

Company Number: 02766993
Registered Charity Number: 1039709

Higher Education Statistics Agency Limited

Consolidated Financial Statements for the year ended 31 July 2015



Further information and copies of this
Publication are available from:

Higher Education Statistics Agency Limited
95 Promenade
Cheltenham
Gloucestershire
GL50 1HZ



Contents

	Page
Legal and Administrative Details	3
Chair's and Chief Executive's Report	4
Report of the Trustees	7
Consolidated Statement of Financial Activities	20
Consolidated Income and Expenditure Account	21
Consolidated Balance Sheet	22
Company Balance Sheet	23
Principal Accounting Policies	24
Notes to the Consolidated Financial Statements	27
Report of the Independent Auditor	41

Name:	Higher Education Statistics Agency Limited ('HESA', 'Agency', 'the charity' or 'the company')
Company Registration Number:	02766993 The Agency is incorporated as a private company limited by guarantee
Charity Registration Number:	1039709
Registered Office:	95 Promenade Cheltenham Gloucestershire GL50 1HZ
Directors/Trustees:	Professor S J Gaskell (Chair) Mr P Clark (Chief Executive) Mr A McConnell Professor R J Last Professor M E Smith Dr P M Greatrix Mr H Shah Professor A M Nolan Professor A McMahon
Company Secretary:	Mrs C Morris
Principal Bankers:	HSBC 2 The Promenade Cheltenham Gloucestershire GL50 1LS
Solicitors:	Willans LLP 28-29 Imperial Square Cheltenham Gloucestershire GL50 1RH DAC Beachcroft LLP 7 Park Square East Leeds LS1 2LW
Auditor:	Crowe Clark Whitehill LLP Carrick House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ

HESA Data Collections

In the period since the last Chair and Chief Executive's Report HESA has delivered the following annual data collections:

- 2013/14 Student Record
- 2013/14 Aggregate Offshore Record
- 2013/14 Staff Record
- 2013/14 Finance Statistics Return (FSR) with Higher Education - Business and Community Interaction (HE-BCI) Survey -
- 2013/14 Estates Management Record
- 2013/14 Destinations of Leavers from Higher Education (DLHE)
- 2014/15 Institution Profile Record
- 2014/15 In-year Initial Teacher Training (ITT) web service

In addition HESA has published the outcomes from the biennial Longitudinal Destination of Leavers from Higher Education Survey for the 2010/11 student leaver cohort and the dataset generated from the 2015/16 Key Information Set (KIS) collection made by HESA through the UNISTATS website and through HESA's website.

In addition the following HESA Data collections have been closed and are currently being compiled prior to delivery:

- 2014/15 Student Record
- 2014/15 Staff Record
- 2014/15 Aggregate Offshore Record

Alternative Providers of Higher Education (APs)

HESA is in the process of completing the collection of its first AP Student Record in respect of in excess of 60 Alternative Providers ("APs") for the academic year 2014/15. The decision by the Department of Business Innovation & Skills ("BIS") to remove the 50 student cap at which APs are required to return data to HESA means that subject to a few exceptions all APs in receipt of funding from the Student Loan Company who have students on designated courses are required to submit data to the AP Student Record for the 2015/16 academic year. BIS have also extended the coverage of the data that APs are required to submit to HESA. Approximately 40 additional APs are in the process of subscribing to HESA and HESA continues to work closely with APs, BIS and the Higher Education Funding Council for England ("HEFCE") to collect APs data and to support APs in this process.

Higher Education Data & Information Improvement Programme

The Higher Education Data & Information Improvement Programme (HEDIIP) hosted by HESA continues to be funded by the Higher Education Funding Council for England, the Higher Education Funding Council for Wales, the Scottish Funding Council and the Department of Education and Learning (Northern Ireland) with its current funding arrangements due to end in July 2016. In May 2015 HEDIIP published the 'Blueprint for a New HE Data Landscape' which is now being taken forward by a range of projects and was a strategic driver for HESA's Data Futures Programme. Activities currently underway are addressing issues around: rationalising data definitions; adoption of a common approach to student and subject identification; improving the data management capabilities required to operate a more efficient and effective HE information landscape and; setting up the collective HE data collection governance arrangements identified in the 'Blueprint for a New HE Data Landscape'. Further information about HEDIIP can be found at www.hediip.ac.uk.

HESA Data Futures Programme

HESA is in the process of completing its consultation on its Data Futures Programme. The consultation seeks views from the sector on proposals to transform HESA's data collection arrangements, in order to provide more frequent and timely data to a broader range of stakeholders. In pursuing this transformation, HESA's Data Futures Programme (formerly known as 'CACHED') also aims to progress a key element of the HEDIIP new data landscape vision, which focussed on reducing the burden of data collection on providers and making the information architecture for the sector more efficient.

HESA Record Reviews

During the past year since the previous report, the Collections Development Team has established new processes for review activities, aimed at better understanding our stakeholders' needs, reducing burden on higher education providers and improving processes for describing requirements to other teams in HESA to support change. The Collections Development Team has trialled new tools and approaches, including: improved surveys; collaborative implementation teams comprising data users, higher education providers ("HEPs") and HESA staff for each review.

Key examples of the Team's work include:

- Implementation phase of the fundamental review of financial reporting - the team led a creative process comprising internal, British University Finance Directors Group members and Funding Council experts to operationalise the decisions made in the review, and to help the sector prepare for the new SORP accounting standard. HESA released a 'beta' version of the new templates a year early, and negotiated changes to bring forward the release of the collection to support the new return date of 1st December.
- Completion of a post-implementation review of the Estates Management record, including amendments to reduce burden on providers.
- Progressing a review of the ITT record to meet demand from HEPs and NCTL to ensure this record better reflects the current structure of ITT in England.
- We have launched (and are in the early phases of) a broad-ranging review of student outcomes and destinations data, with a view to replacing the DLHE with a less burdensome alternative that offers better quality data. This review will encompass new data emerging out of work by BIS, HMRC, DWP and the HE Funding Bodies to link data on tax and benefits with HE study information.

HESA Performance

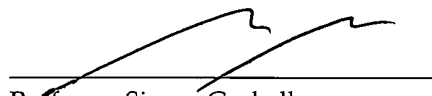
The contribution by HESA staff over this last year continues to be outstanding. Improvements continue to be made to many of HESA's internal processes. HESA staff have fully engaged with our internal Transformation Programme to identify and implement improvements to working practices and behaviours. The success of HESA's Information Services Team has been notable, with growth in data provided to a wide range of customers reflecting an increased interest in HE Sector information. HESA's training programme has also been expanded to meet growing demand from the sector.

Plans for the future

HESA has put in place a one year strategy, details of which can be found at www.hesa.ac.uk/strategy. HESA is in the process of developing its longer term strategy and consulting with its stakeholders. The new strategy will be published before the start of the 2016-17 academic year and will cover a period of five years. HESA's aim is to be the analytical powerhouse for the UK higher education sector, and the trusted source of national higher education statistics and public information. HESA is striving to be at the leading edge of developments in data collection, data processing, technology, digital service delivery, analysis, and dissemination, and to make HESA data accessible and easy to use so it can support the strategic aims of its users, and enhance the competitive strength and effectiveness of UK higher education as a whole.

HESA Board

During the financial year Alison Alden, HESA's Chief Executive retired and Paul Clark was appointed as HESA's new Chief Executive. Jonathan Waller was appointed as a director and Interim Chief Executive during the interregnum period. Following the retirement of Professor Richard Davies, Professor April McMahon joined the Board in November 2014. Professor Sir Nigel Thrift resigned from the Board of HESA with effect from 18 November 2015. The HESA Board is grateful for the significant contribution that all retiring Trustees have made to the Agency.



Professor Simon Gaskell
Chair



Mr Paul Clark
Chief Executive

Report of the Trustees

The Trustees, who are also Directors of the Company for the purposes of the Companies Act 2006, submit their annual report and audited financial statements for the year ended 31 July 2015. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and have complied with the Companies Act 2006 in preparing the annual report and financial statements. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Trustees and officers of the charity, address, legal and administrative details are given on page 3.

Structure, Governance and Management

HESA is a charitable company limited by guarantee and was incorporated on 23 November 1992. There is one wholly owned trading subsidiary, HESA Services Limited, which was incorporated on 27 September 1995.

