

Charity Number: SC029163

UNIVERSITIES SCOTLAND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 July 2021

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Report of the members for the year ended 31 July 2021

The members present their report and the financial statements for Universities Scotland for the year ended 31 July 2021. Universities Scotland is a registered Charity (no SC029163) based in Edinburgh. The charity represents the collective interests of all Scottish higher education institutions to the Scottish Government, the Scottish Parliament, the Scottish Further and Higher Education Funding Council (also known as the Scottish Funding Council or SFC) and a wider network of stakeholders. While acting autonomously in matters relating to devolved policy, Universities Scotland also forms part of the UK-wide representative body Universities UK (registered charity number 1001127 and registered company number 2517018).

The Members of Universities Scotland (trustees of the charity) appointed for the year from 1 August 2020 to 31 July 2021 were as follows:

	Principal, University of Aberdeen
	Principal, University of Abertay Dundee
	Principal, University of Dundee
	Principal, University of Dundee
	Principal, University of Edinburgh
	Principal, Edinburgh Napier University
	Principal, University of Glasgow
	Principal, Heriot-Watt University
	Principal, Glasgow Caledonian University
	Director, Glasgow School of Art
	Principal, Queen Margaret University Edinburgh
	Principal, The Robert Gordon University
	Principal, The Robert Gordon University
	Principal, The Royal Conservatoire of Scotland
	Principal, University of St Andrews
	Principal and Chief Executive, (SRUC) Scotland's Rural College
	Principal, University of Stirling
	Principal, University of Strathclyde
	Principal, University of the West of Scotland
	Principal, University of the Highlands and Islands
	Principal, University of the Highlands and Islands
	Director, The Open University in Scotland

No Member of Universities Scotland had a beneficial interest in any contract with the charity. Members are the Vice-Chancellors, Directors or Principals of the member institutions.

Report of the members for the year ended 31 July 2021 - continued

Convener

[REDACTED]

from 01 August 2020

Vice Convener

[REDACTED]

from 01 August 2020

Director

[REDACTED]

Principal office

Holyrood Park
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Bankers

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PO Box 83
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Solicitors

Anderson Strathern
1 Rutland Court
Edinburgh
EH3 8EY

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Universities Scotland is a membership body made up of the Principals and Vice-Chancellors of Scottish universities and the Principals or Directors of small specialist higher education institutions in Scotland. Membership is voluntary, but all 18 Scottish higher education institutions, and the Open University in Scotland, are current members.

The work of Universities Scotland is guided by meetings of Members, which are held five times each year. Members delegate responsibility to a number of standing committees. In 2020–21 these were:

- Learning and Teaching Committee
- Research and Knowledge Exchange Committee
- Secretaries' Group
- Funding Policy Group
- International Committee
- Admissions Policy Group

Each group works to a defined agenda within its terms of reference and reports on progress to meetings of Members. Other sub groups and working parties are set up as required.

Meetings of Members of Universities Scotland

The meeting of Members is the decision-making body. The executive heads of all 19 higher education institutions in receipt of main grant from the Scottish Funding Council are the Members. The Chief Executive of Universities UK and the Convener of the Universities Scotland Secretaries' Group may also attend meetings of Members.

The Convener and Vice Convener are elected by and from the Members in a ballot to serve for a term of two academic years and are eligible for re-election for one further term of office at the end of that period.

The Convener, Vice Convener and the Director of Universities Scotland form the Executive Committee for the charity. The Executive Committee develop advice for the full membership and carry out executive action on behalf of the membership between meetings. At each meeting a report is presented of the activities of the Executive group to the membership.

Membership subscriptions

All Members renew their subscriptions annually for the year from 1 August. Universities Scotland Main Committee decides annually whether to vary the subscription rate which is varied by a fixed percentage applied to each member.

New member induction

Universities Scotland is in regular contact with all members and gives particular attention to the integration of new members and to providing these members with appropriate advice and guidance on specific responsibilities. In most cases new members of Universities Scotland are also new members of Universities UK, and benefit from the induction arrangements of Universities UK.

Management and staffing

The employees of Universities Scotland are based in Edinburgh, in leased premises at Holyrood Park House.

The Director has responsibility for planning and developing the services and strategies for Universities Scotland within clear policies and protocols set by the Board. He ensures that the team of 15 staff members provides the skills and expertise necessary to run a successful professional membership organisation. Staff are involved in a wide range of activities to promote members' interests including policy research and development, lobbying of policymakers, media work, facilitation of dialogue and sharing of best practice within the sector and promotion of Scottish institutions (especially for an international audience) as attractive places to study and to do research.

