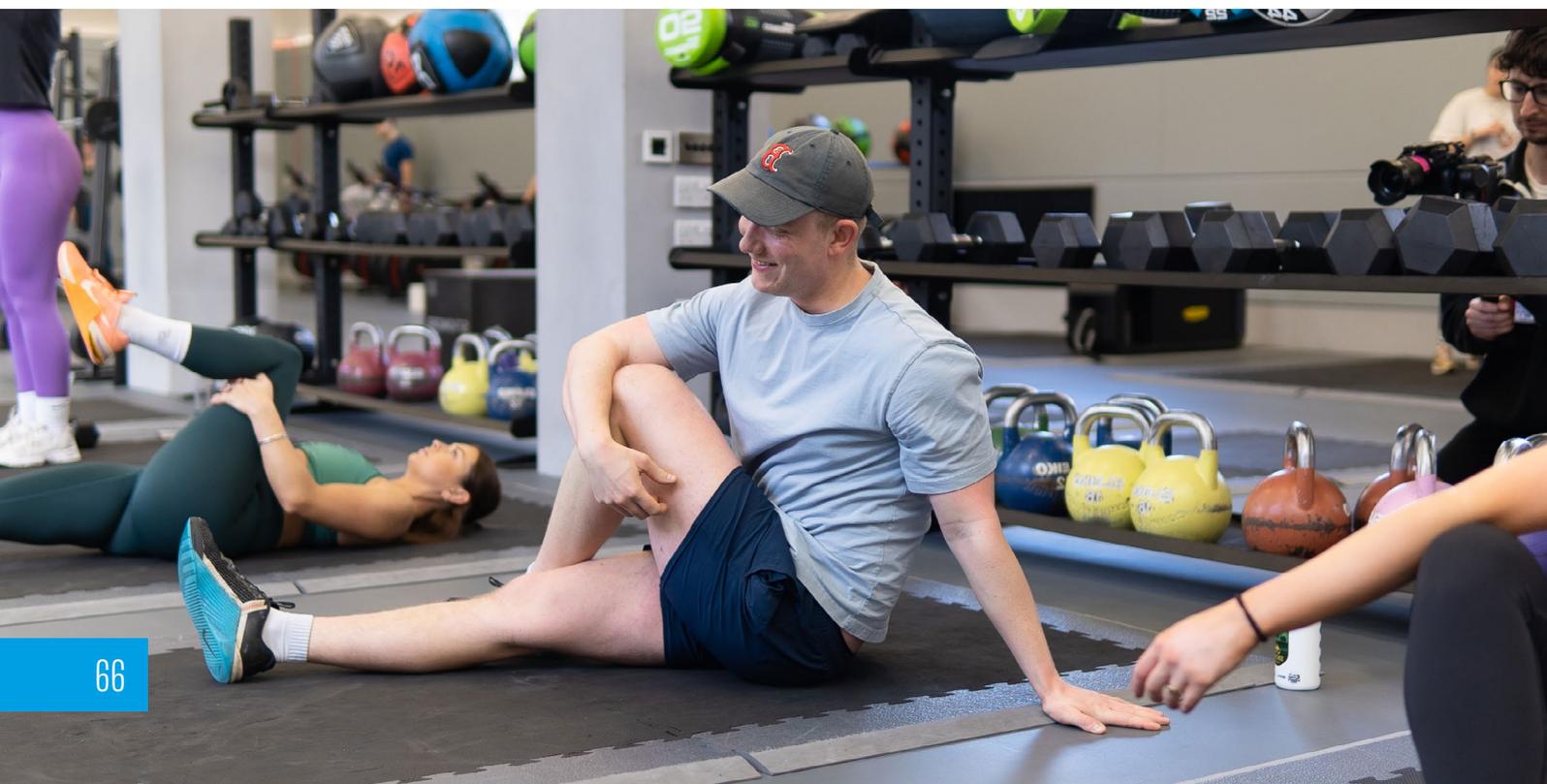
18. PENSION SCHEMES

The Group participates in four pension schemes: one defined benefit pension scheme, one defined benefit scheme that is accounted for as if it were a defined contribution scheme (as required by FRS 102 section 28 'Employee Benefits'), and two defined contribution schemes. Employees join the appropriate scheme, depending on their employment terms. The total cost to the Group for the year ended 31 July 2023, in respect of pension contributions, which have been allocated between expenditure categories in proportion to staff costs, and charged to the consolidated Statement of Financial Activities as appropriate, are as follows:

	2023	2022
	£'000	£'000
Defined contribution schemes	1,354	1,076
Multi-employer defined benefit scheme	639	654
	<u>1,993</u>	<u>1,730</u>

At 31 July, there were outstanding employer's and employees' contributions, including any additional voluntary contributions to the schemes, included in social security and other taxes within the creditors note, as follows:

	2023	2022
	£'000	£'000
Defined benefit scheme	-	86
Defined contribution scheme	214	170
Multi-employer defined benefit scheme	86	84
	<u>300</u>	<u>340</u>



UCAS Pension and Life Assurance Scheme (1993)

The scheme was closed to future accrual of benefits on 31 December 2017. Active members of the scheme at the closure date became 'active deferred' members, and transferred to UCAS' Group Stakeholder Plan at that time. The UCAS Pension and Life Assurance Scheme currently has 45 active deferred members, 179 preserved members, and 174 pensioners. The assets of the scheme are held in a separate, trustee-administered fund.

The most recent comprehensive actuarial valuation of the plan assets, and the present value of the defined benefit obligation, was carried out at 31 July 2022.

The triennial funding review, as at 31 July 2022, identified a surplus in the longer-term assets over liabilities of £2,872k (2019: deficit of £6,590k).

Given the scheme is in surplus, it was agreed with the scheme that from May 2023 no further additional deficit contributions would be made and this decision would be reviewed again at the next triennial valuation. During the year to 31 July 2023, UCAS made additional contributions of £0.8m (2022: £1.0m).

The principal assumptions used in the calculation of the present value of the defined benefit obligation include:

Assumptions	31 July 2023	31 July 2022
	Per cent:	Per cent:
Discount rate	5.08	3.52
Salary increase (Pre 2030)	2.97	3.92
Salary increase (Post 2030)	3.77	3.92
Inflation (RPI)	3.27	3.42
Inflation (CPI) (Pre 2030)	2.47	2.72
Inflation (CPI) (Post 2030)	3.27	3.42
Pension increases (Pre-April 2005)	4.25	4.23
Pension increases (Post-April 2005)	2.13	2.28
Revaluation in deferment (CPI max 5.0 per cent)	2.47	2.72
Revaluation in deferment (CPI max 2.5 per cent)	3.27	3.42
Mortality base table	SP3xA	SP3xA
Projection basis	CMI 2022	CMI 2021
Long term improvement trend	1.00	1.00
Percentage of death rates applied (m)	101	101
Percentage of death rates applied (f)	103	103

The current life expectancies on retirement at age 65 are:

	31 July 2023	31 July 2022
	Years	Years
Male currently aged 45	26.0	25.9
Female currently aged 45	27.4	27.3
Male currently aged 65	24.0	23.9
Female currently aged 65	25.6	25.5

Amounts recognised in the Statement of Financial Activities (SoFA), in respect of the defined benefit scheme, are as follows:

	2023	2022
	£'000	£'000
Past service cost	-	-
Net interest on net defined benefit liability	-	98
Total operating charge	-	98

Changes in the fair value of the scheme assets	31 July	31 July
	2023	2022
	£'000	£'000
Fair value of scheme assets at the beginning of the year	48,838	59,283
Interest income on plan assets	1,595	959
Employer contributions	820	1,020
Benefits paid	(1,195)	(1,161)
Remeasurement gain	(11,605)	(11,263)
Fair value of scheme assets at the end of the period	38,453	48,838

Changes in the present value of the defined benefit obligation	31 July	31 July
	2023	2022
	£'000	£'000
Present value of scheme liabilities at the beginning of the period	45,900	65,843
Interest cost	1,595	1,057
Benefits paid	(1,195)	(1,161)
Actuarial loss on liabilities	(10,807)	(19,839)
Present value of scheme liabilities at the end of the period	35,493	45,900

Amounts to be recognised in the balance sheet	2023	2022
	£'000	£'000
Fair value of scheme assets	38,453	48,838
Present value of scheme liabilities	(35,493)	(45,900)
Irrecoverable (surplus)	(2,960)	(2,938)
Balance sheet liability	-	-

Total Actuarial Loss featured in the Statement of Financial Activities

The Statement of Financial Activities (SoFA) includes a total actuarial gain/(loss) for the UCAS Pension and Life Assurance Scheme (1993) of £820k, loss (2022: £5,638k, gain), comprising a remeasurement loss on scheme assets of £11,605k and an actuarial gain on scheme liabilities of £10,807k.