The Agency's two founding Members are two of the representative bodies for the higher education sector, namely Universities UK and GuildHE. The guarantee of each Member is limited to £1. The governing documents are the Memorandum and Articles of Association of the Company. The Articles of Association were last amended on 5 December 2008. Proposed changes to HESA's Memorandum and Articles of Association and those of HESA Services Limited are being presented to the Board on 19 November 2015 for consideration.

The Board of Directors is appointed by the Members and Directors, as set out below. The Directors are appointed for a period of one year (which may be renewed annually) on the following basis:

- Four Universities UK Trustees (appointed by Universities UK);
- One GuildHE Trustee (appointed by GuildHE);
- The Chief Executive (appointed by the Members);
- At least two but not more than five Co-opted Trustees (appointed by the Directors).

The HESA Board seeks to ensure that appointments to the Board are designed to provide expertise and experience well suited to the governance of the Agency, bearing in mind the particular responsibilities of the Agency and the nature of the services it delivers. The Board seeks through co-option to enhance further the range and balance of experience and expertise available within it.

Following appointment to the Board, new Trustees attend a full induction to the Agency at which they receive presentations from the Chief Executive and senior staff, detailing HESA's structure, organisation and how the Agency operates. They are given a Trustee Handbook that includes important relevant documents, including the Memorandum and Articles of Association, organisation chart, guidance from the Charity Commission and Companies House, details of Committees, calendar of meetings and the latest Consolidated Financial Statements. The Trustees Handbook is also accessible by them online so that it can be updated as necessary.

The HESA Board currently meets three times a year. The Articles of Association were amended on 5 December 2008 to dispense with the holding of annual general meetings (as permitted by the Companies Act 2006). The overall direction of the Agency is defined by the Board. The Board has established four committees:

- an Audit Committee to assist the Board in discharging its responsibilities for the financial statements, monitoring the effectiveness of internal controls, providing assurance on the effectiveness of HESA's risk management arrangements, ensuring effective internal and external audit arrangements are in place and adopting best practice in corporate governance.

Structure, Governance and Management (continued)

- a Remuneration Committee whose responsibilities include keeping under review and determining the remuneration of senior staff and HESA's pay policy.
- a Nominations and Governance Committee whose responsibilities include making recommendations to the HESA Board in relation to the appointment of board members, ensuring an appropriate mix of skills and expertise is represented on the Boards of HESA and HESA Services Limited, and monitoring and managing conflicts of interest.
- a Statutory Business Committee whose role includes to review HE strategy and policy as it may affect HESA data collections and HESA's role within the HE information landscape; to benefit from the exchange of experience and knowledge across the UK; to explore access to data collected by HESA; to review any substantive issues arising from annual reports received from each Statutory Customer reporting on HESA's service delivery and to provide a forum for discussion of any proposals for significant change to be made to HESA's agreements with Statutory Customers.

HESA has a wholly owned subsidiary HESA Services Limited. The two Boards have each delegated the day-to-day running of their companies to the Chief Executive. Under the Chief Executive, the internal management of the companies are carried out by:

- Senior Management Team - The overall staff management and the strategic management of both companies under the Chief Executive is the responsibility of Senior Management Team. Each Head of Unit has a defined sphere of influence and is responsible for the operational activities of HESA and HESA Services Limited within his/her defined sphere of influence.
- Projects Office – Projects are managed and monitored through the Projects Office with escalation to the Senior Management Team where necessary.

Risk Management

A risk management policy document and risk registers have been established and adopted by the Board of Trustees. At regular meetings and when reviewing the strategy and its delivery, the Trustees consider the major risks that the Agency faces. The Strategic Risk Register is a numerically graded risk register which is reviewed by the Audit Committee regularly (with copies provided to the full Board of Trustees) and a report by the Audit Committee Chair is provided to the Board after each Audit Committee Meeting. In addition strategic risks are highlighted in papers presented to both boards and committees. The Audit Committee identifies areas of HESA's operations which may benefit from internal audit assessment (either by HESA's internal auditors or other specialists), reviews findings and recommendations and reports these to the HESA Board. HESA is also accredited under quality standards ISO 9001 and ISO 27001, and the requirements of these contribute to our risk management controls and assurance. Through the risk management and audit processes, the Trustees are satisfied that the major risks to which the Agency is exposed have been reviewed and systems or procedures have been established to manage those risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks that have been identified can be addressed and that some risks cannot be eliminated without unaffordable resources to do so.

Public Benefit

Under the Charities Act 2011, charities must demonstrate a charitable purpose and that their aims are for the public benefit. HESA's charitable purpose is the advancement of education, primarily by providing a statistical data and information service to entities which deliver, fund, plan or participate in higher education in the United Kingdom,

Public Benefit (continued)

as well as to the public more generally to facilitate public awareness of higher education issues (see more detailed list of beneficiaries below).

In determining the public benefit, charities must have regard to two principles (as well as various sub-principles): Principle 1 - there must be an identifiable benefit or benefits; Principle 2 - benefit must be to the public, or section of the public.

The Agency takes a number of steps to ensure the benefits it provides are appropriate and accessible, that those benefits are related to its aims and that the beneficiaries are appropriate to its aims. The HESA Board is made up of individuals appointed by Universities UK and GuildHE and co-opted members appointed by the Board. The majority of the Trustees hold senior positions in higher education providers in the UK, bringing the general views and needs of the HE sector to the Agency's attention. Representatives of HESA's members are also observers of the HESA Board. The Statutory Business Committee of the Agency comprises senior representatives from the UK higher education funding councils, government bodies and the main public sector recipients of HESA data and meets at least once a year to discuss strategic direction and to monitor performance. The Agency consults regularly with the higher education sector to establish its needs and views on changes to HESA records.

The dissemination of data is achieved by responding to specific data needs of our beneficiaries as well as data provision to our Statutory Customers, through our publications, bespoke data enquiries, online interactive management information to HE providers (through the 'Heidi' service which is being upgraded see below) and by providing appropriate data on our website. A dedicated Liaison Team deals with named contacts at higher education providers. The views of all these are formalised and fed into the future planning of the Agency's activities. HESA has also established a linked data process under which HESA Data can be supplied by DfE linked to the National Pupil Database and Individual Learner Record. Details of this can be found at <https://www.gov.uk/national-pupil-database-apply-for-a-data-extract>

In accordance with the Agency's object, powers and mission statement (see Objectives and Activities section below) the aims of the Agency are intended to benefit the following users of HE data:

- A broad range of members of the public including actual and prospective students and their advisors, researchers and journalists;
- Higher education providers;
- Government (including government departments and agencies);
- The HE Funding bodies throughout the United Kingdom; and
- Bodies/entities with a duty or interest in the monitoring, maintaining and promotion of equality of opportunity.

The Agency keeps under review any potential harm that could occur in delivering the benefits provided to its beneficiaries. To date no detriment has been identified as occurring as a result of the Agency's activities. The Agency is very aware of the need to process data in compliance with the law (in particular the DPA) and makes every effort to ensure its activities do not infringe individuals' data protection rights, including taking external legal advice where required. The Agency regularly reviews its activities in the context of data protection law, particularly in light of the growing demand from government bodies for the use of the HESA data.

The Agency is largely funded by the payment of subscriptions by higher education providers and contractual fees paid by other organisations to which data is supplied. Subscriptions for Alternative Providers to provide data for the UNISTATS Website have been established, such subscribers can also opt to become full subscribers of the Agency should they wish to contribute to the other data streams collected by HESA. HESA is in the process of welcoming approximately 40 new smaller Alternative Provider subscribers.

Public Benefit (continued)

The trading subsidiary, HESA Services Limited, which is not a charity, undertakes training, provision of data services, and bespoke information analysis on behalf of HESA for third parties, such as researchers, journalists and employers. The distributable profits of this company are paid to HESA annually under a deed of covenant, which are then used to limit increases in subscriptions.

Information is provided by HESA for free where its extraction would take around an hour or less to complete. Further extracts are often supplied at nominal or no charge for students or media enquiries. HESA's pricing levels and available discounts are set out at <http://www.hesa.ac.uk/index.php/content/view/1903/134/1/0/> on the HESA website.

During 2014/15 HESA dealt with 530 enquiries without charge. This number is less than in previous years but reflects an increase in what HESA publishes for free online, to meet the public interest in higher education statistics. This includes extracts, summaries and tabulations of data in various formats, Statistical First Releases, Statistical Press Releases, Performance Indicators, headline statistics, and publication introductions. HESA's free UK HE Stats mobile app has been substantially re-developed with new data and features, and is now available in phone and tablet versions for both iOS and Android devices. The 'Heidi' online information service delivered by HESA also permits public access to summary data free of charge. HESA data is also available via the <http://data.gov.uk> website and HESA is in discussions with UKDS and ADRN regarding making HESA data available. HESA contributes to the UNISTATS website for the benefit of prospective students through the collection, preparation and supply of source data. HESA also publishes the entire UNISTATS and KIS dataset as a free of charge resource available to all.

