

UWE STUDENTS' UNION

**ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 JULY 2017

TUESDAY



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Company Registration Number 07675253

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Trustees' Report for the year ended 31 July 2017

TRUSTEES' ANNUAL REPORT FOR MEMBERS

The trustees are pleased to present their annual report together with the accounts for the year ended the 31 July 2017.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, 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 Republic of Ireland (FRS 102) (effective 1 January 2015).

Reference & administrative details

Charity Name: UWE Students' Union
Company Number: 07675253
Charity Number: 1143067
Principal Office and registered address: Frenchay Campus, Coldharbour Lane, Bristol, BS16 1QY

Key management personnel: Trustees and Directors:

| 2017/18 | | 2016/17 | |
|--|---------------------|--|---------------------|
| President # | Zain Choudhry | President # | Ahmed Emara |
| Vice President Education # | Jamie Thomas Jordon | Vice President Education # | Jamie Thomas Jordon |
| Vice President Sports & Health # | Erin Mills | Vice President Sports & Health # | Serena Smith |
| Vice President Community & Welfare # | Sian Hampson | Vice President Community & Welfare # | Sian Hampson |
| Vice President Societies & Communication # | Bakhai Wynter | Vice President Societies & Communication # | Olivia Marie Evans |
| External Trustee | Clare Sinfield | External Trustee | Clare Sinfield |
| Student Trustee | Alvaro Loxton | Student Trustee (Ratified 08/12/15) | Alvaro Loxton |
| Student Trustee (Ratified 11/04/17) | Mariam Amini | Student Trustee (Resign 18/10/16) | Laura Goode |
| External Trustee | Chris Clements | External Trustee | Chris Clements |
| External Trustee | Sarah Eden | External Trustee | Sarah Eden |
| External Trustee | David Osbourne | External Trustee (Ratified 22/03/16) | David Osbourne |

Trustees' Report for the year ended 31 July 2017

The President and Vice President trustees hold post from the 1 July of the year they are elected to the 30 June of the following year. Elections are held for each position annually. The trustees identified with a # are directors of UWE Students' Union.

Key management personnel: Senior Management

Chief Executive Officer: Tim Benford

Finance Manager: Michael Blades

Advisers:

Bankers: National Westminster Bank Plc
72 Gloucester Road
Bishopston
Bristol, BS99 5AF

Solicitors: Osborne Clark
2 Temple Back East
Temple Quay
Bristol, BS1 6EG

Auditor: RSM UK Audit LLP
Hartwell House
55-61 Victoria Street
Bristol, BS1 6AD

Trustees' Report for the year ended 31 July 2017

Structure, Governance & Management

The Union has a written constitution that was approved by the Board of Governors of the University of the West of England on the 31 January 2012.

UWE Students' Union, a company limited by guarantee, was incorporated on the 20 June 2011 and registered with the Charity Commission. The Union moved from its traditional Unincorporated Association model which had served it in the past, to become incorporated into a Company Limited by Guarantee - a model which more suitably serves the multi million pound organisation that the Union is today. The entire assets, liabilities and staff of the previous unincorporated association were transferred to the new charitable company on the 31 July 2011.

The incorporated charity has company number: 7675253 and registered charity number: 1143067.

Appointment of Trustees

Up to five Officer Trustees shall be elected by secret ballot by the members of UWESU. In addition up to two Student Trustees, one Alumni Trustee and four External Trustees shall be appointed by the Appointments Committee. These appointments do not take effect until they have been ratified by the Student Council.

Trustee Induction & Training

The Officer Trustees are given extensive in house training and inductions as well as attending relevant external and NUS run courses in the initial three months of their period of office. The Student and External Trustees are offered the opportunity to go on suitable NUS or other external trustee training courses.

Organisation

The Union has a Student Council that is the main regular mechanism for members to make their views known to the Union. All the elected officers are members of the Executive Committee which acts in the absence of Student Council. In addition there are four committees that focus on distinct areas of activity, namely the Student Representative Committee, Sports Committee, Community & Welfare Committee and Societies & Communication Committee. There is also the Annual General Meeting for the more formal annual communication with the membership. Strategic decisions and the setting of the Union's budget are made at the quarterly meetings of the Board of Trustees. The implementations of those decisions are carried out by those Trustees who are appointed to attend the monthly meetings of the Finance & General Purposes Committee and the Staff Committee. The day to day management of the Union is the responsibility of the senior member of staff, the Chief Executive Officer.

Related Parties

The Union receives a substantial part of its income from the University of the West of England and therefore has a close working relationship with the University to enable the Union to best carry out its objectives and activities.

Key Management Personnel remuneration

The Unions key management personnel are listed in note 22 of the accounts. The directors consider the board of directors, who are the Charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. A number of directors give their time freely and receive no remuneration. Details of directors expenses and related party transactions are detailed in the accounts notes below. The senior salary pay grades are benchmarked against the UCEA standards on a 3 year basis. The next review is due in the Unions 2017/18 financial year. <http://www.ucea.ac.uk/en/empres/clinical/conpay/england/pay.cfm>

Risk Management

The Union has examined the major strategic, business and operational risks and has put in place a Risk Management Strategy and a Risk Register. These are reviewed annually by both the senior staff and the Trustees of the Union and where appropriate systems or procedures have been implemented to mitigate the risks the Union

Trustees' Report for the year ended 31 July 2017

faces. In addition procedures are in place to ensure that the activities of the Union are carried out with due regard to the health & safety of all participants.

Objectives & Activities

The Articles of Association of the Union state that:

The objects of the Union are the advancement of education of students at the University of the West of England for the public benefit by:

- ☐ Promoting the interests and welfare of students at the University of the West of England during their course of study and representing, supporting and advising students;
- ☐ Being the recognised representative channel between students and the University of the West of England 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 principal activity of the Union is to represent its members and provide appropriate services. To this end the Union organises Student Representation, runs clubs, societies and networks, provides an Advice Centre, Job Shop, Student Letting, Nursery, bars, shops and entertainments. The commercial activities are provided through the Union's subsidiary, UWESU Services Limited.

