

# Financial Statements

## GSM London Students' Union

(A company limited by guarantee)

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**For the year ended 30 September 2018**

**Registered number: 08898808**

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## Reference and administrative details of the charity, its trustees and advisers

For the year ended 30 September 2018

<b>Trustees</b>	E J Cox R Clarke E S Larner
<b>Company registered number</b>	08898808
<b>Charity registered number</b>	1165406
<b>Registered office</b>	GSM London Study Centre, 56 Tabard Street, London, SE1 4LG
<b>Independent examiner</b>	Grant Thornton UK LLP, 300 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YE

# Trustees' Report

**For the year ended 30 September 2018**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of GSM London Students' Union (the company) for the year ended 30 September 2018 the Trustees confirm that the Annual 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 2015) "Accounting and Reporting by Charities" issued in July 2014.

The accounting period ending 30 September 2017 was extended to 18 months in the previous year in order to align the year end with the academic year of Greenwich School of Management (the College). As a result, comparative amounts disclosed in these financial statements are not entirely comparable.

## **Structure, governance and management**

### **a. Constitution**

The organisation is a charitable company limited by guarantee, incorporated on 17 February 2014 and registered as a charity on 3 February 2016. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding 10 pence per member.

### **b. Method of appointment or election of trustees**

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association, the members are required to retire from office at the first annual general meeting unless by the close of the meeting the members have failed to elect sufficient directors to hold a quorate meeting of the directors. At each subsequent annual general meeting, one third of the directors or, if their number is not three or a multiple of three, the number nearest to one-third, must retire from office. If there is only one director he or she must retire.

### **c. Policies adopted for the induction and training of trustees**

The charity is still in its foundation stage. Going forward, new trustees will be invited and encouraged to attend any training courses which are considered appropriate in order for them to be able to fulfil their duties as trustees.

### **d. Organisational structure and decision making**

The charity is still in its foundation stage and has not undertaken any significant activities to date associated with its principal aims and purpose. All of the current trustees have backgrounds and experience in the higher education sector.

Looking forward, the trustees envisage that one of the trustees will take on the role of chief executive and oversee the daily activities of the charity. The strategic direction and policy of the charity will be the responsibility of all trustees, who will meet on a periodic basis to determine such matters.

### **e. Risk management**

The charity has undertaken no substantial activities since incorporation and the trustees believe that there are currently no significant risks which may impact on the charity.

## **Trustees' Report (continued)**

**For the year ended 30 September 2018**

### **Objectives and Activities**

#### **a. Strategies for achieving objectives**

The trustees are in the process of putting together a strategic plan which will set out the trustees' goals with respect to providing social, cultural, recreational and sporting opportunities and facilities for students so as to further the educational purposes of GSM London; advancing the welfare and physical and mental well-being of students; providing representation, advice and assistance to students on matters affecting their welfare and interests as students; and all such objects as are charitable in law which are incidental or conducive to the foregoing objects.

### **Achievements and performance**

#### **a. Going concern**

GSM London Students' Union is potentially dependent upon GSM London Limited as its main source of funding. The Trustees have a funding plan with GSM London agreed twelve months in advance which incorporates the future years' income and against which spending plans are forecast. The current plan projects a small surplus.

It is on this basis that the Directors believe the business is a going concern.

### **Financial review**

#### **a. Reserves policy and principal funding**

Whilst the charity has only recently been formed, the trustees anticipate that all expenditure will be settled through use of any surplus on reserves and that adequate reserves will be retained to meet ongoing working capital requirements. The trustees believe that the reserves held are appropriate as the trustees are in the process of putting together a strategic plan. At the year end, unrestricted reserves amounted to £9,561 (30 September 2017: £4,191).

### **Plans for the future**

#### **a. Future developments**

As noted above, the trustees are in the process of putting together a strategic plan which will set out the goals for securing funding to enable the charity to meet its aims and objectives.

### **Trustees**

Trustees who served during the year are as follows:

E J Cox

R Clarke (appointed 24 May 2018)

E S Larner (appointed 24 May 2018)

D M Hayes (resigned 16 February 2018)

J B S Athwal (resigned 16 February 2018)

## **Trustees' Report (continued)**

**For the year ended 30 September 2018**

### **Public Benefit**

In preparing this Report, we have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the UK Charity Commission and have sought to demonstrate that the charity continues to provide identifiable benefits which relate directly to its aims as stated in its Memorandum and Articles of Association and which outweigh any potential detriment or harm. Any private benefits to Trustees and members of the charity are incidental.

### **Trustees' responsibilities statement**

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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.

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.

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

The charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

This report was approved by the Trustees on 25 June 2019 and signed on their behalf by:

E J Cox  
Trustee



# **Independent examiner's report**

**For the year ended 30 September 2018**

Independent examiner's report to the trustees of GSM London Students Union

I report on the accounts GSM London Students Union for the year ended 30 September 2018 which are set out on pages 7 to 11.

This report is made solely to the charitable company's trustees, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for my work, for this report, or for the opinions I have formed.

## **Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The charitable company's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 and Part 16 of the Companies Act 2006 and that an independent examination is needed).

Having satisfied myself that the charitable company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- to follow the procedures laid down the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011; and
- to state whether particular matters have come to my attention.