Report of the members for the year ended 31 July 2021 - continued

Arrangements for setting pay and remuneration

Member input and support to the work of Universities Scotland is on a non-remunerated basis.

The pay and remuneration of key executive management (the Director) is set by the Universities UK Remuneration Committee, which comprises Universities UK members chaired by the Treasurer and includes an independent member. The pay and remuneration levels for all other staff grades is negotiated with the recognised union, Prospect, as part of the recognition agreement.

Risk management

The Executive Committee of Universities Scotland (Convener, Vice-Convener and Director) reviews the organisation's exposure to business, operational and financial risks. Key processes include the planning and budgeting systems, which involve draft strategic and operational plans and draft budgets being considered initially by the Executive Committee prior to their being submitted for approval to a meeting of Members. These bodies also review performance against the plan and budget. A business continuity plan has been formulated for dealing with an emergency. Financial control is secured through the administration of Universities Scotland's finances by Universities UK. Further details are given below in the Financial Review under Principal risks and uncertainties. The Members are satisfied that risks to the organisation have been adequately reviewed and addressed.

Restricted funds

International activities

The Scottish Funding Council continues to provide ring-fenced funding to Universities Scotland for the purpose of supporting the sector in its international ambitions and to remain a competitive and attractive study destination in the global higher education market.

Scottish Government has extended its grant funding for a further one-year, which supports the Connected Scotland partnership and those projects and events delivered as part of it focused on creating further opportunities therefore adding value to the international aspirations of the Scottish sector.

Public benefit

The Members' confirm that they have complied with the Charities and Trustee Investment (Scotland) Act 2005 and provide public benefit through the charity's activities.

Universities Scotland's work in support of the higher education sector is first and foremost dedicated to the charitable purpose of the advancement of education. Through the support and advocacy we provide to the Scottish universities we also contribute to their fulfilment of their wider charitable purposes including the advancement of health; the advancement of the arts, heritage, culture or science; the promotion of equality and diversity; and the advancement of environmental protection or improvement. Universities Scotland's work is entirely committed to the delivery of public benefit through its support for the higher education sector's contribution to public well-being. Members derive no individual private benefit from Universities Scotland.

UNIVERSITIES SCOTLAND ACHIEVEMENTS 2020–21

2020–21 was another extraordinary year for Universities Scotland, dominated by continued management of the Covid emergency and positioning universities as a force that will drive post-pandemic recovery.

Key achievements over the year include:

- Ensuring that universities could operate as far as was consistent with the Scottish Government's very cautious approach to management of Covid risks: this required continued intensive engagement to inform successive iterations of Scottish Government guidance to institutions.
- Intensive media relations work to represent the sector's interests during controversy about the impact of the pandemic on student welfare.
- A Scottish Budget outcome representing a £123.2m (11.4%) increase in Scottish Government funding for higher education.
- Influence on manifestos before the Scottish parliament elections, leading to election of a Scottish Government with a specific manifesto commitment to sustainable funding for higher education.
- Post-election building of relationships with new Ministers and opposition higher education spokespeople.
- Further progress in widening access to higher education, through publication of a joint report with Colleges Scotland on action to develop learners' pathways from college to university, and creation of a joint university/ college group to drive this forward.
- A new campaign, 'Skills+', to promote the ways in which universities develop graduates with a wide range of skills and attributes for success in the future economy.
- A strong Scottish front in the UUK 'Getting Results' campaign, positioning Scotland's universities as key drivers of post-pandemic recovery.
- Profound influence on the Scottish Funding Council's review of higher education, leading to publication of a report that strongly affirms universities' contribution to the recovery and challenges government to support that.

FINANCIAL REVIEW

Review of position at the end of the year

The statement of financial activities for the year is set out on page 12 and the balance sheet on page 13 of the financial statements.

Income and expenditure for the year and position at the end of the year are summarised below.

	Unrestricted Activities £'000	Restricted Activities £'000	Total 2021 £'000	Total 2020 £'000
Income	1,025	149	1,174	1,154
Expenditure	(1,069)	(167)	(1,236)	(1,123)
Net movement in funds	(44)	(18)	(62)	31
Funds brought forward	322	105	427	396
Funds carried forward	278	87	365	427

Universities Scotland reports a deficit on unrestricted activities of £44,000. This is specifically because of provision made for estimated dilapidations costs associated with the end of US's lease on its current premises in July 2022. This is a planned draw on reserves, and the dilapidations provision will be split over 2020–21 and 2021–22.