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

During this financial year the Union has undertaken minor staff restructuring and brought the strategic plan in line with the rebrand work undertaken in the previous year. In addition the Union has continued with the internal culture change as we overcome and excel in the challenges and opportunities in the new building.

Achievements & performance

Ensuring that we are listening to students and taking action to affect change – Speak Up

The Students' Union has surveyed and canvassed student opinion through the year. This has resulted in several high profile campaigns which were evidence based and provided recommendations for change

Graduation Costs

This Academic year 2016/17 The Students' Union led by the Presidents secured a significant reduction in the cost of Graduation tickets.

Canvassing student opinion and lobbying the university saw a ticket reduction from £35 to £15 which will save students £1 million over 4 years.

Disabled Students Allowance

A campaign led by the VP Community and Welfare to look to minimize the effect of the major changes to the DSA. The campaign resulted in a comprehensive range of support being offered by the university to those affected. This hasn't completely filled the gap in funding and the campaigning continues

Elections

The Leadership race moved into its second year and saw an increased turnout this year with a number of positives from the process and procedure perspective.

World Mental Health Day

The Students' Union in partnership with the Mental Health Campaign Society raised awareness and challenged stigma around mental health. #UWEWMHD. Across Bower Ashton, Frenchay, Glenside and Gloucester Campus a Mental Health stall was raising awareness, giving out freebies and pledge cards for students and staff to show what they will do to end mental health stigma. i.e. 'I will ask a friend if they are ok'.

100 pledges cards were completed to end mental health stigma

500+ green ribbons sold

Trustees' Report for the year ended 31 July 2017

£230+ raised for Bristol Mind

Register to Vote and GE2017

In the build up to the General Election, led by VP Community and Welfare and VP Education we ran several days of voter registration drives, held a hustings for the Filton and Bradley Stoke candidates, and door-knocked on June 8 reminding students to go and vote. NUS gave us a lot of support for this campaign and supplied us with various resources. Nationally, over two million young people registered to vote, with an increase of 18-24 year olds turning out to vote in comparison to 2015's 43%.

Student Conference

UWE's first Student Conference, which celebrates research, enquiry, and evidence-based practice from both undergraduate and postgraduate taught students. This saw over 80 students across all levels of study and disciplines expanding across our four faculties. This conference saw students presenting their work either as a poster or as a verbal presentation. This event welcomed employers, which offered students opportunities for networking and learning.

We created opportunities to maximise the student's experiences – Be More

RAG

This year our UWE RAG Total is £73,595 which marks a 34% increase on last year. This marks a 330% increase over 2 years. We've supported 60 charities, had over 4200 students participate in fundraising, given our £5,500 in small local community grants and had more activities and events than ever before. Our clubs and societies have increased fundraising by 28% and participation is at 35%. They raised £15,078 between them.

Academic Societies

After several meetings regarding the relationship between student representatives and academic societies, VP Education and VP Socs and Comms managed to design and implement a pilot for four societies to trial in 17/18. The pilot aims to facilitate a relationship between the two groups, creating fluidity in communication and Union activities. The university directorate has agreed to help fund this project, offering £1,500 to support our idea and explore potential opportunities.

Off the Wall Programme - 'OTW'

The OTW programme has been a continued success in its final year funded by Sport England. The programme now has a structure that will allow it to self-fund and continue to provide opportunities to a wide range of communities of students to participate in healthy activity.

Freshers Fair

With in excess of 230 stalls and over 1300 students attending the freshers fair showcases the opportunities available to all students. Again this event was ranked as one of the best fairs in the country and received unanimously positive feedback from stallholders and students.

Varsity

The varsity series had another strong year with similar participation and increased spectators at the main events. We were again pipped to the title but with plans for the 17/18 to move towards a more participation focused schedule we look forward to pushing for a series win.

Supporting and creating a diverse range of communities – Join in

Halls Life

The HallsLife scheme launched across both Frenchay and Glenside for UWE run accommodation. The scheme looked to build strong communities in halls and provide peer support and activity in the new environment many first years find themselves in. Activities such as the colour run, bring a bowl and varsity have all started to build a strong base for future years.

YoBike launch

Sustainable transport is a key focus of the work at UWE and YoBike was launched on campus. There will be 300 bikes available for use across Bristol, of these they would like to have about 80 bikes across the UWE campuses.

Trustees' Report for the year ended 31 July 2017

Green Team

The Union has excelled in the area of sustainability and Green Impact. The Union won the national NUS Green Impact award for most sustainable Union as well as two awards at the International Green Gown Awards.

Late Night Do It Right

Building a community of students that cares for each other and gives them the tools to fully enjoy the student experience was the key success of this campaign. Talking to and educating students on nights out and via social media has provided students with a strong understanding of how to have a good but safe night out.

Freshers

A Fresher's week with a great experience for all students. Nationally there has been a trend impacting freshers sales based on a shifting of event focus', which has been reflected in national drop in ticket sales. Ticket sales reached £106,320 (15/16: £145,868) with an overall contribution of £34,881 (15/16: £41,145) against a budget of £51,275. Contribution was retained from reactive cost cutting anticipated from poorer pre-sales.

Financial review

The Union has made a deficit of £870,776 of which £900,394 is the net present value increase in the SUSS pension liability. This means that the true comparable surplus of £29,618 (2015: £37,283 deficit), is against a budgeted surplus of £16,200 decided prior to the change in pension liability regulations of FRS102. This surplus includes a decrease in reserves of £6,791 held by the clubs, societies and networks, which now stand at £68,930.

There was a single significant unbudgeted one off item in the year which is reflected in these figures:

An agreed additional grant from our new buildings rates is to be covered by the University of the West of England totaling £45,075 for backdated 16/17 charges and then an agreement to cover these bills going forwards has been made. The 17/18 approximate figure being £32,000.

The principal funding sources are the Block Grant from the University of £1,164,400 and the income raised by the individual clubs, societies and networks. There was an increase of £124,400 in the Block Grant.

