

**DE MONTFORT UNIVERSITY
STUDENTS UNION LIMITED**

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

Registered Number 06634464 (England and Wales)

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2016

The Trustees (who are also the director's of the Charity for the purposes of the Companies Act) present their Trustees report together with the audited financial statements of De Montfort University Students Union Limited (the Charity) for the year ended 31 July 2016. The Trustees confirm that the Trustees report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Charitable Status

De Montfort University Students Union Limited (DSU) is a company limited by guarantee (company number 06634464) and a registered charity (charity number 1138587).

Principal Address and Registered Office

First Floor, Campus Centre Building, Mill Lane, Leicester, LE2 7DR

Trustees

The following Trustees are also Directors of the company

Full-time Executive Officers

The Executive Officers are elected by the student population to hold office from 1st July 2016 to 30th June 2017 and are known also as the Executive Committee. The Executive Officers who held office during the year are:

President	Daniel Winney (appointed 1/7/16)
Deputy President Education	Augustus Mbanasor (appointed 1/7/16)
Vice President Student Activities	Ahtesham Mahmood (appointed 26/10/15)
Vice President Welfare and Community	Keira Rounsley
Vice President Media and Communications	Michael Clarke (appointed 1/7/16)
President	Adil Waraich (resigned 22/1/16)
Deputy President Education	Amie Chapman (resigned 30/6/16)
Vice President Media and Communications	Adam Redfern (resigned 30/6/16)
Vice President Student Activities	Daniel Winney (resigned 30/6/16)

External Trustees

The External Trustees are appointed to the Trustee Board by an Appointments Committee. The External Trustees who held office during the year are:

James Gardner	(appointed 1/8/16)
Danielle Gillett	
Robert Gofton	
Philip Smith	
Arvind Michael Kapur	(resigned 30/6/16)

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Student Trustees

The Student Trustees who held office during the year are:

Student Trustee	Valerie Iriogbe
Student Trustee	Wendy Rainbow
Student Trustee	Keshana Davidson (appointed 11/7/16)
Student Trustee	Quinn Franklin (appointed 1/7/16)
Student Trustee	Asem Al Bunmi (resigned 30/6/16)

Alumni Trustees

The Alumni Trustees who held office during the year are:

Alumni Trustee	Carl King (appointed 10/8/16)
Alumni Trustee	Holly Percival (appointed 1/8/16)

Auditors

RSM UK Audit LLP
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
LE19 1SD

Charity Number 1138587

Company Number 06634464

Bankers

Royal Bank of Scotland
5 Market Street
Leicester
LE1 6DN

Governing document

The Students' Union is governed by the Memorandum and Articles of Association. The Students' Union is a company limited by guarantee and does not have any share capital. The guarantors are the members of the Students' Union, being registered students at the De Montfort University as defined in the Articles of Association.

DSU Staff

DSU employs a Chief Executive Officer to work closely with the Executive Officers and as head of the Senior Management Team ensures effective management. The Senior Management Team is made up of the following:

Chief Executive Officer	Max McIloughlin (resigned 8/7/16)
Interim Chief Executive Officer	Ed Marsh-Rowbotham (appointed 5/9/16)
Head of Commercial Development	Chris Hackett
Head of People and Organisational Development	Lisa Hackett
Head of Finance and Company Secretary	Paula Heneghan
Head of Membership Services	Colina Wright

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FOR THE YEAR ENDED 31 JULY 2016

Key Management and Trustees Pay

DSU follows De Montfort University's pay and grading system with staff being aligned to the Universities Single Salary Pay Spine. Staff are awarded an annual pay award which is nationally negotiated and is usually applied to the scales on the 1 August each year. Dates can vary depending on national and local agreements but this is back dated to 1 August as required.

Staff on the single salary pay spine are also given annual increments, which take effect from August (until they reach the top of their grade). The first increment for new starters depends on their start date.

The remuneration of the CEO is agreed outside of this salary scale and approved by the Trustee Board. The CEO also receives an annual performance-related bonus which is also agreed by the Trustee Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure and Decision Making

DSU became a company limited by guarantee on 1st August 2009 and registered as a charity on 26 October 2010. The governance structure includes the appointment of up to four External Trustees, 2 Student Trustees and 2 Alumni Trustees onto the Trustee Board. The experiences and expertise held by these Trustees ensure that DSU can focus on continuity as previously the short term of office held by the Executive Committee has made long term strategic planning more challenging. Appointments to the Trustee Board are made by an appointment committee.

Recruitment and training of Trustees

The Trustee Board consists of five Executive Officer Trustees, four elected Student Trustees, four External Trustees and 2 Alumni Trustees.

The five Executive Officer posts are President, Deputy President Education, Vice President Media and Communications, Vice President Student Activities and Vice President Welfare and Community. These are full time posts which make up the Executive Committee and are remunerated as authorised by the Education Act. These posts cannot exceed two years duration for each post holder. On induction the Executive Committee receive ILM accredited Trustee training and have access to ongoing training as required. The Executive Officers are also charity Trustees.

The Executive Committee meets monthly to receive reports including financial information, to discuss policy issues and receive information from staff as required. DSU also employs a number of non-student full-time staff who are accountable to the Senior Staff member for the performance of their duties.

The Trustee Board structure also includes two elected student trustee positions to improve the voice of students at DSU. This structure ensures accountability of the Executive Committee as well as increasing student participation in DSU.

Our External and Alumni Trustees are appointed for a term of four and two years respectively and can stand for re election for another term. The appointment is made by an Appointments Committee.

All Trustees receive a full induction into the work of the Students' Union and the roles and responsibilities of a Trustee.

DSU is affiliated to the NUS and receives support and information on a wide range of topics.

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Risk management

The major strategic, business and operational risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems or procedures put in place to mitigate those risks. A risk register has been established which is updated and reported to the Executive Committee and Trustee Board on a twice annual basis, covering the following key matters amongst others:

Funding – DSU receives the majority of its income from De Montfort University as detailed on page 5.

