

Company registration number: 10807853

Charity registration number: 1174053

# NORTHUMBRIA STUDENTS' UNION

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 July 2019

# **Northumbria Students' Union**

## **Contents**

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 11
Independent Auditors' Report	12 to 14
Consolidated Statement of Financial Activities	15
Comparative Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 to 39

# Northumbria Students' Union

## Reference and Administrative Details

<b>Trustees</b>	T A Hill A Q Harvey C E Long E A Kelly K M Field M T Johnston A P Manning (appointed 1 August 2018) A L Elliott-Smith (appointed 1 August 2019) C Bissiri (appointed 1 August 2019) C Shaw (appointed 1 July 2019) E Kabengele (appointed 1 July 2019) A Kemp (appointed 1 July 2019) A R Coyle (appointed 1 August 2019) S L Noble (resigned 29 June 2019) R S Bush (resigned 29 June 2019) K R Robson (resigned 29 June 2019) C A R Giles (resigned 31 July 2019) S L Kole (appointed 1 August 2018 and resigned 31 July 2019) J M Hind (appointed 1 August 2018 and resigned 31 July 2019)
<b>Secretary</b>	M R Williams
<b>Key Management Personnel</b>	M R Williams - Chief Executive C Kersey - Director of Commercial Services (appointed 1 January 2019) N Sweby - Director of Membership Services and HR I Harkness - Finance Manager (resigned 31 March 2019) N Anjum - Finance Manager (appointed 1 April 2019)
<b>Principal Office</b>	Finance Department Northumbria Students Union 2 Sandyford Road Newcastle upon Tyne NE1 8SB
<b>Bankers</b>	NatWest Newcastle City 16 Northumberland Street Newcastle upon Tyne NE1 7EL
<b>Auditor</b>	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

The charity is incorporated in England and Wales.

## **Northumbria Students' Union**

### **Reference and Administrative Details**

**Company Registration Number** 10807853

**Charity Registration Number** 1174053

**Solicitors** TLT  
One Redcliffe Street  
Bristol  
B51 6TP



# **Northumbria Students' Union**

## **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 July 2019.

The financial statements comply with the Charities Act 2011, the Memorandum and Articles of Association, and 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 Ireland (FRS 102) (effective January 2015).

### **Structure, governance and management**

#### ***Nature of governing document***

Northumbria Students' Union falls under the definition of a "students' union" in section 20(1) of the Education Act 1994. The Students Union is a Company Limited by Guarantee (No. 10807853) and Registered Charity (No. 1174053).

The University of Northumbria at Newcastle exercises its duty under the Education Act 1994 to take such steps as are reasonably practicable to secure that the Students' Union operates in a fair and democratic manner and is accountable for its finances.

The Students' Union is governed by its Memorandum and Articles of Association and is responsible for providing representation and support to the students of the University.

#### ***Recruitment and appointment of trustees***

The Students' Union is constituted in accordance with its Memorandum and Articles of Association and is managed by the Trustees who are elected or appointed from time to time. Non-student (External) Trustees are appointed to serve for a period of four years. Student Trustees are appointed to serve for a period of one year.

#### ***Induction and training of trustees***

The Trustees receive comprehensive induction into the Students' Union and their role and responsibilities including Charity Law and other legal responsibilities, Corporate and Fiduciary Duties, Governance, Strategy, Health & Safety and identifying/managing conflicts of interest. The training is delivered in a structured manner and delivered through a combination of sessions led by the Students' Union's experienced senior managers and one of the Union's External Trustees, a qualified solicitor. Trustees may also attend training events provided through NUS and delivered by experts in the field of charity law. At the start of the process of training, an induction of all new Trustees undertake a skills audit for the Union to determine if any additional training or support will be required by Trustees in order for them to discharge their responsibilities.

#### ***Arrangements for setting key management personnel remuneration***

The salary of the Chief Executive is determined by the Board of Trustees. The salary grades for the Director of Membership Services, The Director of Commercial Services and Finance Manager is determined by the Board of Trustees.

# **Northumbria Students' Union**

## **Trustees' Report**

### ***Organisational structure***

After approval by the Board of Trustees of the unincorporated Students' Union and the members through referendum vote, Northumbria Students' Union, a Company Limited by Guarantee, was incorporated on 7 June 2017 (No 10807853) and registered as a Charity (No. 1174053). The effective date of transfer of all assets, liabilities and contracts from the unincorporated entity to incorporated entity was the 30th September 2017.

The Students' Union's Board of Trustees consists of 13 trustees. There are five full-time or 'sabbatical' positions and they receive remuneration as authorised by the Education Act, these are the President, Vice President Education, Vice President Welfare, Vice President Activities and Vice President Postgraduate. No one can be on a sabbatical for more than two years. There are also four appointed Student Trustees and four appointed Non-Student (External) Trustees.

Subject to the provisions of Charity Law, the Education Act, the Ordinance and Regulations and any Bye-Laws in force from time to time, the business of the Students' Union shall be managed by the Trustees who may exercise all the powers of the Students' Union. The Trustees set the Students' Union budget, develop the Students' Union's strategic plan, oversee the performance of the Students' Union, manage risk effectively and ensure compliance with the law.

Student Council is the principal representation policy making forum of the Students' Union.

The Sabbatical Officers and Senior Managers oversee the day to day running of the Students' Union and are accountable to the Trustee Board. Sabbatical Officers receive an induction and training into their legal administrative responsibilities, with an ongoing programme of development during their term of office.