During the year a £43,068 grant was paid by Redbull GMBH Ltd to cover costs for a research post between January 2017 to January 2018 for an 'Alcohol Impact accreditation' that falls in line with our 'Late Night Do It Right' work. As at year end £24,700 of costs were yet to be consumed and is held in restricted reserves.

On the expenditure side the non-trading costs were in line with expectations.

Capital expenditure of £50,298 was largely made up of our expected annual replacements for a normal trading year.

The present level of funding is sufficient to support the charity's activities and the Trustees consider the financial position of the Union to be good.

The Union has set a surplus budget for 2017/18 of £8,200, pre the contribution from the nursery and any movement on the club, society and network balances. Post the nursery contribution a bottom line surplus of £15,100 has been set. The budget includes prudent assumptions around trading sales in the new building and it is anticipated that these will be exceeded leading to at least a breakeven position in 2017/18.

The key risks and uncertainties for the Union are as follows:

- Managing cash flows in conjunction with the increasing annual SUSS pension liability.
- Forward planning for contracted income coming to the end of its term.
- Maintaining a wide eye on the impact of potential changes to university sustainability and long-term goals that could impact the Union.

Trustees' Report for the year ended 31 July 2017

The Union is actively managing these items by:

- Planning long-term cash flows and creating a cash management plan to make sure that cash funds remain above a £200,000 minimum.
- Discussing with current or new potential sponsors/suppliers to arrange extended contracts or lining up new deals with new suppliers
- Maintaining positions on key university committees to keep oversight of the longer-term plans of the university.

REVIEW OF TRADING SUBSIDIARY

The trading subsidiary, UWESU Services Limited, was set up at the end of January 2012. The total turnover for the year to 31 July 2017 was £3,220,266 (15/16: £3,144,336) and the surplus of £141,439 (15/16: £58,804) was donated to UWE Students' Union to leave reserves of £1. The assets of the company are stock, debtors and cash and the main creditor of the company was with UWE Students' Union. The principal activity of the company was the running of bars, entertainments, shops and other commercial activities.

RESERVES POLICY

As a sensible and professional organisation, we feel it is important to keep some monies held in reserve. These monies are either held to meet known future circumstances, meet unforeseen circumstances or for a situation where we need to wind up the organisation.

As we are a membership organisation we believe that in each year the majority of the income received by the Union should be spent in providing services to our members. However, it is prudent for us to budget to make a small surplus each year to ensure that we live within our means. This should mean that we will develop a reserve that can then be used in future years.

Removing the pension liability factor (£2,052,838) the Union currently holds £1,036,912 in its reserves (2016: £1,007,294), £352,951 in restricted funds (2016: £372,567), £533,031 in the unrestricted funds (2016: £527,006) and £150,930 in the designated funds (2016: £107,721). However £690,203 of those reserves are held as tangible fixed assets (2016: £731,044) and are thus not easily converted to usable cash.

General funds

General funds are the general reserves not immediately required for any specific purpose, The SU at UWE needs to hold general reserves in order:

- ☐ to provide working capital;
- ☐ to allow The SU at UWE to provide continuity of service if income levels were to fluctuate, thereby giving time to seek new sources of revenue or to reduce costs;
- ☐ to allow The SU at UWE to provide continuity of service if it had to cope with increases in expenditure that could not be accurately forecast;
- ☐ to ensure that in the worst possible circumstances it would be possible to pay all creditors and wind up the organisation.

These funds should be built up and held at a minimum level of £200,000.

Designated funds

The Union maintains a fund for the replacement of the capital assets of the Union in the normal course of its activities. Following the significant move in 2015 to the U Block SU building these reserves should be re-instated to a minimum of £200,000 by 2020 rising to £300,000 by 2022.

As part of the agreement with the University on the setting up of the Halley Nursery it was agreed that the funds generated by or required for the running of that nursery would be kept in a designated fund. This has been amended with an agreement to cap the fund at 2 years risk of loss which is £32,000, the remainder would be transferred back to the SU.

Trustees' Report for the year ended 31 July 2017

The Union has agreed that any surpluses generated by individual clubs, networks or societies shall be kept in a designated fund and can be spent by that entity in future years.

INVESTMENT POLICY

The key investment objective is to maintain and, where possible, grow the value of the Union's designated reserves whilst balancing risk with return. The Union must always ensure that there is sufficient cash to meet its operational needs, but must also obtain the best return possible on all funds deposited with our bankers. Any funds not required in the short term may then be invested in short term deposits and any funds not needed in the medium-long term can then be invested wisely in longer term investments to generate a greater yield. Funds not needed for short term operational needs can be deposited with reputable institutions, provided that the risk ratings and limits agreed by the Board of Trustees are adhered to. Deposits should always be split between UK based institutions with different banking licences, to reduce the risk from institutional failure.

At the year end there was only one small investment remaining to the value of £6,461 held with the NUSSL. The investment performance of the Union's funds is in line with the objectives set by the Trustees.

OBJECTIVES FOR 2017/18

Develop and launch the Union's Strategic Plan 2018-2022

Representing your voice:

- ☐ To develop an Academic Representation system and provide more support for Postgraduate and International students;
- ☐ To ensure our members, staff and stakeholders have an informed level of understanding of the Students' Union services and we listen to their feedback;
- ☐ To look at the concerns about curriculum make up and the question 'Why is my curriculum white?'
- ☐ To develop a mental health strategy that delivers a robust well-funded mental health support system.

Giving you opportunities:

- ☐ To enhance academic societies to develop engagement and personal development opportunities;
- ☐ To improve scope and participation with a range of diverse events;
- ☐ To become a leading Students' Union in widening participation and outreach activity;
- ☐ To develop inclusive sports and activities making opportunities available to all our members.

Building your community:

- ☐ To develop our Rag activity to make a step change in processes and engagement;
- ☐ To ensure the university provide multi faith spaces to cater for the students' needs;
- ☐ To promote active engagement with the local community through a range of initiatives and activities;
- ☐ To review the Students' Union's provision at the campuses and agree sustainable plans for the future.