Retention of key staff – Use of experts to assist with key recruitment decisions, enhanced support and supervision with opportunities to progress.

Governance management – Good communication with staff and trustees, review of policies and procedures, regular meetings.

Financial systems and control – Accurate and up to date financial reporting and close monitoring of internal controls.

Compliance with laws and regulations – Ongoing monitoring and review of changes as well as adherence to best practice.

Pension scheme liability – Ongoing monitoring of scheme valuations to ensure adequate provisions are made.

Public benefit

The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded that as a registered charity and Students' Union, our work directly supports and benefits the 22,000+ students registered to study at De Montfort University. In planning our work we test that the primary goal of all our activities are linked to our core aims and therefore are for the direct benefit of our member students.

OBJECTIVES AND ACTIVITIES

DSU is constituted under the Education Act 1994 as a charity.

The main aims of De Montfort University Students' Union Limited (DSU) as set out in its governing documents are:

To advance the education of the students of De Montfort University for the public benefit by:

- Providing representation, advice and assistance to students on matters affecting their welfare and interests as students;
- Providing sporting, social, cultural and recreational opportunities and facilities for students so as to further the educational purposes of De Montfort University;
- Promoting and encouraging contact and co-operation between students;
- Advancing the welfare and physical and mental wellbeing of students; and
- All such objects as are charitable in law which are incidental or conducive to the foregoing objects.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission general guidance on public benefit.

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FOR THE YEAR ENDED 31 JULY 2016

Relationship with De Montfort University

For the year ended 31 July 2016 DSU received a Block Grant from De Montfort University (DMU) of £1,260,996 (£1,250,000 2015/16). For the financial year 2016/17 DMU have agreed a Block Grant of £1,044,793. This reduction of £216,000 recognises the transfer of sport from DSU to DMU following significant investment by DMU in sports facilities and the introduction of sporting scholarships. DSU is extremely grateful for the university's continuing support and in addition DMU's gift of space within the campus. The stable Block Grant and continued use of campus space ensures DSU can keep supporting its members and deliver the best service to achieve its aims and aspirations for the coming year.

DSU continue to benefit from positive relationships with university staff at all levels. We aspire to make a continued positive contribution to the lives of our members and the campus community in 2016/17.

In addition DSU are delighted to have secured a £3 million investment into the Campus Centre, which will turn a good Students' Union into a great one. The work has already started resulting in the union occupying temporary space on campus for a 6 month period whilst we await the reopening of the refurbished union early 2017. This redevelopment of the Students' Union will complement the wider campus transformation project which is currently in progress.

The Charities SORP has been adopted for due compliance with the requirements for Students' Unions' provided in the Charities Act 2006. As a result an estimated value to DSU for the free serviced accommodation has been included in the financial statements. This has been valued at £80,000 based on market prices within the Midlands.

FINANCIAL REVIEW

Reserves Policy

The Trustee Board have approved a reserves policy and identified three reasons for DSU to hold reserves:-

- To provide financial stability to enable DSU to continue to achieve its objectives during challenging trading periods. This will enable DSU to cover regular short term fluctuations in income and cashflow.
- To allow DSU to take advantage of strategic development opportunities and plan for growth for example the Campus Centre Building development.
- To enable DSU to make provision for our staff redundancies and closure costs on any dissolving of the Charity.

DSU has identified that a minimum level of unrestricted funds should be set to counter balance trading uncertainty and produce a base level for stability. Additionally a target level of unrestricted funds will also be set to allow for growth and for DSU to take advantage of strategic development opportunities going forward.

DSU have identified the current level of unrestricted funds should be set as:-

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TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2016

Minimum Level

- Three months operating costs plus an additional fund to cover redundancy costs for all staff (general reserve) plus a designated fund for investment.

Target Level

- Six months operating costs plus an additional fund to cover redundancy costs for all staff (general reserve) plus a designated fund for investment.

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

Following the adoption of FRS102, the charitable company has been required to recognise the net present value of future contributions required to eliminate the shortfall estimated in the 2014 triennial valuation of the scheme. This has resulted in a liability being recognised in the balance sheet of £732,111 and a subsequent deficit on reserves of £264,060. The trustees are confident the current deficit compared to the above reserves policy is wholly as a result of the provision required on adoption of FRS102, that this deficit will reduce over coming years and that cash reserves remain adequate.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The charitable company has reviewed the key achievements and progress over the course of the year below:

Improved Communications

During this year, DSU has made significant investment into improving communications with all students. With the introduction of fortnightly, well designed and easy to read newsletter emails – upcoming events and news are sent to all DMU students. Open and click through rates are analysed to continually improve how we communicate through these emails. Our social media output has dramatically improved this year, with timely and relevant content across all platforms, making us one of the leading SU's for twitter content in the country. We have launched a new website, making information clearer and easier to find. Additionally we are working more cohesively to ensure every department, campaign and event is designed and communicated to students.

MEMBERSHIP SERVICES

This year has seen success in all aspects of membership services with increased engagement at a variety of levels.

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Student Voice: Academic Representation

The Students' Union has been continuing to develop the student representation and student voice at all levels within the Students' Union and University. In the academic year ending July 2016 the Executive team and Student Voice department have been working closely with key university staff members and departments to develop student representation. The key development this year has been the implementation of the Student Representative Coordinator (SRC) role, these students are appointed through interviews and are paid through a bursary of £600 for the year. These roles have proven to be a vital link between staff and students throughout the university. The SRC's meet monthly with the Head of Schools and discuss issues but also create action plans to solve these as quickly as possible. One of the key roles the SRC's have is being full active members of University Committees and working groups. Over 24 committees and working groups have SRC representation on them, these ranges from Academic Quality Committee to Personal Tutoring Working Group.