The provision of free enquiries is supported by charges for larger enquiries. Large enquiries are charged at a discounted rate to HE providers, on a cost-recovery basis to academic researchers, below-cost or at nominal charge to students, and at a commercial rate to other clients.

In the following sections, there is further detail about how the public benefit principles are met by the Agency. The Trustees have been advised on the public benefit requirement and in preparing this Report, the Trustees have had regard to the guidance on public benefit that the Charity Commission has issued.

Objectives and Activities

The object of the Agency as set out in its Memorandum of Association is to advance education for the public benefit. The following is a summary, inter alia, of the powers of the Agency under its Memorandum of Association, in furtherance of this object:

- to provide a statistical service to those concerned with HE in the UK;
- to collect, analyse and publish data for higher education institutions in the UK, to provide such data to higher education institutions in the UK, each of the HE funding councils and education departments in the UK and such other persons as the Agency think fit;
- to publish and distribute material that the Agency thinks is desirable for the promotion of its objects;
- to undertake research in the HE system and to publish the results of such research; and
- to organise meetings or other events to promote its objects.

HESA has published a new one year strategy for 2015/16 www.hesa.ac.uk/strategy and is in the process of setting its strategy for the period to 2021 and consulting with its stakeholders. The Agency's Strategy for the period 2010 to 2014 remained in place during the financial year and is set out below.

Our Mission

To support the advancement of UK higher education by collecting, analysing and disseminating accurate and comprehensive statistical information in response to the needs of all those with an interest in its characteristics and a stake in its future.

Our Vision

The general public, prospective students, students, universities and colleges, government organisations, funding agencies, politicians and policy makers will have easy access via HESA to a comprehensive body of reliable statistical information and analysis about UK higher education. This resource will be maintained and developed to the highest standards and will be acknowledged in the UK and overseas as authoritative, useful and cost effective.

Our Values

Excellence

We serve higher education well and earn the trust of its stakeholders by striving for the highest quality in all our activities and nurturing our independence and impartiality.

Collaboration

We work in partnership with organisations and individuals, making sure we understand their needs and responding in a supportive and professional manner.

Responsibility

We welcome our duty to be accountable for all we do, to use our resources well, to value our staff and their expertise and to provide clear public benefit.

Our Aims

Increasing understanding

Engage with a wide variety of stakeholders in higher education to increase our understanding of their needs and help us shape our services.

Collecting information

Create an information resource by ensuring the right information is collected and managed in the right ways and at the right times.

Disseminating information

Use the information resource and HESA's expertise in responsible and insightful ways that benefit higher education and wider society.

Operating effectively

Be a well-run organisation that people want to work with and for.

For 2014/15 a summary of the significant achievements, activities and plans for the future of the Agency are set out in the Chair's and Chief Executive's Report on pages 4 to 6.

The aims set out in the Strategy are broken down into specific objectives. Key outcomes for this year (2014/15) are grouped under each objective and are reported below.

Increasing understanding

- Meet and listen to a broad range of people involved in higher education policy development and its implementation/actively participate in relevant stakeholder conferences, working groups and initiatives.

Increasing understanding (continued)

The Agency continues to hold regular HEI User Group meetings and has kept in close contact with Statutory Customers as well as monitoring statutory changes. We have attended numerous meetings with representative bodies, higher education providers and statutory customers and have attended or presented to many conferences including Universities UK, Student Record Officers' Conference, and the HE Strategic Planners Association, Association of Heads of University Administration.

- Work in partnership with others to lead on the development of common standards and good practice in the field of data collection, analysis and dissemination - *The Higher Education Data & Information Improvement Programme ("HEDIIP Programme") hosted by HESA is continuing its work to enhance the arrangements for the collection, sharing and dissemination of data and information about the higher education system. In May 2015 HEDIIP published the 'Blueprint for a New HE Data Landscape' which described a vision and strategy for the information landscape. The Blueprint is now being taken forward by a range of projects addressing: common data definitions; adoption of a common approach to student and subject identification and; data management capabilities. More information about the HEDIIP Programme can be found at www.hediip.ac.uk.*
- Review the nature and timing of our collections to ensure the data are relevant and sufficiently broad in scope, to cut out duplication and to minimise the burden on the sector – *In addition to the HEDIIP Programme and Data Futures Programme referred to above HESA has undertaken review projects to discover our stakeholders' needs, and to create and describe improvements that will be implemented in our products. A fundamental review of financial data reporting has been completed. Working with BUFDG and the Funding Councils, we have produced the new Finance return a year ahead of schedule to aid transition to the new SORP and new 1 December return date in 2015/16. We have launched a wide-ranging review of student destinations and outcomes data to replace DLHE, and prior to this, will be launching the 2015/16 DLHE record using a new mobile-friendly survey instrument operated by Bristol Online Surveys. A review of the ITT in-year record is currently underway, to better fit the record to recent changes to ITT funding methodology.*

Collecting Information

- Collect appropriate data in the most efficient and effective ways. *The Agency works to improve efficiency and reduce burden, through planned on-going record reviews, involving both data collators and data users, also through the HEI User Group, the Statutory Customer Technical Group, the HEDIIP Programme and Data Futures Programme. HESA continues to work with the Regulatory Partnership Group.*
- Ensure the data collected are fit for purpose. *A work package within HESA's Transformation Programme covers data quality assurance; investigating the dimensions of data quality and seeing how a new model of quality can be applied within the data collection system; developing a proportionate approach to data quality assurance, supported by emerging improvements in the system technology and also involving providers to a greater degree.*
- Work with those delivering higher education to identify and spread best practice in the collection and management of data. *This continues to be achieved predominantly through the provision and delivery of a comprehensive training programme by the Training Team (see below) and also by the provision of Coding Manuals and other supporting material on the HESA website. Regular engagement with many sector groups continues, including, the Student Record Officers Conference, HE Strategic Planners Association, Universities and Colleges Information Systems Association, British Universities Finance Directors Group, Association of Graduate Careers Advisory Services, and the Association of University Directors of Estates.*
- Provide individual higher education providers with the support and advice they need. *Support and advice is provided primarily by the Liaison Team, e.g. through the Help Desk facility and also through supporting material on*

Collecting Information (continued)

- *the HESA website. In addition the Training Team offer an extensive annual training programme (see above and below) and the Heidi Service Team provide advice and support in respect of Heidi and Heidi Plus.*
- *Delivering an effective programme of seminars, visits and bespoke training about data collection and management. During the financial year ending 31 July 2015 the Training team delivered 54 seminars and 34 bespoke institutional training days, with the overall programme reaching a total of 2007 delegates 97% of higher education institutions attended a HESA provided training event. All of the events delivered received excellent feedback emphasising that the training content remains useful and relevant to those who attend.*
- *Fulfill our obligations to statutory customers and nurture our close working relationship with them. The Agency continues to apply professional contract management in its delivery of datasets to Statutory Customers. In addition HESA is revising the formal documentation underpinning its relationships with its Statutory Customers to better reflect the nature of their relationship. The annual Statutory Business Committee (SBC) meeting provides an opportunity for Board members and senior representatives from Statutory Customer organisations to have informed UK-wide strategic discussions. It is proposed that a reconstituted SBC will have a role in monitoring and reviewing the new style of relationship. HESA also continues to host the Statutory Customer Technical Group which meets three times year, members of HESA's senior management team also make annual-on-site-visit to each Statutory Customer.*
- *Achieve more timely reporting across the academic year. Aware of the value of timely data, HESA continues to work on its internal processes aiming to reduce timescales between the closure of collections and the publication of data. The need for a more radical change to the approach to data collection has been recognised by the Board. HESA is in the process of completing its Data Futures Consultation with a view to securing funds to modernise HESA's data collection approach and systems. This will result in a new system which can facilitate the in-year collection of data.*
- *Carefully curate the information resource to safeguard future analysis and time series. This is achieved through maintaining best practice in data architecture and data management, including relevant metadata and documentation. HESA has full time data architect and data management team. This is furthered by providing suitable documentation to support higher education providers through changes introduced in HESA records.*