Essential Foundations:

- ☐ To embed the organisation's strategic plan, making sure our aims and goals are resourced effectively;
- ☐ To ensure effective implementation of the Partnership Board with the University and make progress on the four work streams of Sports, Academic Societies, Representation and Funding.

Subscriptions

The following subscriptions were paid in the year ended 31 July 2017:

| | |
|--------------------------------------|---------|
| National Union of Students | £42,114 |
| British University & Colleges Sports | £26,444 |
| NUS Services Limited | £300 |

In addition there are subscriptions by some of the sports clubs to their relevant governing body.

Trustees' Report for the year ended 31 July 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- ☐ select suitable accounting policies and then apply them consistently;
- ☐ observe the methods and principles in the Charities SORP;
- ☐ make judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Trustees have each taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

Our auditor, RSM UK Audit LLP, has indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

SUBSIDIARY REPORTING

The UWE Students Union accounts report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

APPROVAL

The Trustees' Report and Strategic report was approved on the 23rd October 2017 and signed on their behalf by:



Z Choudhry
President of UWE Students' Union

Independent Auditor's Report to the Members of UWE Students' Union

Opinion on financial statements

We have audited the financial statements of UWE Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2017 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 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent Auditor's Report to the Members of UWE Students' Union

- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient 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; or
- Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

RSM UK Audit LLP

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD
Date *6 November 2017*

UWE STUDENTS' UNION

**Consolidated Statement of Financial Activities (inc Income and Expenditure accounts)
for the year ended 31 July 2017**

| | | Unrestricted Funds 2017 £ | Restricted Funds 2017 £ | Total Funds 2017 £ | Total Funds 2016 £ |
|---|----------|--|--|---------------------------------------|---------------------------------------|
| Income from: | | | | | |
| Donations: | | | | | |
| Block grant | | 1,446,000 | - | 1,446,000 | 1,320,629 |
| Grant income | | - | 43,068 | 43,068 | - |
| Charitable activities: | | | | | |
| Freshers, student shops and bars | 3 | 3,106,252 | - | 3,106,252 | 2,979,102 |
| Union services, sports and other activities | 4 | 842,746 | - | 842,746 | 950,125 |
| Other trading activities: | | | | | |
| Nursery and other trading | 2 | 612,529 | - | 612,529 | 650,937 |
| Investments | | 484 | - | 484 | 4,415 |
| Total income | | 6,008,011 | 43,068 | 6,051,079 | 5,905,208 |
| Expenditure on: | | | | | |
| Raising funds: | | | | | |
| Nursery and other trading | 5 | 747,249 | - | 747,249 | 761,597 |
| Grant expenditure | | - | 18,369 | 18,369 | - |
| Charitable activities: | | | | | |
| Freshers, student shops and bars | 6 | 2,918,998 | - | 2,918,998 | 2,912,929 |
| Union services, sports and other activities | 7 | 3,192,924 | 44,315 | 3,237,239 | 2,311,778 |
| Total Expenditure | 8 | 6,859,171 | 62,684 | 6,921,855 | 5,986,304 |
| Net (expenditure)/Income | | (851,160) | (19,616) | (870,776) | (81,096) |
| Net movement in funds | | (851,160) | (19,616) | (870,776) | (81,096) |
| Fund balances brought forward | | (517,717) | 372,567 | (145,150) | (64,054) |
| Funds Balance at 31 July | | (1,368,877) | 352,951 | (1,015,926) | (145,150) |

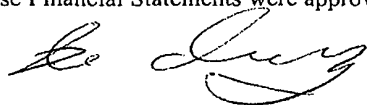
There are no recognised gains or losses other than those passing through the consolidated statement of financial activities. All trading activities of the Union and its subsidiary are classed as continuing.

UWE STUDENTS' UNION
Consolidated & Charity Statement of Financial Position as at 31 July 2017

| | | Group | Group | Charity | Charity |
|---|----|---------------------------|-------------------------|---------------------------|-------------------------|
| | | 2017 | 2016 | 2017 | 2016 |
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Property, Plant & Equipment | 11 | 683,741 | 731,044 | 683,741 | 731,044 |
| Investment Property | 12 | 6,462 | 6,462 | 6,462 | 6,462 |
| Total Fixed Assets | | 690,203 | 737,506 | 690,203 | 737,506 |
| Current Assets | | | | | |
| Inventories | 13 | 91,108 | 104,743 | 3,123 | 3,491 |
| Debtors | 14 | 272,900 | 319,361 | 451,951 | 403,620 |
| Cash at bank and in hand | | 261,071 | 225,045 | 76,228 | 144,983 |
| Total Current Assets | | 625,079 | 649,149 | 531,302 | 552,094 |
| Creditors: Amounts falling due within one year | 15 | (278,370) | (379,361) | (184,593) | (282,306) |
| Net Current Assets/(Liabilities) | | 346,709 | 269,788 | 346,709 | 269,788 |
| Creditors: Amounts falling due after one year | 26 | (2,052,838) | (1,152,444) | (2,052,838) | (1,152,444) |
| Net Assets/(Liabilities) | | <u>(1,015,926)</u> | <u>(145,150)</u> | <u>(1,015,926)</u> | <u>(145,150)</u> |
| Capital and Reserves : | | | | | |
| Unrestricted funds | | | | | |
| General funds | 16 | 533,031 | 527,006 | 533,031 | 527,006 |
| Designated funds | 16 | (1,901,908) | (1,044,723) | (1,901,908) | (1,044,723) |
| Restricted funds | 17 | 352,951 | 372,567 | 352,951 | 372,567 |
| Total Funds | | <u>(1,015,926)</u> | <u>(145,150)</u> | <u>(1,015,926)</u> | <u>(145,150)</u> |

The notes on pages 16 to 30 form part of these accounts.

