

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

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NOTTINGHAM TRENT STUDENTS' UNION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020**

Charitable status

Nottingham Trent Students Union (NTSU) is an incorporated charity registered with the Charity Commission (No. 1154401) and Companies House (No. 8738730) since 30 October 2013. NTSU is governed by the articles of association.

Trustees

Elected Sabbatical Trustees

From 1 July 2018 to 31 July 2020

Bradley Fox (President)
Afua Acheampong
Liv Broad

From 1 July 2019 to 31 July 2020

Owoyemi Odukale

From 1 July 2019 to 30 June 2020

Momen Ahmed

From 1st July 2018 to 26th February 2020

Jack Purdie

From 1st August 2020

Zoe Mallett
Zoe Clifton
Troy Brocklebank
Conor Naughton
Cameron Sutton

Elected Officer Trustees

From 1 July 2019 to 30 June 2020

Sophie Richards

From 1st August 2020

Chloe Philpott

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Student Trustees

Robert Hughes (From 1 July 2018 to 30 June 2020)
Monique King (From 1 July 2019 to 30 June 2020)
Jack Scadeng (From 1 July 2019 to 30 June 2020)

From 1st August 2020

Katherine Fagg
Sophie Hildebrand
Annabel Nwarorgu

University Appointed Trustee

Sarah Walker-Smith (resigned 1 June 2020)
Geoff Love (appointed 1 June 2020)

External Trustees

Roger Spells
Paul Bott

Senior Management Team

NTSU employs a Chief Executive Officer to ensure effective management of the charity as head of a senior management team as follows:

| | |
|------------------------------------|---------------------|
| Chief Executive Officer | Ceri Davies |
| NTSU Head of Membership Engagement | Phil Kynaston |
| NTSU Head of Finance | Lisa-Jane Whitehead |

The Board of Trustees present their Annual Report for the year ended 31 July 2020, which includes the administrative information set out above, together with the audited accounts for that year.

Principal address

Benenson Building
Clifton Campus
Clifton Lane
Nottingham
NG11 8NS

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

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Bankers

NatWest Bank
16 South Parade
Nottingham
NG1 2JX

Solicitors

Howes Percival
The Osiers Business Park
The Osiers Business Centre
Leicester
LE19 1DX

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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Board of Trustees present their Annual Report for the year ended 31 July 2020, which includes the administrative information set out above, together with the audited accounts for that year.

Structure, Governance and Management

NTSU is a registered charity and a company limited by guarantee, not having share capital and governed by its Memorandum and Articles of Association. The liability of each member in the event of winding up is limited to £1. The Trustees are members of the Charity. It is registered as a charity with the Charity Commission.

The charity is administered by its Board of Trustees which has an Executive Committee of seven students elected annually by cross-campus secret ballot of the NTSU membership. The six posts of President, VP Education, VP Welfare and Community, VP Activities, VP Post-graduate and VP Sports are full-time, or 'sabbatical', posts remunerated as authorised by the Education Acts.

The six full-time and one part-time Executive Officer along with the six Non-Executive Trustees are the charity trustees of NTSU. As the charity trustees, all Executive Officers and Non-Executive Officers receive an induction and training into their legal and administrative responsibilities, with an ongoing training programme as necessary for issues arising during their term of office.

NTSU operates according to democratic principles, with supervisory power vested in the Union Meeting, which is open to all members of NTSU and which can scrutinise decisions made by the Executive Committee and approves its general policy.

The Executive Committee meets fortnightly to receive reports from individual Officers and the Chief Executive Officer, to review the charity's performance and administration generally and to decide policy issues arising, subject to Union Meeting oversight. NTSU also employs a number of non-student, full-time staff for their specialist knowledge and expertise and to enhance continuity in the management of its many activities.

Appointment of Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

Delegation

The Trustees delegate the day-to-day management, the development of strategy and overall leadership of the Charity to the Chief Executive and a Senior Management Team.

Pay Policy and Senior Staff

A Remuneration Committee is appointed annually by the Board of Trustees to review the salaries of senior staff members. The Committee uses data from comparable students' unions across the UK in order to provide a benchmark for their decision making.

Relationship with the University

The relationship between the University and NTSU is established in the regulations of the University and detailed in NTSU rules approved by both organisations. NTSU receives a Block Grant from the University, and occupies buildings owned or leased by the University, which also pays for some utilities. This non-monetary support is intrinsic to the relationship between the University and NTSU. As recommended by the Charities' SORP, for due compliance with the requirements for Students' Unions provided for in the Charities Act 2006, an estimated value to NTSU for free, serviced accommodation has been included in the accounts, priced at £150,000. NTSU continues to generate supplementary funding from various mutual trading activities.

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FOR THE YEAR ENDED 31 JULY 2020

Aims and Objectives

NTSU is governed by its Memorandum and Articles which record its Objects as follows:

The Union's Objects are the advancement of education of students at Nottingham Trent University for the public benefit by:-

- Promoting the interests and welfare of students at Nottingham Trent University during their course of study and representing, supporting and advising Students;
- Being the recognised representative channel between Students and Nottingham Trent University and any other external body; and
- Providing social, culture, sporting and recreational activities and forums for discussions and debate for the personal development of Students.

After a significant consultation exercise the Union published a new strategic plan, which was approved by the Board of Trustees in June 2019. The Union's Executive Officers consulted over 4,000 students over 6 months in order to inform the new strategic plan, the implementation of which began during September 2019.

As part of this endeavour the trustees took the decision to try and align our strategic cycle with that of the University. The trustees believe that this provides the maximum opportunity to influence the University where the interests of the University and our members are congruent, while enabling the Union to maintain an independent, authentic student voice where our interests are different.

The NTSU Board of Trustees identified NTSU's mission from September 2019 as being 'We empower students to make the best academic and personal experience for themselves and others'. The Union's strategic plan focuses on the following themes:

- (i) We will advocate for the best educational experience for NTU students;
- (ii) We will encourage healthy communities;
- (iii) We will represent and celebrate our diverse membership.

In pursuit of these themes for the public benefit, NTSU will ensure the diversity of its membership is recognised, valued and supported. It has established departments and services for use by its members, to support its work with the University and other organisations in the interests of students. These include the NTSU Information and Advice Service, the NTSU Membership Services and Membership Engagement activities, NTSU bars, diner & coffee outlets, NTSU entertainments, and NTSU shops. Executive Officers (the sabbatical and officer trustees) of NTSU sit on committees of the University and meet regularly with the local authority, police and other providers of public services affecting students.

NTSU continues to represent the students of Nottingham Trent University on relevant local and national issues by maintaining many student representatives. Student representatives sit on and contribute to University committees and academic programme forums, which allow the Union to effectively address the needs of students. Student representatives are also present on policy and strategy making boards within the University.

The Union is grateful for the continued, generous financial support of the University. Strong relationships have been formed and maintained with the academic and administrative departments which allow us to meet our charitable objectives whilst continuing to improve the student experience for our members. The successful maintenance of these relationships will continue to be one of our strategic priorities.

When reviewing our objectives and planning our activities, due consideration has been given to the Charity Commission's general and relevant supplementary guidance on public benefit.

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2019/20 Performance

This element of our report outlines the services delivered by NTSU and their impact, for public benefit during 2019/20. Services during the year were delivered against the Union's new strategic objectives and performance is reported against these themes.