Disseminating Information

- *Develop information provision and analysis services and products that satisfy the requirements of HESA's partners and customers – The Agency continues to publish online its product catalogue and all products are now published in exclusively electronic format. HESA's on-going survey of users of HESA Information Services has established that during the financial year 93% of respondents felt HESA had met their requirements and 100% would use the Agency again. HESA continues to publish the entire UNISTATS and KIS datasets as a free of charge resource accessible to all.*
- *Lead fresh thinking about potential applications of HESA information within and beyond the higher education sector – HESA continues to be a member of the HE Ministerial Information Sharing Group and continues to work with commercial and charitable organisations who wish to provide information, particularly for prospective students. HESA also continues to work with other government departments keen to use HESA data. HESA has developed a new publication entitled the 'Subject Benchmarking Report' for HE Providers to assist them in understanding how their subject provision compares with other providers. Another new product is under development aimed at supporting local councils in understanding student migration patterns and the consequential impact on local resource planning.*

Disseminating Information (continued)

- Further refine the HESA Management Information System ("Heidi") so that it gives increasing value to its subscribers – *Heidi continues to be improved and developed for its user community. HESA is undertaking a major collaborative project with Jisc to undertake a fundamental redevelopment of Heidi as part of a business intelligence shared service. This will provide new and enhanced functionality and data content, ensuring that the system maintains its leading-edge role in delivering management information about higher education and supports HE providers in improving their business intelligence maturity and capability.*
- Adhere to the highest standards in the production and dissemination of statistical outputs in accordance with the Code of Practice for Official Statistics - *The Agency is continuing its work to embed good practice from the Official Statistics Protocols in all HESA information outputs. HESA collaborates closely with Statutory Bodies producing Official Statistics about higher education, including those in Devolved Administrations to ensure that users across the UK have access to a set of comprehensive and complementary statistical outputs to meet their needs.*
- Ensure that users of the information resource are fully aware of how the data should be interpreted and applied responsibly – *All provision of information is under licence. Support is regularly provided to data users who require further clarification on interpretation and/or use of the data. HESA has convened a group of sector representatives who meet on an annual basis to review the process for supplying data to third parties and the support provided to assess whether additional improvements can be made.*
- Communicate effectively about HESA's role, services, products and plans – *The Agency continues to develop its website as a mechanism for providing information on higher education to a wide range of interested parties. In addition attendance at various training events, seminars and conferences has provided excellent opportunities to develop HESA's profile and to engage with various HE stakeholders. HESA has appointed a Communications Manager to enable HESA to increase the effectiveness of its communications.*

Operating Effectively

- Operate in line with HESA's values and with appropriate leadership principles and management disciplines – *HESA holds weekly Senior Management Team meetings and professional advice is sought externally when required.*
- Review efficiency, value for money and business planning as part of a wider drive for financial sustainability – *Through internal audits, process reviews and project management HESA seeks to ensure efficiencies and value for money.*
- Ensure that HESA functions in an ethically sound and socially and environmentally responsible manner – *Policy and strategy developments are considered within HESA's stated values.*
- Assess HESA's governance to make sure it accords with best practice and all relevant legislation – *Staff have attended training events, monitored legal developments, liaised with colleagues in the sector to share knowledge and experience, and sought external legal advice where necessary.*
- Maintain ISO Quality Management and Information Security accreditations – *Maintained through internal processes and audit.*
- Review the way staff are recruited, developed and rewarded to ensure that they are well motivated and feel valued, and that HESA retains their expertise – *Using various means, there has been significant recruitment activity during the year which has resulted in 18 new permanent appointments; additionally specialist resources for the Transformation Programme have been sourced and have proved to provide valuable input to the*

Operating Effectively (continued)

process. The Pay Policy and Pay Structure which was introduced last year has been operated again this year, providing a good framework for the Agency's pay review. The process of appraisal underpins performance related pay in the Agency and provides for the discussion and identification of development opportunities/requirements – the process and documentation will be reviewed before next year's activity. The Staff Forum continues to operate effectively and has been used to consult on the changed Employment Handbook. A Staff Satisfaction Survey has been carried out, which at a high level appears to be largely positive.

- Strengthen IT and other essential systems as necessary to improve their resilience and fitness for the future – *The Transformation Programme has identified a number of areas where systems and processes can be improved. These have been prioritised with regard to Business and IT strategies and many are being taken forward within the 2015/16 IT Roadmap.*
- Review HESA's office accommodation and facilities in the light of the organisation's current and anticipated needs – *In response to anticipated needs, early in 2015 HESA acquired the lease to additional office space conveniently within the same building. HESA is considering how it can optimise the use of its accommodation to support its future aims.*
- Work within a programme, project and change control framework – *HESA's Projects Office has responsibility for the delivery of business projects and HESA's internal Transformation Programme. Project managers and co-ordinators have been closely involved with the trialling (within the Transformation Programme) of the agile approach to data collections development and its subsequent adoption. During 2015/16 the role of the Projects Office will be reviewed in conjunction with the development of HESA's strategy and existing and emerging change initiatives to ensure that it effectively translates our strategic objectives into actionable project objectives; combining the best features of traditional project management disciplines with agile principles to deliver business results and tangible benefits.*

Plans for the future

HESA has put in place a one year strategy details of which can be found at www.hesa.ac.uk/strategy. HESA is in the process of developing its longer term strategy and consulting with its stakeholders. The new strategy will be published before the start of the 2016-17 academic year. HESA's aim is to be the analytical powerhouse for the UK higher education sector, and the trusted source of national higher education statistics and public information. HESA is striving to be at the leading edge of developments in data collection, data processing, technology, digital service delivery, analysis, and dissemination, and to make HESA data accessible and easy to use so it can support the strategic aims of its users, and enhance the competitive strength and effectiveness of UK higher education as a whole.

Financial Review

The group's net incoming resources for the year amounted to £698,456 (2014: £285,212).

Total incoming resources were £8,721,970 for the year compared with £5,732,814 in the previous period. Restricted income in the current year was £2,367,949 (2014: £424,173) and was in respect of specific grant funding from the Higher Education Funding Councils around the UK in respect of funding for Higher Education Data and Information Improvement Programme (HEDIIP) and the Longitudinal Destinations of Leavers from Higher Education Survey, which takes place in alternate years. Funds were also received from Jisc in respect of the development of Heidi Plus and from HEFCE for the implementation of the collection of data from Alternative Providers of higher education. Unrestricted Funds income increased by £1,045,380 to £6,354,021 in the year. This was due to subscription income increasing by £808,421 due to new Alternative Providers subscribing to HESA, an increase in the use of the Fixed Database mechanism to resubmit data after the scheduled closure of the relevant collection and the planned increase in subscription rates to support the redevelopment of HESA's collection systems.

Financial Review (continued)

Phase 1 of the HESA Data Futures Programme (formerly known as the Change in the Approach to the Collection of Higher Education Data (CACHED)) commenced in January 2015 following agreement by the HESA Board that a programme of work should be undertaken to explore the implementation of in-year data collection. Phase 1 covered the development of an Outline Business Case for the transformation required to enable HESA to collect and disseminate data in-year for the benefit of the providers and users of HE data. Phase 1 was funded during this financial year by a grant of £250,000 from the Higher Education Funding Councils for England. The higher education funding bodies for Wales, Scotland and Northern Ireland also agreed to contribute to the cost of the Outline Business Case's development. As stated above a consultation is currently underway on the next phase of the HESA Data Futures Programme.

The contracts for the regular supply of data to the HEFCE, the Department for Education and the Research Councils generated income of £190,675 in the current year (2014: £175,875). During the year HESA entered into a three year contract with the General Medical Council (GMC) and the amount receivable under this contract was £15,475.

Interest receivable has increased from £16,132 to £22,858 as a result of higher cash balances. The Agency is currently formulating a revised investment policy to determine the best way to invest fund held in excess of short term requirements.

Income from the Agency's trading subsidiary, HESA Services Limited, has increased to £1,140,732 (2014: £926,734). Demand for ad-hoc data requests through the Information Services Unit has been exceptionally high realising income of £674,647 in the year, an increase from £518,896 in 2014. Turnover through Analytical Services increased from £80,700 in 2014 to £114,264 reflecting a number of high value sophisticated bespoke data enquiries. Sales of HESA's publications continued their slowly declining trajectory totalling £46,813, a fall of £8,226 from the previous year. Whilst HESA's static publications continue to meet a core need and help to deliver against HESA's charitable objects, they do not represent scope for growth. HESA Services' strategy remains to develop new interactive and hybrid publications. The 2014/15 training seminar programme continued to provide an extensive programme; consisting of 54 events including 4 events commissioned by HEDIIP to raise awareness of the Data Capability project. The activity generated income of £227,045 (2014: £246,453). Income from bespoke training visits was £33,805 in the year (2014: £23,494). Together these activities reached a record number of delegates, over 2,000 in the current year. Demand for the Heidi service from non HESA full subscribers generated income of £44,046.