## **Basis of independent examiner's statement**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a comparison of the accounts with the accounting records kept by the charitable company. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**GSM London Students' Union (a company limited by guarantee)**

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect, the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006;
  - to prepare accounts which accord with the accounting records;
  - to comply with the accounting requirements of section 396 of the Companies Act 2006
  - to comply with the Statement of Recommended Practice '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 January 2015)'have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Grant Thornton UK LLP**

Gareth Norris FCA  
Grant Thornton UK LLP  
Chartered Accountants  
Northampton

**26 June 2019**



## Statement of Financial Activities

(Incorporating Income and Expenditure Account)

For the year ended 30 September 2018

	Note	Year ending 30 September 2018 £	18 months ending 30 September 2017 £
<b>Income from:</b>			
Donations		84,485	15,000
Other income		2,269	126
Interest receivable		11	10
<b>Total income</b>		<b>86,765</b>	<b>15,136</b>
<b>Expenditure on:</b>			
Charitable activities	2	(81,395)	(10,977)
<b>Net income</b>		<b>5,370</b>	<b>4,159</b>
<b>Net movement in funds</b>		<b>5,370</b>	<b>4,159</b>
<b>Reconciliation of funds:</b>			
Total funds at 1 October 2017		4,191	32
<b>Total funds at 30 September 2018</b>		<b>9,561</b>	<b>4,191</b>

The notes on pages 9 to 11 form part of these financial statements.

All of the charity's income and expenditure is in relation to unrestricted funds.

## Balance Sheet

As at 30 September 2018

	Note	30 September 2018 £	30 September 2017 £
<b>Current assets</b>			
Cash at bank		3,886	4,719
Debtors: amounts falling due within one year	5	8,885	-
Creditors: amounts falling due within one year	6	(3,210)	(528)
<b>Net current assets</b>		<b>9,561</b>	<b>4,191</b>
<b>Charity funds</b>			
Unrestricted funds	7	9,561	4,191
<b>Total funds</b>		<b>9,561</b>	<b>4,191</b>

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

For the year ending 30 September 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Trustees on 25 June 2019 and signed on their behalf, by:

E J Cox  
Trustee



Company registration number: 08898808

The notes on pages 9 to 11 form part of these financial statements.

## **GSM London Students' Union (a company limited by guarantee)**

### **1. Accounting Policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015) issued in July 2014, UK financial reporting Standards and the Companies Act 2006. The Financial Statements of the charity, which is a public benefit entity, have been prepared on the historical cost basis. The principal accounting policies adopted in the preparation of the accounts are set out below and any changes restated in the previous year. All amounts are shown in pounds sterling.

#### **1.2 Company status**

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to 10 pence per member of the company.

#### **1.3 Fund accounting**

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

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

#### **1.4 Income**

All income is included in the Statement of Financial Activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

#### **1.5 Expenditure**

Charitable activities expenditure are those costs incurred directly in support of the objects of the company.

#### **1.6 Going concern**

GSM London Students' Union is potentially dependent upon GSM London Limited as its main source of funding. The Trustees have a funding plan with GSM London agreed twelve months in advance which incorporates the future years' income and against which spending plans are forecast. The current plan projects a small surplus.

It is on this basis that the Trustees believe the business is a going concern.

**GSM London Students' Union (a company limited by guarantee)**

**2. Expenditure – Charitable activities**

	Year ending 30 September 2018 £	18 months ending 30 September 2017 £
Salaries	72,130	6,083
Social security costs	6,916	512
Pension contribution	833	-
Events	1,058	4,336
Other	399	42
Bank charges	59	4
	<b>81,395</b>	<b>10,977</b>

**3. Employees**

During the year, the average number of employees was 2.4 (18 months to 30 September 2017: 1). No employee received more than £60,000 in emoluments during the year.

**4. Directors' remuneration**

The directors are the members of GSM London Students' Union. The directors received £28,497 of remuneration (18 months to 30 September 2017: £6,083) and pension contributions of £317 (2017: nil) under contracts of employment with the charitable company and were not remunerated in respect of their role as trustees of the charity. The directors received reimbursement of expenses for travel and subsistence amounting to £399 (18 months to 30 September 2017: £338).

**5. Debtors**

	30 September 2018 £	30 September 2017 £
Other debtors	8,885	-
	<b>8,885</b>	<b>-</b>

**6. Creditors**

	30 September 2018 £	30 September 2017 £
Social security and other taxes	2,807	528
Pension contribution	403	-
	<b>3,210</b>	<b>528</b>

## **GSM London Students' Union (a company limited by guarantee)**

### **7. Funds**

	Balance 1 October 2017 £	Incoming Resources £	Expenditure £	Balance 30 September 2018 £
Unrestricted funds	<u>4,191</u>	<u>86,765</u>	<u>(81,395)</u>	<u>9,561</u>

### **8. Related party transactions**

Clipper Group Limited and its subsidiaries are considered to be a related party as two of the three trustees are employed by the group headed by Clipper Group Limited.

The accountancy fee, amounting to £1,500 (2017: £1,500), was borne by GSM London Holdings Limited, a member of the Clipper Group.

During the year the company received donations of £84,485 (2017: £15,000) from GSM London Limited with an additional £8,885 promised but not received at 30 September 2018, and included within debtors at this date.

### **9. Controlling party**

The company is controlled by the trustees of the company, who are defined in the Company's Articles of Association as members.