The Students' Union employs non-student full time staff to ensure effective management of its many activities and to implement the policy decisions made by the Trustee Board and Student Council. There is delegated authority, through the Chief Executive, for operational decision making and accountability within the departments of the Students' Union, in accordance with an annually reviewed delegation of authority.

### **Relationships with related parties**

#### **The University of Northumbria at Newcastle**

The Students' Union receives a Block Grant from the University and part-occupies buildings owned by the University, which also pays for utilities. This support is intrinsic to the relationship between the University and Students' Union and has not yet been valued. Although the Students' Union successfully runs various mutual trading activities it will always be dependent on the support of the University. There is no reason to believe that this support will not continue for the foreseeable future as the Students' Union is an integral part of the University structure and of value to the overall student experience at the University.

# Northumbria Students' Union

## Trustees' Report

### Objectives and activities

#### *Objects and aims*

The Students' Union's charitable objects are set out in its Memorandum and Articles of Association. The Union's objects are the advancement of education of Students at Northumbria University for the public benefit by:

- promoting the interests and welfare of students at Northumbria University during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and Northumbria University and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students.

The Students' Union will pursue these aims independently of any political party or religious group and will strive for equal opportunities and take positive action within the law to facilitate the participation of groups discriminated against by society.

In pursuit of these aims the Students' Union has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students. These include The Base (including Student Activities and Advice & Representation) Reds Bar, Domain, Stage 2, Habita and the Welcome Desk. Sabbatical Officers of the Students' Union sit on every major committee of the University and meet regularly with Newcastle City Council and other local organisations including residents associations to represent the interest of all students at the University.

#### *Fundraising disclosures*

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

#### *Public benefit*

The Unions charitable objectives are the advancement of education of students at Northumbria University for the public benefit by providing sporting, social, cultural and recreational opportunities and facilities for students so as to further the educational purpose of Northumbria University.

Our services provide opportunities for the expression of student opinion and actively representing the interests of the students.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### *Risk Management*

The Trustees have examined the major strategic, business and operational risks which the Students' Union faces and confirm that systems have been established to enable periodic reports to be produced so that the necessary steps can be taken to reduce and manage these risks.

# Northumbria Students' Union

## Trustees' Report

### Achievements and performance

The positive impact of the Students' Union has been recognised through regional and national awards, accreditation schemes and surveys of student experience. These included -

- NUS Green Impact [Good] - national university sector wide environmental accreditation scheme
- NUS Services Best Bar None Award [Gold] - recognises the quality of licensed premises operational management in terms of health and safety, corporate social responsibility and community relations and impact
- Raising the Bar [Gold] - a city wide scheme recognising licensed premises who achieve high standards of corporate social responsibility in their operations
- National Societies Awards - A national awards scheme recognising the impact of Students' Union societies and their members. Our Computer and Video Games Society won Best Event
- Educate North - An annual award for Higher Education in the North of England. Northumbria was a Finalists in Students' Union of the Year category.
- Investors in People [Silver] - The Students' Union retained this nationally recognised mark of its standard as an employer
- Better Health at Work [Silver] - a regional accreditation led by the NHS which recognises an organisation's commitment to the wellbeing of its staff.

The Students' Union achieved 57% satisfaction in Q26 of NSS 2018 "The students' union (association or guild) effectively represents students' academic interests." The national average was 57%.

In the Your Union Your Say Survey 2019 (2,626 students surveyed) we achieved the following results -

- 73% of our members said we have had positive impact
- 75% of our members said the Students' Union takes action to limit its negative impact on the environment
- 74% of our members are aware who their course representative
- 67% of our members agreed we help them feel part of a community
- 66% of our members agreed the Students' Union keeps them well informed about what it does for students
- 50% of our members agreed their academic experience has been improved by the Students' Union
- 50% of our members agreed that their personal wellbeing has been improved by the Students' Union

Engagement was truly remarkable -

- 4,500+ students in societies and volunteering
- 1000+ academic representatives
- 3,747 votes in our annual elections, doubling 2018 turnout
- 1 in 6 students involved with the Students' Union

# Northumbria Students' Union

## Trustees' Report

### Corporate Plan Key Achievements

#### Education

Representing students' academic interests, NSU has -

- Ensured student interests and perspectives are clearly represented in formation of University regulations over student life and study
- Secured stronger University commitment to close the attainment gap for a range of different groups and to introduce improved monitoring for LGBT\* and Carer students.
- Raised concerns of the experience of Foundation years students to inform future course delivery
- Trained 60% of programme reps, highest ever to receive face to face training
- Launched a review of representation to ensure it is fit for purpose for the next ten years

Campaigning for better higher education and value for money, NSU has -

- Lobbied for a cap on postgraduate fees in line with inflation
- Lobbied for the cost of replacement Library cards to be halved
- Secured payment of £50,000 in bursaries that had been incorrectly awarded
- Created the role of placement reps to give students a voice in this critical area of their experience

#### Career

Ensuring a degree at Northumbria leads to the jobs students want working with Careers, the Library and academic departments NSU has -

- Undertaken a research project with a range of employers and students to understand the value of the University's volunteering offer for graduate employability
- Reshaped our volunteer recognition system to enhance graduate employability
- Ran our first Employability Festival for students
- Secured a placement for Northumbria students with Pan Macmillan
- Created a dedicated role for graduate outcomes and employability

#### Wellbeing

Supporting students' physical, emotional and mental wellbeing to make lives easier NSU has -

- Created a dedicated role for Student Wellbeing
- Ran campaigns on male mental health, sexual health, student mental health
- Ran the This Girl Can Campaign to encourage women students to be more active.
- Lobbied for free period products and greater range of affordable options for students.