Total expenditure of the Agency was £8,023,514 and of this £2,361,267 (2014: £424,173) was in respect of restricted funded projects; HEDIIP, HESA-Jisc Business Intelligence Project ("Heidi-Jisc BI"), Alternative Providers Collection, the Longitudinal DLHE survey and the CACHED/HESA Data Futures project. Expenditure from unrestricted funds was £5,662,247 for the year compared with £5,023,429 in the previous period. The rise in staff costs of £494,679 is a result of an increase in the number of permanent staff, recruitment to resource funded projects, staff progression and the annual pay award and a holiday pay accrual. As we have recruited to posts during the year and as the number of staff employed by the Agency has increased, so have the support costs incurred compared with last year.

Total Governance costs have increased over 2015 from £235,725 to £322,128, due to increased allocation of direct staff costs to this heading, the high volume of complex legal work, the lease acquisition, and variation during the year. The cost of our commercial operations through HESA Services Limited has increased from £559,496 to £624,897 but has not increased as a percentage of turnover, hence increased profitability.

The commercial profit of HESA Services Limited is £515,835 for the year, compared with a profit of £367,238 in 2014; profitability increasing from 39% to 45%.

During the year HESA varied its lease dated 10 February 2014 of part of the ground floor and first floor of 95 Promenade and entered into a new lease of an extra part of the ground floor ("The Leases"). Following on from the variation, both Leases will terminate in 2025 with options to break in 2021 (subject to providing the landlord with 9 months' notice).

Financial Review (continued)

Under the Leases the Agency is required on termination to reinstate the premises to their original layout and condition; if required to do so by the landlord. The estimated cost of this, including fees, is £235,000 and this has been provided for in full. The Trustees are aware of the changes to financial reporting which will impact on HESA from the year ending 31 July 2016. Of highest impact for HESA will be the need to recognise a liability on the balance sheet equal to the present value of contributions payable under any arrangement to fund a pension scheme deficit.

Reserves Policy

The Trustees have considered what may be an appropriate level of reserves for the Agency to be holding. The following have been taken into account when doing so:

- the need to establish the Agency in alternative accommodation on the termination of its existing lease.
- the need to ensure that we can support operational commitments in the forthcoming year as set out in the Chair's and Chief Executive's Report,
- the on-going ability to deliver the objectives as set out in the Strategy 2015/16,
- the nature of the Agency's income streams is such that the period around the year end is usually when reserves are at their lowest.

An amount of £650,000 has therefore been set aside in a Designated Accommodation Fund, being the estimate of sourcing, securing and the initial occupation costs of alternative office accommodation. The Trustees believe that it would be appropriate to maintain free reserves at a level equivalent to 3 to 4 months' of fixed costs. At £2,609,894 at the year end, General Reserves represent approximately 6 months of recurring revenue expenditure.

HESA will be developing its longer term Strategy for 2016 – 2021 in the forthcoming year and this will include the development of a detailed financial strategy including consideration of how this may impact our Reserves Policy.

Investment Policy

The Agency's cashflow pattern is such that most of its income (in the form of subscriptions) is received in the early months of the financial year. This then funds future regular revenue and capital expenditure requirements. Where operationally appropriate, the Agency will seek to maximise return on cash deposits by placing fixed term and money market deposits at the most favourable rate, whilst maintaining optimum working capital levels. During the year the interest rates on fixed term balances became less favourable, however, investment income in the year increased to £22,858 (2014: £16,132). The development of the financial strategy for 2016 – 2021 will include consideration of HESA's investment policy.

Post Balance Sheet Events

There have been no events affecting the company since the end of the accounting period.

Funding

The Trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations in relation to each of its funds.

Directors

For the purposes of company law, the current Trustees are the Directors of the company and those who served from 1 August 2014 to the date of this report are shown below:

Professor S J Gaskell
Ms A Allden (Chief Executive) (retired 31 March 2015)
Mr J Waller (Interim Chief Executive 1 April 2015 to 10 May 2015)
Mr P Clark (Chief Executive from 11 May 2015)
Mr A McConnell
Professor Sir N Thrift (resigned 18 November 2015)
Professor R B Davies (resigned 25 November 2014)
Professor R J Last
Professor M E Smith
Dr P M Greatrix
Mr H Shah
Professor A M Nolan
Professor A McMahon (appointed 26 November 2014)

Trustees' Responsibilities for the Consolidated Financial Statements

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

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees of the charity at the date of approval of this report are aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Trustee has taken all the steps that he/she should have taken as a Trustee in order to be make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

A resolution to re-appoint Crowe Clark Whitehill LLP as auditor will be proposed to the Members by way of written resolution in November 2015.

Approved and Signed By Order of the Board



Claire Morris

Company Secretary

19 November 2015

Higher Education Statistics Agency Limited
Consolidated Statement of Financial Activities for the year ended 31 July 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Incoming Resources					
<i>Incoming resources from Charitable Activities:</i>	2				
Subscriptions receivable		4,993,961	-	4,993,961	4,185,540
Contract income		190,675	-	190,675	175,875
Grants receivable	3	-	2,367,949	2,367,949	424,173
<i>Incoming resources from generated funds:</i>					
Commercial trading operations	4	1,140,732	-	1,140,732	926,734
Investment income and interest	5	22,858	-	22,858	16,132
<i>Other incoming resources</i>		5,795	-	5,795	4,360
TOTAL INCOMING RESOURCES		6,354,021	2,367,949	8,721,970	5,732,814
Resources Expended					
<i>Cost of generating funds</i>					
Commercial trading operations	4	624,897	-	624,897	559,496
<i>Charitable Activities</i>					
Provision of statistical service		4,715,222	2,361,267	7,076,489	4,652,381
<i>Governance costs</i>		322,128	-	322,128	235,725
TOTAL RESOURCES EXPENDED	6	5,662,247	2,361,267	8,023,514	5,447,602
Net incoming resources for the year and surplus of income over expenditure		691,774	6,682	698,456	285,212
Transfer from unrestricted to restricted funds		(491)	491	-	-
Fund balances brought forward at 1 August 2014		2,568,611	-	2,568,611	2,283,399
Fund balances carried forward at 31 July 2015	20	3,259,894	7,173	3,267,067	2,568,611

There were no other recognised gains or losses in the year.

The group's turnover and expenses all relate to continuing activities.

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

Consolidated Income and Expenditure Account for the year ended 31 July 2015

	Note	2015 £	2014 £
Income			
Subscriptions receivable	2	4,993,961	4,185,540
Contract income		190,675	175,875
Grant income	3	2,367,949	424,173
Commercial income of subsidiary	4	1,140,732	926,734
Investment income and interest	5	22,858	16,132
Other incoming resources		5,795	4,360
		<u>8,721,970</u>	<u>5,732,814</u>
Expenditure			
Trading expenses of subsidiary		624,897	559,496
Cost of activities in furtherance of charity's objectives:			
Provision of statistical service		7,076,489	4,652,381
Governance		322,128	235,725
	6	<u>8,023,514</u>	<u>5,447,602</u>
Operating surplus for the year		<u>698,456</u>	<u>285,212</u>
 Statement of total recognised gains and losses			
		2015 £	2014 £
Surplus for the year		698,456	285,212
Total gains and losses recognised since 31 July 2014		<u>698,456</u>	<u>285,212</u>

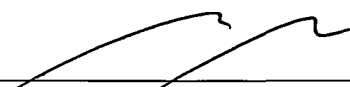
The group's turnover and expenses all relate to continuing activities.