Principal funding source

Membership subscriptions and a grant from Universities UK out of its subscriptions provides most (93%) of the unrestricted income. The balance comes mainly from licence fees for occupying spare desk space and other minor reimbursed expenditure. Income is used principally to support charitable activities. Universities Scotland does not fundraise from the public and is therefore not registered with the Fundraising Regulator.

Report of the members for the year ended 31 July 2021 - continued

Significant events affecting financial performance and position

There were no significant events affecting performance or position in the year.

Fixed assets

The changes to tangible fixed assets during the year are shown in note 7 to the financial statements.

Investment policy

Universities Scotland plans strategically over a three-year time horizon and budgets annually to expend substantially all anticipated unrestricted income, subject to retaining a prudent amount in reserves. It has no permanent endowment and provides for capital expenditure from unrestricted reserves.

Universities Scotland has no investments. Its funds are administered on its behalf by Universities UK.

Principal risks and uncertainties

The Members keep under review the strategic and operational risks facing the organisation together with the programmes and activities which help manage those risks effectively.

As a membership organisation, Universities Scotland's principal risk is failing to respond adequately to developments in higher education policy and funding or to its members' needs, which would risk damage to its reputation and influence and a possible loss of members and subscription revenue. Horizon scanning and member feedback mechanisms are in place to minimise and mitigate this risk and other external financial and operational risks and uncertainties.

A risk register is maintained of all significant risks, including general operational and financial risks as well as the principal risk identified above. These are regularly reviewed and updated. Suitable risk mitigation strategies are in place and are adapted according to changing needs.

Reserves policy

The trustees have reviewed the requirements for free reserves (unrestricted reserves less any amounts designated or otherwise committed) in the light of the principal strategic and operating risks to the organisation, as outlined above. The policy to maintain a modest reserve sufficient to cover expenditure and to ensure organisational resilience is still considered appropriate. Since most of the organisation's income is derived, directly or indirectly, from membership subscriptions, the Members do not consider it appropriate to carry reserves beyond a level regarded as a prudent minimum.

Performance against Universities UK's group reserves policy

	2021 £	2020 £
Total unrestricted reserves	277,891	322,140
Committed to fixed assets	(25,904)	(48,597)
Free reserves	251,987	273,543
Total unrestricted expenditure	1,069,300	1,003,273
Months of unrestricted expenditure in free reserves	2.8	3.3
Months (target)	4.0 – 6.0	4.0 – 6.0

During the financial year Universities Scotland's unrestricted reserves fell following the inclusion of a dilapidations provision.

PLANS FOR THE FUTURE

Strategic Plan 2021-24

At the time of writing, Universities Scotland is finalising a new Strategic Plan, following an intensive dialogue with members and staff. This is expected to refresh Universities Scotland's commitments to campaigning for high-quality higher education, positioning higher education as a key driver of recovery and transformation, and a global leader for Scotland. It is also expected to identify areas for changed practice in how staff and members work, and the relationship between the leadership roles of members and staff.

Within 2021–22, operational priorities will focus on campaigns that support universities to make their full social, economic and cultural contribution to the post-pandemic recovery.

Universities Scotland is also currently planning for an accommodation move by July 2022, to support new ways of working and release resources for reinvestment in strategic priorities.

Report of the members for the year ended 31 July 2021 - continued

MEMBERS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

The Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Law applicable to Charities in Scotland requires the Members to prepare accounts for each financial period which give a true and fair view of the state of affairs of the organisation and of the excess of expenditure over income for the period. In preparing those accounts, generally accepted accounting practice requires that the Members:

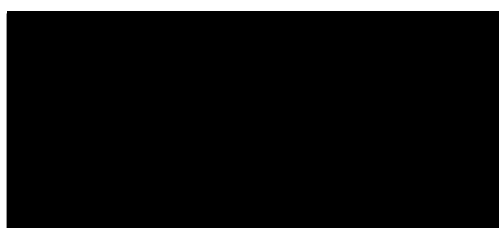
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue its activities.

The Members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the organisation and which enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection fraud and other irregularities.

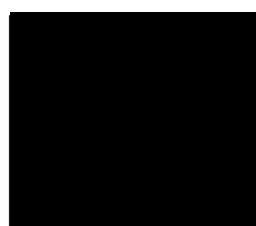
Auditor

Haysmacintyre LLP has indicated its willingness to continue as auditor, subject to re-appointment at the next Universities UK annual general meeting.

