

Registered number: 10279393
Charity number: 1169283

UNIVERSITY OF DERBY STUDENTS' UNION
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

UNIVERSITY OF DERBY STUDENTS' UNION
(A company limited by guarantee)

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UNIVERSITY OF DERBY STUDENTS' UNION

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS CHARITY TRUSTEES: AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2019**

The Executive Officers were elected into office by the student population to hold office from 14 July 2018 to 12 July 2019 and are known as the Executive Committee. The Executive Officers who held office during the financial period are the Charity Trustees shown below.

Charlotte Bell, Vice President Community (resigned 12 July 2019)
Christopher Hughes, External Trustee
Jacob Blatherwick, Vice President Welfare (resigned 12 July 2019)
Daniella Quill, Vice President Activities
Joel Boulter, Student Trustee (appointed 9 July 2019)
Faye Davies, Vice President Activities (appointed 13 July 2019)
Samira Mensah, Vice President Welfare (appointed 1 July 2019)
Abby Wilson, President (resigned 12 July 2019)
Scarlet Moss, Vice President Education (resigned 12 July 2019)
Adam Buss, External Trustee
Jacqueline Hallam, External Trustee (resigned 29 October 2019)
Kiran Singh, External Trustee (appointed 23 October 2018)
Muhammad Ali Yousuf, External Trustee (resigned 9 July 2019)
Helen Roberts, External Trustee (appointed 23 October 2018)
Michael Spencer, External Trustee
Melanie Welaratne, President Education

Company registered number	10279393
Charity registered number	1169283
Registered office	Kedleston Road Derby DE22 1GB
Senior leadership team	Chief Executive Officer - Victoria Hossack Head of Membership - Suzy Stevenson Head of Operations - Martin Beaumont Finance Manager - Steve Taylor
Independent auditor	BHP LLP Chartered Accountants 57-59 Saltergate Chesterfield S40 1UL

UNIVERSITY OF DERBY STUDENTS' UNION

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS CHARITY TRUSTEES: AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Bankers

Barclays Bank
Sir Frank Whittle Road
Derby
DE1 9UU

UNIVERSITY OF DERBY STUDENTS' UNION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2019

The Trustees present their annual report together with the audited financial statements of the charitable company for the year 1 August 2018 to 31 July 2019. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The main aim of the Union as set out by the organisation's constitution is the advancement of education of students at The University of Derby for the public benefit by:

- Promoting the interests and welfare of students at The University of Derby during their course of study and representing, supporting and advising students;
- Being the recognised representative channel between students and The University of Derby and any other external bodies;
- Providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students; and
- Endeavouring to ensure that no student is disadvantaged or receives less favourable treatment.

The Union is committed to enhancing the academic experience of our members, both through lobbying the University to improve the quality of provision and through creating a supportive and rewarding learning environment in which to study, work and live. In setting our objectives and planning our activities the Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Further details on how the Union has delivered public benefit can be found in the achievements and performance section of this report.

b. Volunteers

The Union continues to rely upon the volunteers who make up our club and society committees, programme reps and part time elected officers, totalling over 1,500 students, they provide a valuable contribution to the delivery of our services.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Achievements and performance**a. Main achievements of the charitable company**

In the financial year the Union of Students were very pleased to find their position had risen by 47 places in the What Uni Student Choice league for Students' Unions to place the Union in the Top 50 of all Unions nationally. As this position is calculated based upon the positive reviews of students it was specifically pleasing to report such a notable increase.

Other notable successes and achievements for the period include an excellent year for the Raise and Give committee who raised over £70,000 for good causes, with many events and campaigns organised. The Activities department also supported over 100 student societies to set up, including many academic societies linked to programmes of study and which provide an array of extra-curricular events and trips for their members. The Activities team also led on an enhanced programme of Give it A Go activities, engaging well over 1,000 students.

Our sports teams continue to excel and now consistently perform within a top 50 position within the BUCS league. This achievement was as a result of continued development of the team sport offer, with several new teams entered into competition this year. In addition, the high quality field of individual talented athletes entered for competition drew great success, particularly within the sport of Boxing and Cycling. The Union is currently working in partnership to create a new shared sports strategy that looks forward to developing this position over the next 5 years.

The year was also busy for the Union's Help and advice team who spent over 1,000 hours on student cases including international partner college students accessing support via Skype. The Union has continued to ensure help and advice support is available across all Derby sites, with dedicated drop in sessions at all campuses. The Advice team also delivered 46 advice engagement events hosted across Kedleston Rd, Markeaton Street, Chesterfield, Buxton, Leek & One Friar Gate engaging 2,545 students through their campaigns.

The Student Voice and Support team have extended the Programme Rep scheme, with over 700 students being elected into Programme Rep positions in the period. The team also led on the development of a leadership programme for our engaged students, organising a residential programme of activities to support their role as student leaders. These leaders included some of our elected Officers, which was aided by the Union filling all elected full and part time positions at the main elections in February 2019. The department also oversaw our highest number of employability accreditations, with 95 applications for the Futures Award (15% increase on the previous year).

