

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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GUILDHE LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2017

Trustees	Professor J Carter, Vice-Chancellor, University of Winchester (from September 2009, elected as Vice-Chair from November 2011, and re-elected as Chair from November 2015) Professor A Brewerton, Principal, Plymouth College of Art (re-elected as Vice-Chair from November 2015) Professor C J Gaskell, Principal, Royal Agricultural University (elected from April 2015, retired September 2016) Professor J Last, Vice-Chancellor, Norwich University of the Arts (from November 2011 and re-elected as Vice-Chair from November 2015) Professor S Ofield-Kerr, Vice-Chancellor, University for the Creative Arts (elected from November 2013 and re-elected from November 2015) (resigned 31 December 2016) Professor Nigel Seaton, Principal and Vice-Chancellor, Abertay University (co-opted from January 2016) Mr Paul Kirkham, Chief Executive, The Institute of Contemporary Music Performance (co-opted from January 2016 in absence of immediate past-Chair) Professor Margaret House, Vice-Chancellor, Leeds Trinity University (co-opted from January 2016) Dr David Llewellyn, Vice-Chancellor, Harper Adams University (appointed 23 November 2016) Professor Linda Drew, Director and CEO, Ravensbourne (appointed 16 March 2017)
Company registered number	02600590
Charity registered number	1012218
Registered office	Woburn House 20 Tavistock Square London WC1H 9HB
Company secretary	Gordon McKenzie
Chief executive officer	Gordon McKenzie
Independent auditors	Bishop Fleming LLP Chartered Accountants Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Bank Of Scotland 33 Old Broad Street London PO Box 1000 BX2 1LB
Solicitors	Eversheds 1 Wood Street London EC2V 7WS

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2017

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 August 2016 to 31 July 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

CHAIR'S REPORT

This year GuildHE has again delivered public benefit through its contributions to a number of policy debates, events and targeted reports, and in responding to consultations on proposed changes that will shape the higher education sector in the coming years.

As a representative body, GuildHE has continued to articulate the implications for its members of new proposals in key areas including legislation, funding, regulation and quality assurance. The year has seen significant change in the sector, including the passing of the Higher Education and Research Act, and the release of the Teaching Excellence Framework (TEF) ratings. Of the 39 GuildHE institutions who submitted, 11 received Gold, 18 Silver and 8 Bronze. GuildHE institutions were deemed to have 'high quality teaching', with 'exemplary levels of student engagement' that encourage 'students from all backgrounds [to] achieve excellent outcomes'.

GuildHE gained seven new members over the course of the year - two of which were public universities, two specialist further education colleges and three private providers - both for and not for profit, further showing that GuildHE represents the true breadth and diversity of the sector. This year we were also pleased to launch three new reports, Active Citizenship in Higher Education; The economic impact of creative-focused universities and colleges; and World-class teachers, World-class education, all of which were well-received in the sector.

GuildHE continued its programme of events for heads of institutions and senior staff, as well as implementing a new network aimed specifically at Alternative Providers among the membership. In addition to holding events with the NUS, Universities UK, and the Cathedrals Group, GuildHE ran a range of independent events, including a round-table on innovation in the regions and a one-day conference on Active Citizenship. GuildHE also set up a network to focus on changes to the Disabled Students' Allowance, and is participating in a group looking at what effect leaving the EU will have on higher education.

We look forward to building on this work in the coming year.

*Professor Joy Carter, Vice Chancellor, University of Winchester
Chair, GuildHE Limited.*

OBJECTIVES AND ACTIVITIES

The Charity's core objects, as set out in its Memorandum of Association, are:

- To promote and improve higher education in the United Kingdom and elsewhere in direct furtherance of the objects and missions of Company members by the promotion of discussion and consultation, the formulation of policies and the provision of representation, information, advice and assistance.

The Charity's aims are as follows:

- Members: Provide an excellent service for our members.
- The higher education sector: Work with our members to support an effective infrastructure for UK higher education.
- Students: Promote excellent student engagement, experience and outcomes as the heart of a quality UK HE sector.
- Government: Inform and influence UK higher education policy and practice.
- As an organisation: Be an intelligent, flexible and responsive organisation.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

The strategies employed to achieve the Charity's aims and objectives are to:

- Highlight the importance of a diverse, internationally successful higher education sector.
- Make the case for a properly funded higher education system that allows diverse institutions to thrive.
- Influence thinking on higher education legislation and the future regulation of higher education.
- Influence the development of the TEF and decisions about the future of Quality Assurance.
- Make the case for the positive economic, cultural and social contribution that international students make to the UK.
- Champion the role of higher education as close partners with industries delivering high quality, work relevant, high level skills and professional education.

ACHIEVEMENTS AND PERFORMANCE

POLICY

Admissions, recruitment and student numbers

The Admissions & Recruitment Network remains a valued forum for supporting and informing GuildHE's institutions on recruitment and admissions issues and policy as they make the transition to this more competitive environment, and serves to put GuildHE's recruitment and admissions-facing staff in direct contact with UCAS and the Supporting Professionalism in Admissions (SPA) Network. It has met twice this year and has remained well-attended. Whilst the impact of Brexit on student numbers is not yet known, GuildHE institutions are recruiting at a steady pace. GuildHE's work on degree level apprenticeships has improved our members capacity in building new routes to HE for students. The new Widening Participation network will also pick up on sector policy initiatives relating to access and attainment.

Several GuildHE members are also members of the UCAS Board and GuildHE is also represented on the UCAS Council and SPA Steering Group.

Regulation and funding

Throughout the passage of the Higher Education and Research Act 2017, GuildHE was actively involved in providing briefing to Ministers, Opposition and Government members of the House of Commons and the House of Lords, and DfE and BEIS officials on the implications of the legislation for our members. This included the GuildHE Chair and Chief Executive giving evidence to the Public Bill Committee. We supported the aims of the legislation to protect students and regulate all types of providers fairly and on the basis of risk.

GuildHE worked with Universities UK to argue successfully for changes to the legislation to address concerns in a number of areas including clarifying responsibilities for quality and standards, improving joint-working between the two principal regulators, the Office for Students and UK Research and Innovation and ensuring protection for institutional autonomy. GuildHE in particular argued successfully for the need to enhance student choice through an amendment requiring the regulator to promote diverse provision.