The actuarial loss on plan assets was (£10.0m), (2022: £10.3m). The analysis of the scheme assets at the reporting date was as follows:

	31 July 2023	31 July 2022
	Per cent:	Per cent:
Equities	28.4	37.0
Bond (non-gilt)	11.4	16.7
LDI funds	33.3	18.3
Multi-asset growth	26.1	27.4
Cash and net current assets	0.8	0.6
	<hr/> 100.0 <hr/>	<hr/> 100.0 <hr/>

The Scheme invests in a mix of equity, bond, diversified growth, and liability-driven investment funds, managed by State Street, BMO, and Baillie Gifford.

Universities Superannuation Scheme (USS)

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 Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit), and the resulting expense in income or expenditure in accordance with section 28 of FRS 102. The Directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme, and have therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020. The legislative deadline for completing the next triennial valuation is 30 June 2024.

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

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £66.5 billion, and the value of the Scheme's technical provisions was £80.6 billion, indicating a shortfall of £14.1 billion.

Defined benefit liability numbers for the scheme, for accounting purposes, have been produced using the following assumptions as at 31 March 2023 and 2022:

	2023	2022
Discount rate	4.6 per cent	2.8 per cent
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	3.0 per cent	3.0 per cent

The main demographic assumption used relate to the mortality assumptions. The mortality assumptions used in these figures are as follows:

	2023	2022
Mortality base table	<p>Pre-retirement:</p> <p>101% of S2PMA "light" for males and 95% of S3PFA for females</p> <p>Post-retirement:</p> <p>101% of S2PMA "light" for males and 95% of S3PFA for females</p>	<p>Pre-retirement:</p> <p>101% of S2PMA "light" for males and 95% of S3PFA for females</p> <p>Post-retirement:</p> <p>101% of S2PMA "light" for males and 95% of S3PFA for females</p>
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5 per cent and a long-term improvement rate of 1.8 per cent p.a. for males, and 1.6 per cent p.a. for females	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5 per cent and a long-term improvement rate of 1.8 per cent p.a. for males, and 1.6 per cent p.a. for females

The current life expectancies on retirement at age 65 are:

	31 July 2023	31 July 2022
	Years	Years
Male currently aged 45	26.0	25.9
Female currently aged 45	27.4	27.3
Male currently aged 65	24.0	23.9
Female currently aged 65	25.6	25.5
	2023	2022
	£bn	£bn
Scheme assets	69.1	88.9
Total scheme liabilities	71.1	92.9
FRS102 total scheme deficit	2	4
FRS 102 total funding level	97%	96%

Amounts recognised in the Balance Sheet	2023	2022
	£'000	£'000
Liabilities at beginning of the year	(2,788)	(1,333)
Interest costs	(93)	(20)
Remeasurement of the scheme liabilities	494	(1,435)
Balance sheet liability	<u>(2,387)</u>	<u>(2,788)</u>

At 31 July 2023, UCAS had 34 active members participating in the scheme.

The total pension cost for the group was £669k (2022: £654k). This includes £57k (2022: £55k) outstanding employer's contributions at 31 July 2023 included in social security and other taxes within the creditors note. The contribution rate payable by the Company was 21.6 per cent of annual pensionable salaries.

UCAS Group Stakeholder Pension Plan (2007)

As contributions are treated on the basis of defined contributions, and ultimate benefits are formed from the scheme operated by an external provider, the Group has no underlying liability.

UCAS Group Stakeholder Pension Plan (2014)

UCAS implemented auto-enrolment on 1 January 2014. 148 employees were auto-enrolled in the scheme at that time, and re-enrolment assessments are carried out every subsequent three years. Following the transfer of members from the UCAS Pension and Life Assurance Scheme on its closure, the current scheme membership is 517 (2022: 457).