Following a busy Freshers Fortnight the Venues and Events team continued to develop the food and coffee offer within our facilities and ended the period receiving yet another Best Bar None Gold Award for their efforts to make our venues as safe and enjoyable for students. The Venues team led on the continued development of our One Friar Gate Square operation to refine the offer as a coffee shop, providing students using the space for study with a range of food and drink options. Across all commercial outlets the organisation extended provision and choice for gluten free and vegan food choices as well as providing ongoing support for Fairtrade activities at the University.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Achievements and performance (continued)

b. Fundraising activities and income generation

The Union is custodian of the annual RAG proceeds from fundraising events organized by students that is then distributed to the chosen charity. Funds raised this year by RAG amounted to £10,785 and this cash will be distributed following the end of the financial year to the relevant charity. The Union does not employ any professional fundraiser or commercial partner for this activity and received no complaints regarding fundraising in the year.

Due to the low level of fundraising the charity undertakes, the charity is not a participant of a voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for any activities carried out on behalf of the charity.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trustees reviewed and agreed a reserves policy which outlines a reserve level to cover 3-6 months operations (currently 6 months full operational costs are £651,159, covering day to day operations and cash flow).

At the year end, total funds held were £672,183 (2018: £640,532). This was split between restricted funds of £64,091 (2018: £56,956), unrestricted funds of £789,846 (2018: £623,378), designated funds of £nil (2018: £150,000) and a pension reserve of negative £181,754 (2018: £189,802). The Union has free reserves of £654,291 (2018: £434,263).

c. Prior year adjustment

A prior year adjustment has been carried out to reanalyse the comparative clubs and societies support costs to general funds as they had been incorrectly charged against restricted funds. This adjustment increased the restricted funds balance and decreased the general funds balances as at 1 August 2018 by £43,278.

d. Principal funding

The principal funding sources for the Union are the block grant received from the University and the surplus derived from commercial trading activities. The block grant received from the University remained static, however the Union received £20,000 for the development of academic societies and over £11,000 towards the creation of several new sports teams. In addition, the Union received further monies in support of operating a continued bar and coffee shop offer at the 67 Bridge Street venue and One Friar Gate Square.

The Board of Trustees have continued to monitor the impact of the SUSS pension scheme on our financial health. During the previous year the charitable company was made aware of a possible increase in the liability for the pension deficit. The outcome of this contingent liability is still not yet known and it cannot be quantified at this stage. As a result, the

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Financial review (continued)

charitable company do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2019.

The overall commercial performance of the period generated £1,390,360 for the period, which was a reduction from the prior year (£1,693,509 for 2017-18). This was as a result of the closure of the Dome retail shop in Buxton and reduced operation of the Bridge Street bar and coffee shop. Overall the Union generated a total income of £2,827,099 (£3,059,527 in 2017-18) and carried a total expenditure of £2,795,448 (£3,037,452 in 2017-18). The commercial performance coupled with effective cost control and mitigation on charitable activities has led to a surplus of £31,651 (£22,075 in 2017-18) for the period which will be added to our reserves. The reserves are being preserved for the current time, due to the possibility of settling the SUSS pension deficit at the next valuation of the scheme in 2020.

Structure, governance and management

a. Constitution

The University of Derby Students' Union (UDSU) is an incorporated charity established under the Education Act 1994 and is registered with the Charity Commission (No. 1169283). It is led by students, for students with an underlying purpose **to be a Union dedicated to the educational interests and welfare of its members**. The governing document is its constitution adopted on the 30th June 1992 and last amended in March 2018 as part of a governance review of trustee proceedings. On 30th September 2016 the Union completed a transfer to become a Company Limited by Guarantee and incorporated in England and Wales (no.10279393) as a new charity.

b. Methods of appointment or election of Trustees

The Union is a values driven organisation. It exists to meet the needs of the members who are students at the University of Derby and associated colleges by upholding the following principles and values: Vibrant, Ambitious, Inclusive, Supportive and Open. The Executive Officers, often referred to as Officer Trustees, are elected each year by cross campus ballot and can serve a maximum of two years in office. Each officer also acts in his or her capacity as a trustee of the organisation. At the 2019 Annual General Meeting, the Trustees proposed to amend the Executive Committee structure, reducing from 5 Officer Trustees to 4 and removing the Vice President Community role. This change took effect from 13 July 2019. The Union takes significant steps each year to ensure the experience of the Officer Trustees is a fulfilling one and helps meet the needs of the organisation; this includes training and information induction sessions at the start of their elected term of office. The changes to the structure have enabled the Officer Trustees to reduce their operational focus and cover key representational responsibilities across the revised 4 Officer positions.

c. Organisational structure and decision-making policies

The Union continues to operate around its student-led decision making governance structure. The Union provides opportunities for its members to take a lead in the organisation, particularly with regards to making the student experience better for students. This can be achieved by becoming a programme representative, a volunteer, a Part-Time Student Officer, Student Trustee or a full time Officer Trustee.