Student Representation and the representation system is under high scrutiny from the university, and the Students' Union welcomes this, but must be aware of more resources and involvement from the university moving forward. The course representation scheme continues to develop, seeing 161 students attended the conference and a further 234 student attended the training provided. Out of the 618 course representatives across the institution 273 course representatives completed the Higher Education Achievement Report (HEAR). This would be the metric of measuring engagement moving forward. Course Representative recorded 98 wins this year ranging from timetable changes and deadline extension to extra teaching sessions being provided.

Student Voice: DSU Elections

The 2016 Leadership Election saw great involvement from students and was a great development in student engagement and ensure that the Students' Union continues to be relevant and be the legitimate Student Voice. Within the 2016 Leadership Election five Executive Officers and six Liberation Representatives are elected by the student membership. We also elected four student delegates to attend and represent DSU at the NUS National Conference. A total of 50 nominations were received, with a total of 41 running in the election. We saw an average of five students running in each of the full time positions and two in the each of the part time positions. We only had one role that was uncontested and that was the BME representative. A total of 4,945 (22.2%) votes were cast, an increase of 1099 votes on the 2015 turnout. All eleven roles were successfully elected and the Students' Union now has a full complement of full time and part-time Executive Officers. The events and organisation of the elections was a particular success with LeadyourDSU day having over 130 attendees.

The Big Meet (The Annual General Meeting) and the Student Councils (Activities Council and Education Council) this year have been well attended. The Big Meet had 170 student attendees and the financial and trustee reports were well received. The Student Councils have also been well attended with 648 students attending and the numbers of sport and societies attending Activities Council has remained high and the average attendance being 98 students. The attendance at Education Council has been higher than previous years with average attendance being 64 across the year. 31 policies have been submitted to Council this year. With 29 being voted and accepted as Union policy. An average of just under 4 policies is submitted each Council.

Activities: Societies

DSU Societies have grown hugely again this year. 122 active societies exist who between create an incredible 4100 memberships sold to over 3000 students. This is an increase of over 100 memberships sold in comparison to last year, to an additional 400 students. One notable highlight was our Games Development Society being named the best new society in the UK at the inaugural National Societies Awards.

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Activities: Volunteering

As of 31 July 2016 DSU currently had 2,519 DMU students registered as volunteers and in 2015/16 more than 1288 new volunteers got involved. In total over 22,000 hours of volunteering time were logged. DSU volunteering now have partnerships with over 150 local organisations after launching a new online system making it easier for students and organisations to connect. We've seen a huge increase in the quality of work Student Volunteering Groups do on and off campus too, including Coppafeel (Breast Cancer) who encouraged over 250 students to sign up to monthly text alerts.

Activities: MyUniPal

MyUniPal has had almost 50 returning students volunteering as mentors to over 120 new students at DMU. The software in place to support the matching and mentoring process has proved its worth and aided high quality peer mentoring support. 70% mentors reported their mentee benefitted from the programme. The programme is on track to achieve the Approved Standard Provider quality mark, managed by the Mentoring and Befriending Foundation.

Activities: Demon Media

Demon Media have continued to go from strength to strength, regularly engaging around 300 students this year. The Demon changed format from the newspaper to a magazine and this was well received. DemonTV won two awards at the NaSTA (National Student Television Association) awards. DemonFM had a playlist on Radio 1. Demon Media launched a live music show "Shangri Live". In addition, through Demons in Space, Demon Media raised over £1,500 for MacMillan Cancer Support and Focus, a local charity, by broadcasting live for 48 hours.

DSU Sports

This year DSU sold 1,406 Active Cards, a significant increase on last year's figure of 1,156. Engagement with Campus330 was also a huge success with 882 students taking part (up from 824 the previous year) and a total attendance of 4,426 students. This year the decision was made to remove the nominal charge of £1 and this contributed to the success of the project. 75% students who attended were from a BME background.

Our final BUCS (British Colleges and University Sports) league position was 84th, up from 88th the previous year. We received 274 points overall, made up of 204 points within the league and 24 points in the Cup and 46 points in the individual events; this is up from 200 points the previous year. In terms of the Midlands region, we finished 18th out of 27.

There were some significant team achievements this year with Men's 1st Football, Netball 3rd, Badminton Men's 1st, Badminton Men's 2nd, Cricket Men's 1st and Women's Football 1st all winning their respective leagues.

DSU teams benefited from investments made by De Montfort University: Beaumont Park is utilised everyday of week with our partner club Beaumont Town, DMUWFC and DMUMFC. The Watershed is used in the mornings and evenings by Rowing and a host of other sports teams for training.

Although sporting provision will now be undertaken by the University, DSU will continue to support the administrative and governance aspects; we hope that with the University's investment, the sports teams will continue to improve.

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Advice, formerly DSU Welfare

The Advice team has provided excellent advice and support to students this year on more than 7,000 individual enquiries. Welfare helped students gain over £125,000 in returned damage deposits, SFE funding cases, rent write-offs and immigration application fees saved. In addition Advice sent 400 successful students visa applications through the Student Batch Scheme and represented over 50 students face to face at University meetings / hearings.

It's Good to be Green

Due to us being unsure about our transition to the Art Factory based on the refurbishment of the new Students' Union, we did not participate in the Green Impact Award scheme this year. This is something we will pursue when we return to the Campus Centre in December / January which will allow us to become a hub of sustainability in the local community. Even though we were unable to submit for an award, we still carried out and supported Green Impact initiatives such as the Student Switch Off.

FINANCIAL RESULTS

DSU gross income from all sources this year totalled £2,308,859. Total expenditure of £2,293,750 on the wide ranging student benefits we provide left a surplus of £15,109 increasing total reserves before FRS102 transitional adjustments to £386,321 (2015: £361,177).