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


	Note	2015 £	2014 £
Fixed Assets			
Tangible assets	11	736,710	568,912
Investments	12	-	-
		<u>736,710</u>	<u>568,912</u>
Current Assets			
Debtors	14	679,118	471,718
Cash at bank and in hand		3,121,926	2,015,721
		<u>3,801,044</u>	<u>2,487,439</u>
Creditors: amounts falling due within one year	15	(711,820)	(276,435)
Net current assets		<u>3,089,224</u>	<u>2,211,004</u>
Total assets less current liabilities		3,825,934	2,779,916
Creditors: amounts due falling after more than one year	16	(323,867)	(26,305)
Provisions for liabilities and charges	19	(235,000)	(185,000)
		<u>3,267,067</u>	<u>2,568,611</u>
Income Funds			
Unrestricted funds			
General Fund	20	2,609,894	1,918,611
Designated Accommodation Fund	20	650,000	650,000
Restricted funds	20	7,173	-
		<u>3,267,067</u>	<u>2,568,611</u>

The consolidated financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008).

The consolidated financial statements were approved and authorised for issue by the Board of Trustees on 19 November 2015, and were signed on their behalf by;



 Professor Simon Gaskell
 Chair




 Mr Paul Clark
 Chief Executive


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

	Note	2015 £	2014 £
Fixed Assets			
Tangible assets	11	736,710	568,912
Investments	12	1	1
		<u>736,711</u>	<u>568,913</u>
Current Assets			
Debtors	14	946,394	707,768
Cash at bank and in hand		2,755,942	1,737,653
		<u>3,702,336</u>	<u>2,445,421</u>
Creditors: amounts falling due within one year	15	(613,113)	(234,418)
Net current assets		<u>3,089,223</u>	<u>2,211,003</u>
Total assets less current liabilities		3,825,934	2,779,916
Creditors: amounts due falling after more than one year	16	(323,867)	(26,305)
Provisions for liabilities and charges	19	(235,000)	(185,000)
		<u>3,267,067</u>	<u>2,568,611</u>
Income Funds			
Unrestricted funds			
General Fund	20	2,609,894	1,918,611
Designated Accommodation Fund	20	650,000	650,000
Restricted funds	20	7,173	-
		<u>3,267,067</u>	<u>2,568,611</u>

The consolidated financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008).

The consolidated financial statements were approved and authorised for issue by the Board of Trustees on 19 November 2015, and were signed on their behalf by;


 Professor Simon Gaskell
 Chair


 Mr Paul Clark
 Chief Executive

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

Basis of Preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). They have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards and in accordance with the Companies Act 2006.

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking, HESA Services Limited. The results of the subsidiary undertaking are consolidated on a line by line basis.

No separate statement of financial activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Going Concern

The charitable company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

Fund Accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are other incoming resources received or generated for expenditure on the general objectives of the charity.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

Income

All incoming resources are accounted for when the Agency is legally entitled to the income and there is certainty of receipt and the amount is quantifiable with reasonable accuracy.

Subscription income is accounted for in the year to which it applies. Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet shown as subscriptions received in advance.

Income from contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned. Any payments received in advance are recognised on the balance sheet as deferred income within liabilities.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Investment income is accounted for when receivable.

Resources Expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Direct costs, including directly attributable salaries, are allocated on an actual basis. Overheads and other salaries are allocated between headings on the basis of management estimates of the amount attributable to that activity, mostly by reference to staff time. Charitable activities comprise all the expenditure incurred by the charity in performing its charitable objects. Support costs are those costs incurred directly in support of expenditure on the objects, and governance costs are those incurred in connection with organisational administration of the charity and compliance with constitutional and statutory requirements. Costs of generating funds are costs of trading subsidiaries. The irrecoverable element of VAT is included with the item of expense to which it relates.

Leases

Operating Leases

Operating lease payments are charged to the statement of financial activities on a straight line basis over the lease term.

Finance Leases

Assets held under finance leases and the related obligations are included at the fair value of the leased asset at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the asset. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

Tangible fixed assets and Depreciation

Fixed assets below the value of £500 are not capitalised. Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets held for charity use by equal instalments over their expected useful lives. The rates generally applicable are:

- | | |
|-------------------------------------|---|
| • Leasehold Improvements | Over the remaining period of the lease. |
| • Computers - Hardware and Software | 33%/25%/20%/10% |
| • Office Equipment | 20% |
| • Office Furniture | 20% |

Capitalisation of software development costs

The costs of major improvements to the Agency's data collection system which have been approved by the HESA Board may be capitalised. Costs may include external direct costs and pay related costs for employees of HESA who are directly associated with the project. The capitalised costs will be written off over the estimated useful life of the asset.

Impairment

HESA undertakes an annual review of fixed assets to ensure that where the net book value of an asset is greater than its economic benefit it will be deemed to be impaired and written down to its economic value.

Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

Recognition of Liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the charity to the obligation.

Provisions

Provisions are recognised when the charity has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contributions to Pension Fund

Defined Benefit Schemes

Universities Superannuation Scheme

The Agency participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual participating employers and a scheme-wide contribution rate is set. The Agency is therefore exposed to actuarial risks associated with other participating employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

Superannuation Arrangements of the University of London

The Agency participates in the Superannuation Arrangements of the University of London "(SAUL)", which is a centralised defined benefit scheme and is contracted-out of the Second State Pension.

SAUL is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in SAUL, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. A formal valuation of SAUL is carried out every three years by professionally qualified and independent actuaries using the Projected Unit method. Informal reviews of SAUL's position are carried out between formal valuations. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015**1 Incoming Resources**

The incoming resources of the group relates to activities undertaken in the United Kingdom, with the exception of £9,599 (2014: £11,590) of income of HESA Services Limited which relates to activities undertaken in the rest of the world.

2 Activities in furtherance of the charity's objects

	2015	2014
	£	£
Subscriptions receivable from UK Higher Education Providers and sector bodies	4,993,961	4,185,540
Income under contracts with:		
Higher Education Funding Council for England	79,500	79,500
National College for Teaching and Leadership	87,300	65,475
Training and Development Agency for Schools	-	15,750
General Teaching Council for England	-	4,500
Research Councils	8,000	8,000
General Medical Council	15,475	-
Department of Business, Innovation and Skills (BIS)	400	2,650
Grants receivable from (see note 3):		
Higher Education Funding Council for England	1,562,464	358,203
Higher Education Funding Council for Scotland	140,686	41,663
Higher Education Funding Council for Wales	89,034	17,362
Higher Education Funding Council for Northern Ireland	53,927	6,945
Health Education England	271,046	-
Jisc	200,607	-
Research Councils	50,185	-
	7,552,585	4,785,588

The General Teaching Council for England and the Training and Development Agency for Schools contracts transferred to their organisations successor bodies being the Teaching Agency which then merged to form the National College of Teaching and Leadership (an Executive Agency of the Department for Education).

3 Grant Income

	2015	2014
	£	£
Grants received in respect of the following projects:		
Longitudinal Destinations of Leavers from Higher Education Survey (LDLHE)	927,924	-
Higher Education Data and Information Improvement Programme (HEDIIP)	706,045	347,201
HESA-Jisc BI	200,607	-
Phase 1 HESA Data Futures (formerly CACHED)	250,000	-
Alternative Providers Data Collection development project	283,373	76,972
	2,367,949	424,173

3 Grant Income (continued)

During the year ended 31 July 2015 the Agency received grant income to fund the Programme Management Office and related projects undertaken by HEDIIP. HEDIIP is a programme of work funded by the four UK HE funding councils and has been established to enhance the collection, sharing and dissemination of data and information about the HE system.

The Higher Education Funding Council for England (HEFCE) have provided grant funding to enable HESA to develop data collection systems and processes to enable alternative providers to make data returns to HESA in line with the BIS requirements.

Phase 1 of the HESA Data Futures Programme (formerly known as the Change in the Approach to the Collection of Higher Education Data (CACHED)) commenced in January 2015 following agreement by the HESA Board that a programme of work should be undertaken to explore the implementation of in-year data collection.

During this year some of HESA's statutory customers and Health Education England funded the costs of engaging contractors to carry out the longitudinal survey of the destinations of leavers from higher education (LDLHE). This survey takes place in alternate years.

HESA is undertaking a major collaborative project with Jisc to undertake a fundamental redevelopment of Heidi as part of the HESA-Jisc Business Intelligence Project has received grant funding from Jisc in this year.

4 Commercial Income of Trading Subsidiary

	2015 £	2014 £
HESA Services Limited		
Turnover	1,140,732	926,734
Direct Costs	(611,215)	(541,577)
Gross Profit	529,517	385,157
Administrative Expenses	(13,682)	(17,919)
Net profit for the year, covenanted to HESA Limited	515,835	367,238

Total assets of HESA Services Limited at the balance sheet date amounted to £535,563 (2014: £354,296) and total liabilities were £535,562 (2014: £354,295).

