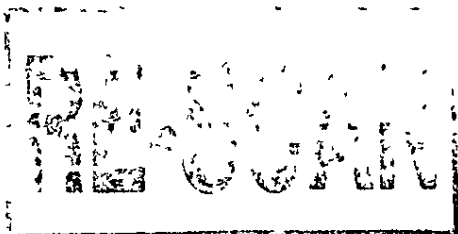

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013



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NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

Michael Alcock (appointed July 1, 2012)
Edward Bauer (appointed July 1, 2012)
Tessa Birley (appointed July 1, 2012)
Kayode Damali (appointed July 1, 2013)
Matthew East (appointed July 1, 2012)
Abigail Jenkins (appointed July 1, 2013)
Stephanie Lloyd (appointed July 1, 2012)
Dianne Nelmes (appointed July 1, 2012)
Toni Pearce (appointed July 1, 2013)
Nicholas Pringle (appointed July 1, 2013)
Kate Reynolds (appointed July 1, 2013)
Rachel Wenstone (appointed July 1, 2012)
Alistair Wilson (appointed July 1, 2012)
Nicholas Smith (appointed April 2, 2012 & resigned August 24, 2012)
Victoria Baars (appointed July 1, 2012 & resigned July 31, 2013)
Varinder Bola (appointed July 1, 2012 & resigned July 31, 2013)
Liam Burns (appointed April 2, 2012 & resigned July 31, 2013)
Dame Karlene Davis (appointed July 1, 2012 & resigned July 31, 2013)
Ilana Fenster (appointed July 1, 2012 & resigned May 31, 2013)
Matt Hyde (appointed April 2, 2012 & resigned June 30, 2012)
Adrianne Peltz (appointed July 1, 2012 & resigned July 31, 2013)

REGISTERED NUMBER

08015198

REGISTERED OFFICE

Macadam House
275 Gray's Inn Road
London
WC1X 8QB

INDEPENDENT AUDITORS

Crowe Clark Whitehill LLP
Chartered Accountants
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

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Consolidated balance sheet	11 - 12
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Consolidated cash flow statement	14
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NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2013

The directors present their report and the financial statements for the year ended June 30, 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The National Union of Students ("the Union" or "NUS") is a company limited by guarantee and confederal association of students' unions, guilds, junior common rooms and representative councils of students involved in post-sixteen education and training in the United Kingdom.

The primary aims and objects of the National Union are to

- represent Students of the United Kingdom locally, nationally and internationally,
- promote and maintain the educational, social, cultural and general interests of Students,
- arrange services, goods, facilities and other benefits for Members of the National Union, for persons and organisations associated with the National Union, and for other Students and their organisations,
- promote the views of Students on problems in the educational system as a whole,
- promote the interests of Students in economic, social, youth and mature issues which have a direct effect on education or upon the status and welfare of Students within society,
- promote the views of Students upon those issues which have a direct bearing on the education or social rights of students of any country,
- maintain and promote co-operation with students and student organisations of other countries,
- discuss, comment and act upon current affairs which are of interest or importance to Students,
- support causes which, in the opinion of the National Conference, merit the support of Students in general,
- Support prospective, current and past Students in seeking gainful employment, and
- act as a channel of communication between Members and external bodies.

For fuller details of the range of activities we undertake and the breadth of reach of the organisation please take

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2013

a look at our Impact Report which can be found at www.nus.org.uk

BUSINESS REVIEW

VISION, MISSION AND VALUES

Vision

Our vision is of NUS as a pioneering, innovative and powerful campaigning organisation the definitive national voice of students. We will fight barriers to education, empower students to shape both a quality learning experience and the world around them, supporting influential, democratic and well resourced students' unions.

NUS Mission

To make this vision a reality, NUS will

- Promote, defend and extend the rights of students
- Develop and champion strong students' unions

NUS Values

To achieve our vision and mission we believe three core values are crucial

- **Equality**

We believe there should be equality of opportunity for everyone to participate fully in a society that celebrates diversity.

- **Democracy**

Our policies and priorities must be student led and students' union focused through building open, transparent and accessible democratic structures that increase performance and strengthen accountability.

- **Collectivism**

Students and students' unions are more effective when they organise together locally, nationally and internationally. Unity is our strength.

FINANCIAL PROGRESS

The year saw continued progress on three core themes of our financial strategy

- Strengthening our financial performance
- Diversifying our revenue streams
- Reducing the proportion of our revenue from affiliation fees

Strengthening our financial performance

To provide greater benefits to our members we have worked hard to increase the stability and sustainability of the organisation. In the last three years we have increased our revenues and streamlined our operation in order to start to redress the deficit situation of prior years. The 4.9% rise in income, over prior year, is largely driven by those diversified revenues.