Following the adoption of FRS102, the charitable company has been required to recognise the net present value of future contributions required to eliminate the shortfall estimated in the 2014 triennial valuation of the scheme. This has resulted in a liability being recognised in the balance sheet of £732,111 and a subsequent deficit on reserves of £264,060. The trustees consider there are adequate cash resources in place to manage this liability.

DSU Venue and Catering

DSU Venue and Catering revenue decreased to £354,000 (2014/15 £382,000). This decline further highlights the reduced spending per student. Students prefer to drink either at home or at city centre competitors only arriving at the DSU Venue late evening hence reducing the time spent at the DSU Venue. The venue has not had any investment for over five years whereas three new clubs / bars have opened in the city centre.

Our Freshers' Week continues to grow with over £105,000 worth of tickets sales over the two week period. Despite reduced revenue profit stayed strong at £50,000 (£51,000 in the 2014/15 year end), due to tight operating controls.

Supplies, formerly the DSU Shop

Supplies sells a variety of specialist supplies for DMU courses such as art and nursing as well as clothing and also provides dissertation and binding services. Supplies has an exceptional year with sales up 5% to £181,000 (2014-15 £172,000) but profits were up 14% to £49,000 (2014-15 £43,000). Increased sales are mainly art related merchandise and stationery. Clothing sales had a slight increase but let down by poor sales during the summer graduations. Services remained steady including dissertation binding despite the competition on campus. Constant product reviews and excellent customer service offered in the shop has been key to our success this year

DSU Marketing

Marketing achieved a net profit figure of £43,000 (2014-15 £16,000). This is partly down to a new department achieving a strong Freshers' Fair booking performance and direct sponsorship agreements with 3 national companies accounting for this improvement on last year.

The sales of NUS cards strengthened again during the year and this is an area where further growth is expected going forward.

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Student Union Lettings Limited (trading as Sulets)

On 1 August 2012 the trade and assets of the Lettings operation were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly owned by DSU and The University of Leicester Students' Union (ULSU). The agency also supports the Union via its sponsorships of various awards ceremonies at the end of the year.

In the opinion of the Trustees, the Charity's ownership is considered to be a joint venture and not a its subsidiary undertaking of the Charity. As such the Charities share of the profits and assets of Sulets are not included in these annual accounts. However at the year end (30 June 2016) Sulets had profits of £178,979 and net assets of £658,296.

PLANS FOR THE FUTURE

DSU underwent a process of updating our Strategic Plan in line with our new branding; this was due to take us to 2020 and our current plan was due to expire next year. Our new plan focussed on new values and strategic objectives:

DSU values:

- Act with and for you
- Inspire you
- Listen to you
- Represent you
- Support you

DSU's strategic objectives:

Activities

Student-led activities; creating a lifetime of memories

Advice

Advice and support when and where you need it

Life

Services you need to live the life you want to at DMU

Voice

Giving students a voice to represent, lead and make change

Trust

A Union you can trust from bottom to top

However the departure of the CEO has meant that although a new Strategic Plan had been proposed we felt it was imperative that the newly recruited CEO would take a lead on this and consequently our plan remains as it was last year:

Our long term ambitions continue to be:

Activities you love

We want students to try new things, pursue hobbies, play sport and get involved in the local community.

Advice and Support

To provide advice and support to members whenever they need it.

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FOR THE YEAR ENDED 31 JULY 2016

Amplified Student Voice

Our Student Voice will be clear and effective and make positive changes for students.

Clear at Communicating

Our communications will be clear and our members heard.

Heart of Campus

The Union and facilities will be world class.

Shape Your Future

To ensure our members and staff achieve their potential.

Student-Led Media

We will create industry standard opportunities through student-led media.

Trust Your Union

The Union will be well run and representative and financially secure.

Your Social Space

Offer our members a great environment and value for money when they are shopping, eating, drinking and dancing.

#DSURevamp – the Campus Centre re-development update

Following the £3m investment from De Montfort University, we are on course to move back into the new Campus Centre in December 2016 / January 2017. This new space will ensure that we provide an exceptional experience for our students.

Students' Union Quality Mark

We have completed our submission for the Students' Union Quality Mark which we assessed ourselves as "excellent". Our audit is due to take place in November and it is anticipated that the feedback will help us understand its current strengths and weaknesses.

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise)

Company Law requires the Trustees to prepare financial statements for each financial year. Under Company law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 principle in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;

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

Provision of information to auditors

The Trustees at the time when this Trustee's report is approved have confirmed that:

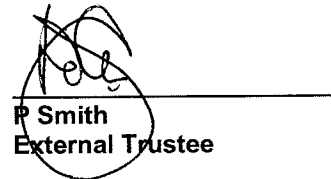
- So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- That Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditor in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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by the section 415A of the Companies Act 2006.

This report was approved by the Trustees on 23rd November 2016 and signed on their behalf by:



D Winney
Trustee and President



P Smith
External Trustee

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 JULY 2016

We have audited the financial statements of De Montfort University Students Union Limited for the year ended 31 July 2016 set out on pages 15 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), FRS102 "The Financial Reporting Standard applicable in UK and Republic of Ireland".