These Financial Statements were approved by the Trustees on 1st November 2017 and are signed on their behalf by:



Z Choudhry
President of UWE Students' Union

Company Registration Number 07675253

UWE STUDENTS' UNION
Consolidated Statement of Cash Flows as at 31 July 2017

| | | Group 2017 | Group 2016 |
|---|-----------|-----------------------|-----------------------|
| | | £'000 | £'000 |
| Cash (used in)/generated by operating activities | 25 | 86 | 20 |
| Cash flows from investing activities | | | |
| Interest income | | - | 4 |
| Purchase of tangible fixed assets | | (50) | (415) |
| Return of investments | | - | 200 |
| Cash provided by (used in) investing activities | | <u>(50)</u> | <u>(211)</u> |
| Cash flows from financing activities | | | |
| Repayment of borrowing | | - | - |
| Cash used in financing activities | | <u>-</u> | <u>-</u> |
| Increase/(decrease) in cash and cash equivalents in the year | | 36 | (191) |
| Cash and cash equivalents at the beginning of the year | | 225 | 416 |
| Total cash and cash equivalents at the end of the year | | <u>261</u> | <u>225</u> |

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017

1. Accounting Policies

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost accounting rules and in accordance with Accounting and Reporting by Charities in accordance with FRS102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland' (FRS102), and Statement of Recommended Practice (SORP 2015), applicable UK Accounting Standards and the Companies Act 2006.

Group Financial Statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary UWESU Services Limited on a line by line basis. A separate Statement of Financial Activities and income and expenditure account, for the charity are not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The unconsolidated deficit for the year of the charity was £870,776 (15/16: Deficit £81,906).

Income

The Block Grant from the University of the West of England is dealt with on a financial year basis. Other income is included in the SOFA account on a receivables basis where there is reasonable certainty of receipt.

The Union receives grants which are recognised as incoming resources in the Statement of Financial Activities on a receivable basis when they meet the three recognition criteria set out in the SORP.

Expenditure

Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds including liabilities where there is a reasonable probable of the expenditure. Charitable activities include both the direct costs and support costs relating to those activities.

Governance costs include those incurred in the governance of the charity and its assets. Support costs, being indirect staff and overhead costs, are apportioned on a usage basis across each area.

Statement of Cash Flows

The charity has taken advantage of the exemption available under FRS102 Section 1.12(b) in not preparing a charity only statement of cash flows.

Stocks

All stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Investments

Investments are stated in the balance sheet at cost. The only balance remaining is the £6,461 NUSSL investment.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Tangible fixed assets with a cost below £2,500 are not capitalised. Depreciation is provided at the following annual rates in order to write the cost of assets off over their estimated useful lives:-

| | |
|-------------------------|-------------------|
| Fixtures and fittings | 10% - 33% of cost |
| Equipment | 20% - 33% of cost |
| Alterations to premises | 10% - 20% of cost |

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

Pension costs

UWE 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. The 2013 valuation recommended a monthly contribution requirement by each participating employer expressed in monetary terms intended to clear the ongoing funding deficit. As a consequence under FRS 102, the Union has recognised a liability in the balance sheet equal to the net present value ("npv") of future deficit reduction payments. These payments are discounted to the present value using the market yield on high quality corporate bonds.

The Union also participates in both a NEST (Government standard fund for those that don't opt out of the main scheme) and a NUSPS pension fund for those wishing to take advantage of the Unions currently offered scheme.

Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Operating lease agreements

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

Fund Accounting

Unrestricted Funds represent unspent income which may be used for any activity. Designated Funds are set aside by the Union to be spent on specific projects and areas. Restricted Funds raised and administered by the Union are for specific purposes, such as Clubs and Societies.

Going Concern

The Balance Sheet as at 31 July 2017 showed a net Liability of £1,015,926 and for 2015/16 a deficit of £145,150 after recognising a pension deficit liability of over £2m on a multi-employer pension scheme in the accounts. In considering the going concern basis, the Trustees consider the company retains sufficient working capital to continue trading for the next 12 months based on evidence of long term positive cash flows and improving commercial trade more than adequately covering the increase in pension liability payments. Reserves excluding the pension liability are continuing to increase with less funds in a restricted capacity. UWESU are also in consistent discussions with UWE and in particular the Director of Finance maintaining an eye on the pensions position both present and future.

Financial Instruments

As the charity only has basic financial instruments it has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

Basic Financial Assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost

using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

De-Recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

De-Recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the charities contractual obligations are discharged, cancelled or they expire.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity period.

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

2. Other trading activities

| | 2017 | 2016 |
|---------------|----------------|----------------|
| | £ | £ |
| Nursery | 498,515 | 485,703 |
| Other Trading | 114,014 | 165,234 |
| | <u>612,529</u> | <u>650,937</u> |

3. Charitable Activities - Freshers, Student Shops and Bars

| | 2017 | 2016 |
|-----------------|------------------|------------------|
| | £ | £ |
| Freshers | 192,066 | 313,474 |
| Retail | 1,794,716 | 1,550,071 |
| Food & Beverage | 1,119,470 | 1,115,557 |
| | <u>3,106,252</u> | <u>2,979,102</u> |

4. Charitable Activities - Union Services, Sports and Other Activities

| | 2017 | 2016 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Sports & Other Activities | 775,121 | 867,733 |
| Union Services | 67,625 | 82,392 |
| | <u>842,746</u> | <u>950,125</u> |

5. Analysis of expenditure - Activities for Raising Funds

| | 2017 | 2016 |
|---------------|----------------|----------------|
| | £ | £ |
| Nursery | 587,419 | 588,994 |
| Other Trading | 159,830 | 172,603 |
| | <u>747,249</u> | <u>761,597</u> |

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

6. Analysis of expenditure on Charitable Activities – Freshers, Student Shops and Bars

| | 2017 | 2016 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Freshers | 156,795 | 272,329 |
| Retail | 1,704,981 | 1,461,838 |
| Food & Beverage | 1,057,222 | 1,178,762 |
| | <u>2,918,998</u> | <u>2,912,929</u> |

7. Analysis of expenditure on Charitable Activities – Union Services, Sports and Other Activities

| | 2017 | 2016 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Sports & Other Activities | 1,367,807 | 1,303,489 |
| Union Services | 921,811 | 895,813 |
| Governance | 47,317 | 25,673 |
| Pension Liability Adjustment | 900,394 | 43,813 |
| | <u>3,237,329</u> | <u>2,268,788</u> |