During the year the quality of NTSU's services has been recognised and accredited in a variety of ways.

- Achieved an NSS Q26 score of 65%, well above the sector average of 56%;
- Rated as a Top Ten students' union by our members in the independent NSS survey;
- Rated 6th best SU in the country at the Whatuni 2019 Awards;
- Maintained the Advice Quality Standard for our Information and Advice Service;
- Maintained our gold status in the Best Bar None awards with an improved 100% score;
- A benchmarked staff engagement score for all Union staff of 83%.

NTSU entered 2019/20 in a strong position. This has enabled it to address the Covid-19 crisis without undue anxiety. While the future is more uncertain than in recent years, the Union is ready to meet the needs of its members as they recommence their studies in September.

We Will Advocate for the Best Educational Experience for our Members

One of our Charitable Objects is to be the recognised representative channel between Students and Nottingham Trent University and any other external body. To this end the union recruits and trains student representatives to ensure that student feedback is secured and that the views of students are conveyed effectively to the University in order to secure positive change and development.

At the start of the academic year, the Union recruited and trained 400 Freshers' Team members, who welcomed 9,000 first year students, helped them to start building their social networks and assisted with the transition to University.

During the year the union recruited 764 academic representatives. Of these 598 were undergraduates of which 337 received NTSU training. The remaining representatives were post graduate students, including postgraduate research students, of which just over half were trained.

Changes made on campus based on student feedback have included extended library opening hours during the summer to support post graduate students writing dissertations, new study spaces including one designated for doctoral students in Goldsmith Street, and an expansion of the doctoral student room in the Boots Library. The Union's Post-Graduate inter-disciplinary conference was attended by 70 students and was acknowledged as assisting the creation of a research culture at NTU. At undergraduate level, representatives have helped to develop exam timetables for courses, improved the student dashboard and the University's online portal and continuously developed more minor issues within course committees throughout the year.

Following the sudden move to online learning at the end of March, the Union quickly mobilised academic reps to gather feedback. This contributed to the University's 'no detriment' policy which ensures that students' grades are not unduly affected by changes in delivery. The Union has also been able to raise specific concerns for post graduate students regarding rearranged access to practical sessions in laboratories and alternative assessment methods for dissertations disrupted by the crisis. 200 students benefited from these changes. NTSU was also able to solicit students' views on reorganising postponed graduation ceremonies.

Circumstances this year have often required our representation work to be conducted at great pace. There have been times when communicating between anxious students and senior University staff working in challenging circumstances has created pressure for the Union's officers. It has also been a period however, where there have been tangible benefits of effective student representation.

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Our Information and Advice Service has provided students with advice on 3,303 cases, saved students £122,465 and achieved a 100% resolution rate. The impact of Covid-19 on students saw a four-fold increase in the number of enquiries during June as students sought help and advice with housing and academic issues. All advice during this period was provided remotely by our advisers.

For queries which are outside the scope of our advisers' expertise, referral arrangements exist to direct students to other agencies. Useful partnerships have been formed with NCC Environmental Health team, local voluntary organisations and several departments within the Student Support Services team at the University to enhance the service we provide to students.

During the year, our IAS successfully maintained the Advice Quality Standard, recognising the high professional standards adhered to within the Service. The Service also facilitates the engagement of student volunteers in helping their peers by the provision of advice and outreach activities. These students are mainly drawn from the Law School. The high quality of this work is also recognised through an Investors in Volunteers Award. This year we have been fortunate to secure funding from Santander Universities to support and further develop our work with these volunteers.

The Union has continued to operate its Big Idea initiative during the year. 61 ideas were submitted. Our Student Council considers these as a major part of its agenda implementing many of them during the year.

Our Union election which were scheduled towards the end of March was heavily impacted by the Covid-19 crisis. Voting which clashed with preparations for closure of the University campuses was postponed until term 3. NTSU has used an online voting system for several years, but this year all campaigning was also online, as were the election results. This year 51 candidates stood for the sabbatical and equality and diversity posts. 4560 unique voters participated in the democratic process, which although a reduction on the previous year, is explained by the unique circumstances of the pandemic.

Following the elections, a decision was made to defer the start date for the new officers to August 1st so that they would have the best possible chance of a significant face to face element in their induction training at the end of July. We were able to deliver this safely at our Clifton Campus. NTSU considers a consistent induction for new officers is critical to their success. Feedback from them on the induction delivered was unanimous that we had made the right decision to avoid two weeks of intense training delivered remotely.

The Union's House Services team have also made a direct contribution to supporting students during the crisis by delivering hundreds of laptops on behalf of NTU to students across the East Midlands.

We Will Encourage Healthy Communities

The number of Union societies has grown again this year and now stands at 156, a 20% increase on last year. Academic societies, which directly enrich students' learning experiences, have been an area of particular growth. There are now 31 academic societies with 4113 members. In total, 7,462 students hold 10,625 society memberships.

All the Union's societies are student led and 737 of our members held committee positions this year. Face to face leadership training was delivered to 285 of these committee members, with the remaining students engaging in online committee training. Our societies delivered 1,082 events for their members. As part of these activities the union hosted 81 external speakers during the year. Our 'Give it a Go Week' programme which aims to give students an opportunity to try activities and encourage them to join student groups delivered 58 different activities across all three campuses attracting 322 student participants from 52 different countries.

Following the success of our well-being Wednesday activities at Brackenhurst, we have launched similar Mindful Monday activities at Clifton and City. We are grateful for the support of Santander Universities for these initiatives.

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Considerable effort and energy has been given to RAG fundraising this year. However, 3 challenges established to facilitate further fundraising: the three peaks race, climbing Kilimanjaro and Jailbreak were all postponed due to Covid-19, despite having received pledges totalling £28k.

The relatively recent introduction of a postgraduate sabbatical officer has enabled further developments in this area this year, particularly in encouraging post graduate community activities. These included an end of year party in September, attended by 60 students, a personalised SU welcome at Heathrow for some of our post graduate students, weekly tri-campus coffee mornings and a monthly newsletter. NTSU also contributed to a more comprehensive Winter Welcome programme for postgraduate students and played a role in the establishment of dedicated post graduate drop-in sessions at NTU Student Support Services and the introduction of a post graduate hardship fund.

We have seen an increase in peer led initiatives this year, driven in large part by our Community Officer. 322 students volunteered to be mental health champions and 38 of these undertook additional training to better support their fellow students. 170 students engaged in the #neverok campaign against hate crime. Activity designed to address sexual violence engaged 285 students across the institution.

The Covid-19 crisis has highlighted the importance of the Union's online capabilities in recent months. Our website has received 3.8million page views this year from 350,000 unique users, a 36% increase on the previous year. The Union now has 43K followers across Twitter, Facebook and Instagram social media platforms.

Following the closure of University campuses in March, our communications team supported our officers in delivering online versions of the annual student led teaching awards and NTSU Awards. The online NTSU Awards was particularly popular with higher numbers of students watching the event than would have attended had it been in our venue as usual. The team created a Coronavirus community Facebook group which attracted almost 1,000 members. Our activities staff also created an 'Every Day in May' programme of daily activities, which included society activities, workshops and challenges.

Our entertainments team continued with the Sunday Quiz online each week during the Covid-19 'lockdown' with up to 320 students taking part. They have also been able to stream playlists from our regular DJs and our virtual Last Day of Term event generated 1000 Facebook views. Our Brackfest event online was similarly well attended. Bingo events meanwhile were also popular with an attendance of around 100.