The Trustee Board is made up of a mixture of Officer Trustees, Student Trustees and External Trustees. Both Student and External Trustees are appointed by the Board (and ratified by Scrutiny Panel) to ensure a balance of skills and experience. External Trustees remain in office for a term of three years. Both can serve a maximum of two consecutive terms, although for Student Trustees this is provided that they remain a student for the duration of this time. In March 2018 members approved changes to the governing Articles to extend the number of External Trustees to five and delegating

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Structure, governance and management (continued)

authority for chairperson to an external trustee. Other reviews to trustee governance include changes to the sub-committee structures in place, with two revised committees for Finance and HR and a separate Audit and Risk committee now operational. These changes have now been proven to deliver enhanced oversight and scrutiny of these core areas of business as seen by the financial performance of the Union this year.

Responsibility is cascaded from the Trustee Board and committee structure of UDSU to the management and staff team of the Union. UDSU employs a number of full time staff to ensure effective management of its many activities and to implement the policy decisions made by the Trustees. A clear staff structure is in place and all staff are ultimately accountable to the Chief Executive, who in turn is accountable to the Board of Trustees. In the 2018/19 financial year a review of staff resource in Buxton was carried out, with a new Student Engagement Coordinator now in post, to collate and deliver all Buxton centred activities across Voice, Advice and Activities and providing a single point of contact for our members in Buxton.

d. Pay policy for key management personnel

The Board recognises its responsibilities to protect the reputation of the Union of Students, to reflect the values and ethos of the Union as a registered charity. The Board therefore works to ensure that the pay to senior management is not excessive and is justifiable to the membership and the Union's wider stakeholders. This is achieved by conducting regular benchmarking of pay and benefits across the sector, regionally and to the University's pay structures. The pay of the senior management team is reviewed and considered by the Finance and HR Sub-Committee of the Board, who also conduct the annual performance appraisal of the CEO.

e. Related party relationships

The Union continues to enjoy a very positive relationship with the University of Derby which is outlined and reinforced via a standing Partnership Agreement which was fully revised and agreed in November 2018. The Officers have seats at all major University Committees and the University takes seriously the notion of the Union being the primary voice of students at Derby. This commitment is further evidenced by ongoing commitment for Officers Trustees to co-Chair several University meetings, including Student Affairs Committee and the Student Experience learning and teaching committee. In addition, this year the President and Vice President Education were invited to join all sub-committees of the University Governing Council for the first time. The University provided the Union with a grant fund allocation of £784,436 for the 12 month, 2018/19 financial period, to enable the ongoing development of effective representative structures, volunteering and society activities, sporting provision through competitive club sport and advice and support for its members. We are grateful to the University for its continued support and investment into our student services through the block grant and through the continued allocation of space within their estate. This space is offered on a rent-free basis which we recognise holds a significant value of £129,744 at the market rate and therefore is an indicator of the excellent support we continue to receive. For the coming 2019/2020 financial year the Union is grateful to receive a 10% increase to its block grant funding, through receipt of £862,880.

Structure, governance and management (continued)

f. Financial risk management

The major strategic, business and operational risks to which the charity is exposed are regularly reviewed, with systems and procedures in place to mitigate these risks. A risk register is reported to the Audit and Risk Sub-committee on a quarterly basis and the Trustee Board are updated on Super risks on an annual basis. Super risks are defined as 'risks that would lead to the Union's failure to meet its strategic objectives. Amongst these key Super risks, the register considers strategic, operational, financial, compliance, governance, reputational and risks to people and organisational culture. Trustees annually review their appetite to these risks and adjust the risk profile accordingly.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Plans for future periods

The organisation is continuing to work towards a set of objectives and priorities outlined in the Strategic Plan 2017-2020. The Trustees have recently decided to extend the Plan for a further 2 years and new metrics have been created to take activity to 2022. The five strategic priorities give focus to the operational plan of the Union and departments within and are as follows;



The Union remains committed to improving our student satisfaction scores through the National Student Survey and the University Feedback survey and will continue work to raise standards and champion student voice work through academic representation to achieve a rating of 61% or above in NSS Question 26. The Union has implemented a new commercial strategy which will seek to consolidate the Union's trading operations moving forward and a further new marketing and communications plan gives direction to the ways we message and talk to our members.

Looking ahead, the Board of Trustees confirm that the Union has sufficient funds to meet all its obligations. The block grant for 2018/19 has been confirmed at £862,880 with no project funding, having consolidated all previous awards into a single block grant allocation.