5 Investment Income and Interest

	2015 £	2014 £
Bank interest receivable	22,858	16,132

Notes to the Consolidated Financial Statements for the year ended 31 July 2015**6 Resources Expended****a) Analysis of total resources expended**

	Staff Costs £	Support Costs £	Other Costs £	Depreciation and Amortisation £	Total 2015 £	Total 2014 £
Unrestricted Funds:						
<i>Cost of generating funds:</i>						
Commercial trading	412,579	83,780	120,666	7,872	624,897	559,496
<i>Charitable activities:</i>						
Provision of statistical service	3,524,638	837,298	166,453	186,833	4,715,222	4,228,208
<i>Governance</i>	181,041	37,024	100,323	3,740	322,128	235,725
Total unrestricted resources expended	4,118,258	958,102	387,442	198,445	5,662,247	5,023,429
Restricted Funds:						
<i>Charitable activities:</i>						
Provision of statistical service:						
Longitudinal DLHE survey	-	928,415	-	-	928,415	-
HESA-Jisc BI	38,029	126,982	11,094	17,329	193,434	-
HEDIIP	199,029	71,261	435,755	-	706,045	347,201
CACHED – Phase 1	-	-	250,000	-	250,000	-
Alternative Providers	103,775	159,675	19,356	567	283,373	76,972
Total restricted resources expended	340,833	1,286,333	716,205	17,896	2,361,267	424,173
2015 Total resources expended	4,459,091	2,244,435	1,103,647	216,341	8,023,514	5,447,602
<i>2014 Total resources expended</i>	<i>3,964,412</i>	<i>886,719</i>	<i>388,107</i>	<i>208,364</i>	<i>5,447,602</i>	

Notes to the Consolidated Financial Statements for the year ended 31 July 2015**6 Resources Expended (continued)****b) Analysis of support costs**

	Provision of Statistical Service £	Gover- nance £	HESA Total £	Commercial Activities £	Group Total 2015 £	Group Total 2014 £
Human Resources	136,074	19,932	156,006	12,087	168,093	95,452
Accommodation	283,637	8,308	291,945	44,658	336,603	314,526
Travel	35,382	861	36,243	2,325	38,568	32,233
Meetings	12,097	53	12,150	650	12,800	12,780
Office	7,381	220	7,601	4,372	11,973	12,072
IT & communications	187,021	5,099	192,120	15,057	207,177	181,982
Finance	2,925	-	2,925	4,631	7,556	5,893
Transformation Programme	108,275	-	108,275	-	108,275	130,035
Alternative Providers	57,422	-	57,422	-	57,422	-
Insurance	2,296	2,427	4,723	-	4,723	3,448
Subscriptions	4,788	124	4,912	-	4,912	11,781
	837,298	37,024	874,322	83,780	958,102	800,202

c) Analysis of Governance costs

	2015 £	2014 £
Legal and Professional	73,787	18,552
External audit fees	10,008	8,124
Internal audit fees	11,034	12,884
Costs of Trustees meetings	5,494	6,468
Apportionment of staff, support costs and depreciation	221,805	189,697
	322,128	235,725

7 Net Incoming Resources

	2015 £	2014 £
These are stated after charging:		
Auditor's remuneration -		
Audit Fee (Company £7,240)	9,750	10,500
Taxation and other services	9,200	2,421
Internal audit fees	6,393	12,884
Finance lease interest	512	-
Operating lease rentals	184,640	167,437
Loss on disposal of fixed assets	-	758

8 Trustees and Employees

The average number of employees of the group during the year was 106 (2014: 97), including the Chief Executive but excluding non-executive Trustees who numbered 9 (2014: 9). The average number of employees calculated on a full-time equivalent basis, analysed by function was:

	2015 Number	2014 Number
Provision of statistical service	67	59
Support	20	20
Governance	2	2
Generating Funds	12	11
	<u>101</u>	<u>92</u>

Staff costs during the year were:

	2015 £	2014 £
Wages and salaries	3,653,456	3,265,618
Social security costs	302,485	255,085
Pension costs	503,150	443,709
	<u>4,459,091</u>	<u>3,964,412</u>

Remuneration in respect of Trustees was as follows:

Management remuneration	<u>136,573</u>	<u>134,885</u>
-------------------------	----------------	----------------

The emoluments of the Chief Executive Ms Alison Allden until her retirement in April 2015 were £101,544 (2014: £134,885 full year) with Employer's Pension contribution into the USS scheme of £14,719 (2014: £21,582 full year). Mr Jonathan Waller acted as Interim Chief Executive for the period 1st April 2015 until 10th May 2015. During this period he received remuneration of £9,228, with Employer's pension of £1,477. Mr Paul Clark was appointed Chief Executive on 11 May 2015 and received remuneration of £25,801 with Employer's Pension contribution into the USS scheme of £4,128 from this date until 31 July 2015. These payments to a Trustee are authorised in the Company's Memorandum of Association and approved by the Charity Commission.

No other Trustee or person with a family member or business connected with a Trustee received remuneration in the year, directly or indirectly, from either the charity or an entity controlled by the charity.

Excluding the Chief Executive, no employee earned between £60,001 and £70,000 (2014: one), four employees earned between £70,001 and £80,000 (2014: three) and two employees earned between £80,001 and £90,000 (2014: two) in the current accounting period. Employers' Pensions contributions into the USS defined benefit scheme were made for all higher paid employees in the year and amounted to £75,065 (2014: £71,287).

Expenses reimbursed to seven non-executive Trustees (2014: six) during the year amounted to £2,622 (2014: £1,635) all of which was for travel and subsistence.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015**9 Taxation**

The Agency is an exempt charity under the Income and Corporation Taxes Act ss505 and 506 and as such is not liable for any Corporation Tax or Income Tax on any of its charitable activities.

10 Excess of income over expenditure

As permitted by section 408 of the Companies Act 2006, the income and expenditure account of the parent undertaking is not presented as part of these financial statements. The parent company's surplus for the year was £698,456 (2014: £285,212).

11 Tangible fixed assets**The Group and the Company**

	Short Leasehold Improvements	Office Technology	Office Equipment and Furniture	Total
	£	£	£	£
Cost or Valuation				
At 1 August 2014	535,601	1,120,402	204,534	1,860,537
Additions	57,012	300,046	25,611	382,669
Disposals	-	(25,249)	(10,290)	(35,539)
At 31 July 2015	592,613	1,395,199	219,855	2,207,667
Depreciation				
At 1 August 2014	420,497	717,705	153,423	1,291,625
Provided in this year	16,136	183,496	16,709	216,341
Eliminated on disposals	(302)	(26,212)	(10,495)	(37,009)
At 31 July 2015	436,331	874,989	159,637	1,470,957
Net Book Amounts:				
At 31 July 2015	156,282	520,210	60,218	736,710
At 31 July 2014	115,104	402,697	51,111	568,912

The short leasehold improvements additions of £57,012 represent expenditure incurred on alterations to the Agency's premises at 95 The Promenade, Cheltenham and is being depreciated over the term of the lease.

In the year ended 31 July 2015 Office Equipment included an amount of £9,469 (net book value) in respect of assets held under finance leases. The related depreciation charge for this year was £861 (2014: £Nil).

12 Fixed asset investments

Total fixed asset investments comprise	The Group		The Company	
	2015	2014	2015	2014
	£	£	£	£
Shares in group undertakings	-	-	1	1
	-	-	1	1

HESA owns one ordinary share (100% of the issued ordinary share capital) of HESA Services Limited, a company incorporated in England. The principal activities of the subsidiary are the sale of publications, the provision of data services, training and outreach activities on behalf of HESA.

13 Pensions**(i) Universities Superannuation Scheme**

The Agency participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The Agency is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Contingent liabilities and assets

A contingent liability exists in relation to the pension valuation recovery plan, since the Agency is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the Agency is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the Agency's expenditure is similarly not recognised.

Pension Costs

The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The Agency is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the Agency's employees. In 2015, the percentage was 16% (2014:16%). The Agency is unable to identify its share of the underlying

13 Pensions (continued)**(i) Universities Superannuation Scheme**

assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

At 31 July 2015 HESA had 38 active members participating in the scheme. The total cost charged to the income and expenditure account is £290,186 (2014: £283,678). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The 2014 valuation has recently been finalised and the audit process is in progress. Therefore the latest available audited triennial actuarial valuation of the scheme was at 31 March 2011 ("the valuation date"), which was carried out using the projected unit method. The 2014 valuation indicates that employer contributions will increase to 18% from 1 April 2016.