Approved by the Members and signed on behalf of the Members on 28 October 2021.



Member and Convener



Director

Independent auditor's report to the Members of Universities Scotland

Opinion

We have audited the financial statements of the Universities Scotland for the year ended 31 July 2021 which comprise Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 July 2021 and of the charitable company's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Independent auditor's report on the financial statements for the year ended 31 July 2021

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient and proper accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity'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 the parent charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Higher Education Governance (Scotland) Act 2016 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP 2015 and the Charities Accounts (Scotland) Regulations 2006, and consider other factors such as sales tax.

Independent auditor's report to the Members of Universities Scotland

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditor
Date: 18 November 2021

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 31 July 2021

		Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income and expenditure	Notes				
Income from:					
Income from charitable activities					
. Subscriptions from institutions	2	630,817	59,800	690,617	630,817
. Grant income	3	318,831	88,975	407,806	441,873
Raising funds	4	75,403	—	75,403	81,223
Total		1,025,051	148,775	1,173,826	1,153,913
Expenditure on:					
Charitable activities					
. Activities for members		1,014,554	166,840	1,181,394	1,064,351
Raising funds		54,746	—	54,746	59,058
Total	5	1,069,300	166,840	1,236,140	1,123,409
Net movement in funds		(44,249)	(18,065)	(62,314)	30,504
Total funds brought forward at 1 August		322,140	104,683	426,823	396,319
Total funds carried forward at 31 July	10	277,891	86,618	364,509	426,823

All items shown above relate to continuing activities.

There are no differences between the amounts shown above and the historic cost equivalents.

The notes on pages 14 to 21 form part of these financial statements.

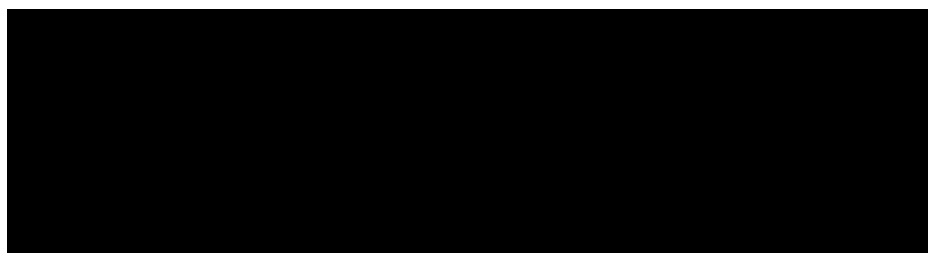
Balance sheet as at 31 July 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible fixed assets		—	3,830
Tangible fixed assets		25,904	44,767
	7	25,904	48,597
CURRENT ASSETS			
Debtors	8	488,106	413,097
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	9	(149,501)	(34,871)
NET CURRENT ASSETS		338,605	378,226
TOTAL NET ASSETS		364,509	426,823
FUNDS			
Restricted funds		86,618	104,683
Unrestricted funds		277,891	322,140
	10	364,509	426,823

The notes on pages 14 to 21 form part of these financial statements.

The financial statements on pages 12 to 21 were approved by the Members and authorised for issue on 28 October 2021.

Signed on their behalf by:



Notes to the financial statements 31 July 2021

1. Statement of accounting policies

Basis of preparation

Under the terms of the Agreement establishing the organisation (formally subscribed by member institutions in 1994/95) financial statements must be prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 and the Charities SORP 2015. The charity is unincorporated and meets the definition of a public benefit entity under FRS 102.

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

a. Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charities' accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

b. Preparation of the accounts on a going concern basis

The Members consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Members have considered the impact of the Covid-19 pandemic, reviewed financial position, reserves levels and future plans and this has given the Members confidence that the charity remains a going concern into the future.

c. Income

- Income from grants and contracts (including government grants) is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably.
- Subscriptions are recognised over the period to which they relate.
- Other income is recognised on an accruals basis.

d. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of the resource.

e. Value Added Tax

Irrecoverable Value Added Tax is charged to the statement of financial activities as it is incurred.

f. Fixed assets

Individual assets with a cost in excess of £2,500 are capitalised. Depreciation is applied to write-off tangible fixed assets on a straight-line basis as follows:

Furniture and equipment	Over 4 years
Office technology (including website development)	Over 3 years
Leasehold improvements	Over the life of the lease

g. Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Liabilities are recognised on an accruals basis.

h. Cash flow statement

Universities Scotland is not required to prepare a cash flow statement as it does not hold cash or have a bank account.

i. Creditors and provisions

Creditors and provisions are recognised where the charity had a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j. Debtors

Short term debtors are measured at transaction price, less any impairment.

k. Operating leases

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the lease

l. Employee benefits

Staff are employed by Universities UK and costs recharged to Universities Scotland. Detail of pension schemes and employee benefits are available in the financial statements of Universities UK.