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 the charitable company members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement set out on pages 11 and 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 JULY 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RSM UK Audit LLP

Gareth Jones, Senior Statutory Auditor
for and on behalf of

RSM UK Audit LLP, Statutory Auditor
Chartered Accountants,
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Date: 30/11/16

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2016

	Notes	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	4	-	1,340,996	1,340,996	1,340,445
Charitable activities	4	176,051	622,900	798,951	856,552
Other trading activities	4	-	86,276	86,276	66,495
Investment income	4	-	1,264	1,264	666
Other income	5	-	81,372	81,372	75,371
Total		<u>176,051</u>	<u>2,132,808</u>	<u>2,308,859</u>	<u>2,339,529</u>
Expenditure on:					
Raising funds	6	2,416	96,567	98,983	98,899
Charitable activities	6	183,670	2,011,097	2,194,767	2,178,027
Total		<u>186,086</u>	<u>2,107,664</u>	<u>2,293,750</u>	<u>2,276,926</u>
Net income/(expenditure) before severance payments					
Severance payments	9	(10,035)	70,140	60,105	62,603
		<u>-</u>	<u>(44,996)</u>	<u>(44,996)</u>	<u>-</u>
Net income/(expenditure)		<u>(10,035)</u>	<u>25,144</u>	<u>15,109</u>	<u>62,603</u>
Net movement in funds		<u>(10,035)</u>	<u>25,144</u>	<u>15,109</u>	<u>62,603</u>
Reconciliation of funds					
Total funds brought forward		<u>(640,346)</u>	<u>361,177</u>	<u>(279,169)</u>	<u>(341,772)</u>
Total funds carried forward	18	<u>(650,381)</u>	<u>386,321</u>	<u>(264,060)</u>	<u>(279,169)</u>

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

All income and expenditure derive from continuing operations.

A detailed comparative Statement of Financial Activities is shown in note 24.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

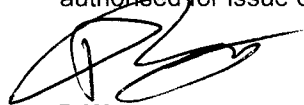
**BALANCE SHEET
COMPANY NUMBER 06634464**

AS AT 31 JULY 2016

	Note	£	2016 £	£	2015 £
Fixed assets:					
Tangible assets	12		14,669		43,325
Current assets:					
Stocks	13	27,722		31,093	
Debtors	14	86,863		50,851	
Cash at bank		480,488		433,677	
		<u>595,073</u>		<u>515,621</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(136,691)		(125,165)	
Net current assets			<u>458,382</u>		<u>390,456</u>
Total assets less current liabilities			<u>473,051</u>		<u>433,781</u>
Provisions for liabilities	17		(5,000)		(5,000)
Net assets excluding pension liability			<u>468,051</u>		<u>428,781</u>
Defined benefit pension scheme liability	21		(732,111)		(707,950)
Total net liabilities			<u>(264,060)</u>		<u>(279,169)</u>
Total funds of charity					
Restricted funds	18		<u>81,730</u>		<u>67,604</u>
Unrestricted funds:					
General fund	18		226,402		201,258
Facilities development reserve	18		159,919		159,919
Total unrestricted funds			<u>386,321</u>		<u>361,177</u>
Pension reserve	18		(732,111)		(707,950)
Total charity funds			<u>(264,060)</u>		<u>(279,169)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements on pages 15 to 33 were approved by the Board of Trustees and authorised for issue on 23rd November 2016 and signed on their behalf, by:


D Winney
President


P Smith
External Trustee

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2016

			2016		2015
	Note	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	20		49,355		159,933
Cash flows from investing activities					
Interest from investments		1,264		666	
Purchase of tangible fixed assets		(3,808)		(18,540)	
Net cash used in investing activities			(2,544)		(17,874)
Change in cash and cash equivalents In the reporting period			46,811		142,059
Cash and cash equivalents at the beginning of the reporting period			433,677		291,618
Cash and cash equivalents at the end of the reporting period			480,488		433,677

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

1. Critical accounting estimates and areas of judgement

Estimates and judgements 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. There are no critical accounting estimates and areas of judgement to note.

2. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), (Charities SORP (FRS102)) "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

These financial statements are the first financial statements of De Montfort University Students Union Limited prepared in accordance with FRS 102 and the Charities SORP (FRS102). The financial statements of De Montfort University Students Union Limited for the year ended 31 July 2015 were prepared in accordance with previous SORP 2005 and UK GAAP. The charitable company's date of transition to FRS102 and the Charities SORP (FRS102) was 1 August 2014.

Reconciliation with previous General Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether some of the FRS 102 and the Charities SORP (FRS102) recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP and SORP 2005. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and the Charities SORP (FRS102) and the restatement of comparatives figures were required as follows:

The charitable company participates in the Students' Union Superannuation Scheme, a defined pension scheme which is externally funded and contracted out of the State Second Pension, which at the latest valuation had a shortfall. The charitable company are making annual contributions to eliminate this shortfall along with other participating employers of the scheme.

Under FRS102 and the Charities SORP (FRS102), the commitment made by the charitable company with respect to future payments needs to be recognised as a liability in the financial statements. At the date of transition, being the 1 August 2014, the liability being recognised was £679,363.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

2. Accounting policies (continued)

Reconciliation with previous General Accepted Accounting Practice (continued)

In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of funds and balances	1 August 2014 £	31 July 2015 £
Fund balances as previously stated	337,591	428,781
Recognition of pension liability	(679,363)	(707,950)
Restated funds balances	<u>(341,772)</u>	<u>(279,169)</u>

Reconciliation of income for the year ended 31 July 2015

	£
Net movement in funds as previously stated	91,190
Increase in pension charge	(28,587)
Restated net movement in funds	<u>62,603</u>

Going concern

The charitable company has cash resources and no requirement for external funding, other than the annual block grant received from De Montfort University which has been confirmed for 2016/17. The impact of FRS102 has required the charitable company to recognise the net present value of future contributions required to eliminate the shortfall estimated in the 2014 triennial valuation of the scheme. Taking all of the above into account, the trustees have reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe that the going concern basis of accounting is appropriate in preparing the annual financial statements.

There are no significant financial uncertainties which the trustees consider are a significant risk to the ability of the charitable company to trade as a going concern in the foreseeable future.

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

2. Accounting policies (continued)

Income

All incoming resources are recognised once the trust has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Voluntary income, including donations, and grants are recognised where there is entitlement, probable of receipt and the amount can be measured reliably. The charitable company benefits from the provision of accommodation by the De Montfort University. The value of the gift of these facilities is based on the rental of similar facilities in similar locations.
- Investment income is recognised on a receivable basis.
- Income direct from charitable activities is recognised when the charitable company is legally entitled to income and the amount can be measured reliably, which includes income from bars, catering, shops, membership services and training.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under charitable activity rather than the type of expense, in order to provide more useful information to users of the financial statements. Where costs cannot be directly attributed to particular heading they have been allocated to activities on a basis consistent with use of the resources.