GuildHE has consistently argued for the funding system to be fair to students while providing enough resource for institutions to maintain high quality teaching, including through meeting the additional costs of specialist provision. We support the TEF and the link to funding because tuition fees have to rise by inflation at some point, if resource for teaching is to be maintained, and it is fairer for students if fee rises are conditional on an assessment of teaching quality. We opposed retrospective changes to the student loan terms and conditions because they were unfair to students and have argued for increased support for part time learners and for flexible learning.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017**

GuildHE institutions tend to recruit larger proportions of students with registered disabilities. GuildHE continues to work with the Disabled Students Sector Leadership Group to better coordinate practice across the sector. The HEFCE Widening Participation fund also helps institutions to offer support and we have been working with members to share practice on reasonable adjustments and procurement of services through the Student Support Network.

Pre-HE Qualification Reform

The Department for Education's (DfE's) programme of reforms to pre-HE qualifications continues to roll out and learners taking the new qualifications will soon be applying to higher education. As the reforms have progressed GuildHE has worked with UCAS and SPA to ensure members are informed of the timeline for changes ahead and potential implications for different subject areas (including the EBacc proposals and the potential impact on arts education). GuildHE is also working with government officials in the development of new T-Level qualifications and higher and degree apprenticeships.

Student Engagement

The events that GuildHE and the NUS deliver in partnership for staff and student representatives from GuildHE member institutions continue to be well received and well attended. The programme for these events is carefully planned so as to reflect topical issues of common interest.

Building on GuildHE's commitment to deliver events for students a fringe event at NUS Annual Conference was held for the second time. This provided delegates from member institutions and other smaller unions with a networking opportunity and was well attended and received.

Student union presidents were again invited as delegates to the GuildHE Annual Conference. The conference's session on 'Active Citizenship and higher education' featured a panel of students' union officers, as well as Robbie Young, Vice President (Society and Citizenship) at NUS.

GuildHE produced a report in conjunction with NUS, Active Citizenship in Higher Education. This report included a Charter on Active Citizenship and featured examples from many GuildHE member institutions. The report was well received by the sector and can be read in full here: <http://www.guildhe.ac.uk/blog/active-citizenship-the-role-of-higher-education/>

We also held a joint event with NUS to showcase case studies from the report hearing from a range of speakers including Wes Streeting MP and Robbie Young and chaired by Professor Margaret House, Vice Chancellor, Leeds Trinity University.

GuildHE was also commissioned to undertake the independent evaluation of the REACT project - hosted by the University of Exeter, London Met and GuildHE member the University of Winchester. Other GuildHE members involved in the project include Newman University and Bucks New University.

International - work with the Higher Education International Unit and on the Points Based System for immigration

The implementation of the Government's policies on controlling migration into the UK from outside the European Economic Area and the application of Tier 4 (the student route) of the points based system, have continued to have a high profile over the year. A series of high level reports, including relevant Select Committee reports, have expressed concerns about the implications of including students in the net migration figures.

Over the past year GuildHE has supported members facing questions about Tier 4 Compliance and produced a briefing with Uniac to Tier 4 compliance and the key risks associated with this. This will be a major area of work over the coming year.

GuildHE is also working with Universities UK in a Home Office led Co-Regulation group and Education Sector Forum designed to achieve practical improvements in some of the ways in which the policies impact on higher education institutions. Through this, and numerous additional meetings, including meetings with the Home Office, we were consulted around a range of revisions to Tier 4 guidance.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

Work to try to improve the experience of higher education institutions in seeking to comply with the requirements of Tier 4 has continued. GuildHE has engaged in ongoing discussions on arrangements for Tier 4 compliance audits and the arrangements in place for feedback from those audits.

Sector Agencies Review

GuildHE was an active participant in the "Bell Review" of sector agencies, ensuring that members views were engaged through Executive Committee meetings and Council. Following the publication of the review we have been participating in the Transition Group for the new sector agency bringing together the HEA, Leadership Foundation and ECU.

Quality Assessment and Complaints

GuildHE have worked with QAA relating to the new quality assessment landscape and the legislative implications of the quality and standards sections in the HER Act 2017.

GuildHE has worked with Universities UK to produce a piece of research into degree algorithms funded by HEFCE. This has been a major focus of activity through our quality managers network meetings and hosting a sector round-table discussion in June.

GuildHE continues to be engaged with the work of the QAA, including nominating representatives and observers to their Board, and speaking at their annual conference.

GuildHE also engages with the Office of the Independent Adjudicator (OIA), nominating a Board member.

Teaching Excellence Framework

The Teaching Excellence Framework has been one of the major focuses for GuildHE over the past year. We have worked closely with members to gather views and ensure they shaped our discussions with government on the proposals and our formal responses to the Green Paper in November and the subsequent White Paper and HER Bill in May.

In addition to meeting DfE officials and the Minister regularly to discuss the TEF proposals, GuildHE has been an active member of DfE's TEF Delivery Group, helping to shape the development of the proposals, including on subject level TEF, and to ensure that it takes account of sector diversity.

This lobbying and engagement activity has been supported by a wide range of public-facing activities including numerous blogs and media comments, speeches and presentations as well as sessions for members to help formulate their views.

Teacher Education

GuildHE worked with the Cathedrals Group of Universities to produce a joint publication World-class teachers, world-class education bringing together a series of opinion pieces looking at teacher education policy. Authors included universities' vice chancellors and academics, school head teachers and religious educators. The full report can be read here:

<http://www.guildhe.ac.uk/blog/world-class-teachers-world-class-education/>

The publication was launched at a reception at Church House with the Bishop of Winchester speaking, and received significant media attention, including being featured in the Church Times. The coverage can be read here:

<https://www.churchtimes.co.uk/articles/2017/9-june/news/uk/train-all-teachers-to-master-s-level-report-suggests>

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

Creative Education

There have been many changes made to the schools sector in recent years, qualification reforms, new school performance indicators, reduction in public funding, and the introduction of the English Baccalaureate (EBacc). Each of these reforms have put a strain on the quality and quantity of arts education in schools which ultimately will have a knock on impact on admissions to creative arts institutions. Ukadia members have worked with the Head Trust and Emsi to publish a report on the Economic Value of Creative Focused Universities. This was published in November 2016 and launched at the GuildHE annual conference. The report gained much attention from both the art world⁽¹⁾, and local and national press⁽²⁾, as well as being the focus of a Guardian Blog written by the GuildHE Chief Executive⁽³⁾.