#### Community

Bringing students together to form lifelong friendships NSU has -

- Launched Halls to Homes information to help students moving into private accommodation In partnership with the Student Law Office trialled a housing advice service for students
- Continued to offer a diverse range of societies and student opportunities
- Delivered the Union's most comprehensive programme of non-alcohol day time activities during Freshers 2018
- £22,896 was raised for charity by RAG and Student Societies

#### Financial review

Total income increased from £3,644,033 to £4,347,126 due to the prior period being 10 months and the current period being a full 12 months. The Students' Union in isolation generated an overall surplus of £45,190.

NU: Lets the house lettings trading subsidiary generated an income of £817.

# Northumbria Students' Union

## Trustees' Report

### ***Policy on reserves***

Scope of Reserves Policy and Definition of "Free Reserves": The reserve policy covers all free reserves held by the Students' Union Charity. NSU defines free reserves as that part of the charity's income funds that is freely available to spend for any or all of the charity's purposes once it has met its commitments and covered its other planned expenditure.

Funds excluded from the definition of free reserves, and hence the policy, are:

1. Restricted funds
2. The Free Reserve (3 months' operating costs)
3. The Pension Deficit Contribution Fund
4. The Capital Development Reserve element of designated funds. These are amounts set aside for a particular project or use. The designation of funds is not binding, however, and the Trustee Board may change its plans and release these amounts to "free reserves".

Reasons for Holding Reserves: The reserve policy determines the level of reserves required to enable NSU to:

1. Fund working capital
2. Fund unexpected expenditure when unplanned events occur
3. Fund shortfalls in anticipated income

Calculation of Required Reserves: The policy for activities run by NSU is based on its two major income streams affecting the level of free reserves:

1. University Block Grant (approx. 58% of total income)
2. Trading Activity income. (approx. 42% of total income)

The target for the Free Reserve is calculated as:

Three months' operating costs (as defined by the annual budgeted organisational expenditure), known as the 'operating reserve' circa £600k. The Charity aims to achieve this level of Free Reserve by the end of financial year 2021.

### **Funds held as custodian trustee on behalf of others**

The Student Union acts as custodian trustee on behalf of Societies. Amounts owing to Societies are disclosed separately in creditors - amounts falling due within one year.



# Northumbria Students' Union

## Trustees' Report

### Plans for future periods

The Students' Union's Corporate Plan 2018-2021 has four strategic themes with key aims -

#### Our Members Education

- 1) Representing students' academic interests, NSU will -
  - a. Ensure every programme has a trained student representative, a member of a cross campus network of effective student representation.
  - b. Publish an Education Policy, setting out students' aspirations for their education at Northumbria and campaign for its implementation.
  - c. Work with the University to build a strong culture of student engagement, leading to a high quality education for every student
  - d. Programme design and delivery will reflect student interest in issues of sustainability and human development within those subjects.
- 2) Campaigning for better higher education and value for money, NSU will -
  - a. Support every student to campaign on the education issues they face and where they want to see change
  - b. Campaign to ensure barriers and limitations to participation and achievement in higher education are challenged
  - c. Offer every student access to free, independent academic advice
- 3) Students will be able to say we effectively represent their academic interests and are aware of the services we provide.

#### Our Members Communities

- 1) On Campus, NSU will -
  - a. Provide communal spaces popular with a wide range of students.
  - b. Offer programmes of social activities that cater for the diversity of students.
  - c. Support societies which reflect the diversity of student interests, are easy to join and fun to be part of.
  - d. Ensure students at Coach Lane, London and Amsterdam have a programme of social activities and services which reflect the individual nature of those campuses.
  - e. Communicate in a way students want so that they know what is available and can easily participate.
- 2) Where students live, NSU will -
  - a. Work to ensure every student has access to accommodation that suits their needs.
  - b. Provide students with information and access to advice on their rights as a tenant.
  - c. Campaign on issues around student accommodation from cost to quality to sustainability.
  - d. Help build strong community relations in Newcastle working with students, politicians and local residents.
  - e. Campaign against discrimination and racism.
- 3) In every course, NSU will work to ensure -
  - a. Every course has an academic society
  - b. Every student feels part of their course

# Northumbria Students' Union

## Trustees' Report

### Our Members Career

1) Working with University Careers, Library and departments we will ensure every student has access to -

- a. Networking opportunities and masterclasses
- b. Career workshops and employer talks
- c. Study Skills support
- d. Information on part-time jobs that can help students' careers
- e. Information on the sustainability issues within different careers to make a choice in line with their values

2) The Union will offer -

- a. Hundreds of volunteering opportunities that help students develop the skills and experiences employers want.
- i. Information on these opportunities and benefit to careers will be easy to access
- ii. All volunteering opportunities will align to the Northumbria graduate outcomes.
- iii. All volunteering opportunities can be entered on Higher Education Achievement Record.
- iv. Students can use their volunteering as meaningful work based learning within their course.
- v. NSU and the University will agree a means to have a volunteering credit bearing module.
- b. Programme of skills training in areas such as Finance, managing events and activities and team work.