8. Expenditure

| Usage | Direct | Staff | Support | 2017 | 2016 |
|-----------------------------------|------------------|------------------|----------------|------------------|------------------|
| | £ | £ | £ | Total | Total |
| | | | | £ | £ |
| <i>Charitable</i> | | | | | |
| Clubs, Societies & Networks (23%) | 916,687 | 269,220 | 181,898 | 1,367,805 | 1,303,489 |
| Student Rep & Officers (6%) | 111,350 | 215,026 | 51,711 | 378,087 | 427,328 |
| Advice Centre / Job Shop (3%) | 26,029 | 92,226 | 51,711 | 169,966 | 134,318 |
| Campus Support (2%) | 45,419 | 20,923 | 51,711 | 118,053 | 62,657 |
| Communications (4%) | 69,406 | 152,870 | 51,711 | 273,987 | 314,500 |
| <i>Commercial</i> | | | | | |
| Nursery (10%) | 84,101 | 397,300 | 106,018 | 587,419 | 588,994 |
| Commercial activities (52%) | 2,031,656 | 850,080 | 197,091 | 3,078,827 | 3,085,532 |
| Governance (1%) | 39,891 | 7,426 | - | 47,317 | 25,673 |
| Overheads recharged | (275,572) | 275,572 | - | 0 | - |
| Pensions deficit/movement | - | - | - | 900,394 | 43,813 |
| | <u>3,048,967</u> | <u>2,280,643</u> | <u>691,851</u> | <u>6,921,855</u> | <u>5,986,304</u> |

Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, professional fees and election costs.

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

The support costs were looked at on a detailed basis. Where individual costs could be allocated to specific areas they were. Otherwise costs were allocated by comparison to either salaries, non salary expenditure or a combination of the two, depending on which method gave the most reasonable allocation.

Net income/expenditure for the year

Is arrived at after charging:

| | 2017 | 2016 |
|---|-------------|-------------|
| | £ | £ |
| Depreciation | 97,601 | 98,014 |
| Operating lease charges – plant & machinery | 17,367 | 3,274 |

Auditor's remuneration:

| | | |
|---|-------|--------|
| Fees payable to the Charity auditor for the audit of the financial statements and consolidation | 9,500 | 10,050 |
| Fees payable to the Charity auditor and its associates for other services: | 3,050 | 2,970 |

9. Staff Costs

The number of staff employed by the union amounted to:

| | 2017 | 2016 |
|-----------------|-------------|-------------|
| | No. | No. |
| Permanent Staff | 90 | 86 |
| Student Staff | 273 | 292 |
| | <u>363</u> | <u>378</u> |

The full time equivalent number of staff employed by the Union amounted to:

| | 2017 | 2016 |
|-----------------|-------------|-------------|
| | No. | No. |
| Permanent Staff | 80 | 76 |
| Student Staff | 30 | 32 |
| | <u>110</u> | <u>108</u> |

The costs of the above were:

| | 2017 | 2016 |
|------------------|------------------|------------------|
| | £ | £ |
| Wages & salaries | 2,065,052 | 2,075,446 |
| Social security | 103,576 | 71,016 |
| Pension costs | 171,956 | 95,492 |
| | <u>2,340,584</u> | <u>2,241,954</u> |

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

Banding for pay over £60,000/annum:

| | 2017 | 2016 |
|-----------------|---------------|---------------|
| | No. of | No. of |
| | staff | staff |
| £60,000-£69,999 | 1 | 1 |

10. Trustees' Remuneration and Expenses

The SU President and each of the four Vice-Presidents received £19,540 for the year as authorised by the Union's governing document for the representation, campaigning and support work they undertake as distinct from their Trustee responsibilities. This work includes voicing student opinion with the institution and local community, defending and extending the rights of students through petitions, discussions with MPs, organising and supporting student volunteers and service provision for them. The total salary and NI costs for the sabbatical officers amounted to £97,700 (15/16: £96,635).

There were no other Trustee benefits for the year (15/16: nil).

Travel expenses of £1,014 (15/16: £501) were paid out to 9 of the Trustees.

11. Property, Plant & Equipment

| Group and Charity | Fixtures & Fittings |
|------------------------------|--|
| | £ |
| Cost | |
| At 1 August 2016 | 1,090,925 |
| Additions | 50,298 |
| At 31 July 2017 | <u>1,141,223</u> |
| Depreciation | |
| At 1 August 2016 | 359,881 |
| Charge for the year | 97,601 |
| At 31 July 2017 | <u>457,482</u> |
| Net Book Value | |
| At 31 July 2017 | 683,741 |
| At 31 July 2016 | <u>731,044</u> |

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

12. Investment property

| Group | Shares in Subsidiary £ | Deposits £ | Total £ |
|------------------|---------------------------------------|-----------------------|--------------------|
| At Cost | | | |
| At 1 August 2016 | - | 6,462 | 6,462 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 July 2017 | <u>-</u> | <u>6,462</u> | <u>6,462</u> |

| Charity | Shares in Subsidiary £ | Deposits £ | Total £ |
|------------------|---------------------------------------|-----------------------|--------------------|
| At Cost | | | |
| At 1 August 2016 | 1 | 6,461 | 6,462 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 July 2017 | <u>1</u> | <u>6,461</u> | <u>6,462</u> |

| | 2017 | 2016 |
|---|----------------|---------------|
| UWESU Services Ltd – Profit and loss account | £ | £ |
| Turnover | 3,220,266 | 3,144,336 |
| Expenditure | (3,078,827) | (3,085,532) |
| Net Profit | <u>141,439</u> | <u>58,804</u> |
| Distribution UWE SU | (141,439) | (58,804) |
| Retained profits brought forward | <u>-</u> | <u>-</u> |
| Retained profits carried forward | <u>-</u> | <u>-</u> |

| | | |
|---|-----------|-----------|
| UWESU Services Ltd – Balance sheet | | |
| Current assets | 392,758 | 280,665 |
| Current liabilities | (392,757) | (280,664) |
| | <u>1</u> | <u>1</u> |
| Called up share capital | 1 | 1 |
| Profit and loss account | <u>-</u> | <u>-</u> |

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

At 31 July 2017 the Union held an investment in the following company which is incorporated in the United Kingdom:

| Name of Company | Company Number | Main Trading Activity | Equity Held |
|------------------------|----------------|------------------------------------|-------------|
| UWESU Services Limited | 07917777 | Commercial activities of the Union | 100% |

A summary of the subsidiary's results for the year ended 31 July 2017 and the balance sheet position at 31 July 2017 is shown above.