Raising funds are those incurred in seeking voluntary contributions to enable the charitable company to carry out its charitable activities, these do not include the costs of disseminating information in support of the charitable activities.

Support and governance costs which cannot be directly attributable to a specific activity have been allocated to activities on a basis consistent with the use of the resources. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at costs and subsequently measured at cost net of depreciation and any impairment losses. Tangible fixed assets with a cost price in excess of £500 are capitalised and all other expenditure is charged to the SOFA in the year incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of the asset less any residual value, except for land over its estimated useful economic life. It is calculated at the following annual rates:

Motor vehicles	-	33% Straight Line
Fixtures & fittings	-	20 - 33% Straight Line
Computer equipment	-	33% Straight Line

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

2. Accounting policies (continued)

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of financial activities. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Jointly controlled entity

The charitable company has a long term interest and shares, controlled under contractual arrangements that is classified as a jointly controlled entity.

Stocks

Stock consisting of goods purchased for resale are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

At each reporting date, the charitable company assesses whether stocks are impaired or if any impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in statement of financial activities.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with lessor are charged against income on a straight line basis over the period of the lease.

Financial instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of financial nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception.

Debtors

Trade debtors and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Cash and cash equivalents

Cash and cash equivalents includes cash and monies on short-term deposits at the bank, other short-term liquid investments with original maturities of three months or less.

Creditors

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

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

2. Accounting policies (continued)

Taxation

No provision for corporation tax has been made as the charitable company is exempt from corporation tax on its income and gains to the extent that these are applied to its charitable activities.

Pensions

The charitable company participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the charitable company. Therefore the pension charge shown in the financial statements represents the contributions payable in the year, as under current accounting standards the contributions are accounted for as if the scheme were a defined contributions scheme.

The charitable company also contributes to the NUS Aegon Pension Scheme and the government approved NEST scheme. The annual contributions payable are charged to the Statement of Financial Activities.

Provisions

Provisions are recognised when either a constructive or legal obligation exists.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Legal status of the charitable company

De Montfort University Students Union Limited is a private incorporated charitable company (company number 06634464) and is also registered at the Charity Commission in England and Wales. The charitable company is limited by guarantee and such has no issued share capital.

The address of the charitable company's registered office and principal place of business is First Floor, Campus Centre Building, Mill Lane, Leicester, LE2 7DR.

The main aims of De Montfort University Students Union Limited are to advance the education of the students of De Montfort University for the public benefit.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

4. Income from

	Restricted Funds £	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Donations and legacies				
Grant income	-	1,260,996	1,260,996	1,260,445
Grant of serviced accommodation	-	80,000	80,000	80,000
Sub total	-	1,340,996	1,340,996	1,340,445
 Charitable activities				
Bars and catering	-	353,636	353,636	382,350
Shops	-	188,777	188,777	210,938
Membership services	176,051	66,957	243,008	252,504
Training	-	13,530	13,530	10,760
Sub total	176,051	622,900	798,951	856,552
 Other trading activities				
Commercial marketing and sponsorship	-	86,276	86,276	66,495
Sub total	-	86,276	86,276	66,495
 Investment income	-	1,264	1,264	666
Total	176,051	2,051,436	2,227,487	2,264,158

5. Other incoming resources

	Restricted Funds £	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Other income	-	81,372	81,372	75,371

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

6. Analysis of expenditure

	Direct supplies £	Direct staff costs £	Other direct costs £	Support costs £	2016 £	2015 £
Raising funds						
Commercial marketing and sponsorship	31,809	3,809	10,938	52,427	98,983	98,899
Sub total	<u>31,809</u>	<u>3,809</u>	<u>10,938</u>	<u>52,427</u>	<u>98,983</u>	<u>98,899</u>
Charitable Activities						
Welfare, advice and presentation	86,166	341,537	7,753	130,660	566,116	573,149
Bars and catering	151,095	138,128	23,507	185,281	498,011	506,499
Shops	91,687	40,135	4,907	56,427	193,156	238,041
Membership services	451,685	327,381	24,818	126,659	930,543	855,078
Training	6,941	-	-	-	6,941	5,260
Sub total	<u>787,574</u>	<u>847,181</u>	<u>60,985</u>	<u>499,027</u>	<u>2,194,767</u>	<u>2,178,027</u>
Total	<u><u>819,383</u></u>	<u><u>850,990</u></u>	<u><u>71,923</u></u>	<u><u>551,454</u></u>	<u><u>2,293,750</u></u>	<u><u>2,276,926</u></u>

Other direct costs comprised

	2016 £	2015 £
Depreciation	30,879	28,870
Repairs and renewals	1,513	10,104
Insurance	7,022	20,682
Other	32,509	38,026
Total	<u><u>71,923</u></u>	<u><u>97,682</u></u>

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

7. Analysis of the support costs

	Staff costs £	Rent £	Other costs £	2016 £	2015 £
Raising funds					
Commercial marketing and sponsorship	35,890	4,000	12,537	52,427	45,686
Sub total	35,890	4,000	12,537	52,427	45,686
Charitable Activities					
Welfare, advice and presentation	88,160	16,000	26,500	130,660	113,183
Bars and catering	107,672	40,000	37,609	185,281	165,058
Shops	35,890	8,000	12,537	56,427	49,686
Membership services	88,160	12,000	26,499	126,659	109,182
Sub total	319,882	76,000	103,145	499,027	437,109
Total	355,772	80,000	115,682	551,454	482,795

Other costs comprised

	2016 £	2015 £
Depreciation	1,585	3,222
Repairs and renewals	1,133	1,579
Insurances	21,158	22,384
Sundry supplies	75,196	82,886
Audit and accountancy fees	16,610	10,000
Total	115,682	120,071

8. Governance costs

	Total funds 2016 £	Total funds 2015 £
Audit and legal fees	21,807	13,862

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

9. Analysis of staff costs and numbers

	2016 £	2015 £
Total staff emoluments for the year were as follows:		
Wages and salaries costs	1,029,907	932,765
Social security costs	81,638	74,720
Pension contributions	95,217	98,960
	<u>1,206,762</u>	<u>1,106,445</u>

During the year the charitable company made redundancy payments and payments in lieu of notice amounting to £44,996 (2015: £Nil).