As contributions are treated on the basis of defined contributions, and ultimate benefits are formed from the scheme operated by an external provider, the Group has no underlying liability.

The total pension cost for the Group, for both contribution schemes, was £1,324k (2022: £1,800k). This includes £211k (2022: £168k) outstanding employer's contributions as at 31 July 2023 included in social security and other taxes within the creditors note.



19. TRADING RESULTS OF UCAS MEDIA LIMITED

UCAS Media Limited, registered in England, company number 2737300.

	Notes	2023 £'000	2022 £'000
Turnover	2	21,292	20,841
Distribution costs		(10,935)	(8,841)
Brand and data charge	3	(3,407)	(3,340)
		<u>6,950</u>	<u>8,660</u>
Expenses			
Administrative		(7,086)	(7,053)
Total administrative expenses		<u>(7,086)</u>	<u>(7,053)</u>
Operating profit		<u>(136)</u>	<u>1,607</u>
Interest receivable		27	6
Profit/(loss) Profit before tax	3	<u>(109)</u>	<u>1,613</u>
Taxation	5	-	-
Profit/(loss) after tax		<u>(109)</u>	<u>1,613</u>

The aggregate amount of the capital and reserves of UCAS Media Limited, as at 31 July 2023, was £147k (2022: £256k). Aggregate current assets were £7,866k (2022: £7,446k), and aggregate liabilities were £9,686k (2022: £8,292k).



20. RELATED PARTY TRANSACTIONS

Directors

The Directors of UCAS hold a variety of senior positions at educational providers, and other organisations, many of which undertake transactions with UCAS on a regular basis. Such transactions are undertaken on normal commercial terms and the Directors make annual declarations confirming the position they hold in these organisations. The educational providers do not meet the definition of related parties, but the existence of the relationship is included here in the interest of transparency. Therefore, full details of the value of such transactions, or the balances outstanding between UCAS (or its subsidiary undertakings) and these organisations, are not provided.

The Universities and Colleges Admissions Service, and wholly owned subsidiaries

The following related party transactions and balances are included in the accounts of the Charitable Company, in respect of its related party subsidiary companies:

	2023					
	Intercompany debtor as at 31 July 2023	Conference attendance fees charged to parent	Staff costs recharged to subsidiary	Brand & data charges to subsidiary	Management charge to subsidiary	Gift Aid distribution to parent
	£'000	£'000	£'000	£'000	£'000	£'000
UCAS Media Limited	4,579	(16)	2,025	3,407	2,055	-

	2022					
	Intercompany debtor as at 31 July 2022	Conference attendance fees charged to parent	Staff costs recharged to subsidiary	Brand & data charges to subsidiary	Management charge to subsidiary	Gift Aid distribution to parent
	£'000	£'000	£'000	£'000	£'000	£'000
UCAS Media Limited	4,587	(5)	3,584	3,340	1,786	1,613
UCAS International Limited	-	-	406	0	90	-

21. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are those used by the actuary in calculating the Group's defined benefit pension scheme liability (see note 18 for details), and those involved in estimating an intangible software asset's likely useful life upon capitalisation and impairment (see policy on capitalisation of software assets for details).

Critical areas of judgement

Senior management exercise judgement in determining that an internally-generated asset may be capitalised as an intangible asset, by reference to the likelihood that future economic benefit will be delivered by the asset, as well as the level of completeness of the asset. Details of UCAS' policy on capitalisation of software development costs is given in note 1.

Senior management also exercise judgement in reviewing any potential impairment of tangible or intangible assets which is determined by future economic value or if the asset is no longer in use.

UCAS participates in Universities Superannuation Scheme (USS), a multi-employer hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. UCAS is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, the scheme is accounted for as if it were a wholly defined contribution scheme (see note 18 for details).

The charity commenced the rental of part of one of the floors at the Rosehill site during 2018/19. Under FRS 102, where a discrete element of a property is leased to a third party, consideration needs to be given as to whether this constitutes a mixed-use property, which would necessitate that the rented element should be accounted for as an investment property and held at market value. It is UCAS' view that this arrangement does not get captured by the mixed-use rules, due to factors including the use of a shared reception, entrance through a shared corridor, and use of certain shared facilities.



UCAS

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Registered charity number:
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