13. Inventories

| | Group | | Charity | |
|-------------------|---------------|----------------|----------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Goods for own use | 3,123 | 3,491 | 3,123 | 3,491 |
| Goods for resale | 87,985 | 101,252 | - | - |
| | <u>91,108</u> | <u>104,743</u> | <u>3,123</u> | <u>3,491</u> |

14. Debtors

| | Group | | Charity | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade and sundry debtors | 148,498 | 110,353 | 98,638 | 61,120 |
| Prepayments and accrued income | 124,403 | 209,008 | 54,333 | 158,890 |
| Amount due from subsidiary | - | - | 298,981 | 183,610 |
| | <u>272,901</u> | <u>319,361</u> | <u>451,952</u> | <u>403,620</u> |

15. Creditors: Amounts falling due within one year

| | Group | | Charity | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade creditors | 169,649 | 270,533 | 93,471 | 187,812 |
| Social security and other taxes | 29,155 | 28,219 | 12,078 | 15,543 |
| Other creditors | 33,339 | 44,493 | 32,817 | 41,519 |
| Accruals and deferred income | 46,227 | 36,116 | 46,227 | 24,530 |
| | <u>278,370</u> | <u>379,361</u> | <u>184,593</u> | <u>282,306</u> |

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

16. Unrestricted Funds

| | 2016 £ | Income £ | Costs £ | Transfers £ | 2017 £ |
|------------------------------------|--------------------|---------------------|--------------------|------------------------|--------------------|
| General Funds | 527,006 | 5,145,906 | (5,109,242) | (30,639) | 533,031 |
| <i>Designated Funds:</i> | | | | | |
| Halley Nursery | 32,000 | 498,514 | (479,153) | (19,361) | 32,000 |
| Capital Reserve | - | - | - | 50,000 | 50,000 |
| Pension Liability | (1,152,444) | - | (900,394) | - | (2,052,838) |
| Clubs, Soc's & Networks | 75,721 | 363,591 | (370,382) | - | 68,930 |
| Total Designated Funds | <u>(1,044,723)</u> | <u>862,105</u> | <u>(1,749,929)</u> | <u>30,639</u> | <u>(1,901,908)</u> |
| Total Unrestricted Funds | <u>(517,717)</u> | <u>6,008,011</u> | <u>(6,859,171)</u> | <u>-</u> | <u>(1,368,877)</u> |

The Designated Funds of (£1,901,908) (Positive £150,930 excluding pension liability) (15/16: £107,721) are for the replacement of existing capital items and toward the cost of providing future facilities, the separation of surpluses generated by the Clubs, Societies and Networks and the separation of the Halley Nursery funds.

A new capital reserve has been created and will look to designate a minimum of £200,000 of funds by 2020 for use in replacing any significant assets outside of the regular annual spending.

In addition, by agreement between the Union and the University the direct funding generated from or required for the running of the Halley Nursery have been assigned a separate designated fund. The balance is written back to £32,000 each year.

Finally surpluses generated by Clubs, Societies and Networks are set aside by the Union to be spent specifically in these areas.

17. Restricted Funds

| | 2016 £ | Income £ | Costs £ | Transfers £ | 2017 £ |
|------------------------------------|-------------------|---------------------|--------------------|------------------------|-------------------|
| Clubs, Soc's & Networks | - | - | - | - | - |
| Restricted donations | 52,960 | 43,068 | (30,723) | - | 65,305 |
| Capital Grant | 319,607 | - | (31,961) | - | 287,646 |
| | <u>372,567</u> | <u>43,068</u> | <u>(62,684)</u> | <u>-</u> | <u>352,951</u> |

The Restricted Funds of £352,951 (15/16: £372,567) relate to donations and income raised for specific projects and as such are held pending future spending. The Club, Society and Network funds represent monies raised by those bodies either by donation or from membership fees. The Capital Grant is a contribution towards the fit out of the new SU building and will be written off over the life of the assets (10 years).

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

18. Analysis of Net Assets between Funds

| Group | Restricted | Designated | General | |
|--------------------------------------|-------------------|--------------------|----------------|--------------------|
| Fund balances at 31 July 2017 | funds | fund | funds | Total |
| Represented by: | £ | £ | £ | £ |
| Tangible fixed assets | 287,646 | - | 396,095 | 683,741 |
| Investments | - | - | 6,462 | 6,462 |
| Current assets | 65,305 | 150,930 | 408,844 | 625,079 |
| Current liabilities | - | - | (278,370) | (278,370) |
| Long term liabilities | - | (2,052,838) | - | (2,052,838) |
| Total net assets | 352,951 | (1,901,908) | 533,031 | (1,015,926) |

| Charity | Restricted | Designated | General | |
|--------------------------------------|-------------------|--------------------|----------------|--------------------|
| Fund balances at 31 July 2017 | funds | fund | funds | Total |
| Represented by: | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 396,095 | 396,095 |
| Investments | - | - | 6,462 | 6,462 |
| Current assets | 352,951 | 150,930 | 408,844 | 912,725 |
| Current liabilities | - | - | (278,370) | (278,370) |
| Long term liabilities | - | (2,052,838) | - | (2,052,838) |
| Total net assets | 352,951 | (1,901,908) | 533,031 | (1,015,926) |

19. Commitments Under Operating Leases

At 31 July 2017 the Union had total future commitments under non-cancellable operating leases as set out below:

| | 2017 | 2016 |
|---------------------------------------|---------------------------------|---------------------------------|
| | Equipment & vehicles | Equipment & vehicles |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 8,934 | 3,274 |
| Within 1 to 5 years | 5,252 | - |
| | 14,186 | 3,274 |

20. Capital Commitments

There were nil capital commitments that UWESU has agreed as at 31 July 2017 (15/16: nil).