NTSU again contributed to a successful Enterprise Week which involved a programme of entrepreneurial workshops providing students with the opportunity to develop potential business ideas and learn about sustainability for start-up companies. This year saw an increase in the prize pot for the 'Dragons' Den' style event at the end of the week and the introduction of events specifically targeted at post graduate students.

In addition to volunteering and activities students' have also had the opportunity to develop through paid roles within the Union. 547 students worked for NTSU at some point during the academic year. Collectively, they worked more than 76,000 hours. 82 of our staff have been trained as supervisors in the year.

Following the closure of our outlets in March we facilitated access to the Government's Coronavirus Job Retention Scheme for our student staff as well as our permanent staff. Our student staff have contributed significantly to the relatively strong financial position in which the Union finds itself over several years. Consequently, the Union made a decision that furlough payments should be topped up to 100% of their wages until the end of term 3 2020. This decision was greatly appreciated by the staff affected.

We Will Represent and Develop our Diverse Membership

One of our strategic objectives has been to produce themed papers which articulate the views of students on key issues: 'position papers'. The first of these, which focused on the attainment gap for black students was published during the year. It outlined 10 recommendations designed to address the gap. The paper was an asset in helping the Union respond to Black Lives Matters campaigning issues.

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This year the Union also led the establishment of the Black Leadership Programme at NTU the first programme of its kind in the sector. Launched by Colin Jackson CBE, 40 students have participated in workshops on leadership, communication and resilience and have been assigned industry or professional experts as mentors.

During term 1, to meet one its new strategic objectives, the Union engaged an external consultant to review the way in which the Union embeds Equality and Diversity in its democratic structures and how the Union makes decisions and represents issues related to equality and diversity. Unfortunately, scope to make changes to Union democracy can be limited by governance and election schedules and the implementation of the report has been disrupted by the intervention of Covid-19. We expect to return to this in 2020/21.

During the year the Union has organised events to celebrate Black History Month, LGBT History Month and has actively promoted Hate Crime Awareness Week. However, acknowledging that this activity needs to be a mainstream aspect of our work, the Union has committed to extending it activities in these areas beyond specific calendar months.

To this end this year, our President, Bradley Fox, initiated the Union's 'Conversations On....' series. These events facilitate students and staff at NTU to meet to discuss equality issues. The events typically include an external speaker and often a panel debate. Themes this year have included race on campus, being an LGBT student and women in leadership. The events have been well attended and the Union has committed to extending these activities next year.

Our Union submitted a motion to NUS conference this year which sought to address the financial, academic and other welfare issues likely to be faced international students post Brexit. The motion sought a more equitable approach to international students' issues across the UK.

Our officers, in conjunction with officers from the University of Nottingham Students' Union, produced a Nottingham Students' Manifesto to raise the profile of students' issues in December's General Election. Hustings were arranged for our members at City, Clifton and Brackenhurst campuses. The manifesto informed discussions and candidates were given an opportunity to comment on the specific proposals it contained. Equality issues featured significantly in students' questions at all these events.

Trading

The Union continues to offer an extensive programme of social events and entertainment for its members. However, our activity was significantly curtailed this year when we shut all our outlets to students and the public during mid-March. This was particularly disappointing as our new Venues team had been implementing significant changes and these had been demonstrating positive impacts on customer feedback and financial performance. The future for our licensed activities and entertainment programme is currently uncertain, although the Union sees this as central to its offer for members and is keen to return to its usual activities in this area once government regulations allow.

NTSU had continued to diversify our events programme, making progress on its live music programme and initiating additional daytime events at weekends with partners within the city. The new team have also given a renewed emphasis to environmental improvements. Bottled drinks sales had been reduced by 13% at the point of closure. Managers are working closely with our purchasing consortium to reduce plastic and non-recyclable items in our supply chain. Canned water has also been introduced to all our bars.

In response to customer demand, our card terminal capability has been improved and this has led to an increase in the proportion of card payments, which now account for 87% of transactions in our bars.

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Year on year comparisons are more difficult this year. However, it is still possible to get a sense of the scale of the Union's trading activities and their popularity with students. During Welcome Week the Union organised 46 evening entertainment events across 11 venues. NTSU sold 25,500 freshers event tickets and 12,000 refreshers event tickets. On the first Sunday of Welcome Week we managed our highest ever attendance when 7,162 students were out at NTSU events across the city centre.

Our regular Saturday club night had accumulated a total attendance of 50,000 at the point of closure. This year we have seen a more conscious development of student DJ talent from within our membership. Our Last Day of Term event on 13th December had almost 4,000 students attend at City and Clifton. Remarkably, this event saw #LDOT trending nationally in third place on Twitter behind #ChristmasJumperDay and #GeneralElectionResults.

The Union aims to operate its own services to the highest safety standards. Maintaining the Best Bar None Gold Award for example is indicative of the application of these standards to our licensed operations. This year the Union secured a 100% score against the Best Bar None Gold criteria for the first time ever. The union regularly goes above and beyond standards typical of the high street in the way it schedules its security and through the provision of onsite professional first aiders at bigger weekend events for example. We have continued to schedule our Drinkaware crew members at key events throughout the year.

Our catering and retail outlets enjoy continued popularity. At the point of closure this year our shops had sold 780,000 items, generating £1.27million, while our coffee shops had sold 87,000 hot drinks. We have continued to operate stalls for graduation clothing. The Union's engagement means that clothing is typically 20% cheaper than at other similar universities. We have also been able to sell the University's merchandise on a commission free basis.

The Union's Business Development Department has continued to contribute to our diverse events programme and generate additional income to support our other activities. They have organised various fairs in our venues. The housing fair, which helps students seek accommodation for the next academic year and provides relevant advice about the potential pitfalls, attracted 800 students this year. However, our most popular fairs remain the freshers' fairs which attracted an attendance of 13,000 over 4 days at three campuses. The team also facilitated numerous room bookings for student societies and other university groups alongside 269 venue bookings, 93 of which were external.

Governance

The key elements of our governance are described elsewhere within this report. The Union is subject to regulation by the Charity Commission and Companies House. The Union complies with all the statutory requirements which apply to it.

In addition, the University has a regulatory role under the 1994 Education Act. The University meets regularly with the Union to ensure that the requirements of the Act are fulfilled. It also includes the Union in its internal audit programme to ensure that the grant received is used appropriately and that the implementation of the Union's internal financial controls is effective.

The Union has 14 places on its Trustee Board. These comprise:

- Six sabbatical officer trustees elected by the members by cross campus ballot;
- One part-time officer trustees elected by the members by cross campus ballot;

(Trustees chosen in this way are elected for a one-year term and are eligible to serve for a maximum of two terms if they are successfully re-elected.)

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- Up to four student trustees appointed by the Union's Appointments Committee (only three were appointed to serve for 2019/20);
- Three External Trustees, one of whom is appointed by the University and two of whom are appointed by the Union's Appointments Committee.

The relatively quick turnover of trustees requires a thorough induction process for new trustees. Trustees are provided with a day-long induction to the role of a trustee in a students' union based on the National Occupational Standard for Trustees. This forms part of a longer two-week induction programme for the elected student trustees which covers all aspects of the organisation and its strategy and operations.