The pension costs are allocated to activities in proportion to related staffing costs incurred.

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

	2016 No.	2015 No.
Commercial activities	38	32
Charitable activities	25	26
Admin and management	8	7
Total staff	<u>71</u>	<u>65</u>

The emoluments of one member of staff, including benefits in kind, are within the range of £60,001 - £70,000 (2015: 1)

10. Trustees' remuneration and expenses and cost of key management personnel

Trustees' remuneration

Each of the Executive Committee's sabbatical officers received remuneration as authorised in the Union's governing document for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. Their remuneration amounted to £107,387 (2015: £86,611) in aggregate. The split as detailed below:

A Waraich - £28,718 (2015: £17,155)	A Redfern - £17,748 (2015: £17,155)
A Chapman - £17,173 (2015: £17,155)	M Clarke - £2,208 (2015: £Nil)
K Rounsley - £18,734 (2015: £2,251)	A Mahmood - £2,208 (2015: £Nil)
D Winney - £18,678 (2015: £2,251)	A Mbanasor - £1,920 (2015: £Nil)

Included in A Waraich remuneration for the year end 31 July 2016, is remuneration for loss of office amounting to £18,956.

During the year end 31 July 2015, remuneration was paid to R Robson amounting to £15,162 and S Burrell amounting to £15,482, both trustees resigned on 30 June 2015.

During the year pension payments were made to the Students Union Superannuation Scheme as follows:

A Chapman	£172	(2015: £101)
K Rounsley	£113	(2015: £Nil)
D Winney	£187	(2015: £Nil)
M Clarke	£22	(2015: £Nil)
A Mahmood	£22	(2015: £Nil)

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

10. Trustees' remuneration and expenses and cost of key management personnel (continued)

Trustees' remuneration (continued)

During the year, two external trustees' received travelling expenses totalling £419 (2015: £148)

During the year, one external trustee waived their expenses for the year.

Key management remuneration

The key management personnel of the charitable company comprise the trustees and members of the DSU staff management committee that are responsible for the day to day running of the charity. The total employee benefits for key management personnel of the charitable company were £354,104 (2015: £289,423).

11. Net income/(expenditure)

This is arrived at after charging:

	2016 £	2015 £
Depreciation of owned assets	32,464	32,091

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	2016 £	2015 £
Audit services – statutory audit of the charitable company	10,500	10,000
Other services:		
Taxation compliance services	1,360	-
Other non-audit services	4,750	-

12. Tangible fixed assets

	Motor Vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 August 2015	18,540	675,847	56,319	750,706
Additions	-	2,800	1,008	3,808
Disposals	-	(538,076)	(56,319)	(594,395)
At 31 July 2016	18,540	140,571	1,008	160,119
Depreciation				
At 1 August 2015	-	651,779	55,602	707,381
Charge for the year	6,180	25,455	829	32,464
Disposals	-	(538,076)	(56,319)	(594,395)
At 31 July 2016	6,180	139,158	112	145,450
Net book value				
At 31 July 2016	12,360	1,413	896	14,669
At 31 July 2015	18,540	24,068	717	43,325

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

13. Stocks	2016	2015
	£	£
Finished goods and goods for resale	27,722	31,093
	<u>27,722</u>	<u>31,093</u>
14. Debtors	2016	2015
	£	£
Trade debtors	18,903	21,513
Other debtors	12,438	7,944
Prepayments and accrued income	55,522	21,394
	<u>86,863</u>	<u>50,851</u>
15. Creditors:	2016	2015
Amounts falling due within one year	£	£
Trade creditors	22,428	37,305
Other taxation and social security	19,968	23,544
Other creditors	8,942	10,402
Accruals and deferred income	85,353	53,914
	<u>136,691</u>	<u>125,165</u>
16. Financial instruments	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	61,337	29,457
	<u>61,337</u>	<u>29,457</u>
Carrying amount of financial liabilities		
Measured at amortised cost	116,723	101,621
	<u>116,723</u>	<u>101,621</u>
17. Provisions		Holiday Pay Accrual £
At 1 August 2015		5,000
Amounts expended		-
Amounts released		-
		<u>5,000</u>
At 31 July 2016		<u>5,000</u>

The Trustees are aware of a liability which has arisen due to the difference in payment of holiday pay. This liability goes back several years and provision has been made of the best estimate of likely costs based on the known current year costs and legal advice obtained.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

18. Statement of funds

	At 1st August 2015 £	Incoming resources £	Resources expended £	Transfer £	At 31st July 2016 £
Restricted funds					
Clubs and societies	67,604	176,051	(161,925)	-	81,730
Unrestricted funds					
General fund	201,258	2,132,808	(2,107,664)	-	226,402
Facility development reserve	159,919	-	-	-	159,919
Total unrestricted funds	361,177	2,132,808	(2,107,664)	-	386,321
Pension reserve	(707,950)	-	(24,161)	-	(732,111)
Total of funds	(279,169)	2,308,859	(2,293,750)	-	(264,060)

Restricted funds represent funds raised and administered by the Union for the specific benefit of clubs and societies and as such are ring fenced for the future benefit of that specific club or society.