Overall Performance

The consolidated accounts show a small, £115k, loss for the financial year. The change from the prior year being driven by a combination of the costs of developing new revenue streams and timing differences with respect to the charitable income and expenditure.

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
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DIRECTORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2013

The overall net asset position increased slightly to £23million with the large shift from debtors into fixed assets, being the purchase and refurbishment of freehold properties in both London and Edinburgh. The addition of permanent fit for purpose offices with income generation capabilities has been a key element of our infrastructure strategy and will lead to a lower cost of occupancy.

Diversifying our income streams

We have made great strides over the last five years to diversify our revenue streams. From a zero start, the NUS extra card now accounts for 22% of our revenues. Last year NUS extra generated over £2.0 million for students' unions, while over 550,000 students benefited from a vast range of exclusive discounts.

We have expanded the work of the organisation by securing external funds, generally grants, to deliver on projects that are focused on enhancing students' lives, from improving the quality of education, greener living, safer campuses through to increasing volunteering.

During the financial year NUS Services Ltd acquired a Fairtrade clothing company, Epona Limited, in order to advance ethical clothing in the UK. Epona use only Fairtrade cotton and supply mainly to the student market. As a result of the acquisition they were able to increase turnover by over 30%.

These accounts also include the first revenues for NUS Media Ltd. While modest during the year we expect them to grow significantly over the coming years. They will be from license fees, transaction fees and advertising revenues as increasing numbers of students' unions use the web platform, including UnionCloud.

Our sponsorship arrangements have continued to provide benefits both to the organisation and to students. They include an on going commitment to the movement by Endsleigh and the involvement of suitable partners at our events.

We charge nominal fees for our bespoke training and development programmes that equip student officers and staff with the tailored information and skills that they will need to fulfil their roles in the year ahead.

Reducing the proportion of our revenue from affiliation fees

In the year affiliation fees represented 22% of our total income.

In recognition of the changing landscape of education and the increasing financial pressures on many students' unions we remain committed to reducing the proportion of our revenues from affiliation fees.

We have demonstrated through the NUS extra card that we can successfully launch offerings that benefit students, unions and help NUS reduce the proportion of its revenues from affiliation fees.

During the year the Union continued its heavy investment in the development of the online platform students' unions and successfully completed the pilot with the initial 7 students' unions. UnionCloud is a unique opportunity to create a campaigning force of 7 million voices, to transform digital capacity within students' unions and deliver vital new income to the movement.

The new digital platform encompasses a customer relationship management (CRM) system providing state of the art membership data, an e voting package, clubs and societies functionality, e commerce, and is supported by a digital media sales service.

It will

- Help Students' Unions to provide better digital services to Students, Reduce costs,
- Drive increased engagement, and
- Generate increased income for both Students' Unions and NUS, through online transactions and advertising.

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2013

RISKS AND UNCERTAINTIES

As part of the annual business planning process, the major strategic and operational risks that NUS faces and the ways in which they are being monitored, managed and mitigated, were assessed by the Trustee Board and the Audit, Risk and Remuneration Committee

The Trustee Board monitors the performance of NUS using a variety of Key Performance Indicators to ensure that the organisation is achieving at least the planned level of income and operating profit whilst maximising cash flow by efficient financial management

The Union offered membership of the Student Union Superannuation Scheme ("SUSS"), a defined benefit pension scheme, to all employees until 30th September 2011, at which point the scheme closed to future accrual. In the 2010 valuation SUSS had a funding deficit of around £50m shared between 69 employers

During the period the Union's contribution was £211,494, for the following 12 months it will be £220,054. This is set to increase by 3.2% per annum

Whilst the closure of the scheme to future accrual goes some way to mitigate the risk it does not eliminate it. NUS is required to make deficit contributions for the next 18 years, which at current rates represents a liability of over £5million. This is subject to fluctuations in fund performance, changes in apportionment methodology and the life expectancy of the individuals within the scheme

TRUSTEE BOARD

The following were members of the Trustee Board in 2011/2012

Members	Name
President & Chair	Liam Burns
Officer Trustees	Steph Lloyd, Vicki Baars, Adrienne Peltz
Student Trustees	Ilana Fenster, Edward Bauer, Tessa Birley, Matthew East, Varinder Bola, Nicholas Smith
Lay Trustees	Mike Alcock, Diana Elmes, Dame Karlene Davis, Alistair Wilson

In so far as the trustees, individually, are aware

There is no relevant audit information of which the auditor is unaware, and
The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Responsibilities of the Trustee Board

The Trustee Board is responsible for preparing the Trustee Board Report and the financial statements in accordance with applicable law and regulation. The Trustee Board have agreed to comply with the Companies Act 2006, as if it applied

Company law requires the Trustee Board to prepare financial statements for each financial year. The Trustee Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustee Board 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 Union and the group and of the surplus or deficit of the group for that period. In preparing those financial statements, the Trustee Board has agreed to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2013

c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in business

The Trustee Board is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the Union's transactions and disclose with reasonable accuracy at any time the financial position of the Union and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 as if they applied. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee Board is responsible for the maintenance and integrity of the corporate and financial information included on the Union's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to reappoint Crow Clarke Whitehill Limited as auditors for the ensuing year will be proposed at the forthcoming Annual General Meeting.