This year some of the elected officers had their tenure extended by one month to address issues arising from the Covid-19 crisis. This enabled continuity in the current officers' representative discussions on the crisis with senior University staff. It also enabled our new officers to have an induction programme which was delivered predominantly in person rather than remotely ensuring that learning objectives could be delivered effectively.

The trustees met five times during the year to review the organisation's strategy and key objectives and their implementation and to exercise appropriate oversight over the Union's financial position, risk profile and general operations.

The Union actively maintains good relationships with its key stakeholders.

Executive Committee's Responsibilities

Charity law and NTSU's constitution require us as the charity trustees to prepare annual financial statements giving a true and fair view of the state of affairs of NTSU at its financial year-end and of NTSU's income and expenditure for the year. In preparing those financial statements we are required to:

- select the most suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is not appropriate to presume that NTSU will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the financial statements comply with charity law and the particular requirements of the Union General Meeting and the University under the Education Act 1994. We are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The charity has undertaken detailed financial scenario planning for 2020/21, which has predicted levels of commercial trading and other Union activities which will be possible at each level of the government's Covid Alert scale. The Union entered the current crisis with significant reserves and projections indicate that operating at levels 1,2 and 3 of the scale until Christmas with some subsequent return to normality, the Union will conclude the next financial year above its minimum reserves level. The Union also has contingency plans in place in the event of a scenario which is worse than this. The Union has increased the time and scrutiny applied at Board level to risk management.

Charity Code of Governance

The Union has no trustees who have served more than nine years. Our Memorandum and Articles formally limit the number of years which can be served by all external trustees to nine years. All other trustees are limited to two years as a sabbatical trustee, two years as an officer trustee and two years as a student trustee. Sabbatical trustees and officer trustees are required to win an election by cross campus ballot to serve each one year term of office.

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The Union is required by the Charity Commission to have more unpaid than paid trustees. The Union has six paid sabbatical officers as determined by its membership. This requires a Board of at least 13 trustees, which is slightly higher than recommended by the Code of Governance but in keeping with Commission Guidance.

In line with the Code of Governance guidance on transparency, the Union publishes a summary of Board proceedings for members on-line and regularly briefs its staff on the proceedings at trustees' meetings.

Fundraising

The Union does not engage in significant fundraising efforts to support its own activities.

Financial Review

NTSU's income for the year totaled £5,579,164 with unrestricted income from all sources totalling £5,412,722. Total expenditure of £5,586,527 on the wide-ranging benefits we provide within a broadly balanced budget, as well as the modest fundraising and other revenue-generating activities we undertake, left a deficit for the year of £7,363. These figures exclude the actuarial gains and losses on the Local Government Pension Scheme (See note 24 to the accounts). NTSU has continued to benefit from the recognition and support of the University, and this year the annual block grant was £1,657,500.

Custodian Activities: RAG

NTSU is custodian on the annual RAG proceeds from fundraising events organised by students under NTSU auspices for distribution to the intended charities. Funds raised by this year's RAG amounted to £4,186 and this cash was distributed equally between the 3 nominated charities.

Reserves Policy

NTSU is holding a deficit on reserves at 31 July 2020 of £1,382,410.

This comprises:

Restricted funds of £238,389

Unrestricted funds deficit of £1,620,799

Unrestricted funds comprise:

£2,256,201 general unrestricted funds

£3,877,000 deficit on the Local Government Pension Scheme

The unrestricted funds of NTSU are £2,256,201 at 31 July 2020 excluding the Local Government Pension deficit.

The reserves policy recognises that reserves are necessary to maintain the day to day operations of the Union. The minimum reserves level is set at 3 months operating costs and an additional fund to cover redundancy costs for all staff which equates to £862,802. Our target level is 4 months operating costs and an additional fund to cover redundancy costs for all staff which equates to £1,102,235.

Free reserves at 31 July 2020 are £957,505 (£2,256,201 unrestricted funds less £1,298,696 fixed assets) which is between our minimum and target reserves level.

Societies

These are funds raised by the societies and administered by the Union for the specific benefit of that society which is ultimately under the control of the Union.

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Principle Risks and Uncertainties

The Board of Trustees has examined the major strategic, business and operational risks faced by NTSU. A risk register has been established and the frequency of reviews has been increased by the Board of Trustees in the context of the current Covid-19 crisis. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. At the peak of the Covid-19 crisis, additional internal controls were implemented to tighten financial management.

Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are usually periodically reviewed to ensure that they continue to meet the needs of the charity. Specific risk assessments to address the government's 'Covid Secure' workplace guidelines have been approved following consultation with the Union's Staff Forum.

The risks presented to the Union by Covid-19 and associated government action, and political issues such as Brexit is significant and unusually the ability of the Union to mitigate these risks is extremely limited. There are also a number of sector specific risks affecting the Union. These include changing student preferences, the impact of Higher Education Policy on our parent institution and the Union and changes in the broader economic and political climate. There are a number of risks associated with our specific operations, for example our student societies' activities. These have established control procedures in place and these are subject to regular review. The Union has revised these assessments to take account of students increased engagement in online activity this year.

In addition to the changes to the risk register necessitated by Covid-19, trustees have ensured that the risk register was updated early during the financial year to reflect the new strategic plan.

Plans for the Future

At the end of the 2019/2020 financial year the Union was still addressing the issues presented by the Covid-19 crisis. This has included significant financial modelling which indicates that Union will remain a going concern for the foreseeable future based on a robust operational plan and financial reserves within its approved Reserves Policy.

The Union will continue to implement its strategic plan in the next financial year. Trustees have reconfirmed NTSU's commitment to the plan and the priorities have been re-evaluated to reflect the pandemic. Changes to teaching and learning and other elements of the student experience within the University and the wider community will require the Union will mean that effective representation in the interests of our members is more important than ever.

The establishment of NTU provision in Mansfield will also be a focus of our work this year. This will include the peer led delivery of student activities for which some of our members have already received formal training. The Union expects that this model may also facilitate an increase in student activities at Confetti.

Future funding

The Trustee Board confirms that NTSU has sufficient funds to meet all its obligations. The Block Grant for 2020/21 has been confirmed at £1,725,000 and the commercial activities are budgeted to generate additional funds, although this is subject to greater risks than in previous years.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees (who are also Directors of NTSU 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).

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and Statements of Recommended Practice 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 operation.

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

Going Concern

After making appropriate enquiries and undertaking considerable additional financial scenario planning for the forthcoming financial year, the trustees have a reasonable expectation that the Union 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.

Trustees' Indemnities

During the year, an indemnity from the union was made available to trustees against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the union. The value of the indemnity in place during the year was £2,000,000.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware;
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.;

In preparing this report, the Trustee has taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

The report was approved by the Trustees, on 22 October 2020 and signed on their behalf by:

Conor Naughton
President



NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAM TRENT STUDENTS' UNION

Opinion

We have audited the financial statements of Nottingham Trent Students' Union (the 'union') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, 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 2020 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 Trustee's 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.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAM TRENT STUDENTS' UNION
(CONTINUED)

Other information

The Trustee 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 Trustee's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's 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 Trustee's 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 Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustee 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 Trustee's Report and from the requirement to prepare a Strategic Report.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAM TRENT STUDENTS' UNION
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustee's 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.