There are a number of disputed figures relating to the proportion of 15-17 year olds opting to undertake arts qualifications in schools. Official government statistics suggest there has been a marginal decline in uptake across all arts disciplines, but a notable drop in those undertaking Design and Technology GCSEs. However, the arts community have been working to unpick these statistics to see what impact the new EBacc will have on future take up of arts qualifications. We have, and will continue to work with other bodies such as The Head Trust, CHEAD and UCAS to undertake further analysis of the situation.

(1) Cited in the International Bibliographic Database on Higher Education; Arts Professional
(<https://www.artsprofessional.co.uk/news/arts-universities-deliver-economic-payback-report-says>); Classissima
(<http://www.classissima.com/en/news/796641-study:-arts-schools%27-impact-on-the-uk-economy/>)

(2) <http://www.hartlepoolmail.co.uk/news/cleveland-college-of-art-and-design-recognised-for-contribution-to-economy-1-8276205>
(3) <https://www.theguardian.com/higher-education-network/2017/feb/08/student-choice-new-proposals-universities>

RESEARCH POLICY AND CREST

CREST Facts and Figures for 2016/17

- 24 members (increase from 23 in 2015/16)
- 15 member visits carried out
- 4 speaking engagements carried out by the Senior Policy Advisor (Research and Innovation)
- 4 Network meetings
- 4 CPD and Policy events hosted for members
- 3 PhD & Early Stage Researcher events, including the 3rd Summer School

2016/17 saw a further expansion of the CREST network to include Bath Spa University and Hartpury College.

Through CREST, members have been supported in responding to the significant changes being proposed to the research and innovation funding landscape in the UK. Joint GuildHE and CREST responses have been submitted to policy consultations, including responding to HEFCE's REF 2021 Consultation and Parliament Select Committees on topics including the impact of Brexit on UK research and innovation.

New for 2016/17, and building upon the success of the interdisciplinary and multi-institutional Summer School, CREST ran two communications workshops. These interlinked workshops aimed to give PhD and Early Stage Researchers (ESRs) the chance to think about and practice research communication in different ways than those they experience at institutional level (for example, through presenting their research to camera).

CREST also expanded its shared service offering, brokering a shared subscription to Vertigo Ventures Impact Tracker for six members and initiating an upgrade of the CREST Collections Repository.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

Innovation, Knowledge Exchange and Industrial Strategy

Following the Brexit referendum in June 2016, the UK Government announced that it was developing a new Industrial Strategy. This picked up much of the previous work that had been carried on Innovation Policy (e.g. the National Innovation Plan) and placed it into one Green Paper. GuildHE provided a response on behalf of our members and engaged with both BEIS and DfE.

In particular, through CREST and the IEKE (the Innovation, Enterprise and Knowledge Exchange) Network, GuildHE pulled together a collaboration to express interest in an additional round of the Higher Education Innovation Fund (HEIF). This work will continue in early 2017/18.

Brexit

Following the June 2016 referendum, GuildHE started a new stream of work to support members for Brexit. Most significantly, this included the Chief Executive's membership of the UK Government's high level stakeholder working group on EU exit, universities, research and innovation. GuildHE has also supported Universities UK's four main points for HE in the Government negotiations when submitting responses to relevant consultations.

GuildHE has been compiling qualitative and quantitative data on the implications of Brexit for our members. We will continue to use this information to inform government of the impact of Brexit on the diverse range of higher education providers in the UK.

Equality and employer issues

GuildHE works with, and contributes to the Equality Challenge Unit (ECU) to support equality and diversity activity in member institutions. GuildHE also works closely with the Universities and Colleges Employers Association (UCEA), as well as sitting as an observer on the UCEA Board. Meetings of the GuildHE Human Resources Network over the year have had input from UCEA and others so as to allow for informed discussion of issues relevant to GuildHE members as employers.

Copyright

GuildHE is represented on the Copyright Working Group (CWG) alongside UUK. The remit of the CWG is to negotiate copyright licenses for the HE sector where this is beneficial for the sector, and to draft responses for UUK/GuildHE on national and EU copyright initiatives and consultations. A GuildHE member of staff and representatives from two GuildHE institutions (Winchester and York St. John) sit on this committee. After successfully negotiating the license in 2016, the CWG continues to meet regularly with the CLA to ensure that the terms of the license are upheld and that institutions are not paying unfair rates for students on Non-Credit Bearing courses, and for students situated on overseas campuses. They also monitor the progress and usage of the Digital Content Store.

This year the CWG negotiated with the ERA license holders that the annual HE tariff under the ERA Licence from 1 August 2017 should increase by 2.1% from £2.35p to £2.40p per FTE student fixed for two licence years- 2017/18 and 2018/19, expiring on 31 July 2019. Finally, GuildHE played a key role in hosting the annual Copyright summer conference - which hosted approx. 60 delegates from across the sector, and gave participants the opportunity to speak directly to key members from the copyright sector and network with each other.

The company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the company's Equal opportunities policy, the company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the company's offices.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

Consultations Summary

GuildHE responded to a number of consultations during the 2016-17 year. Major consultations responded to include:

- House of Commons Science and Technology Select Committee Brexit impact consultation
- House of Commons CMS committee Brexit impact consultation
- House of Commons Education committee Brexit impact consultation
- DfE part-time student loans consultation
- DfE postgraduate loans consultation
- Schools Green Paper
- DfE Higher Education Statistics consultation
- Home Affairs Committee immigration consultation
- DfE apprenticeships consultation
- REF consultation
- The Fundraising Regulator consultation
- HESA data futures consultation
- BIS HE Green Paper
- DfE EBacc consultation
- Innovate UK's integration with Research UK
- HESA New DLHE final model consultation

A summary and full responses can be found on the Consultations page of the GuildHE website: <http://www.guildhe.ac.uk/>

EVENTS

Annual Conference

The 2016 conference was hosted by St Mary's University, Twickenham. Speakers included Jo Johnson MP, Minister of State for Universities and Science at DfE/BEIS; the Rt Hon. Ruth Kelly, Pro Vice-Chancellor (Research and Enterprise) at St Mary's University, Twickenham; Prof. Madeleine Atkins, Chief Executive at HEFCE; Smita Jamdar, Partner at Shakespeare Martineau; and the Rt. Hon. Sir Vince Cable. As part of the conference, there was a drinks reception celebrating 10 years of GuildHe with that name and the launch of GuildHE's publication in conjunction with ukadia, Emsi, and the HEAD Trust, The Economic Value of Creative Focused Universities and Colleges.