2. Subscriptions from institutions

Subscriptions are for the year from 1 August to 31 July, renewed annually, and are levied on institutions to contribute to the running costs of Universities Scotland using a formula prescribed in the Agreement. Universities Scotland Main Committee decides annually whether to vary the subscription rate which is varied by a fixed percentage applied to each member. During 2020–21 a restricted subscription was raised towards the Scotland is Now international campaign. See note 10.

3. Grant income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Universities UK	318,360	—	318,360	325,206	—	325,206
Scottish Funding Council*	—	47,900	47,900	—	75,000	75,000
Scottish Government*	—	41,075	41,075	—	41,667	41,667
HMRC*	471	—	471	—	—	—
	318,831	88,975	407,806	325,206	116,667	441,783

* funds received from government or government agencies.

4. Raising funds

Comprises income under licence agreements for use of surplus desk space, and reimbursed costs.

5. Total expenditure

	Direct costs £	Support costs £	Total 2021 £	Direct costs £	Support costs £	Total 2020 £
Raising funds	47,748	6,998	54,746	53,054	6,004	59,058
Charitable activities						
Activities for members						
- Scotland	704,886	309,668	1,014,554	685,666	258,549	944,215
- International	160,682	6,158	166,840	113,867	6,269	120,136
Total charitable	865,568	315,826	1,181,394	799,533	264,818	1,064,351
Total expenditure	913,316	322,824	1,236,140	852,587	270,822	1,123,409

Notes to the financial statements (continued)

5. Total expenditure (continued)

Support cost allocations

	Premises £	Governance £	Depreciation £	Finance, HR IT	Total 2021 £
Raising funds	4,581	636	606	1,175	6,998
Charitable activities					
Scotland	200,586	28,695	27,368	53,019	309,668
International	6,158	—	—	—	6,158
Total support costs	211,325	29,331	27,974	54,194	322,824

	Premises £	Governance £	Depreciation £	Finance, HR IT	Total 2020 £
Raising funds	3,525	702	599	1,178	6,004
Charitable activities					
Scotland	149,130	30,953	26,495	51,971	258,549
International	6,269	—	—	—	6,269
Total support costs	158,924	31,655	27,094	53,149	270,822

Governance cost analysis

	2021 £	2020 £
External audit	3,744	3,600
Other professional fees	9,360	12,000
Staff and other costs	16,227	16,055
	29,331	31,655

Total expenditure also includes the following operating lease rentals:

Land and buildings	123,340	131,042
Office equipment	3,687	3,631

Notes to the financial statements (continued)

7. Fixed assets

	Intangibles: Websites £	Tangibles: Lease £	Equipment £	Furniture £	Total £
Cost					
At 1 August 2020	31,448	160,075	43,935	42,575	278,033
Additions	—	—	5,280	—	5,280
Written off	—	—	(20,382)	—	(20,382)
At 31 July 2021	31,448	160,075	28,833	42,575	262,931
Depreciation					
At 1 August 2020	27,618	121,912	37,331	42,575	229,436
Charge for the year	3,830	19,081	5,062	—	27,973
Written off	—	—	(20,382)	—	(20,382)
At 31 July 2021	31,448	140,993	22,011	42,575	237,027
Net book value					
At 31 July 2021	—	19,082	6,822	—	25,904
At 31 July 2020	3,830	38,163	6,604	—	48,597

8. Debtors

	2021 £	2020 £
Receivable from Universities UK*	419,179	379,108
Prepayments and accrued income	68,927	33,989
	488,106	413,097

*The amount receivable from Universities UK represents the cash held by Universities UK on behalf of Universities Scotland.

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	39,596	22,299
Accruals and deferred income	109,905	12,572
	149,501	34,871

Included within accruals and deferred income is a £75,000 dilapidations provision.

6. Trustee and employee information

Trustee information

No remuneration or expenses were paid to trustees during the year (2020: none).

Employee information

Employee costs were as follows:

	2021	2020
	£	£
Salaries including benefits in kind	578,486	559,029
Social security costs	59,922	58,591
Pension contributions	150,888	137,201
	789,296	754,821

Average staff numbers analysed by category were:

	2021	2020
Direct charitable activity	14.0	13.0
Support	2.0	2.0
	16.0	15.0

The number of employees whose emoluments for the year fell within the following band in excess of £60,000 was:

	2021	2020
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1

The total employer pension contributions for the higher paid staff above is £32,994 (2020: £32,577).