UNIVERSITY OF DERBY STUDENTS' UNION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditor

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

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

Approved by order of the members of the board of Trustees on and signed on their behalf by:

Christopher Hughes
(External Trustee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF DERBY STUDENTS' UNION

Opinion

We have audited the financial statements of University of Derby Students' Union (the 'charitable company') for the year ended 31 July 2019 which comprise the Statement of Financial Activities (incorporating income and expenditure account), the Balance sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF DERBY STUDENTS' UNION (CONTINUED)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report incorporating the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

UNIVERSITY OF DERBY STUDENTS' UNION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF DERBY STUDENTS' UNION (CONTINUED)

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF DERBY STUDENTS' UNION (CONTINUED)

Jane Marshall (Senior statutory auditor)

for and on behalf of
BHP LLP

Chartered Accountants
Statutory Auditor

57-59 Saltergate

Chesterfield

S40 1UL

Date:

UNIVERSITY OF DERBY STUDENTS' UNION
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 (as restated) £
Income from:					
Donations and legacies	4	919,445	70,309	989,754	981,274
Charitable activities	5	222,910	220,270	443,180	381,299
Other trading activities	6	1,390,360	-	1,390,360	1,693,509
Investments	7	3,805	-	3,805	3,445
Total income		2,536,520	290,579	2,827,099	3,059,527
Expenditure on:					
Raising funds	8	1,396,559	-	1,396,559	1,810,318
Charitable activities	11	1,115,445	283,444	1,398,889	1,227,134
Total expenditure		2,512,004	283,444	2,795,448	3,037,452
Net movement in funds		24,516	7,135	31,651	22,075
Reconciliation of funds:					
Total funds brought forward (as restated)		583,576	56,956	640,532	618,457
Net movement in funds		24,516	7,135	31,651	22,075
Total funds carried forward		608,092	64,091	672,183	640,532

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 45 form part of these financial statements.

UNIVERSITY OF DERBY STUDENTS' UNION
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REGISTERED NUMBER: 10279393

BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	16	136,555	189,115
		<u>136,555</u>	<u>189,115</u>
Current assets			
Stocks	17	24,298	46,530
Debtors	18	100,372	205,901
Cash at bank and in hand		745,668	579,989
		<u>870,338</u>	<u>832,420</u>
Creditors: amounts falling due within one year	19	(159,031)	(196,914)
Net current assets		<u>711,307</u>	635,506
Total assets less current liabilities		<u>847,862</u>	824,621
Creditors: amounts falling due after more than one year	20	(175,679)	(184,089)
Net assets excluding pension asset		<u>672,183</u>	640,532
Total net assets		<u><u>672,183</u></u>	<u><u>640,532</u></u>
Charity funds			
Restricted funds	23	64,091	56,956
Unrestricted funds			
Designated funds	23	-	150,000
General funds	23	789,846	623,378
Pension reserve	23	(181,754)	(189,802)
Total unrestricted funds	23	<u>608,092</u>	583,576
Total funds		<u><u>672,183</u></u>	<u><u>640,532</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Christopher Hughes
(External Trustee)

The notes on pages 19 to 45 form part of these financial statements.

Company Registration Number: 10279393

UNIVERSITY OF DERBY STUDENTS' UNION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	26	195,529	78,991
		<hr/>	<hr/>
Cash flows from investing activities			
Bank interest		3,805	3,445
Purchase of tangible fixed assets		(20,518)	(9,061)
		<hr/>	<hr/>
Net cash used in investing activities		(16,713)	(5,616)
		<hr/>	<hr/>
Cash flows from financing activities			
SUSS pension contributions		(13,137)	(12,523)
		<hr/>	<hr/>
Net cash used in financing activities		(13,137)	(12,523)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		165,679	60,852
Cash and cash equivalents at the beginning of the year		579,989	519,137
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	27	745,668	579,989
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 45 form part of these financial statements

UNIVERSITY OF DERBY STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. General information

University of Derby Students' Union is a company limited by guarantee (no. 10279393) and a registered charity (no. 1169283). The registered office is Kedleston Road, Derby, DE22 1GB.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements have been prepared in £ sterling, which is the financial currency of the union and rounded to the nearest £.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held, the expected level of income and expenditure and the required pension deficit contributions for twelve months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of unrestricted funds for the charity to be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Donated services or facilities are recognised when the union has control over the items, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the union of the items is probable and that economic benefit can be measured reliably.

On receipt, donated services and donated facilities are recognised on the basis of the value of the gift to the union which is the amount the union would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.5 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Leasehold improvements	- 3 - 10 years
Office equipment	- 3 - 5 years

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

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

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.13 Pensions

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS102, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year. The present value of the Union's deficit contribution is recognised as a liability in accordance with SORP (FRS102).

The Union also contributes to defined contribution pension schemes for its employees. The pension charge represents the amounts payable by the company to the fund in respect of the year.

2.14 Employee benefits

When employees have rendered services to the charity, short term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.15 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2.16 Comparative amounts reclassified

£8,280 in relation to governance costs has been reclassified in the comparative figures from direct costs to support costs to show a true reflection of the type of costs incurred and to be consistent with the current year.