Party Conference Events

GuildHE worked with the University Alliance and SMF to host a dinner at the Conservative party conference. The dinner was well attended including the Minister for Universities and Science, Jo Johnson MP and the Chair of the Education Select Committee.

Sector Events

The GuildHE CEO provided Keynote speeches and panel contributions at several events including:

- The Higher Education Show
- UUK White Paper Conference
- Southern Policy Centre Conference
- Improving Student Satisfaction Conference
- Inside Government, Community Engagement Forum
- The Policy UK REF event
- AMHEC Conference
- UUKi small and specialist event
- Landex Conference
- Competing for Success Conference
- QAA Conference

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

- LFHE Event - Governance and Small and Specialist Institutions

Networks

GuildHE hosted events for the senior staff in member institutions. A new network was initiated for members at Alternative Providers.

Network Meeting Summary

Network	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Admissions & Recruitment			1								1
Alternative Providers									1		
Alumni & Fundraising						1					1
Human Resources			1			1				1	
IEKE					1						1
Marketing & Communications						1			1		
Policy & Planning			1		1		1				
Quality Management	1			1			1			1	
RDAP			1						1		
Student Support									1		
Students Union	1					1					
TDAP									1		
Widening Participation							1				

MEDIA AND COMMUNICATIONS

External Communications

Throughout the year GuildHE was supported by Media Advisor, Sue Littlemore, who assisted in media planning and releases, provided media advice to members and chaired various events, including Media Training for both senior staff at GuildHE member institutions and CREST PhD students.

Web Presence

There has been an increased number of contributors to the GuildHE blog this year. As well as the GuildHE CEO and Deputy CEO contributions, blogs have been written by other GuildHE staff members, representatives of member student unions and other sector colleagues. GuildHE sponsored the higher education policy blog, Wonkhe.com, and had content featured on the website.

GuildHE Blogs 2016/17

Making sure small (and specialist) stays beautiful: our top 3 risks to manage	20-Sep	Chris Taylor, Assurance Consultant, Uniac
Meeting the information needs of prospective students	29-Sep	Alex Bols, Deputy CEO
Immortal, visible: Metrics dominate the Teaching Excellence Framework. Where does that leave more holistic judgements of a good learning environment?	04-Nov	Gordon McKenzie, CEO
Postgraduates: to TEF, or not to TEF, that is the question (Wonkhe.com)	18-Nov	Alex Bols, Deputy CEO
Being part of the solution: Higher Education and the Industrial Strategy	21-Nov	Matthew Guest, Senior Policy Advisor (Research and Innovation)
Turning students into citizens: a charter for active citizenship	24-Nov	Professor Joy Carter, Chair, GuildHE and Vice-Chancellor, University of Winchester
Probationary Degree Awarding Powers – will the new route become the norm?	06-Dec	Alex Bols, Deputy CEO
Schools that Work for Everyone? What the green paper could mean for universities	15-Dec	Cat Turhan, Policy Officer

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

More than just a degree? Active citizenship in higher education (NUSConnect.org.uk)	08-Feb	Robbie Young, NUS Vice President (Society & Citizenship)
Student choice: the new proposals are all froth and no coffee (TheGuardian.com)	08-Feb	Gordon McKenzie, CEO
Research is all about impact (Hefce.ac.uk)	09-Feb	Matthew Guest, Senior Policy Advisor (Research and Innovation)
The case for a Scottish (Blue) Bell (Wonkhe.com)	10-Feb	Dr Alastair Robertson, Director of Teaching and Learning Enhancement, Abertay University
Spotlight on Degree Apprenticeships: Ravensbourne	06-Mar	Marice Cumber, Work Based Learning Co-ordinator, Ravensbourne
Diverse Higher Education. That's something to celebrate	07-Mar	Gordon McKenzie, CEO
Degree Apprenticeships: Reflections from Southampton Solent	07-Mar	David Moxon, Head of Apprenticeships, Southampton Solent University
It's inspiring to see young people growing into active citizens	10-Mar	Professor Margaret House, Vice-Chancellor, Leeds Trinity University
Managing risk in a new student visa system (Wonkhe.com)	14-Mar	Professor Margaret House, Vice-Chancellor, Leeds Trinity University
Today, international engagement is for everyone	27-Mar	Gordon McKenzie, CEO
For REFERENCE	30-Mar	Matthew Guest, Senior Policy Advisor (Research and Innovation)
Your Starter for Ten: a one-dimensional picture of universities (Wonkhe.com)	11-Apr	Matthew Guest, Senior Policy Advisor (Research and Innovation)
Endgame: Faust, TEF and the HER Bill	26-Apr	Gordon McKenzie, CEO
Health education: A terminal problem?	28-Apr	Jack Fleming, Project Officer
Relationship Marketing must have a place in Knowledge Exchange	24-May	Matthew Guest, Senior Policy Advisor (Research and Innovation)
Ravensbourne supports the Stand Alone Pledge	20-Jun	Professor Linda Drew, Director, Ravensbourne
What are the TEF lessons from specialist arts universities? (Wonkhe.com)	05-Jul	Professor John Last, Chair, Ukadia and Vice-Chancellor, Norwich University of the Arts (drawing on internal GuildHE analysis)
Practicing what you teach – how universities are engaging with the social enterprise agenda	10-Jul	Lucy Findlay, Managing Director of Social Enterprise Mark CIC

Newsletter

GuildHE's regular newsletter continues to provide information and comment on sector news, policy and events, as well as publicising the work of GuildHE. Over the course of the year, the newsletter has moved from a monthly to a fortnightly release schedule, giving the newsletter greater relevance.