Helen Drew (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

22 October 2020

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and grants | 4 | 2,156,882 | - | 2,156,882 | 1,875,000 |
| Charitable activities | 5 | 3,253,385 | 166,442 | 3,419,827 | 4,676,714 |
| Investments | | 2,455 | - | 2,455 | 2,285 |
| Total income | | 5,412,722 | 166,442 | 5,579,164 | 6,553,999 |
| Expenditure on: | | | | | |
| Charitable activities | 6 | 5,390,446 | 196,081 | 5,586,527 | 6,465,752 |
| Total expenditure | | 5,390,446 | 196,081 | 5,586,527 | 6,465,752 |
| Net income/(expenditure) | | 22,276 | (29,639) | (7,363) | 88,247 |
| Transfers between funds | 17 | (30,036) | 30,036 | - | - |
| Net movement in funds before other recognised gains/(losses) | | (7,760) | 397 | (7,363) | 88,247 |
| Other recognised gains/(losses): | | | | | |
| Actuarial losses on defined benefit pension schemes | 24 | (918,000) | - | (918,000) | (391,000) |
| Net movement in funds | | (925,760) | 397 | (925,363) | (302,753) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | (695,039) | 237,992 | (457,047) | (154,294) |
| Net movement in funds | | (925,760) | 397 | (925,363) | (302,753) |
| Total funds carried forward | | (1,620,799) | 238,389 | (1,382,410) | (457,047) |

The notes on pages 21 to 43 form part of these financial statements.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 08738730

BALANCE SHEET
AS AT 31 JULY 2020

| | Note | 2020 £ | 2019 £ |
|--|------|---------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 1,298,695 | 1,562,763 |
| Investments | 12 | 1 | 1 |
| | | <u>1,298,696</u> | <u>1,562,764</u> |
| Current assets | | | |
| Stocks | 13 | 122,116 | 145,187 |
| Debtors | 14 | 54,517 | 40,356 |
| Cash at bank and in hand | | 1,329,180 | 1,003,976 |
| | | <u>1,505,813</u> | <u>1,189,519</u> |
| Creditors: amounts falling due within one year | 15 | (309,919) | (354,330) |
| Net current assets | | <u>1,195,894</u> | <u>835,189</u> |
| Net assets excluding pension liability | | <u>2,494,590</u> | <u>2,397,953</u> |
| Defined benefit pension scheme liability | 24 | (3,877,000) | (2,855,000) |
| Total net assets | | <u><u>(1,382,410)</u></u> | <u><u>(457,047)</u></u> |
| Charity funds | | | |
| Restricted funds | 17 | 238,389 | 237,992 |
| Unrestricted funds: | | | |
| Unrestricted funds excluding pension asset | 17 | 2,256,201 | 2,159,961 |
| Pension reserve | 17 | (3,877,000) | (2,855,000) |
| Total unrestricted funds | 17 | <u>(1,620,799)</u> | <u>(695,039)</u> |
| Total funds | | <u><u>(1,382,410)</u></u> | <u><u>(457,047)</u></u> |

The financial statements were approved and authorised for issue by the Trustee on 22 October 2020 and signed on their behalf by:

Conor Naughton



The notes on pages 21 to 43 form part of these financial statements.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

| | Note | 2020 £ | 2019 £ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 20 | 333,776 | 596,004 |
| Cash flows from investing activities | | | |
| Interest receivable | | 7,507 | 2,285 |
| Proceeds from the sale of tangible fixed assets | | 4,376 | - |
| Purchase of tangible fixed assets | | (20,455) | (943,866) |
| Net cash used in investing activities | | (8,572) | (941,581) |
| Change in cash and cash equivalents in the year | | 325,204 | (345,577) |
| Cash and cash equivalents at the beginning of the year | | 1,003,976 | 1,349,553 |
| Cash and cash equivalents at the end of the year | 21 | 1,329,180 | 1,003,976 |

The notes on pages 21 to 43 form part of these financial statements

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. General information

The Union is a company limited by guarantee. The members of the company are the Trustees named on pages 1 & 2. 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.

Nottingham Trent Students' Union (NTSU) is an incorporated charity registered with the Charity Commission (No. 1154401) and Companies House (No. 8738730) in England and Wales. The principal address of The Union is Benenson Building, Clifton Campus, Clifton Lane, Nottingham, NG11 8NS.

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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Nottingham Trent 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.

2.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Union 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 Union 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.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Union 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.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Going concern

As stated in the Trustee's Report, the Trustees believe there are no material uncertainties that call into doubt the Union's ability to continue as a going concern and the accounts have therefore been prepared on a going concern basis. The Trustees have reviewed the Union's finances in light of the current climate in relation to the COVID-19 pandemic and consider cash holdings to be sufficient to ensure adequate cashflow for the foreseeable future.

2.6 Taxation

No provision is made in these accounts for Corporate Tax since the Union is exempt from such taxes as a result of having charitable status.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 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.

At each reporting date the Union assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following bases:

| | |
|--|-------------------------|
| Union buildings, alterations and refurbishment | - 2 - 25% straight line |
| Motor vehicles | - 50% straight line |
| Office equipment | - 33.33% straight line |

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 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.

2.10 Financial instruments

The Union only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

Debtors

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

Cash

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.

Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.11 Pensions

The Union contributes to the local authority pension scheme (LGPS), which is a defined benefit pension scheme and the assets are held separately from those of the Union.

The LGPS is a funded scheme and the assets are held separately from those of the Union in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The Union also auto-enrolls employees into the National Employment Savings Trust (NEST), an independently run defined contribution scheme, and participates in the Aegon money purchase scheme which is accounted for as a defined contribution scheme.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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.

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) Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

(ii) Donation of facilities by Nottingham Trent University

The Students Union occupies its buildings on a rent free basis from Nottingham Trent University. In accordance with the Charities SORP FRS 102, the Union has valued the benefit it receives from occupying this space which has been estimated at a comparable market rent in the area as £115,000.

In addition the Students Union received payroll and IT services from Nottingham Trent University for which no fee is charged. The value of this donation has been estimated at the cost of time spent, £35,000.

(iii) Support costs

Many of the support costs incurred by the Union such as support staff costs and service costs are shared between activities. The Union's policy is to allocate these costs on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

4. Income from donations and grants

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|----------------------------|--|---------------------------------------|
| Provision of free services | 150,000 | 150,000 |
| University grants | 1,657,500 | 1,657,500 |
| Government grants | 349,382 | 349,382 |
| Total 2020 | <u>2,156,882</u> | <u>2,156,882</u> |

The government grants figure consists of £349,382 relating to a Coronavirus Job Retention Scheme (CJRS) Grant from the government. The CJRS grant was set up to cover the costs of staff placed on furlough due to the Covid19 restriction and this amount represents the costs which can be claimed under CJRS for the period to 31st July 2020.

| | <i>Unrestricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------|--|---------------------------------------|
| Donations | 150,000 | 150,000 |
| University grants | 1,725,000 | 1,725,000 |
| | <u>1,875,000</u> | <u>1,875,000</u> |

5. Income from charitable activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|-------------------------|--|--|---------------------------------------|
| Advice & Support | - | - | - |
| Employability | 4,688 | - | 4,688 |
| Social & Entertainments | 3,243,305 | 166,442 | 3,409,747 |
| Student Voice | 5,392 | - | 5,392 |
| Total 2020 | <u>3,253,385</u> | <u>166,442</u> | <u>3,419,827</u> |