3) We will campaign to ensure value for money in any fees students pay for any placement or work based opportunities.

### Our Members Wellbeing

1) Student safety, NSU will -

- a. Work with the University, Police, Council and others to keep students safe on and off campus.
- b. Campaign against any institutional policy or procedure that can cause harm to students on or off campus (see Community)
- c. Campaign for high quality affordable student accommodation (see Community)

2) Student wellbeing, NSU will -

- a. Work with University services to ensure every student, undergraduate and postgraduate, can access the support they need.
- b. Campaign on issues affecting students' health and well-being. Our principal campaigns will be
  - i. mental health
  - ii. green, healthy environment
  - iii. sexual health and wellbeing
  - iv. drugs and alcohol
  - v. disability and access
  - vi. sexual violence
- c. Always support any student to campaign on the wellbeing issues they face and where they want to see change
- d. Help students build connections with each other, in person and online and provide information that helps students improve their own wellbeing

3) More money, less stress, NSU will -

- a. Work with the University to ensure campus offers healthy, cheap eating options
- b. Offer services to help students manage their money
- c. Campaign on price on and off campus
- d. Secure and make students aware of better quality deals / offers for them
- e. Work with the University careers to inform students of part time jobs that fit their needs



# Northumbria Students' Union

## Trustees' Report

### Statement of Trustees' Responsibilities

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

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


- select suitable accounting policies and 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


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

### Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on <sup>19<sup>th</sup></sup> DEC 2019 and signed on its behalf by:

  
C Shaw  
Trustee

  
E Kabengele  
Trustee

# **Northumbria Students' Union**

## **Independent Auditor's Report to the Members of Northumbria Students' Union**

### **Opinion**

We have audited the financial statements of Northumbria Students' Union (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 July 2019, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustees 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 group'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.

### **Other information**

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

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

## **Northumbria Students' Union**

### **Independent Auditor's Report to the Members of Northumbria Students' Union**

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 Financial Statements and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Financial Statements and Trustees' Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities [set out on page 11], the trustees 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Northumbria Students' Union

### Independent Auditor's Report to the Members of Northumbria Students' Union

#### 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](http://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 parent company's trustees, 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 group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)  
For and on behalf of MHA Tait Walker  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 6.1.2020

MHA Tait Walker is a trading name of Tait Walker LLP.

## Northumbria Students' Union

### Consolidated Statement of Financial Activities for the Year Ended 31 July 2019 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	2,623,668	2,623,668	2,105,750
Charitable activities	4	1,622,903	1,622,903	1,436,269
Other trading activities	5	66,804	66,804	64,020
Other income	6	33,751	33,751	37,994
Total Income		<u>4,347,126</u>	<u>4,347,126</u>	<u>3,644,033</u>
<b>Expenditure on:</b>				
Raising funds	7	(65,987)	(65,987)	(57,031)
Charitable activities	8	<u>(4,235,134)</u>	<u>(4,235,134)</u>	<u>(3,560,025)</u>
Total Expenditure		<u>(4,301,121)</u>	<u>(4,301,121)</u>	<u>(3,617,056)</u>
Net income		<u>46,005</u>	<u>46,005</u>	<u>26,977</u>
Net movement in funds		46,005	46,005	26,977
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>458,158</u>	<u>458,158</u>	<u>431,181</u>
Total funds carried forward	25	<u><u>504,163</u></u>	<u><u>504,163</u></u>	<u><u>458,158</u></u>

All of the group's activities derive from continuing operations during the above two periods.

## Northumbria Students' Union

### Comparative Consolidated Statement of Financial Activities for the Period from 1 October 2017 to 31 July 2018 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 31 July 2018 £
<b>Income and Endowments from:</b>			
Donations and legacies	3	2,105,750	2,105,750
Charitable activities	4	1,436,269	1,436,269
Other trading activities	5	64,020	64,020
Other income	6	37,994	37,994
Total income		<u>3,644,033</u>	<u>3,644,033</u>
<b>Expenditure on:</b>			
Raising funds	7	(57,031)	(57,031)
Charitable activities	8	<u>(3,560,025)</u>	<u>(3,560,025)</u>
Total expenditure		<u>(3,617,056)</u>	<u>(3,617,056)</u>
Net income		<u>26,977</u>	<u>26,977</u>
Net movement in funds		26,977	26,977
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>431,181</u>	<u>431,181</u>
Total funds carried forward	25	<u><u>458,158</u></u>	<u><u>458,158</u></u>




# Northumbria Students' Union


(Registration number: 10807853)

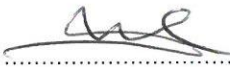
## Consolidated Balance Sheet as at 31 July 2019

	Note	31 July 2019 £	31 July 2018 £
<b>Fixed assets</b>			
Intangible assets	15	1,719	-
Tangible assets	16	<u>201,354</u>	<u>232,898</u>
		<u>203,073</u>	<u>232,898</u>
<b>Current assets</b>			
Stocks	18	43,005	55,291
Debtors	19	1,146,332	253,414
Cash at bank and in hand		<u>601,026</u>	<u>436,750</u>
		1,790,363	745,455
<b>Creditors: Amounts falling due within one year</b>	20	<u>(1,370,471)</u>	<u>(398,901)</u>
<b>Net current assets</b>		<u>419,892</u>	<u>346,554</u>
<b>Total assets less current liabilities</b>		622,965	579,452
<b>Creditors: Amounts falling due after more than one year</b>	21	<u>(118,802)</u>	<u>(121,294)</u>
<b>Net assets</b>		<u>504,163</u>	<u>458,158</u>
<b>Funds of the group:</b>			
<b>Unrestricted income funds</b>			
General funds		<u>504,163</u>	<u>458,158</u>
<b>Total funds</b>	25	<u>504,163</u>	<u>458,158</u>