There are currently over 900 people regularly receiving the newsletter, a 12% increase on the previous year. This is a channel which we will continue to develop over 2017/18.

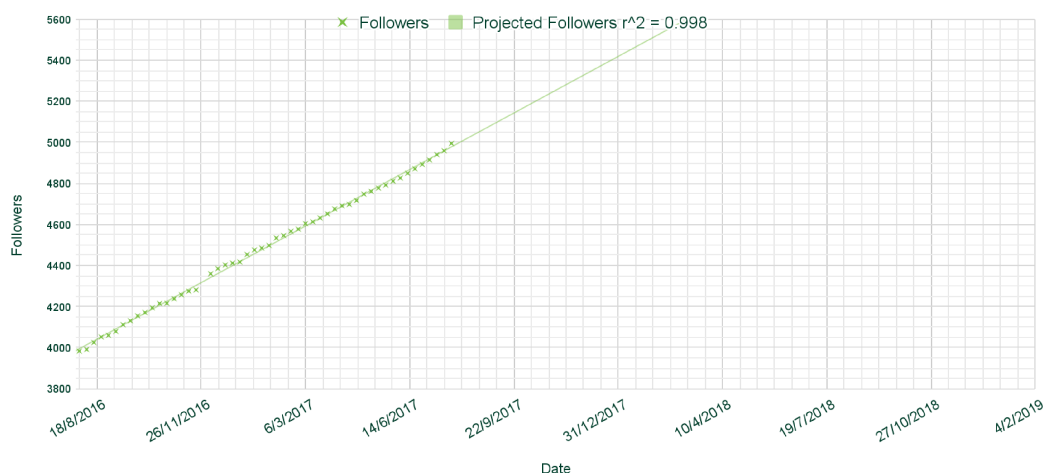
Social Media

GuildHE (@GuildHE) has increased its presence on Twitter by posting more regularly, using more engaging content including graphics and quotes, and responding to content shared by the sector and members. As a result of this the follower count has increased by roughly 1,000 over the course of the year. On 1st August 2016, GuildHE's main account had 3,983 followers; we have now reached 5,012, with sustained growth of around 2% per month.

Over the same period, CREST's twitter account (@CrestUK), has risen to over 1,000 followers, despite high levels of staffing churn.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

Twitter Followers - Historic & Projected



Public Benefit Statement

The Trustees have reviewed the activities of the Charity in the light of the guidance published by the Charity Commission on public benefit. The Trustees are satisfied that GuildHE's activities are for the public benefit. GuildHE provides public benefit to those planning to undertake, those undertaking and those with an interest in the outcomes of UK higher education as a consequence of the assistance it gives its members and their institutions. Through the direct advice, information and comment it provides into the public domain and into policy frameworks, it informs the public debate and raises public awareness of a range of educational and other professionally-based issues at subject level. By supporting the heads of institutions, it enables them to lead their charitable and educational organisations more effectively. As a consequence GuildHE has an impact on delivery of higher education through good practice exchange and advice on policy. The organisations that GuildHE members lead provide a range of higher education opportunities to students from the UK and abroad; and they have public benefit impact on the cultural, social and intellectual development of their communities.

FINANCIAL REVIEW

Most of the Charity's income is obtained from membership subscriptions, the use of which is unrestricted to particular purposes.

During the year ended 31/07/2017 the Charity received total income of £809,846 and incurred total expenditure of £785,727. The excess of income over expenditure for the year was £24,119.

At the year end the Charity had total reserves of £1,094,393, with restricted reserves of £57,892 and unrestricted reserves totalling £1,036,501, of which £216,501 is undesignated free reserves. Reserves are needed to bridge the gap between the spending and receiving of income to cover unplanned repairs and other expenditure. These funds are held for the benefit of members and financial sustainability of GuildHE in meeting current and future obligations, including any pension deficit arising from GuildHE's membership of USS. The Charity aims to have free reserves of £400,000 to cover at least 12 months' worth of expenditure, and a contingent reserve for meeting future pension obligations that may arise out of the USS future valuations. The formal policy on reserves was reviewed and amendments agreed at the July 2017 meeting of the GuildHE Executive. It states:

The Trustees have set a reserves policy which aims for:

- Reserves be maintained at a level which ensures that the premises and staffing costs of the organisation's core activity could continue during a period of unforeseen difficulty. In this respect the Charity will hold in unrestricted reserves a minimum balance of £400,000 equating to one year's costs.
- This proportion of reserves be maintained in a readily realisable form.
- Any surplus reserve over this level of funds be designated for the replacement of assets and support of

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

the completion of any GuildHE strategic projects.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle. It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted.
- Planned activity levels.
- The Charity's commitment with respect to staffing and lease costs within the financial year.
- The pension liability share that will be attributable to the charity through its membership of the Universities Superannuation Scheme (USS).

The Charity had no reserves in deficit as at 31/07/2017.

Going concern

The Trustees have reviewed the circumstances of the Charity and consider that adequate resources continue to be available to fund the activities of the Charity for the foreseeable future. The Trustees are of the view that the Charity is a going concern.

Plans for future periods

The Charity has identified the following areas as the key aspects of future plans to be pursued during the next financial year:

- Influencing the establishment of the OfS and UKRI, new regulatory landscape, designated quality and data bodies, and subject-level Teaching Excellence Framework
- Engaging with the Industrial Strategy and facilitating member engagement including "place", degree apprenticeships and promoting accelerated degrees
- Supporting members following the implications of the outcome of the EU referendum
- Supporting student wellbeing in member institutions
- Supporting institutions on research and the development of REF2021e
- Showcasing the importance of practitioner-led teaching and the importance within GuildHE institutions
- Demonstrating the economic impact of the sports industry and university research in the field
- Showcasing the importance of a diverse higher education sector to a wider public and developing a regulatory landscape that is fit for this diverse sector
- Developing our capacity to share knowledge and good practice in relation to widening participation and attainment.