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

5. Income from charitable activities (continued)

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------------|--|--|---------------------------------------|
| Advice & Support | 1,088 | - | 1,088 |
| Employability | 4,982 | - | 4,982 |
| Social & Entertainments | 4,459,980 | 195,728 | 4,655,708 |
| Student Voice | 14,936 | - | 14,936 |
| Total 2019 | 4,480,986 | 195,728 | 4,676,714 |

6. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|-------------------------|--|--|---------------------------------------|
| Advice & Support | 171,410 | - | 171,410 |
| Employability | 265,541 | - | 265,541 |
| Social & Entertainments | 3,907,698 | 196,081 | 4,103,779 |
| Student Voice | 1,045,797 | - | 1,045,797 |
| Total 2020 | 5,390,446 | 196,081 | 5,586,527 |

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------------|--|--|---------------------------------------|
| Advice & Support | 151,262 | - | 151,262 |
| Employability | 303,816 | - | 303,816 |
| Social & Entertainments | 4,760,878 | 202,140 | 4,963,018 |
| Student Voice | 1,047,656 | - | 1,047,656 |
| | 6,263,612 | 202,140 | 6,465,752 |

NOTTINGHAM TRENT STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

6. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

| | Staff costs 2020 £ | Depreciation 2020 £ | Other costs 2020 £ | Total funds 2020 £ |
|-------------------------|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------------|
| Advice & Support | 146,930 | 244 | 24,236 | 171,410 |
| Employability | 175,526 | - | 90,015 | 265,541 |
| Social & Entertainments | 1,744,678 | 63,616 | 2,295,485 | 4,103,779 |
| Student Voice | 516,442 | 220,663 | 308,692 | 1,045,797 |
| | <u>2,583,576</u> | <u>284,523</u> | <u>2,718,428</u> | <u>5,586,527</u> |

| | Staff costs 2019 £ | Depreciation 2019 £ | Other costs 2019 £ | Total funds 2019 £ |
|-------------------------|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------------|
| Advice & Support | 120,058 | 183 | 31,021 | 151,262 |
| Employability | 235,421 | - | 68,395 | 303,816 |
| Social & Entertainments | 1,713,170 | 59,764 | 3,190,084 | 4,963,018 |
| Student Voice | 680,108 | 169,042 | 198,506 | 1,047,656 |
| | <u>2,748,757</u> | <u>228,989</u> | <u>3,488,006</u> | <u>6,465,752</u> |

7. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|-------------------------|--|---|---------------------------------------|
| Advice & Support | 129,549 | 41,861 | 171,410 |
| Employability | 208,856 | 56,685 | 265,541 |
| Social & Entertainments | 3,699,044 | 404,735 | 4,103,779 |
| Student Voice | 896,912 | 148,885 | 1,045,797 |
| Total 2020 | <u>4,934,361</u> | <u>652,166</u> | <u>5,586,527</u> |

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

| | <i>Activities undertaken directly 2019 £</i> | <i>Support costs 2019 £</i> | <i>Total funds 2019 £</i> |
|-------------------------|--|---|---------------------------------------|
| Advice & Support | 104,969 | 46,293 | 151,262 |
| Employability | 240,896 | 62,920 | 303,816 |
| Social & Entertainments | 4,522,082 | 440,936 | 4,963,018 |
| Student Voice | 885,514 | 162,142 | 1,047,656 |
| <i>Total 2019</i> | <u>5,753,461</u> | <u>712,291</u> | <u>6,465,752</u> |

Analysis of support costs

| | 2020 £ | 2019 £ |
|-------------------------|-----------------------|-------------------|
| Staff costs | 342,877 | 350,565 |
| Donated rent | 115,000 | 115,000 |
| Donated services | 35,000 | 35,000 |
| Other staff costs | 31,239 | 34,236 |
| Travel costs | 1,156 | 1,964 |
| Repairs and maintenance | 12,141 | 20,460 |
| Insurance | 44,881 | 36,207 |
| Legal & professional | 31,505 | 33,960 |
| Bank charges | 6,161 | 13,058 |
| Other support costs | 19,306 | 59,316 |
| Governance costs | 12,900 | 12,525 |
| | <u>652,166</u> | <u>712,291</u> |

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8. Auditor's remuneration

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Fees payable to the Union's auditor for the audit of the Union's annual accounts | 12,900 | 12,525 |
| Fees payable to the Union's auditor in respect of: All non-audit services not included above | 1,250 | 1,250 |

9. Staff costs

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Wages and salaries | 2,221,043 | 2,345,450 |
| Social security costs | 123,790 | 128,832 |
| Contribution to defined contribution pension schemes | 238,743 | 274,475 |
| | 2,583,576 | 2,748,757 |

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

| | 2020 No. | 2019 No. |
|-----------------|--------------------|--------------------|
| Permanent staff | 63 | 68 |
| Student staff | 291 | 281 |
| | 354 | 349 |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2020 No. | 2019 No. |
|-------------------------------|--------------------|--------------------|
| In the band £70,001 - £80,000 | 1 | 1 |

Key management personnel are considered to be anyone who has authority and responsibility for planning, directing and controlling the activities of the Union. During the year, key management personnel received remuneration of £204,378 (2019 - £226,148) including employers National Insurance and employers pension contributions.

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10. Trustee's remuneration and expenses

During the year, Trustee's received total remuneration and benefits of £126,329 (2019: £125,313).

Each of the 6 Executive Committee's sabbatical officers received £20,699 (2019 - £20,293) for the year, as authorised in the Union's governing document, for the representation, campaigning and support work they undertake as distinct from the trustee responsibilities. In addition, a fortnight's pay was made to none of the new officers (2019 - 2) totalling £nil (2019 - £1,700) to cover the handover period. Pension contributions were paid for 3 officers, totalling £2,135 (2019 - £1,855).

During the year ended 31 July 2020, no Trustee expenses have been incurred (2019 - £NIL).

11. Tangible fixed assets

| | Refurbish- ment of Union Buildings £ | Office equipment £ | Motor vehicles £ | Total £ |
|--------------------------|--|--------------------------|------------------------|------------|
| Cost or valuation | | | | |
| At 1 August 2019 | 2,599,926 | 282,646 | 71,588 | 2,954,160 |
| Additions | - | 10,055 | 10,400 | 20,455 |
| Disposals | - | (12,850) | - | (12,850) |
| At 31 July 2020 | 2,599,926 | 279,851 | 81,988 | 2,961,765 |
| Depreciation | | | | |
| At 1 August 2019 | 1,166,114 | 168,842 | 56,441 | 1,391,397 |
| Charge for the year | 208,593 | 56,451 | 19,479 | 284,523 |
| On disposals | - | (12,850) | - | (12,850) |
| At 31 July 2020 | 1,374,707 | 212,443 | 75,920 | 1,663,070 |
| Net book value | | | | |
| At 31 July 2020 | 1,225,219 | 67,408 | 6,068 | 1,298,695 |
| At 31 July 2019 | 1,433,812 | 113,804 | 15,147 | 1,562,763 |

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12. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 August 2019 | 1 |
| | <hr/> |
| At 31 July 2020 | 1 |
| | <hr/> <hr/> |
| Net book value | |
| At 31 July 2020 | 1 |
| | <hr/> |
| <i>At 31 July 2019</i> | <i>1</i> |
| | <hr/> <hr/> |

Nottingham Trent Students Union owns 100% of the share capital of Nottingham Trent Students Union Services Limited. Consideration comprised £1 for the purchase of 1 £1 ordinary share. At 31 July 2019 the balance due is £1 and this is included in accruals. The company has continued to remain dormant throughout the accounting period.