The financial statements on pages 15 to 39 were approved by the trustees, and authorised for issue on ~~19th Dec 2019~~ and signed on their behalf by:

  
M R Williams  
Company Secretary

  
C Shaw  
Trustee

  
E Kabengele  
Trustee


# Northumbria Students' Union

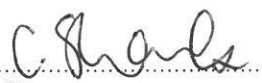
(Registration number: 10807853)


## Balance Sheet as at 31 July 2019

	Note	31 July 2019 £	31 July 2018 £
<b>Fixed assets</b>			
Tangible assets	16	201,354	232,899
Investments	17	<u>2</u>	<u>2</u>
		<u>201,356</u>	<u>232,901</u>
<b>Current assets</b>			
Stocks	18	43,005	55,291
Debtors	19	1,143,777	256,123
Cash at bank and in hand		<u>590,797</u>	<u>428,972</u>
		1,777,579	740,386
<b>Creditors: Amounts falling due within one year</b>	20	<u>(1,358,653)</u>	<u>(395,701)</u>
<b>Net current assets</b>		<u>418,926</u>	<u>344,685</u>
<b>Total assets less current liabilities</b>		620,282	577,586
<b>Creditors: Amounts falling due after more than one year</b>	21	<u>(118,802)</u>	<u>(121,294)</u>
<b>Net assets</b>		<u>501,480</u>	<u>456,292</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>501,480</u>	<u>456,292</u>
<b>Total funds</b>	25	<u>501,480</u>	<u>456,292</u>

The financial statements on pages 15 to 39 were approved by the trustees, and authorised for issue on 19<sup>th</sup> Dec 2019 and signed on their behalf by:

  
M R Williams  
Company Secretary

  
C Shaw  
Trustee

  
E Kabengele  
Trustee



## Northumbria Students' Union

### Consolidated Statement of Cash Flows for the Year Ended 31 July 2019

	Note	31 July 2019 £	31 July 2018 £
<b>Cash flows from operating activities</b>			
Net cash income		46,005	26,977
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	16	94,396	70,100
Amortisation	15	181	-
		<u>140,582</u>	<u>97,077</u>
<b>Working capital adjustments</b>			
Decrease/(increase) in stocks	18	12,286	(1,695)
(Increase)/decrease in debtors	19	(892,918)	110,713
Increase/(decrease) in creditors	20	385,172	(277,846)
Increase/(decrease) in deferred income	20	583,906	(201,683)
Net cash flows from operating activities		<u>229,028</u>	<u>(273,434)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	15	(1,900)	-
Purchase of tangible fixed assets	16	(62,852)	(42,511)
Sale of tangible fixed assets		-	5,676
Net cash flows from investing activities		<u>(64,752)</u>	<u>(36,835)</u>
Net increase/(decrease) in cash and cash equivalents		164,276	(310,269)
Cash and cash equivalents at 1 August		<u>436,750</u>	<u>747,019</u>
Cash and cash equivalents at 31 July		<u>601,026</u>	<u>436,750</u>

All of the cash flows are derived from continuing operations during the above two periods.

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Finance Department, Northumbria Students Union, 2 Sandyford Road, Newcastle upon Tyne, NE1 8SB

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### Basis of preparation

Northumbria 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 notes.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

#### Basis of consolidation

The financial statements consolidated the results of the charity and its wholly owned subsidiaries Northumbria Students' union Lettings Limited and Naturally Northumbria Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus for the financial period of £45,190 (2018 - surplus of £19,986).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 2 Accounting policies (continued)

#### **Going concern**

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

The Union is dependent, in the absence of other funding, on the continued financial support of the University of Northumbria. The Trustees believe, on the basis of discussions held, that further support will continue to be made available from the University.

#### **Estimation uncertainty and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. Beyond the normal prepayments, accruals and depreciation estimates, there are no further judgements or uncertainties.

#### **Income and endowments**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

#### **Grants receivable**

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### **Donated services and facilities**

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met and the receipt of economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees report for more information about their contribution.

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

# **Northumbria Students' Union**

## **Notes to the Financial Statements for the Year Ended 31 July 2019**

### **2 Accounting policies (continued)**

#### ***Charitable activities***

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted for when incurred.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Irrecoverable VAT is charged against the expenditure in which it was incurred.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Support costs**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

#### **Taxation**

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

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 2 Accounting policies (continued)

#### Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

#### Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Website costs	25% straight line

#### Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Equipment	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Bar refurbishment building work	10% and 25% straight line
Soft furnishings	25% straight line

#### Stock

Stock is valued at the lower of cost or net realisable value.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other 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 that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# **Northumbria Students' Union**

## **Notes to the Financial Statements for the Year Ended 31 July 2019**

### **2 Accounting policies (continued)**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Society Balances**

Society balances are monies held on behalf of student clubs and societies. This money belongs to the society itself and is held within other creditors.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the group.