Facility development reserve

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

19. Analysis of net assets between funds

	Restricted funds 2016 £	Facility Development 2016 £	General funds 2016 £	Pension reserve £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	14,669	-	14,669	43,325
Current assets	81,730	159,919	353,424	-	595,073	515,621
Creditors due within one year	-	-	(136,691)	-	(136,691)	(125,165)
Provisions for liabilities	-	-	(5,000)	-	(5,000)	(5,000)
Pension liability	-	-	-	(732,111)	(732,111)	(707,950)
	81,730	159,919	226,402	(732,111)	(264,060)	(279,169)

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

20. Reconciliation of net income to net cash flow from operating activities

	2016 £	2016 £
Net income for the reporting period	15,109	62,603
Adjustments for:		
Depreciation charges	32,464	32,091
Interest on investments	(1,264)	(666)
Decrease in stocks	3,371	11,369
(Increase)/decrease in debtors	(36,012)	11,549
Increase in creditors	11,526	14,400
Movement on defined pension scheme liability	24,161	28,587
Net cash provided by operating activities	<u>49,355</u>	<u>159,933</u>

21. Pension costs

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

The charitable company participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2014 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £73,849,000. The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2014:

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2014 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, The Union also pays its share of the Scheme's levy to the Pension Protection Fund.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

21. Pension costs (continued)

The new standard of FRS102 and Charities SORP (FRS102), require that the charitable company share of past service shortfall is reflected in the financial statements. On the basis of the most recent valuation, the charitable company contribution to eliminating the shortfall was £39,651 for the year ended 31 July 2016 (2015: £36,074) and increasing by 5% p.a. until September 2032.

Therefore at 31 July 2016, the balance sheet of charitable company includes a liability of £732,111 (2015: £707,950), which represents the net present value of all future contributions towards eliminating this shortfall. The discount rate used is 2.75% (2015: 3.48%) which is comparable to that for a 15+ year AA-rated corporate bond. The estimated liability is based on the 2014 triennial valuation of the scheme, and will necessarily require revision after subsequent revaluations. The balance is made up as follows:

	2016 £	2015 £
Balance brought forward	707,950	679,363
Contributions made in the year	(39,651)	(36,074)
Charge to statement of financial activities	63,812	64,661
Balance carried forward	<u>732,111</u>	<u>707,950</u>

Total contributions paid by the charitable company with respect to the pension schemes for the year amounted to £95,217 (2015: £98,960).

22. Related party transactions

The Union is in receipt of a recurrent grant from its parent institution, De Montfort University of £1,260,996 (2015: £1,250,000).

In addition the Union occupies its building on a rent free basis under an informal license subject to the union maintaining the building in a good state of repair. As a result an estimated value to De Montfort University Students' Union Limited for the free serviced accommodation has been included in the accounts. This has been valued at £80,000 (2015: £80,000) based on market prices within Leicester. This income can be seen in note of the financial statements under accommodation costs.

Student Union Lettings Limited (trading as Sulets)

On 1 August 2012 the trade and assets of the lettings operation (previously known as DSU Lettings) were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly controlled by DSU and The University of Leicester Students Union (ULSU). This collaboration with ULSU offers many commercial advantages within student lettings including contracts with external Halls Providers.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

22. Related party transactions (continued)

Student Union Lettings Limited (trading as Sulets) (continued)

A summary of the trading results of Sulets are shown below:

	2016	2015
	£	£
Income	811,226	701,384
Expenditure	(632,247)	(541,560)
	<u>178,979</u>	<u>159,824</u>
Net movements in funds	<u>178,979</u>	<u>159,824</u>

	2016	2015
	£	£
Balance sheet		
Current assets	720,993	567,823
Creditors: amounts falling due within 1 year	(62,697)	(88,506)
	<u>658,296</u>	<u>479,317</u>
Total funds	<u>658,296</u>	<u>479,317</u>

The charitable company are 50% joint owners of Sulets, therefore the charitable company's share of income is £405,613 (2015: £350,692) and share of expenditure £316,124 (2015: £270,780). The charitable company's share of the total funds at 31 July 2016 is £329,148 (2015: 239,659).

During the year the charitable company received £10,000 (2015: £10,000) from Sulets for sponsorship for Club and Society events. In addition Sulets paid £71,000 (2015: £17,000) for Finance and HR support and rent and also paid the charitable company £Nil (2015: £60,000) for one off additional project work.

During the year the charitable company paid £Nil (2015: £2,814) Signum Corporate Communications Ltd for IT consultancy work. An external trustee of DSU is the founder and a director of this company.

23. Controlling party

The trustees consider that the ultimate control of DSU rests with its membership.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

24. Statement of financial activities incorporating income and expenditure accounts for the year ended 31 July 2015

	Restricted funds £	Unrestricted funds £	Total funds £
Income from:			
Donations and legacies	10,445	1,330,000	1,340,445
Charitable activities	181,090	675,462	856,552
Other trading activities	-	66,495	66,495
Investment income	-	666	666
Other income	-	75,371	75,371
Total	<u>191,535</u>	<u>2,147,994</u>	<u>2,339,529</u>
Expenditure on:			
Raising funds	2,859	96,040	98,899
Charitable activities	211,071	1,966,956	2,178,027
Total	<u>213,930</u>	<u>2,062,996</u>	<u>2,276,926</u>
Net income/(expenditure)	(22,395)	84,998	62,603
Transfer	(12,372)	12,372	-
Net movement in funds	<u>(34,767)</u>	<u>97,370</u>	<u>62,603</u>
Reconciliation of funds			
Total funds brought forward	<u>(605,579)</u>	<u>263,807</u>	<u>(341,772)</u>
Total funds carried forward	<u><u>(640,346)</u></u>	<u><u>361,177</u></u>	<u><u>(279,169)</u></u>