The comparative amounts in relation to the clubs and societies support costs have been reanalysed to unrestricted funds as they had been incorrectly charged against the restricted clubs and societies funds balance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

(i) SUSS pension deficit

The Union is committed to provide deficit funding to the Students' Union Superannuation Pension Scheme, of which it is a contributing employer.

Under Charities SORP (FRS 102), the present value of the future deficit contributions is recognised. The calculation of the present value of the future deficit contributions is subject to an assumption of a discount rate. The discount rate used is determined by reference to market yields on high quality corporate bonds.

(ii) Donation of facilities by University of Derby

In accordance with the Charities SORP (FRS 102), the Union has valued the benefit it receives from occupying facilities owned by the University on a rent free basis, at the Trustees' estimate of market value of £129,744.

(iii) Support costs

Staffing and administration support costs are allocated across the various activities of the Union. Support costs are allocated on the basis of staff time spent on each charitable activity.

4. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Notional rent	129,744	-	129,744	129,744
Grants	789,701	70,309	860,010	851,530
	919,445	70,309	989,754	981,274
Total 2018	865,679	115,595	981,274	

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

5. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Athletic union	91,209	-	91,209	82,999
Clubs and societies	-	212,985	212,985	157,587
Marketing	118,576	2,700	121,276	131,055
Societies and volunteering	13,125	4,585	17,710	9,658
Total 2019	222,910	220,270	443,180	381,299
Total 2018	223,712	157,587	381,299	

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bars and entertainments income	231,471	231,471	371,457
Catering income	291,624	291,624	296,774
External events income	74,113	74,113	76,252
Graduation income	-	-	79
Market stalls and services	14,935	14,935	15,402
Shop income	778,217	778,217	933,545
Total 2019	1,390,360	1,390,360	1,693,509
Total 2018	1,693,509	1,693,509	

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	3,805	3,805	3,445

8. Expenditure on raising funds

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bars and entertainments	247,161	247,161	433,958
Catering	250,661	250,661	273,744
External events	46,491	46,491	50,069
Shops	852,246	852,246	1,052,547
Total 2019	1,396,559	1,396,559	1,810,318
Total 2018	1,810,318	1,810,318	

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

9. Expenditure on raising funds

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Bars and entertainments	209,268	37,893	247,161	433,958
Catering	212,232	38,429	250,661	273,744
External events	39,363	7,128	46,491	50,069
Shops	721,586	130,660	852,246	1,052,547
Total 2019	1,182,449	214,110	1,396,559	1,810,318
Total 2018	1,566,314	244,004	1,810,318	

10. Support costs analysis

	2019 £	2018 £
Raising funds		
Governance (note 13)	4,624	5,669
Information technology	5,293	6,045
Depreciation	13,211	15,125
Staff costs	90,146	93,103
Pension contributions	3,344	3,308
Other costs	97,492	120,754
	214,110	244,004

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Athletic union	294,701	35,097	329,798	310,691
Clubs and societies	37,275	205,851	243,126	156,385
Marketing	242,589	2,700	245,289	246,408
Youth development	32,283	32,912	65,195	39,614
Democracy and elections	152,777	500	153,277	78,477
Societies and volunteering	78,600	4,584	83,184	141,520
Representation	165,697	1,800	167,497	167,846
Welfare and education	111,523	-	111,523	86,193
	<u>1,115,445</u>	<u>283,444</u>	<u>1,398,889</u>	<u>1,227,134</u>
Total 2018 as restated	<u>973,346</u>	<u>253,788</u>	<u>1,227,134</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

12. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Athletic union	279,235	50,563	329,798	310,691
Clubs and societies	205,851	37,275	243,126	156,385
Marketing	207,683	37,606	245,289	246,408
Youth development	55,199	9,996	65,195	39,614
Democracy and elections	129,778	23,499	153,277	78,477
Societies and volunteering	70,430	12,754	83,184	141,520
Representation	141,816	25,681	167,497	167,846
Welfare and education	94,432	17,091	111,523	86,193
	1,184,424	214,465	1,398,889	1,227,134
Total 2018	1,061,572	165,562	1,227,134	

Analysis of support costs

	Athletic union 2019 £	Clubs and societies 2019 £	Marketing 2019 £	Youth development 2019 £	Democracy and elections 2019 £
Governance (note 13)	1,092	805	812	216	507
Information technology	1,250	921	930	247	581
Depreciation	3,120	2,300	2,321	618	1,450
Staff costs	21,288	15,694	15,833	4,208	9,894
Pension contributions	790	583	587	156	367
Other costs	23,023	16,972	17,123	4,551	10,700
	50,563	37,275	37,606	9,996	23,499
Total 2018	41,918	21,099	33,245	5,345	10,588

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NOTES TO THE FINANCIAL STATEMENTS
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12. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Societies and volunteering 2019 £	Representatio n 2019 £	Welfare and education 2019 £	Total funds 2019 £	Total funds 2018 £
Governance (note 13)	276	555	370	4,633	3,846
Information technology	316	635	423	5,303	4,102
Depreciation	787	1,584	1,056	13,236	10,263
Staff costs	5,369	10,813	7,199	90,298	63,173
Pension contributions	199	401	257	3,340	2,244
Other costs	5,807	11,693	7,786	97,655	81,934
	<u>12,754</u>	<u>25,681</u>	<u>17,091</u>	<u>214,465</u>	<u>165,562</u>
Total 2018	<u>19,094</u>	<u>22,646</u>	<u>11,629</u>	<u>165,562</u>	

Support costs are allocated on the basis of staff time spent on each charitable activity.