#### **Hire purchase and finance leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### **Pensions and other post retirement obligations**

University of Northumbria Students' Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to Northumbria Students' Union. Under the terms of FRS17, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year.

In line with FRS 102 any additional contributions required as part of a recovery plan need to be recognised in full at net present value at the balance sheet date.

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
Grants from other charities	2,623,668	2,623,668	2,105,750
	<u>2,623,668</u>	<u>2,623,668</u>	<u>2,105,750</u>
		31 July 2019 £	31 July 2018 £
University of Northumbria block grant		1,423,668	1,083,750
University of Northumbria establishment grant		1,200,000	1,022,000
		<u>2,623,668</u>	<u>2,105,750</u>

### 4 Income from charitable activities

	31 July 2019 £	31 July 2018 £
Commercial income	1,367,377	1,316,989
Membership income	89,061	60,559
Service income	166,465	58,721
	<u>1,622,903</u>	<u>1,436,269</u>

### 5 Income from other trading activities

	Unrestricted funds		
	General £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
Other trading income	66,804	66,804	64,020
	<u>66,804</u>	<u>66,804</u>	<u>64,020</u>

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 6 Other income

	General £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
Rental income	33,751	33,751	37,994

### 7 Expenditure on raising funds

#### a) Costs of trading activities

	Unrestricted funds		
	General £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
Trading subsidiary costs	65,987	65,987	57,031
	65,987	65,987	57,031

### 8 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
Commercial costs	1,391,275	1,101,874	2,493,149	2,213,183
Membership costs	796,898	815,439	1,612,337	1,218,446
Service costs	69,552	60,096	129,648	128,396
	2,257,725	1,977,409	4,235,134	3,560,025

In addition to the expenditure analysed above, there are also governance costs of £7,150 (2018 - £7,750) which relate directly to charitable activities. See note 9 for further details.

During the year grants of £107,911 (2018 - £57,716) were paid to societies.



# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 9 Analysis of governance and support costs

#### Support costs allocated to charitable activities

	Governance costs £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
Establishment costs	1,200,000	1,200,000	996,000
Salary and wages costs	616,021	616,021	505,120
Printing and stationery	3,801	3,801	5,875
Publicity	19,004	19,004	14,292
Cleaning	12,691	12,691	13,807
Equipment	33,553	33,553	33,427
Professional services	49,370	49,370	54,029
Travel and subsistence	6,310	6,310	6,000
Training	22,058	22,058	20,903
Sundries	14,601	14,601	1,408
	<u>1,977,409</u>	<u>1,977,409</u>	<u>1,650,861</u>

#### Governance costs

	General £	Total 31 July 2019 £	Total 1 October 2017 to 31 July 2018 £
Audit fees			
Audit of the financial statements	6,050	6,050	6,050
Other fees paid to auditors	1,100	1,100	1,700
	<u>7,150</u>	<u>7,150</u>	<u>7,750</u>

## Northumbria Students' Union

### Notes to the Financial Statements for the Year Ended 31 July 2019

#### 10 Net incoming/outgoing resources

Net incoming resources for the year include:

	31 July 2019 £	31 July 2018 £
Audit fees	6,050	6,050
Depreciation of fixed assets	94,396	70,104
Amortisation of intangible assets	<u>181</u>	<u>-</u>

#### 11 Trustees remuneration and expenses

The trustees are made up of external trustees and sabbatical officers. Sabbatical trustees were paid £99,956 (2018 - £93,940) as permitted by the Students' Union's Memorandum and Articles of Association. No trustees received payment for professional or other services supplied to the charity (2018 - £nil).

During the year, trustees were reimbursed £939 (2018 - £nil) for travel and accommodation costs incurred on behalf of the group.

## Northumbria Students' Union

### Notes to the Financial Statements for the Year Ended 31 July 2019

#### 12 Staff costs

The aggregate payroll costs were as follows:

	31 July 2019 £	31 July 2018 £
Wages and salaries	1,477,763	1,241,808
Employers national insurance	102,388	89,664
Employers pension	59,053	42,006
	<u>1,639,204</u>	<u>1,373,478</u>

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	31 July 2019 No	31 July 2018 No
Commercial services	24	22
Membership services	17	15
Senior management	4	3
Finance	3	3
Facilities	3	3
Student staff	113	127
	<u>164</u>	<u>173</u>

The number of employees whose emoluments fell within the following bands was:

	31 July 2019 No	31 July 2018 No
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel of the group were £207,329 (2018 - £176,392).

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 13 Auditors' remuneration

	Year ended 31 July 2019 £	1 October 2017 to 31 July 2018 £
Audit of the financial statements	<u>6,050</u>	<u>6,050</u>
<b>Other fees to auditors</b>		
Taxation compliance services	450	450
All other non-audit services	<u>650</u>	<u>1,250</u>
	<u>1,100</u>	<u>1,700</u>

### 14 Taxation

The group is a registered charity and is therefore exempt from taxation.