The total employee benefits of the Chief Executive who is considered to be key management personnel (in addition to trustees) was:

	2021	2020
	£	£
Salary including benefits in kind	93,563	92,869
Social security costs	10,425	10,390
Pension contributions	19,570	19,323
	123,558	122,582

10. Movement in funds

	At 1 August 2020 £	Incoming Resources £	Resources Expended £	Transfers between funds £	At 31 July 2021 £
Unrestricted funds					
General reserve	322,140	1,025,051	(1,069,300)	—	277,891
Restricted funds					
International activities					
• Scottish Funding Council	100,143	47,900	(61,425)	—	86,618
• Scottish Government	4,540	41,075	(45,615)	—	—
• Scotland is Now	—	59,800	(59,800)	—	—
	104,683	148,775	(166,840)	—	86,618
Total funds	426,823	1,173,826	(1,236,140)	—	364,509

	At 1 August 2019 £	Incoming Resources £	Resources Expended £	Transfers between funds £	At 31 July 2020 £
Unrestricted funds					
General reserve	288,167	1,037,246	(1,003,273)	—	322,140
Restricted funds					
International activities					
• Scottish Funding Council	94,565	75,000	(69,422)	—	100,143
• Scottish Government	13,587	41,667	(50,714)	—	4,540
	108,152	116,667	(120,136)	—	104,683
Total funds	396,319	1,153,913	(1,123,409)	—	426,823

Restricted funds

International activities

Scottish Funding Council

Funding to support the sector in improving its position in the global higher education market and identifying opportunities to improve Scotland's contribution to and impact on international higher education more generally.

Scottish Government

Funding for a post which supports the Connected Scotland partnership and those projects delivered as part of it focused on adding value to the international aspirations of the Scottish sector.

Scotland is Now

Joint sector funding that supports targeted paid-for social media campaign activities in a set of focus countries to support the recruitment of international students, to increase the sector's positioning and awareness, and to extend its focus on being welcome and open.

Notes to the financial statements (continued)

11. Allocation of net assets between funds

	Restricted funds £	Unrestricted funds £	2021 Total £
Fixed assets	—	25,904	25,904
Current assets	107,199	380,907	488,106
Current liabilities	(20,581)	(128,920)	(149,501)
	<u>86,618</u>	<u>277,891</u>	<u>364,509</u>

	Restricted funds £	Unrestricted funds £	2020 Total £
Fixed assets	—	48,597	48,597
Current assets	118,630	294,467	413,097
Current liabilities	(13,947)	(20,924)	(34,871)
	<u>104,683</u>	<u>322,140</u>	<u>426,823</u>

12. Operating lease commitments

Universities Scotland had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Total 2021 £	Total 2020 £
Land and buildings:		
· Within one year	116,227	126,258
· Between one and five years	—	116,227
Office equipment:		
· Within one year	3,039	3,094
· Between one and five years	1,116	4,155
	<u>120,382</u>	<u>249,734</u>

13. Retirement benefits

Staff are employed by Universities UK and costs recharged to Universities Scotland. Universities UK participates in two pension schemes: the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL). Further details of these schemes are available in the financial statements of Universities UK.

14. Income and expenditure by fund

Income and expenditure			Unrestricted Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2021 £	Restricted Funds 2020 £	Total 2021 £	Total 2020 £
Income from:		Note						
Income from charitable activities								
Subscriptions from institutions		2	630,817	630,817	59,800	—	690,617	630,817
Grant income		3	318,831	319,455	88,975	116,667	407,806	436,122
Raising funds		4	75,403	86,974	—	—	75,403	86,974
Total			1,025,051	1,037,246	148,775	116,667	1,173,826	1,153,913
Expenditure on:								
Charitable activities								
Activities for members			1,014,554	944,215	166,840	120,136	1,181,394	1,064,351
Raising funds			54,746	59,058	—	—	54,746	59,058
Total		5	1,069,300	1,003,273	166,840	120,136	1,236,140	1,123,409
Net movements in funds			(44,249)	33,973	(18,065)	(3,469)	(62,314)	30,504
Total funds at 1 August			322,140	288,167	104,683	108,152	426,823	396,319
Total funds at 31 July			277,891	322,140	86,618	104,683	364,509	426,823