13. Governance costs

	2019 £	2018 £
Auditor's remuneration	8,530	8,280
Legal fees	727	1,235
	<u>9,257</u>	<u>9,515</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

14. Staff costs

	2019	2018
	£	£
Wages and salaries	1,020,932	1,091,613
Social security costs	65,648	67,611
Contribution to defined contribution pension schemes	20,458	21,627
	1,107,038	1,180,851

Total redundancy payments amount to £Nil (2018: £10,629) for the year.

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

	2019	2018
	No.	No.
Charitable activities	89	119
Governance	2	2
	91	121

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Charitable activities	49	56
Governance	2	2
	51	58

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

14. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

During the year key management personnel's remuneration amounted to £184,616 (2018: £158,218).

This includes gross pay, Employer's National Insurance and pension contributions.

The Union considers its key management personnel to comprise the senior management team.

15. Trustees' remuneration and expenses

The Executive Officers received total remuneration of £102,408 (2018: £103,598) for the year, as authorised in the Union's governing document, for the representation, campaigning and support work they undertake as distinct from their Trustee responsibilities. This work includes voicing student opinion with the institution and local community, defending and extending the rights of students through petitions, discussion with MP's and also organising and supporting student volunteers and service provision for them.

Two (2017: One) trustees were reimbursed for out of pocket expenses totalling £473 (2018: £140).

16. Tangible fixed assets

	Leasehold Improvements £	Office equipment £	Total £
Cost or valuation			
At 1 August 2018	907,783	56,807	964,590
Additions	1,298	19,220	20,518
At 31 July 2019	909,081	76,027	985,108
Depreciation			
At 1 August 2018	733,555	41,920	775,475
Charge for the year	60,713	12,365	73,078
At 31 July 2019	794,268	54,285	848,553
Net book value			
At 31 July 2019	114,813	21,742	136,555
At 31 July 2018	174,228	14,887	189,115

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

17. Stocks

	2019 £	2018 £
Bars	7,025	12,330
Shop	17,273	34,200
	<u>24,298</u>	<u>46,530</u>

18. Debtors

	2019 £	2018 £
<i>Due within one year</i>		
Trade debtors	48,410	149,887
Prepayments and accrued income	51,962	56,014
	<u>100,372</u>	<u>205,901</u>

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
SUSS defined benefit scheme funding deficit liability	6,075	5,713
Trade creditors	40,940	87,919
Other taxation and social security	22,055	33,645
Other creditors	9,985	5,798
Accruals and deferred income	79,976	63,839
	<u>159,031</u>	<u>196,914</u>

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

19. Creditors: Amounts falling due within one year (continued)

	2019 £	2018 £
<i>Deferred income</i>		
Deferred income at 1 August 2018	18,676	39,734
Resources deferred during the year	35,600	18,676
Amounts released from previous periods	(18,676)	(39,734)
	<u>35,600</u>	<u>18,676</u>

At the financial year end £35,600 (2018: £18,676) was recognised in deferred income in relation to income received which relates to the following financial year.

20. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
SUSS defined benefit scheme funding deficit liability (note 28)	<u>175,679</u>	<u>184,089</u>

The SUSS defined benefit scheme liability include aggregate amounts of £148,974 (2018: £158,539) which fall due after five years.

21. Affiliations, subscriptions and membership

	2019 £	2018 £
NUS	25,333	24,444
BUCS	12,757	10,658
	<u>38,090</u>	<u>35,102</u>

Individual clubs and societies affiliate to the national governing body or membership organisation. These are reviewed and approved by the AGM. No donations were made during the period to any external institutions.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Prior year adjustments

A prior year adjustment has been carried out to reanalyse the comparative clubs and societies support costs to general funds as they had been incorrectly charged against restricted funds. This had the following effect on the brought forward funds balances;

Restricted funds balance as at 1 August 2018	£13,678
Reanalysis of support costs	£43,278
Restricted funds balance as restated at 1 August 2018	£56,956
General funds balance as at 1 August 2018	£666,656
Reanalysis of support costs	(£43,278)
General funds balance as restated at 1 August 2018	£623,378