UWE STUDENTS' UNION
Notes to the Financial Statements
for the year ended 31 July 2017 (Continued)

21. Pensions

UWE Students' Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. 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 2016 and showed that the market value of the Scheme's assets was £101,000,000 with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £120,000,000.

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 2016:-

The investment return would be 6.35% 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 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 16 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 30th June 2016. Surpluses or deficits which arise at future valuations will also impact on UWE Students' Union's future contribution commitment. In addition to the above contributions, UWE Students' Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2017 amounted to £90,381 (15/16: £86,079).

22. Related Party Transactions

- a) During the year, the Union received £1,164,400 (15/16: £1,040,000) grant funding from The University of the West of England plus an additional £45,075 to cover the new rates charges. There was also a £142,000 (15/16: £142,000) payment in respect of rent plus £129,600 (15/16: £129,600) in respect of Sports Hall charges.

During the year, the Union made sales to The University of the West of England of £335,099 (15/16: £713,792). At the year end the Union was owed £76,966 (15/16: £31,464).

During the year, the Union purchased services from The University of the West of England of £419,585 (15/16: £415,604). At the year end the Union owed The University of the West of England £11,942 (15/16: £79,378).

Within the first 9 months of the 2017/18 trading year a payment of £141,439 will be paid from UWESU Services to the UWE Students Union passing all trading profits with the exception of £1 in accordance with the group policy. There was also a management recharge of £197,091 (15/16: £218,558) paid across to the parent company.

The year end balance after the 2017 year end transfers between the Union and its subsidiary was £298,981 (15/16: £167,878) in favour of the parent company.

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for the year ended 31 July 2017 (Continued)

The Trustees are of the opinion that this financial assistance is not an influencing factor with regards to the formulation of Union policy nor does it have any effect on the internal management and decision making of the Union.

b) Key management personnel:

Ahmed Emara – President – Ended term July 17
 Jamie Jordon - Vice President Education – Commenced term July 16
 Serena Smith - Vice President Sports & Health – Ended term July 17
 Sian Hampson - Vice President Community & Welfare – Commenced term July 16
 Olivia Evans - Vice President Societies & Communication – Ended term July 17
 Bahkai Wynter - Vice President Societies & Communication – Commenced term July 17
 Zain Choudhry – President – Commenced term July 17
 Erin Mills - Vice President Sports & Health – Commenced term July 17
 Tim Benford - CEO
 Michael Blades – Finance Manager - Commenced employment July 2016

The total remuneration of all of the above for the 16/17 year was £218,456. (15/16: £204,326)

23. Ultimate Controlling Party

The controlling party of the Union are the Trustees by virtue of their position under the Articles of Association.

24. Company Limited by Guarantee

The Directors of the Company are listed on Page 3 the limit of their guarantee is £1.

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

| | Group 2017 £'000 | Group 2016 £'000 |
|--|---------------------------------|---------------------------------|
| Net movement in funds | 5 | (37) |
| Add back depreciation charge | 98 | 98 |
| Deduct interest income shown in investing activities | (0) | (4) |
| Decrease (increase) in stock | 14 | 7 |
| Decrease (increase) in debtors | 46 | 57 |
| Increase (decrease) in creditors | (76) | (101) |
| Net cash used in operating activities | 86 | 20 |

UWE STUDENTS' UNION
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26. Creditors – Long-term liabilities over one year

| | Group | | Charity | |
|---------------------|------------------|------------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Pension liabilities | 2,052,838 | 1,152,444 | 2,052,838 | 1,152,444 |
| | <u>2,052,838</u> | <u>1,152,444</u> | <u>2,052,838</u> | <u>1,152,444</u> |

27. Comparative full SOFA 2016

| | | Unrestricted Funds 2016 £ | Restricted Funds 2016 £ | Total Funds 2016 £ | Total Funds 2015 £ |
|---|---|--|--|---------------------------------------|---------------------------------------|
| Income from: | | | | | |
| Donations: | | | | | |
| Block grant | | 1,190,022 | 130,607 | 1,320,629 | 1,121,946 |
| Charitable activities: | | | | | |
| Freshers, student shops and bars | 3 | 2,979,102 | - | 2,979,102 | 2,866,518 |
| Union services, sports and other activities | 4 | 914,805 | 35,320 | 950,125 | 943,586 |
| Other trading activities: | | | | | |
| Nursery and other trading | 2 | 650,937 | - | 650,937 | 601,273 |
| Investments | | 4,415 | - | 4,415 | 9,781 |
| Total income | | <u>5,739,281</u> | <u>165,927</u> | <u>5,905,208</u> | <u>5,543,194</u> |
| Expenditure on: | | | | | |
| Raising funds: | | | | | |
| Nursery and other trading | 5 | 761,597 | - | 761,597 | 662,621 |
| Charitable activities: | | | | | |
| Freshers, student shops and bars | 6 | 2,912,929 | - | 2,912,929 | 2,788,708 |
| Union services, sports and other activities | 7 | 2,268,788 | 42,990 | 2,311,778 | 1,966,931 |
| Total Expenditure | 8 | <u>5,943,314</u> | <u>42,990</u> | <u>5,986,304</u> | <u>5,462,516</u> |
| Net (expenditure)/Income | | (204,033) | 122,937 | (81,096) | 80,678 |
| Net movement in funds | | (204,033) | 122,937 | (81,096) | 80,678 |
| Fund balances brought forward | | <u>(313,684)</u> | <u>249,630</u> | <u>(64,054)</u> | <u>(144,731)</u> |
| Funds Balance at 31 July | | <u>(517,717)</u> | <u>372,567</u> | <u>(145,150)</u> | <u>(64,054)</u> |