13. Stocks

| | 2020 £ | 2019 £ |
|------------------|----------------|----------------|
| Goods for resale | 122,116 | 145,187 |
| | <hr/> <hr/> | <hr/> <hr/> |

14. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | - | 540 |
| Prepayments and accrued income | 54,517 | 39,816 |
| | <hr/> | <hr/> |
| | 54,517 | 40,356 |
| | <hr/> <hr/> | <hr/> <hr/> |

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NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|--|----------------------------|----------------------------|
| Trade creditors | 55,854 | 113,801 |
| Other taxation and social security | 15,709 | 3,522 |
| Other creditors | 41,813 | 90,503 |
| Accruals and deferred income | 196,543 | 146,504 |
| | <hr/> 309,919 <hr/> | <hr/> 354,330 <hr/> |
| | 2020 £ | 2019 £ |
| Deferred income at 1 August 2019 | 30,628 | 14,350 |
| Resources deferred during the year | 23,400 | 30,628 |
| Amounts released from previous periods | (30,628) | (14,350) |
| | <hr/> 23,400 <hr/> | <hr/> 30,628 <hr/> |

Deferred income relates to NUS card income, freshers fair and income from marketing received in advance.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Financial instruments

| | 2020 £ | 2019 £ |
|---|-------------------------|------------------|
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | - | 540 |
| | <u>-</u> | <u>540</u> |
| | 2020 £ | 2019 £ |
| Financial liabilities | | |
| Financial liabilities measured at fair value through income and expenditure | 3,877,000 | 2,855,000 |
| Financial liabilities measured at amortised cost | 249,210 | 350,809 |
| | <u>4,126,210</u> | <u>3,205,809</u> |

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at fair value through income and expenditure comprise the Local Government Pension Scheme

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

17. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2020 £ |
|-----------------------------------|----------------------------------|-------------------------|---------------------------|--------------------------|-------------------------|---------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 2,159,961 | 5,412,722 | (5,286,446) | (30,036) | - | 2,256,201 |
| Pension reserve | (2,855,000) | - | (104,000) | - | (918,000) | (3,877,000) |
| | <u>(695,039)</u> | <u>5,412,722</u> | <u>(5,390,446)</u> | <u>(30,036)</u> | <u>(918,000)</u> | <u>(1,620,799)</u> |
| Restricted funds | | | | | | |
| Societies | 227,137 | 163,442 | (193,241) | 30,036 | - | 227,374 |
| Carbon Challenge | 6,251 | - | - | - | - | 6,251 |
| Uni-Cycle Scheme | 1,604 | - | - | - | - | 1,604 |
| Santander Volunteer Funding | 3,000 | 3,000 | (2,840) | - | - | 3,160 |
| | <u>237,992</u> | <u>166,442</u> | <u>(196,081)</u> | <u>30,036</u> | <u>-</u> | <u>238,389</u> |
| Total of funds | <u><u>(457,047)</u></u> | <u><u>5,579,164</u></u> | <u><u>(5,586,527)</u></u> | <u><u>-</u></u> | <u><u>(918,000)</u></u> | <u><u>(1,382,410)</u></u> |

A summary of the key restricted funds are as follows:

Societies - These are funds raised by the societies and administered by the Union for the specific benefit of that society which is ultimately under the control of the Union.

Carbon Challenge - This is a Nottingham Trent University initiative aiming to get staff and students involved in the University's plans to reduce carbon emissions.

Uni-Cycle Scheme - These are funds held and administered by the Union for providing a maintenance service for the Nottingham Trent University bike hire scheme.

Santander Volunteer Funding - These are funds held by the Union for making sports activities accessible for all.

Transfers represent movements of funds from the Union to the societies.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

17. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 August 2018 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 July 2019 £</i> |
|---------------------------------|---|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Designated funds | | | | | | |
| Designated Funds | 500,000 | - | - | (500,000) | - | - |
| General funds | | | | | | |
| General Funds | 1,463,954 | 6,358,271 | (6,122,612) | 460,348 | - | 2,159,961 |
| Pension reserve | (2,323,000) | - | (141,000) | - | (391,000) | (2,855,000) |
| | (859,046) | 6,358,271 | (6,263,612) | 460,348 | (391,000) | (695,039) |
| Total Unrestricted funds | (359,046) | 6,358,271 | (6,263,612) | (39,652) | (391,000) | (695,039) |
| Restricted funds | | | | | | |
| Societies | 196,897 | 192,728 | (202,140) | 39,652 | - | 227,137 |
| Carbon Challenge | 6,251 | - | - | - | - | 6,251 |
| Uni-Cycle Scheme | 1,604 | - | - | - | - | 1,604 |
| Santander Volunteer Funding | - | 3,000 | - | - | - | 3,000 |
| | 204,752 | 195,728 | (202,140) | 39,652 | - | 237,992 |
| Total of funds | (154,294) | 6,553,999 | (6,465,752) | - | (391,000) | (457,047) |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

18. Summary of funds

Summary of funds - current year

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2020 £ |
|------------------|----------------------------------|------------------|--------------------|--------------------------|-------------------------|---------------------------------|
| General funds | (695,039) | 5,412,722 | (5,390,446) | (30,036) | (918,000) | (1,620,799) |
| Restricted funds | 237,992 | 166,442 | (196,081) | 30,036 | - | 238,389 |
| | <u>(457,047)</u> | <u>5,579,164</u> | <u>(5,586,527)</u> | <u>-</u> | <u>(918,000)</u> | <u>(1,382,410)</u> |

Summary of funds - prior year

| | Balance at 1 August 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2019 £ |
|------------------|-------------------------------------|------------------|--------------------|--------------------------|-------------------------|---------------------------------|
| Designated funds | 500,000 | - | - | (500,000) | - | - |
| General funds | (859,046) | 6,358,271 | (6,263,612) | 460,348 | (391,000) | (695,039) |
| Restricted funds | 204,752 | 195,728 | (202,140) | 39,652 | - | 237,992 |
| | <u>(154,294)</u> | <u>6,553,999</u> | <u>(6,465,752)</u> | <u>-</u> | <u>(391,000)</u> | <u>(457,047)</u> |

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 1,298,695 | - | 1,298,695 |
| Fixed asset investments | 1 | - | 1 |
| Current assets | 1,267,424 | 238,389 | 1,505,813 |
| Creditors due within one year | (309,919) | - | (309,919) |
| Provisions for liabilities and charges | (3,877,000) | - | (3,877,000) |
| Total | <u>(1,620,799)</u> | <u>238,389</u> | <u>(1,382,410)</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

| | <i>Unrestricted funds 2019 £</i> | <i>Restricted funds 2019 £</i> | <i>Total funds 2019 £</i> |
|--|--|--|---------------------------------------|
| Tangible fixed assets | 1,562,763 | - | 1,562,763 |
| Fixed asset investments | 1 | - | 1 |
| Current assets | 951,527 | 237,992 | 1,189,519 |
| Creditors due within one year | (354,330) | - | (354,330) |
| Provisions for liabilities and charges | (2,855,000) | - | (2,855,000) |
| Total | <u>(695,039)</u> | <u>237,992</u> | <u>(457,047)</u> |