Risk management

The principal risks faced by the Charity are:

- Financial risk – loss of members
- Reputational risk – loss of influence or poor media relations
- Strategic risk – changes in Government direction/policy mean that GuildHE's strategy becomes irrelevant
- Operational risk – business continuity – office inaccessible
- Internal controls – Financial or system errors

The Trustees have a risk management strategy which comprises:

- Regular review by the Executive Group to identify risks and mitigating actions. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. Key areas of risk and new opportunities are integrated into the regular business of the Executive Group.
- Future forecasts have been reviewed and analysis undertaken of alternative funding scenarios and responses for mitigation of any negative effects. A detailed update of health & safety and associated risk assessment together with related issues takes place annually, undertaken under the supervision of Stallard Kane who act as "competent person" for GuildHE.

Investment policy and performance

In order to minimise investment risk, funds are retained in an interest paying deposit account and a proportion placed with Handelsbanken to achieve an improved return on liquid assets. These investment arrangements are

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

kept under close review by the Executive Group.

Total income from all investments for the year/period ended 31/07/2017 was £685.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

GuildHE Limited is a company limited by guarantee and does not have any share capital. It is governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

Details of the Trustees who served throughout the year are included in the Reference and Administration Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they cease to be a member.

Method of recruitment and appointment or election of Trustees

The Directors of the Company are also charity Trustees for the purposes of charity law and are known in the company's Articles as members of the Executive Group. Under the requirements of the Memorandum and Articles of Association, the Executive Group comprises up to 8 members of the company of which 5 (including the Chair and two Vice Chairs) are elected by the whole membership. Up to three further Trustees may be co-opted by the Executive Group (one of whom is normally the immediate past Chair of the organisation).

All members are circulated with invitations prior to the AGM and as vacancies occur, advising them of retiring trustees and requesting nominations. Elected Trustees serve for an initial period of three years. Elected Trustees may serve for two consecutive terms of three years but shall not serve for at least one subsequent year before further reappointment to the Executive Group. When considering trustees for co-option, the Executive Group has regard to the diversity of member institutions. If a member of the Executive Group is elected as the Chair or a Vice Chair, then the above time limits shall be extended to allow completion of the period of office.

Trustee induction and training

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Charity and a chance to meet other staff. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure.

A Council, consisting of all members of the Company, meets four times per year and is involved in major decisions and policy approval. The Charity and Company is administered for normal business by its Board of Trustees / Board of Directors, comprising the Executive Group, which meets six times per year. A Chief Executive Officer and a Company Secretary are appointed by the Trustees; presently both roles are undertaken by the same person.

Key management personnel

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Charity to the GuildHE office team led by the Chief Executive Officer.

Related Parties and other Connected Charities and Organisations

None of the Trustees receive remuneration or other benefit from their work with the Charity other than reimbursed travel expenses.

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

CVCP Properties Plc is the landlord for the premises used by the GuildHE Offices in Central London. GuildHE sub-let part of its office space to the charitable organisation Drama UK until November 2016.

Sub-associations

The work of GuildHE's sub-associations continued in the 2016/17 year. This included the CREST (Consortium for Research Excellence, Support and Training) and ukadia (UK Arts and Design Institutions Association).

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017**

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of GuildHe Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on _____ and signed on their behalf by:

**Professor J Carter, Chair
Trustee**

**GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUILDHE LIMITED

We have audited the financial statements of GuildHE Limited for the year ended 31 July 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER 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 Trustees' report incorporating the Strategic report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUILDHE LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Pamela Tuckett FCA DChA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN
Date:

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Charitable activities	2	809,161	-	809,161	872,564
Investments	3	685	-	685	4,832
TOTAL INCOME		809,846	-	809,846	877,396
EXPENDITURE ON:					
Charitable activities	6	783,973	1,754	785,727	796,119
TOTAL EXPENDITURE	7	783,973	1,754	785,727	796,119
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		25,873	(1,754)	24,119	81,277
NET MOVEMENT IN FUNDS		25,873	(1,754)	24,119	81,277
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,010,628	59,646	1,070,274	988,997
TOTAL FUNDS CARRIED FORWARD		1,036,501	57,892	1,094,393	1,070,274

The notes on pages 21 to 35 form part of these financial statements.

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 02600590

BALANCE SHEET
AS AT 31 JULY 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	10		2,431		7,803
CURRENT ASSETS					
Debtors	11	53,917		111,819	
Cash at bank and in hand		1,179,681		1,108,106	
			1,233,598	1,219,925	
CREDITORS: amounts falling due within one year	12	(53,387)		(81,710)	
NET CURRENT ASSETS			1,180,211		1,138,215
TOTAL ASSETS LESS CURRENT LIABILITIES			1,182,642		1,146,018
CREDITORS: amounts falling due after more than one year	13		(88,249)		(75,744)
NET ASSETS			1,094,393		1,070,274
CHARITY FUNDS					
Restricted funds	15		57,892		59,646
Unrestricted funds	15		1,036,501		1,010,628
TOTAL FUNDS			1,094,393		1,070,274

The financial statements were approved and authorised for issue by the Trustees on behalf, by:

and signed on their

Professor J Carter, Chair

The notes on pages 21 to 35 form part of these financial statements.

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>72,090</u>	<u>80,178</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		685	4,832
Purchase of tangible fixed assets		<u>(1,200)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(515)</u>	<u>4,832</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>1,108,106</u>	<u>1,023,096</u>
Cash and cash equivalents carried forward	18	<u><u>1,179,681</u></u>	<u><u>1,108,106</u></u>

The notes on pages 21 to 35 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fixtures and fittings	-	15% or remaining term of lease if shorter
Computer and office equipment	-	25% to 33% straight line

1.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 PENSIONS

The company operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS102 Section 28 'Employee benefits', the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities incorporating income and expenditure account represents contributions payable to the scheme in respect of the accounting period.

1.13 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Pension deficit liability: the Charity has entered into an agreement with its pension provider that determines how the Charity will fund a deficit and as such the Charity has recognised a liability for the contributions payable that arise from the agreement. Assumptions have been made for how salary values and staff volumes will change in the future and the discount rate used which has been based on the rate of a high quality corporate bond.