RESULTS

The loss for the year, after taxation and minority interests, amounted to £79,849 (2012 - profit £267,609).

DIRECTORS

The directors who served during the year were

Michael Alcock (appointed July 1, 2012)
Edward Bauer (appointed July 1, 2012)
Tessa Birley (appointed July 1, 2012)
Matthew East (appointed July 1, 2012)
Stephanie Lloyd (appointed July 1, 2012)
Dianne Nelmes (appointed July 1, 2012)
Rachel Wenstone (appointed July 1, 2012)
Alistair Wilson (appointed July 1, 2012)
Nicholas Smith (appointed April 2, 2012 & resigned August 24, 2012)
Victoria Baars (appointed July 1, 2012 & resigned July 31, 2013)
Varinder Bola (appointed July 1, 2012 & resigned July 31, 2013)
Liam Burns (appointed April 2, 2012 & resigned July 31, 2013)
Dame Karlene Davis (appointed July 1, 2012 & resigned July 31, 2013)
Ilana Fenster (appointed July 1, 2012 & resigned May 31, 2013)
Matt Hyde (appointed April 2, 2012 & resigned June 30, 2012)
Adrianne Peltz (appointed July 1, 2012 & resigned July 31, 2013)

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2013

FUTURE DEVELOPMENTS

NUS UK will continue to actively campaign to promote and extend student rights. The subsidiaries and entities under NUS' control will play their role in strengthening student's unions through income development, increasing organisational capacity and infrastructure development.

FINANCIAL INSTRUMENTS

NUS UK does not hold any financial instruments. One of its subsidiaries enters into forward contracts for the purchase of dollars to hedge against unfavourable movements in the dollar between the time of order of the goods and delivery of the same. NUS UK does not, nor do its subsidiaries, undertake any speculative financial positions.

EMPLOYEE INVOLVEMENT

In March 2013, NUS Group launched its annual staff satisfaction survey, as the start of its annual process to giving employees a chance for their voice to be heard. Following the results of this survey, each department participated in group sessions in order to help plan and make changes to make NUS Group a better place to work.

DISABLED EMPLOYEES

In line with the Equality Act 2010, selection decisions are taken on the basis of an individual's skills, abilities, experience, knowledge and, where appropriate, qualifications and training, irrespective of their sex, race, age, disability, sexual orientation, religion/belief, or any other protected characteristic, social class or previous criminal convictions.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Crowe Clark Whitehill LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 2/12/2013

and signed on its behalf



Toni Pearce
President & Chair of Trustee Board

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL UNION OF STUDENTS (UNITED KINGDOM)

We have audited the financial statements of National Union of Students (United Kingdom) for the year ended June 30, 2013, set out on pages 9 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an Auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at June 30, 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL UNION OF STUDENTS (UNITED KINGDOM)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Michael Jayson, FCA (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Chartered Accountants

Arkwright House
Parsonage Gardens
Manchester
M3 2HP
Date

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 £	2012 £
Turnover	1,2		
Continuing operations		16,302,279	15,542,725
Acquisitions		1,320,940	-
		<u>17,623,219</u>	<u>15,542,725</u>
Cost of sales	3	(18,598,980)	(15,576,905)
Gross loss	4	<u>(975,761)</u>	<u>(34,180)</u>
Operating loss	4		
Continuing operations		(1,016,166)	(34,180)
Acquisitions		40,405	-
		<u>(975,761)</u>	<u>(34,180)</u>
Income from other fixed asset investments		792,424	865,236
Interest receivable and similar income		15,709	112,131
Revaluation income from investments		51,893	-
Interest payable and similar charges	7	(39,977)	(6,300)
(Loss)/profit on ordinary activities before taxation		<u>(155,712)</u>	<u>936,887</u>
Tax on (loss)/profit on ordinary activities	8	171,278	(473,614)
Profit on ordinary activities after taxation		<u>15,566</u>	<u>463,273</u>
Minority interests		(95,415)	(195,664)
Loss for the financial year	20	<u><u>(79,849)</u></u>	<u><u>267,609</u></u>

The notes on pages 15 to 34 form part of these financial statements

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 £	2012 £
(Loss)/profit for the financial year		<u>(79,849)</u>	<u>267,609</u>
Total recognised gains and losses relating to the year		<u><u>(79,849)</u></u>	<u><u>267,609</u></u>