### 15 Intangible fixed assets

#### Group

	Website costs £	Total £
<b>Cost</b>		
Additions	<u>1,900</u>	<u>1,900</u>
At 31 July 2019	<u>1,900</u>	<u>1,900</u>
<b>Amortisation</b>		
Charge for the year	<u>181</u>	<u>181</u>
At 31 July 2019	<u>181</u>	<u>181</u>
<b>Net book value</b>		
At 31 July 2019	<u>1,719</u>	<u>1,719</u>

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 16 Tangible fixed assets

#### Group

	Furniture and equipment £	Computer equipment £	Leasehold Improvements £	Equipment £	Total £
<b>Cost</b>					
At 1 August 2018	93,652	43,693	235,661	382,556	755,562
Additions	-	387	29,944	32,521	62,852
At 31 July 2019	93,652	44,080	265,605	415,077	818,414
<b>Depreciation</b>					
At 1 August 2018	62,003	34,498	170,875	255,288	522,664
Charge for the year	12,730	4,670	22,400	54,596	94,396
At 31 July 2019	74,733	39,168	193,275	309,884	617,060
<b>Net book value</b>					
At 31 July 2019	18,919	4,912	72,330	105,193	201,354
At 31 July 2018	31,649	9,195	64,786	127,268	232,898

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 16 Tangible fixed assets (continued)

#### Charity

	Furniture and equipment £	Computer equipment £	Leasehold Improvements £	Equipment £	Total £
<b>Cost</b>					
At 1 August 2018	93,652	40,692	229,243	382,556	746,143
Additions	-	386	29,944	32,521	62,851
At 31 July 2019	93,652	41,078	259,187	415,077	808,994
<b>Depreciation</b>					
At 1 August 2018	62,004	31,496	164,456	255,288	513,244
Charge for the year	12,730	4,670	22,400	54,596	94,396
At 31 July 2019	74,734	36,166	186,856	309,884	607,640
<b>Net book value</b>					
At 31 July 2019	18,918	4,912	72,331	105,193	201,354
At 31 July 2018	31,648	9,196	64,787	127,268	232,899

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 17 Fixed asset investments

#### Charity

	31 July 2019 £	31 July 2018 £
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>

#### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 August 2018	<u>2</u>	<u>2</u>
At 31 July 2019	<u>2</u>	<u>2</u>
<b>Net book value</b>		
At 31 July 2019	<u>2</u>	<u>2</u>
At 31 July 2018	<u>2</u>	<u>2</u>

#### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2019	2018	
<b>Subsidiary undertakings</b>					
Naturally Northumbria Limited	England and Wales	ordinary	100%	100%	dormant during the year and did not trade
Northumbria Students' Union Lettings Limited	England and Wales	ordinary	100%	100%	property letting agent

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 17 Fixed asset investments (continued)

#### Subsidiaries

The profit for the financial period of Naturally Northumbria Limited was £Nil (2018 - £Nil) and the aggregate amount of capital and reserves at the end of the period was (£478) (2018 - (£478)).

The profit for the financial period of Northumbria Students' Union Lettings Limited was £817 (2018 - £3,733) and the aggregate amount of capital and reserves at the end of the period was (£82,655) (2018 - (£81,838)).

### 18 Stock

	Group		Charity	
	31 July 2019	31 July 2018	31 July 2019	31 July 2018
	£	£	£	£
Stocks	<u>43,005</u>	<u>55,291</u>	<u>43,005</u>	<u>55,291</u>

### 19 Debtors

	Group		Charity	
	31 July 2019	31 July 2018	31 July 2019	31 July 2018
	£	£	£	£
Trade debtors	777,960	154,356	773,152	154,498
Due from group undertakings	-	-	14,001	18,317
Prepayments	355,584	83,596	354,836	81,745
Accrued income	12,739	15,462	1,788	1,563
Other debtors	<u>49</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,146,332</u>	<u>253,414</u>	<u>1,143,777</u>	<u>256,123</u>



# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 20 Creditors: amounts falling due within one year

	Group		Charity	
	31 July 2019 £	31 July 2018 £	31 July 2019 £	31 July 2018 £
Trade creditors	404,296	96,669	403,383	95,041
Other taxation and social security	26,830	23,240	26,096	23,240
VAT grant repayable	12,209	18,834	12,209	18,834
Other creditors	94,903	6,592	91,783	6,465
Accruals	124,093	129,332	120,792	127,887
Deferred income	708,140	124,234	704,390	124,234
	<u>1,370,471</u>	<u>398,901</u>	<u>1,358,653</u>	<u>395,701</u>

The Students' Union acts as custodian trustee on behalf of Societies. Assets held are in the form of cash. The balance owing to the societies at the year end is £73,985 (2018: £50,558).

### Deferred income

#### Group

	31 July 2019 £	31 July 2018 £
Deferred income at 1 August 2018	124,234	325,917
Resources deferred in the period	708,140	124,234
Amounts released from previous periods	<u>(124,234)</u>	<u>(325,917)</u>
Deferred income at year end	<u>708,140</u>	<u>124,234</u>

### 21 Creditors: amounts falling due after one year

	Group		Charity	
	31 July 2019 £	31 July 2018 £	31 July 2019 £	31 July 2018 £
Other creditors	<u>118,802</u>	<u>121,294</u>	<u>118,802</u>	<u>121,294</u>

Creditors amounts falling due after more than one year includes the following liabilities on which security has been given:

	Group		Charity	
	31 July 2019 £	31 July 2018 £	31 July 2019 £	31 July 2018 £
Pension deficit liability	<u>118,802</u>	<u>121,294</u>	<u>118,802</u>	<u>121,294</u>

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 22 Pension and other schemes

#### Defined benefit pension schemes

##### Students' Union Superannuation Scheme

The 2016 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 15 years and 9 months 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 2017 and will be formally reviewed following completion of the next valuation due with an effective date of no later than 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the Northumbria Students' Union future contribution commitment. In addition to the above contributions, the Northumbria Students' Union also pays its share of the Scheme's levy to the Pension protection Fund.