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Membership subscriptions	774,912	-	774,912	712,574
Project grants	-	-	-	99,000
Room hire and subletting income	10,511	-	10,511	22,627
Conferences and events	23,738	-	23,738	14,460
Other income	-	-	-	23,903
	<u>809,161</u>	<u>-</u>	<u>809,161</u>	<u>872,564</u>
<i>Total 2016</i>	<u>773,564</u>	<u>99,000</u>	<u>872,564</u>	

3. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest received	685	-	685	4,832
	<u>685</u>	<u>-</u>	<u>685</u>	<u>4,832</u>
<i>Total 2016</i>	<u>4,832</u>	<u>-</u>	<u>4,832</u>	

4. DIRECT COSTS

	Total 2017 £	Total 2016 £
Recruitment expenses	1,164	450
Publication printing	3,169	1,684
Research & collaborative projects	38,278	41,541
Accommodation & event costs	42,428	30,342
Grant payments to members - projects	-	21,000
Irrecoverable VAT	-	30,412
Wages and salaries	291,106	304,136
National insurance	24,692	25,055
Pension cost	77,080	40,838
	<u>477,917</u>	<u>495,458</u>
<i>At 31 July 2016</i>	<u>495,458</u>	

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

4. DIRECT COSTS (continued)

The pension expense includes any movements in the associated liability for future deficit payments to the USS pension scheme. The contribution rate increased in the year ended 31 July 2015 resulting in an increased in year charge for pensions.

5. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Travel claims & expenses	15,809	35,466
Subscriptions	44,113	10,957
Premises rent, rates & service charge	81,111	70,073
Maintenance	42,926	53,970
Insurance	2,461	2,573
Bank charges	728	1,455
Printing & stationery	2,942	2,699
Postage & telephone	4,252	3,330
Staff training	4,702	2,248
Sundry expenses	3,147	11,472
Bad debts	-	600
Professional Fees	40,072	35,397
Pension interest	2,736	2,508
Depreciation	6,572	13,607
	<u>251,571</u>	<u>246,355</u>
<i>At 31 July 2016</i>	<u>246,355</u>	

6. GOVERNANCE COSTS

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Auditors' remuneration	5,532	5,532	5,100
Auditors' non audit costs	1,470	1,470	1,440
Accountancy fees	11,148	11,148	11,827
Wages and salaries	29,183	29,183	28,050
Employers national insurance	3,653	3,653	3,214
Employers' pension costs	5,253	5,253	4,675
	<u>56,239</u>	<u>56,239</u>	<u>54,306</u>

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on charitable activities	392,878	6,572	330,038	729,488	741,813
Expenditure on governance	38,089	-	18,150	56,239	54,306
	<u>430,967</u>	<u>6,572</u>	<u>348,188</u>	<u>785,727</u>	<u>796,119</u>
<i>Total 2016</i>	<u>405,968</u>	<u>13,607</u>	<u>376,544</u>	<u>796,119</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	6,572	13,607
Auditors' remuneration - audit	5,532	5,100
Auditors' remuneration - other services	1,470	1,440
Operating lease rentals	76,600	63,480
	<u>76,600</u>	<u>63,480</u>

During the year, no Trustees received any remuneration (2016: £NIL).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year, no Trustees received any reimbursement of expenses (2016: £378).

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

9. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	320,289	332,186
Social security costs	28,345	28,269
Other pension costs	82,333	45,513
	<u>430,967</u>	<u>405,968</u>

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

	2017	2016
	No.	No.
Staff	9	7
Management	1	1
	<u>10</u>	<u>8</u>

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
	8	7

The number of higher paid employees was:

	2017	2016
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

All Trustees and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Charity are considered to be key management personnel. Total remuneration (including employers' national insurance and pension contributions) for these individuals is £114,269 (2016: £108,905).

GUILDHE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

10. TANGIBLE FIXED ASSETS

	Furniture, fixtures and fittings £	Computer and office equipment £	Total £
COST			
At 1 August 2016	62,705	23,878	86,583
Additions	-	1,200	1,200
Disposals	(11,187)	(11,752)	(22,939)
At 31 July 2017	<u>51,518</u>	<u>13,326</u>	<u>64,844</u>
DEPRECIATION			
At 1 August 2016	59,123	19,657	78,780
Charge for the year	3,582	2,688	6,270
On disposals	(11,187)	(11,450)	(22,637)
At 31 July 2017	<u>51,518</u>	<u>10,895</u>	<u>62,413</u>
NET BOOK VALUE			
At 31 July 2017	<u>-</u>	<u>2,431</u>	<u>2,431</u>
At 31 July 2016	<u>3,582</u>	<u>4,221</u>	<u>7,803</u>

11. DEBTORS

	2017 £	2016 £
Trade debtors	13,876	79,890
Other debtors	3,671	2,167
Prepayments and accrued income	36,370	29,762
	<u>53,917</u>	<u>111,819</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	19,552	33,594
Other taxation and social security	444	-
Pension liability	14,667	9,768
Accruals and deferred income	18,724	38,348
	<u>53,387</u>	<u>81,710</u>

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12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	£
DEFERRED INCOME	
Deferred income at 1 August 2016	4,334
Resources deferred during the year	5,500
Amounts released from previous years	(4,334)
	5,500
Deferred income at 31 July 2017	5,500

Deferred income relates to amounts received for events occurring after the year end.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Pension liability	88,249	75,744
	88,249	75,744
	88,249	75,744

14. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at amortised cost	1,198,288	1,190,538
	1,198,288	1,190,538
Financial liabilities measured at amortised cost	145,562	153,120
	145,562	153,120
	145,562	153,120

Financial assets measured at amortised cost comprise of cash at bank, trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other taxation and social security, pension liability and accruals.