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

23. Statement of funds

Statement of funds - current year

	As restated Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
Unrestricted funds					
Designated funds					
Facilities development fund	150,000	-	-	(150,000)	-
General funds					
General funds	623,378	2,536,520	(2,506,915)	136,863	789,846
Pension reserve	(189,802)	-	(5,089)	13,137	(181,754)
	433,576	2,536,520	(2,512,004)	150,000	608,092
Total Unrestricted funds	583,576	2,536,520	(2,512,004)	-	608,092
Restricted funds					
Clubs & societies	56,956	212,985	(205,850)	-	64,091
Block grant - Graduate societies	-	7,585	(7,585)	-	-
Block grant - Athletic union	-	21,000	(21,000)	-	-
Block grant - Our sporting future	-	11,097	(11,097)	-	-
Block grant - One off projects	-	5,000	(5,000)	-	-
HR Project	-	31,600	(31,600)	-	-
College clubs grant	-	1,312	(1,312)	-	-
	56,956	290,579	(283,444)	-	64,091
Total of funds	640,532	2,827,099	(2,795,448)	-	672,183

UNIVERSITY OF DERBY STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

23. Statement of funds (continued)

Statement of funds - prior year as restated

	Balance at 1 August 2017 £	Income £	As restated Expenditure £	As restated Transfers in/out £	As restated Balance at 31 July 2018 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Facilities development fund	150,000	-	-	-	150,000
<i>General funds</i>					
General funds	617,088	2,786,345	(2,767,532)	(12,523)	623,378
Pension reserve	(196,773)	-	(5,552)	12,523	(189,802)
	420,315	2,786,345	(2,773,084)	-	433,576
<i>Total Unrestricted funds</i>	570,315	2,786,345	(2,773,084)	-	583,576

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NOTES TO THE FINANCIAL STATEMENTS
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23. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 August 2017 £	Income £	As restated Expenditure £	As restated Transfers in/out £	Balance at 31 July 2018 £
Restricted funds					
Clubs & societies	44,809	157,587	(145,440)	-	56,956
Lead US grant	-	5,000	(5,000)	-	-
Year of volunteer grant	-	2,000	(2,000)	-	-
HR Project	3,333	31,600	(34,933)	-	-
College clubs grant	-	1,837	(1,837)	-	-
Block grant - Athletic union	-	41,550	(41,550)	-	-
Block grant - Rep conf week	-	2,000	(2,000)	-	-
Block grant - Talk to you	-	2,500	(2,500)	-	-
Block grant - Teaching awards	-	8,000	(8,000)	-	-
Block grant - Inclusive society	-	3,608	(3,608)	-	-
Block grant - Insight and data	-	1,500	(1,500)	-	-
Block grant - Change	-	5,000	(5,000)	-	-
Other grants	-	11,000	(11,000)	-	-
	48,142	273,182	(264,368)	-	56,956
Total of funds	618,457	3,059,527	(3,037,452)	-	640,532

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

24. Summary of funds

Summary of funds - current year

	As restated Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
Designated funds	150,000	-	-	(150,000)	-
General funds	433,576	2,536,520	(2,512,004)	150,000	608,092
Restricted funds	56,956	290,579	(283,444)	-	64,091
	<u>640,532</u>	<u>2,827,099</u>	<u>(2,795,448)</u>	<u>-</u>	<u>672,183</u>

Summary of funds - prior year as restated

	Balance at 1 August 2017 £	Income £	As restated Expenditure £	As restated Transfers in/out £	Balance at 31 July 2018 £
Designated funds	150,000	-	-	-	150,000
General funds	420,315	2,786,345	(2,773,084)	-	433,576
Restricted funds	48,142	273,182	(264,368)	-	56,956
	<u>618,457</u>	<u>3,059,527</u>	<u>(3,037,452)</u>	<u>-</u>	<u>640,532</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

24. Summary of funds (continued)

Designated funds

The designated fund represents a facilities development fund designated to invest in the refurbishment of the Union's capital assets and buildings.

Restricted funds

Clubs & Societies: Funds raised by individual clubs and societies are recognised as restricted income and will be applied to the expenditure of that club or society. Any unspent funds are carried forward at the end of the period and will be spent in future years by the appropriate club or society.

Block grant - Graduate societies - Funding used to establish new academic societies, allowing new activity to be planned and paid without financial risk. Including but not limited to new equipment, facilities/venue hire, transport cost and guest speaker fees.

Block grant - Athletic Union - Funding received for a coordinator to support the management team, specific support for 6 new teams and their attendant costs.

Block grant - Our sporting future - Funding to cover the costs of entering additional teams into BUCS competition, including entry fees, increased affiliation costs, transport costs, increased coaching costs and officiating fees.

Block grant - One off projects - Funding towards specific one off projects which include liberation campaigns; funding towards promotion costs for Black History Month, Disability History Month and LGBTQ History Month. Department action days; funding towards hosting student feedback days, bespoke to College or Departments highlighted as a priority on NSS score. Mental health first aid training; fundings towards key Union staff receiving Mental health first aid training. Interim funding; used to hire a student staff to collate and analyse data from Union Focus Group projects.

HR Project - Funding towards the appointment of a temporary HR Project Manager to oversee the Union's structural changes and the response to the NUS diagnostic report received in October 2017. This Project Manager worked on a part time basis over 3 months to initiate a review of all Union HR procedures and people plan.