In accordance with FRS 102, the net present value of the future contributions required by Northumbria Students' union over 15 years to clear the funding deficit is £126,827 (2018 - £128,927). In calculating this net present value, annual increases of 5% have been made and a discount rate of 3.0% (2018 - 3.2%) representing the typical yield of high quality corporate bonds has then been applied.

### 23 Commitments

#### Group

##### Pension commitments

The University of Northumbria Students' Union operated two defined contribution schemes during the year. Commitments provided for in the accounts amounted to £17,299 (2018 - £7,642). Commitments not provided for in the accounts amounted to £Nil (2018 - £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2018 - £Nil).

##### Other financial commitments

The other financial commitments relate to operating leases the group has entered into.

The total amount of other financial commitments not provided in the financial statements was £2,400,000 (2018 - £3,600,000).

#### Charity

##### Other financial commitments

The other financial commitments relate to operating leases the charity has entered into.

The total amount of other financial commitments not provided in the financial statements was £2,400,000 (2018 - £3,600,000).

### 24 Contingent liabilities

#### Group

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

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 25 Funds

#### Group

	Balance at 1 August 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 July 2019 £
<b>Unrestricted funds</b>					
<i><b>General</b></i>					
General fund	75,259	4,347,126	(4,301,121)	31,545	152,809
<i><b>Designated</b></i>					
Capital fund	232,899	-	-	(31,545)	201,354
Capital development fund	150,000	-	-	-	150,000
	<u>382,899</u>	<u>-</u>	<u>-</u>	<u>(31,545)</u>	<u>351,354</u>
<b>Total funds</b>	<u>458,158</u>	<u>4,347,126</u>	<u>(4,301,121)</u>	<u>-</u>	<u>504,163</u>
	Balance at 1 October 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 July 2018 £
<b>Unrestricted funds</b>					
<i><b>General</b></i>					
General fund	15,017	3,644,033	(3,617,056)	33,265	75,259
<i><b>Designated</b></i>					
Capital fund	266,164	-	-	(33,265)	232,899
Capital development fund	150,000	-	-	-	150,000
	<u>416,164</u>	<u>-</u>	<u>-</u>	<u>(33,265)</u>	<u>382,899</u>
<b>Total funds</b>	<u>431,181</u>	<u>3,644,033</u>	<u>(3,617,056)</u>	<u>-</u>	<u>458,158</u>

The specific purposes for which the funds are to be applied are as follows:

#### Designated funds

The pension fund relates to monies set aside to pay the next three years deficit payment for the SUSS. The trustees opted not to pay the pension deficit in advance resulting in the reversal of the fund.

The capital fund equals the net book value of the tangible fixed assets.

The capital development fund is for the reconfiguration of Reds Bar.

# Northumbria Students' Union

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 26 Analysis of net assets between funds

#### Group

	Unrestricted funds General £	Total funds £
Intangible fixed assets	1,719	1,719
Tangible fixed assets	201,354	201,354
Current assets	1,790,363	1,790,363
Current liabilities	(1,370,471)	(1,370,471)
Creditors over 1 year	(118,802)	(118,802)
Total net assets	<u>504,163</u>	<u>504,163</u>

	Unrestricted funds General £	Total funds £
Tangible fixed assets	232,898	232,898
Current assets	745,455	745,455
Current liabilities	(398,901)	(398,901)
Creditors over 1 year	(121,294)	(121,294)
Total net assets	<u>458,158</u>	<u>458,158</u>

### 27 Analysis of net funds

#### Group

	At 1 August 2018 £	Cash flow £	At 31 July 2019 £
Cash at bank and in hand	428,972	161,825	590,797
Net debt	<u>428,972</u>	<u>161,825</u>	<u>590,797</u>

	At 1 October 2017 £	Cash flow £	At 31 July 2018 £
Cash at bank and in hand	735,143	(306,171)	428,972
Net debt	<u>735,143</u>	<u>(306,171)</u>	<u>428,972</u>

# **Northumbria Students' Union**

## **Notes to the Financial Statements for the Year Ended 31 July 2019**

### **28 Related party transactions**

#### **Charity**

During the year the charity made the following related party transactions:

#### **University of Northumbria**

The University of Northumbria is the governing body under the Students' Union's Memorandum and Articles of Association.

From 1 February 2016 the Union signed a 5 year lease through to 31 July 2021 with the University at a rate of £1,200,000 per annum.

During the year, the University of Northumbria provided a block grant of £1,423,668 (2018: £1,083,750) and an establishment grant of £1,200,000 (2018: £1,022,000). At the balance sheet date the amount due from the University of Northumbria was £446,766 (2018 - £86,488).

#### **Northumbria Students' Union Lettings Limited**

Northumbria Students' Union Lettings Limited is a wholly owned subsidiary of Northumbria Students' Union.

During the year, Northumbria Students' Union Limited invoiced £8,904 (2018 - £8,904) in respect of management charges and £274 (2018 - £nil) for catering provisions. At the balance sheet date the amount due from the Northumbria Students' Union Lettings Limited was £99,001 (2018 - £103,317). The provision for doubtful debts from the related parties at the balance sheet date was £85,000 (2018 - £85,000).