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NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2017 £
DESIGNATED FUNDS					
Governance project	41,712	-	-	(41,712)	-
Capital reserve for replacement assets	40,000	-	-	(40,000)	-
Members' fund from VAT rebate	261,383	-	-	(261,383)	-
Future funding	267,533	-	-	(267,533)	-
Members' project fund	-	-	-	120,000	120,000
Asset growth fund as recognition of pension deficit	-	-	-	700,000	700,000
	<u>610,628</u>	<u>-</u>	<u>-</u>	<u>209,372</u>	<u>820,000</u>
GENERAL FUNDS					
Working capital fund	400,000	809,846	(783,973)	(209,372)	216,501
Total Unrestricted funds	<u>1,010,628</u>	<u>809,846</u>	<u>(783,973)</u>	<u>-</u>	<u>1,036,501</u>
RESTRICTED FUNDS					
JISC RDMS Project	59,646	-	(1,754)	-	57,892
	<u>59,646</u>	<u>-</u>	<u>(1,754)</u>	<u>-</u>	<u>57,892</u>
Total of funds	<u><u>1,070,274</u></u>	<u><u>809,846</u></u>	<u><u>(785,727)</u></u>	<u><u>-</u></u>	<u><u>1,094,393</u></u>

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15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 August 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2016 £
DESIGNATED FUNDS						
Governance project	41,712	-	-	-	-	41,712
Capital reserve for replacement assets	40,000	-	-	-	-	40,000
Members' fund from VAT rebate	261,383	-	-	-	-	261,383
Future funding	-	-	-	267,533	-	267,533
	<u>343,095</u>	<u>-</u>	<u>-</u>	<u>267,533</u>	<u>-</u>	<u>610,628</u>
GENERAL FUNDS						
General funds	632,248	778,396	(743,111)	(267,533)	-	400,000
	<u>632,248</u>	<u>778,396</u>	<u>(743,111)</u>	<u>(267,533)</u>	<u>-</u>	<u>400,000</u>
Total Unrestricted funds	<u>975,343</u>	<u>778,396</u>	<u>(743,111)</u>	<u>-</u>	<u>-</u>	<u>1,010,628</u>
RESTRICTED FUNDS						
	Balance at 1 August 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2016 £
JISC RDMS Project	13,654	99,000	(53,008)	-	-	59,646
	<u>13,654</u>	<u>99,000</u>	<u>(53,008)</u>	<u>-</u>	<u>-</u>	<u>59,646</u>
Total of funds	<u>988,997</u>	<u>877,396</u>	<u>(796,119)</u>	<u>-</u>	<u>-</u>	<u>1,070,274</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2017 £
Designated funds	610,628	-	-	209,372	820,000
General funds	400,000	809,846	(783,973)	(209,372)	216,501
	<u>1,010,628</u>	<u>809,846</u>	<u>(783,973)</u>	<u>-</u>	<u>1,036,501</u>
Restricted funds	59,646	-	(1,754)	-	57,892
	<u>1,070,274</u>	<u>809,846</u>	<u>(785,727)</u>	<u>-</u>	<u>1,094,393</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 August 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2016 £
Designated funds	343,095	-	-	267,533	610,628
General funds	632,248	778,396	(743,111)	(267,533)	400,000
	<u>975,343</u>	<u>778,396</u>	<u>(743,111)</u>	<u>-</u>	<u>1,010,628</u>
Restricted funds	13,654	99,000	(53,008)	-	59,646
	<u>988,997</u>	<u>877,396</u>	<u>(796,119)</u>	<u>-</u>	<u>1,070,274</u>

DESIGNATED FUNDS

In the year the Trustees agreed a revised reserves policy to better reflect the future projects and liabilities of the Charity.

Governance project

The Governance Project fund is for identifying, building upon and disseminating good practice in governance and the creation of a community practice between Chairs, their Clerks and Heads of institution across GuildHE institutions and other small and medium sized higher education providers. The funding had been provided through three HEFCE Leadership, Governance and Management Fund, where Plymouth Marjon University was the accountable body, contracting with GuildHE to undertake the work. The balance of costs on the Governance project were transferred to designated funds within unrestricted funds now that the funded project has reached a conclusion. These funds are to be utilised in the re-establishment of the Governance Group within the network of members.

Capital reserve

The capital reserve is towards the cost of future capital projects. This has now been released to general funds.

Members' Funds

The Members' Fund from VAT rebate is to be used towards supporting the membership fees in future years. This has now been released to general funds.

15. STATEMENT OF FUNDS (continued)

Future Funding

The future funding reserve is held for the need of the charity to maintain continuity in protecting it in the event of uncertainties in funding. The funds will allow the charity to maintain operations whilst responding to any changes in funding. This has now been released to general funds.

Members' project fund

The Members' project fund represents funding for members' interests, that may not be met in full from membership subscriptions in any one year.

Asset growth fund as recognition of pension deficit

This fund recognises the potential long term liability associated with its membership of the Universities Superannuation Scheme.

RESTRICTED FUNDS

JISC RDMS Project

CREST, partnering with University of the Creative Arts (UCA), Leeds Trinity University and partners, secured funding from JISC for the project, "A Consortial Approach to Building an Integrated RDM System (RDMS)". The project explored the possibility of building a research data system that could be used by a consortium of CREST members, and simultaneously provide a model for the other smaller and / or specialist institutions with increasingly complete research data management requirements and limited resources.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	2,431	-	2,431
Current assets	1,175,706	57,892	1,233,598
Creditors due within one year	(53,387)	-	(53,387)
Creditors due in more than one year	(88,249)	-	(88,249)
	<u>1,036,501</u>	<u>57,892</u>	<u>1,094,393</u>

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	7,803	-	7,803
Current assets	1,160,279	59,646	1,219,925
Creditors due within one year	(81,710)	-	(81,710)
Creditors due in more than one year	(75,744)	-	(75,744)
	<u>1,010,628</u>	<u>59,646</u>	<u>1,070,274</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	24,119	81,277
Adjustment for:		
Depreciation charges	6,270	13,607
Dividends, interest and rents from investments	(685)	(4,832)
Loss on the sale of fixed assets	302	-
Decrease in debtors	57,902	15,974
Decrease in creditors	(15,818)	(25,848)
Net cash provided by operating activities	<u>72,090</u>	<u>80,178</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,179,681	1,108,106
Total	<u>1,179,681</u>	<u>1,108,106</u>

19. PENSION COMMITMENTS

As detailed in the accounting policy, the Charity has accounted for a multi-employer defined benefits pension scheme as a defined contributions pension scheme.

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £67,764 (2016: £35,745). No contributions were payable to the fund at the balance sheet date and are included in creditors. Included on the balance sheet is a liability for agreed future contributions to the defined benefit pension scheme.

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19. PENSION COMMITMENTS (continued)

20. OPERATING LEASE COMMITMENTS

At 31 July 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	102,522	28,501
Between 1 and 5 years	102,522	-
After more than 5 years	14,597	-
Total	219,641	28,501

21. CONTROLLING PARTY

The Charity is controlled by its members.