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

| | 2020 £ | 2019 £ |
|--|-----------------------|-----------------------|
| Net income/expenditure for the period (as per Statement of Financial Activities) | <u>(7,363)</u> | <u>88,247</u> |
| Adjustments for: | | |
| Depreciation charges | 284,523 | 228,989 |
| Interest receivable | (7,507) | (2,285) |
| Profit on the sale of fixed assets | (4,376) | - |
| Increase in stocks | 23,071 | (17,337) |
| Decrease/(increase) in debtors | (14,161) | 47,135 |
| Increase/(decrease) in creditors | (44,411) | 110,255 |
| Defined benefit pension scheme cost less contributions | 59,000 | 60,000 |
| Defined benefit pension scheme finance cost | 45,000 | 81,000 |
| Net cash provided by operating activities | <u><u>333,776</u></u> | <u><u>596,004</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

21. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|--------------|------------------|------------------|
| Cash in hand | <u>1,329,180</u> | <u>1,003,976</u> |

22. Analysis of changes in net debt

| | At 1 August 2019 £ | Cash flows £ | At 31 July 2020 £ |
|--------------------------|--------------------------|-----------------|-------------------------|
| Cash at bank and in hand | 1,003,976 | 325,204 | 1,329,180 |
| | <u>1,003,976</u> | <u>325,204</u> | <u>1,329,180</u> |

23. Contingent liabilities

HMRC is currently challenging the application of the catering concession by Students Unions if they consider the establishment to be a pub or bar. Whilst the Union believes it has complied with the concession in good faith, the subjective nature of the interpretation of the concession could mean that HMRC take a different view. No contingent liability has been quantified.

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24. Pension commitments

The NUS Aegon Pension Scheme contributions paid during the year amounted to £nil (2019 - £416). The last member of staff enrolled in this scheme left during the prior year, therefore no future contributions will be made to this Pension Scheme.

Employer's contributions to the NEST scheme for the year to 31 July 2020 amounted to £41,395 (2019 - £31,177). The agreed contribution rates for the NEST pension scheme are between 4% and 6%.

Nottinghamshire County Council Local Government Pension Scheme

The Union is an admitted body to the Nottinghamshire County Council Local Government Pension Scheme final salary scheme. The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 July 2020 was £124,000 (2019 - £129,315), of which employer's contributions totaled £92,000 (2019 - £102,298) and employees' contributions totaled £22,000 (2019 - £27,017). The agreed contribution rates for future years are 16.5% for employers and between 2.75% and 12.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | At 31 July 2020 % | At 31 July 2019 % |
|--------------------------|----------------------------------|----------------------------------|
| Discount rate | 1.35 | 2.10 |
| Future salary increases | 3.25 | 3.85 |
| Future pension increases | 2.25 | 2.35 |
| | <hr/> <hr/> | <hr/> <hr/> |

| | At 31 July 2020 Years | At 31 July 2019 Years |
|----------------------------------|--------------------------------------|--------------------------------------|
| Mortality rates (in years) | | |
| - for a male aged 65 now | 21.8 | 21.6 |
| - at 65 for a male aged 45 now | 23.2 | 23.3 |
| - for a female aged 65 now | 24.4 | 24.4 |
| - at 65 for a female aged 45 now | 25.9 | 26.2 |
| | <hr/> <hr/> | <hr/> <hr/> |

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FOR THE YEAR ENDED 31 JULY 2020**

24. Pension commitments (continued)

Sensitivity analysis

| | At 31 July 2020 £ | At 31 July 2019 £ |
|--|----------------------------------|----------------------------------|
| Discount rate +0.1% | 7,263,000 | 6,374,000 |
| Discount rate -0.1% | 7,597,000 | 6,655,000 |
| Mortality assumption - 1 year increase | 7,739,000 | 6,782,000 |
| Mortality assumption - 1 year decrease | 7,130,000 | 6,255,000 |
| CPI rate +0.1% | 7,583,000 | 6,642,000 |
| CPI rate -0.1% | 7,276,000 | 6,387,000 |

The Union's share of the assets in the scheme was:

| | At 31 July 2020 £ | At 31 July 2019 £ |
|-----------------------------------|----------------------------------|----------------------------------|
| Equities | 2,008,000 | 2,271,000 |
| Gilts | 148,000 | 119,000 |
| Other bonds | 326,000 | 339,000 |
| Property | 529,000 | 495,000 |
| Cash and other liquid assets | 145,000 | 88,000 |
| Other | 395,000 | 346,000 |
| Total fair value of assets | 3,551,000 | 3,658,000 |

The actual return on scheme assets was £78,000 (2019 - £104,000).

The amounts recognised in the Statement of Financial Activities are as follows:

| | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Current service cost | 136,000 | 182,000 |
| Net interest on the defined liability (asset) | 59,000 | 60,000 |
| Administrative expenses | 1,000 | 1,000 |
| Total amount recognised in the Statement of Financial Activities | 196,000 | 243,000 |

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24. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Opening defined benefit obligation | 6,513,000 | 5,856,000 |
| Interest cost | 136,000 | 154,000 |
| Contributions by scheme participants | 22,000 | 27,000 |
| Change in financial assumptions | 718,000 | 401,000 |
| Current service cost | 136,000 | 182,000 |
| Estimate benefits paid net of transfers in | (97,000) | (107,000) |
| Closing defined benefit obligation | 7,428,000 | 6,513,000 |

Movements in the fair value of the Union's share of scheme assets were as follows:

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Opening fair value of scheme assets | 3,658,000 | 3,533,000 |
| Interest on assets | 77,000 | 94,000 |
| Return on assets less interest | (200,000) | 10,000 |
| Contributions by employer | 92,000 | 102,000 |
| Contributions by scheme participants | 22,000 | 27,000 |
| Estimated benefits paid plus unfunded net of transfers in | (97,000) | (107,000) |
| Administration expenses | (1,000) | (1,000) |
| Closing fair value of scheme assets | 3,551,000 | 3,658,000 |

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FOR THE YEAR ENDED 31 JULY 2020

25. Operating lease commitments

At 31 July 2020 the Union had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £ | 2019 £ |
|--|------------------|---------------|
| Not later than 1 year | 326,000 | 97,353 |
| Later than 1 year and not later than 5 years | 1,079,819 | - |
| | <u>1,405,819</u> | <u>97,353</u> |

The following lease payments have been recognised as an expense in the Statement of financial activities:

| | 2020 £ | 2019 £ |
|-------------------------|----------------|----------------|
| Operating lease rentals | <u>326,000</u> | <u>326,000</u> |

26. Related party transactions

The union is in receipt of a recurrent grant from the parent body to cover salaries and overheads. The amount received for the year ended 31 July 2020 was £1,657,500 (2019: £1,725,000).

During the year the union received free services for rent, payroll and IT which have been valued at £150,000 (2019: £150,000).

During the year computer equipment was purchased from Nottingham Trent University to the value of £20,053 (2019: £2,745).

During the year other goods and services were purchased from Nottingham Trent University to the value of £19,868 (2019: £15,695).

The union has entered into a lease agreement for the Byron House site. Rent totalling £326,000 has been charged in relation to this during the year (2019: £326,000).