College clubs grant – Funding towards the delivery of extra curricular college clubs on a range of topics and activities for Further Education students.

Block grant - Rep conf week - Additional funding received in respect of two, week long training programmes for programme representatives to build further skills and experience within the role.

Block grant - Talk to you - block grant is funding towards the campaign showing the wins and successes of the Union Programme Representatives.

Block grants - Teaching awards - Funding towards the first Education Awards, featuring recognition and acknowledgement of excellence in teaching and the achievements of student representatives.

Block grant - Inclusive Society - Funding to be shared by Liberation Committees to deliver a series of celebration and awareness raising events.

The insight and data block grant is funding for training all Union staff in response to changing GDPR legislation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

24. Summary of funds (continued)

Block grant - Change - Funding to implement the Union's Strategic Plan throughout and to include support for a HR project manager to oversee changes to organisation structure and policy review.

The Year of volunteer grant is for funding to focus on the development of the 1500 internal volunteers. To include a review and rework of the existing training and support. Eg. Training conference and highlighting student success.

Lead US Grant – Project funding to allocate to students creating their own social enterprise projects.

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	136,555	-	136,555
Current assets	806,247	64,091	870,338
Creditors due within one year	(159,031)	-	(159,031)
Creditors due in more than one year	(175,679)	-	(175,679)
Total	608,092	64,091	672,183

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25. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year as restated

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	189,115	-	189,115
Current assets	775,464	56,956	832,420
Creditors due within one year	(196,914)	-	(196,914)
Creditors due in more than one year	(184,089)	-	(184,089)
Total	583,576	56,956	640,532

26. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	31,651	22,075
Adjustments for:		
Depreciation charges	73,078	77,674
Bank interest	(3,805)	(3,445)
Loss on the sale of fixed assets	-	1,340
Decrease in stocks	22,232	13,976
Decrease/(increase) in debtors	105,529	(2,506)
Decrease in creditors	(38,245)	(35,675)
Pension finance costs	5,089	5,552
Net cash provided by operating activities	195,529	78,991

NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	745,668	579,989
Total cash and cash equivalents	745,668	579,989

28. Contingent liabilities

During the year the charitable company was made aware of a possible increase in liability for the pension deficit. The outcome of this contingent liability is not yet known and it cannot be quantified at this stage. As a result the charitable company do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2019.

29. Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	32,148	-

30. Pension commitments

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country.

The most recent valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m.

The assumptions which have the most significant effect upon the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2016:

The investment return would be 4.3% per annum before retirement and 2.3% per annum after retirement

Pensions accruing on the CARE basis would revalue at 3.5% per annum.

Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 valuation recommended a monthly contribution requirement by each Participating Employer expressed

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FOR THE YEAR ENDED 31 JULY 2019

30. Pension commitments (continued)

in monetary terms intended to clear the ongoing funding deficit over a period of 19 years and 9 months ending June 2033 and will increase by 20% in 2017/18 and 5% each remaining year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2017 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

Under FRS102 the Unions is required to recognise as a liability the present value of its agreed share of future deficit contributions. Finance costs are recognised as the present value unwinds.

The total contributions paid into the Scheme by University of Derby Students' Union in respect of eligible employees for the year ended 31 July 2019 amounted to £13,137 (2018: £12,523). The amount owed by University of Derby Students' Union in respect of future contributions at the year end was £181,754 (2018: £189,802). The amounts due within one year are £6,075 (2018: £5,713).

	At 31 July 2019	At 31 July 2018
	£	£
At 1 August 2019/1 August 2018	189,802	196,773
Deficit contributions	(13,137)	(12,523)
Finance cost in respect of deficit	5,089	5,552
<i>At 31 July 2019/31 July 2018</i>	<u>181,754</u>	<u>189,802</u>

The Union also operates various defined contribution pension plans for its employees. The amount recognised as an expense in the period in relation to these schemes was £20,458 (2018: £21,627).

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31. Operating lease commitments

At 31 July 2019 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Company 2018 £
Not later than 1 year	5,581
Later than 1 year and not later than 5 years	1,395
	<hr/> 6,976 <hr/> <hr/>

The company had no commitments under non-cancellable operating leases at 31 July 2019.

32. Related party transactions

The following are considered to be related parties for the reasons stated. The transactions with these related parties are set out below.

Univeristy of Derby

The Union is in receipt of a block grant from the University of Derby of £784,436 (2018: £735,936). Additional grants were received for particular purposes totalling £88,697 (2018: £115,595).

In addition, sales and other income was received of £240,505 (2018: £217,603), resulting in a debtor balance of £24,234 (2018: £131,895) at the year end. Expenditure of £80,697 (2018: £87,322) was incurred resulting in a creditor balance of £5,464 (2018: £11,012) at the year end.

The Union occupies buildings on a rent free basis. The value of the donation relating to this rent free arrangement has been assessed at £129,744 (2018: £129,744).