The 2011 valuation was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £32.4 billion and the value of the scheme's technical provisions was £353.3 billion indicating a shortfall of £2.9 billion. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

FRS 17 liability numbers have been produced using the following assumptions

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	S1NA ["light"] YoB tables – no age rating
Female members' mortality	S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS 17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

13 Pensions (continued)**(i) Universities Superannuation Scheme**

	2015	2014
Males (females) currently aged 65	24.2 (26.3) years	23.7 (25.6) years
Males (females) currently aged 45	26.2 (28.6) years	25.5 (27.6) years
Existing benefits		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS17 funding level	72%	75%

(ii) Superannuation Arrangements of the University of London

The Agency participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. The Agency has now adopted FRS17 for accounting for pension costs. It is not possible to identify the Agency's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8-12 of FRS17.

The total cost of pension contributions for the Agency in the year ended 31 July 2015 was £212,636 (2014: £160,639). There were 65 active members participating in the scheme.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for the projected earnings. The main assumptions were used to assess the technical provisions were:

	31 March 2011
Discount Rate	
- Pre retirement	6.80% p.a.
- Post retirement	4.70% p.a.
General* Salary Increases	3.75% p.a. until 31 March 2014 4.50% p.a. thereafter
Retail Prices Index Inflation ("RPI")	3.50% p.a.
Consumer Price Index Inflation ("CPI")	2.80% p.a.
Pension Increases in payment (excess over GMP)	2.80% p.a.
Mortality – base table	SAPS Normal (year of birth) tables with an age rating of +0.5 years for males and -0.4 years for females
Mortality – future improvements	Future improvements in line with CMI 2010 projections with a long term trend rate of 1.25% p.a.

*an additional allowance is made for promotional Salary increases

13 Pensions (continued)**(ii) Superannuation Arrangements of the University of London**

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee's long-term investment strategy, the Trustee and the Employers agreed to maintain Employer and Member contributions at 13% of salaries and 6% of salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in deficit at the last formal valuation date (31 March 2011). As part of this valuation, the Trustee and Employer have agreed that no additional contributions will be required to eliminate the current shortfall.

The more material changes (the introduction of a Career Average Revalued Earnings, or "CARE" benefit structure) to SAUL's benefit structure will apply from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions as at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the valuation date.

14 Debtors

	The Group		The Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	265,006	110,370	97,906	34,142
Amounts owed by group undertakings	-	-	412,491	311,395
Other debtors	48,813	5,146	48,813	6,029
Other taxes and social security	-	-	24,364	-
Prepayments and accrued income	365,299	356,202	362,820	356,202
	679,118	471,718	946,394	707,768

Notes to the Consolidated Financial Statements for the year ended 31 July 2015**15 Creditors: amounts falling due within one year**

	The Group		The Company	
	2015	2014	2015	2014
	£	£	£	£
Obligations under finance leases	1,833	-	1,833	-
Trade creditors	65,261	33,617	47,322	39,649
Other creditors	198	-	198	-
Subscriptions received in advance	-	134,961	-	134,961
Other taxes and social security	23,690	31,995	-	-
Deferred Capital Grant	47,005	-	47,005	-
Accruals	279,706	71,589	234,196	55,535
Deferred income (see below)	294,127	4,273	282,559	4,273
	711,820	276,435	613,113	234,418

Deferred income:

	The Group	The Company
	2015	2015
	£	£
At 1 August 2014	4,273	4,273
Income in year	1,000,461	738,843
Released in year	(710,607)	(460,557)
Deferred income at 31 July 2015	294,127	282,559

Company deferred income relates to restricted income received in advance. Group deferred income also includes training income generated by HESA Services Limited.

16 Creditors: amounts falling due after more than one year

The Group and the Company	2015	2014
	£	£
Obligations under operating lease	166,110	26,305
Obligations under finance lease	7,417	-
Deferred Capital Grant	150,340	-
	323,867	26,305

17 Capital commitments

At 31 July 2015 the Agency had capital commitments of £59,249 (2014: £5,164) being amounts in respect of office equipment and computer equipment.

18 Commitments under operating leases

At 31 July 2015 HESA had annual commitments under non-cancellable operating leases on land and buildings as set out below (excluding VAT)

The Group and the Company	2015 £	2014 £
Operating leases which expire:		
More than five years	189,990	128,000
	<u>189,990</u>	<u>128,000</u>

During the year HESA varied its lease dated 10 February 2014 of part of the ground floor and first floor of 95 Promenade and entered into a new lease of an extra part of the ground floor ("The Leases"). Following on from the variation, both Leases will terminate in 2025 with options to break in 2021 (subject to providing the landlord with 9 months' notice).

19 Provision for leases

The Group and the Company	2015 £	2014 £
Provision at 1 August 2014	185,000	185,000
Increase in the year	50,000	-
Provision for leases at 31 July 2015	<u>235,000</u>	<u>185,000</u>

Under the Leases the Agency is required on termination to reinstate the premises to their original layout and condition; if required to do so by the landlord. The estimated cost of this, including fees, is £235,000 and this has been provided for in full. The Leases are secure tenancies both of which terminate in 2025 with options to break in 2021 (subject to providing the landlord with 9 months' notice). The provision will therefore be due in greater than five years.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015**20 Funds**

	At 1 August 2014 £	Incoming Resources £	Expenditure £	Transfers £	At 31 July 2015 £
The Group:					
Unrestricted Funds:					
Designated Accommodation Fund	650,000	-	-		650,000
General Fund	1,918,611	6,354,021	(5,662,247)	(491)	2,609,894
	2,568,611	6,354,021	(5,662,247)	(491)	3,259,894
Restricted Funds:					
Longitudinal DLHE	-	927,924	(928,415)	491	-
HESA-Jisc BI	-	200,607	(193,434)	-	7,173
HEDIIP	-	706,045	(706,045)	-	-
Data Futures/CACHED Phase 1	-	250,000	(250,000)	-	-
Alternative Providers Collection	-	283,373	(283,373)	-	-
	-	2,367,949	(2,361,267)	491	7,173
Total Group Funds	2,568,611	8,721,970	(8,023,514)	-	3,267,067
The Company:					
Unrestricted Funds:					
Designated Accommodation Fund	650,000	-	-	-	650,000
General Fund	1,918,611	5,729,124	(5,037,350)	(491)	2,609,894
	2,568,611	5,729,124	(5,037,350)	(491)	3,259,894
Restricted Funds:					
Longitudinal DLHE	-	927,924	(928,415)	491	-
HESA-Jisc BI	-	200,607	(193,434)	-	7,173
HEDIIP	-	706,045	(706,045)	-	-
Data Futures/CACHED Phase 1	-	250,000	(250,000)	-	-
Alternative Providers Collection	-	283,373	(283,373)	-	-
	-	2,367,949	(2,361,267)	491	7,173
Total Company Funds	2,568,611	8,097,073	(7,398,617)	-	3,267,067

See note 3 of the financial statements for details of the Restricted Funds in the year.

An amount of £650,000 has been put aside in a Designated Accommodation Fund in recognition of the future need of the Agency to re-establish itself in alternative office accommodation at the termination of its lease for the existing office accommodation. This estimate is reviewed annually.

21 Net Assets of the Funds of the Charity and Group

	Fixed Assets	Net Current Assets	Long term Liabilities/ Provisions	Fund Balances
	£	£	£	£
Restricted funds	-	7,173	-	7,173
Unrestricted funds	736,710	3,082,051	(558,867)	3,259,894
Charity and Group Total	736,710	3,089,224	(558,867)	3,267,067

22 Related Party Transactions

As stated in Note 4 to the consolidated financial statements, the Agency has a connected trading subsidiary, HESA Services Limited.

Under provisions of Financial Reporting Standard No 8 related party transactions with HESA Services Limited are exempt from disclosure as the company is a wholly controlled subsidiary of Higher Education Statistics Agency Limited and the results are included within the consolidated financial statements.

Independent Auditor's Report to the Members of Higher Education Statistics Agency Limited

We have audited the financial statements of Higher Education Statistics Agency Limited for the year ended 31 July 2015 set out pages 20 to 40.

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 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 charitable 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 and any other surround information 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 group's and the charitable company's affairs as at 31 July 2015 and of the group's 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 and the Charities Act 2011.

Independent Auditor's Report to the Members of Higher Education Statistics Agency Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report in preparing the Trustees' Report.

Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

GL50 2QJ

20 November 2015

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.