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 £	2012 £
Reported (loss)/profit on ordinary activities before taxation	(155,712)	936,887
Realisation of property revaluation gains of previous years	<u>-</u>	<u>4,618,541</u>
Historical cost (loss)/profit on ordinary activities before taxation	<u><u>(155,712)</u></u>	<u><u>5,555,428</u></u>
Historical (loss)/profit for the year after taxation	<u><u>(79,849)</u></u>	<u><u>4,886,150</u></u>

The notes on pages 15 to 34 form part of these financial statements

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)
REGISTERED NUMBER. 08015198

CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	9		892,033		-
Tangible assets	10		9,837,329		1,511,424
Investments	11		13,628,234		13,547,906
			<u>24,357,596</u>		<u>15,059,330</u>
Current assets					
Stocks	12	301,937		-	
Debtors	13	4,155,848		9,482,652	
Investments	14	101,896		88,149	
Cash at bank and in hand		3,398,978		5,913,133	
			<u>7,958,659</u>	<u>15,483,934</u>	
Creditors. amounts falling due within one year	15	(7,236,487)		(7,495,870)	
Net current assets			<u>722,172</u>		<u>7,988,064</u>
Total assets less current liabilities			<u>25,079,768</u>		<u>23,047,394</u>
Creditors: amounts falling due after more than one year	16	(2,126,370)			-
Provisions for liabilities					
Other provisions	18		-		(109,563)
Net assets			<u>22,953,398</u>		<u>22,937,831</u>
Capital and reserves					
Profit and loss account	20		21,505,723		21,585,572
	21		21,505,723		21,585,572
Minority interests	22		1,447,675		1,352,259
			<u>22,953,398</u>		<u>22,937,831</u>

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT JUNE 30, 2013

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



2/12/2013

Toni Pearce
President & Chair of Trustee Board

The notes on pages 15 to 34 form part of these financial statements

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)
REGISTERED NUMBER. 08015198

COMPANY BALANCE SHEET
AS AT JUNE 30, 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	10		279,610		181,618
Investments	11		13,327,146		13,327,146
			<u>13,606,756</u>		<u>13,508,764</u>
Current assets					
Debtors	13	1,740,236		2,081,965	
Cash at bank		1,508,766		2,059,156	
		<u>3,249,002</u>		<u>4,141,121</u>	
Creditors amounts falling due within one year	15	(1,504,331)		(2,428,778)	
Net current assets			<u>1,744,671</u>		<u>1,712,343</u>
Net assets			<u><u>15,351,427</u></u>		<u><u>15,221,107</u></u>
Capital and Reserves					
Profit and loss account	20		<u>15,351,427</u>		<u>15,221,107</u>
	21		<u><u>15,351,427</u></u>		<u><u>15,221,107</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



21/2/2013

Toni Pearce
President and Chair of Trustee Board

The notes on pages 15 to 34 form part of these financial statements

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	24	4,459,252	157,155
Returns on investments and servicing of finance	25	768,156	971,067
Taxation		(399,029)	(249,253)
Capital expenditure and financial investment	25	(8,825,128)	(1,447,803)
Acquisitions and disposals	25	(479,768)	-
Cash outflow before management of liquid resources and financing		(4,476,517)	(568,834)
Management of liquid resources	25	(13,747)	(1,371)
Financing	25	1,977,107	-
Decrease in cash in the year		(2,513,157)	(570,205)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED JUNE 30, 2013

	2013 £	2012 £
Decrease in cash in the year	(2,513,157)	(570,205)
Cash outflow from decrease in liquid resources	13,747	1,371
Cash inflow from increase in debt and lease financing	(1,977,107)	-
Change in net debt resulting from cash flows	(4,476,517)	(568,834)
Other non-cash changes	(627,061)	-
Movement in net debt in the year	(5,103,578)	(568,834)
Net funds at July 1, 2012	6,000,435	6,569,269
Net funds at June 30, 2013	896,857	6,000,435

The notes on pages 15 to 34 form part of these financial statements

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of National Union of Students (United Kingdom) and all of its subsidiary undertakings ('subsidiaries')

NUS is the sole member and able to control the board of NUS Students' Union Charitable Services ("NUS CS") and therefore the results of the charity are consolidated into the financial statements. NUS and NUS CS are the only members and able to control the board of NUS Scotland Charitable Services and therefore the results of this charity are consolidated into the financial statements.

In addition, NUS is also able to control the board of NUS Services Limited and therefore the results of NUS Services Limited are also consolidated into the financial statements (note 20). The results from its acquired subsidiaries are consolidated in from date of acquisition.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Membership income is charged in advance at the beginning of the year and recognised immediately.

Income from the sale of NUS Extra cards is recognised at the point of sale, not over the time of the card, as there are no subsequent direct costs to the Union of providing the card.

Commission income is recognised on a monthly basis once they have been confirmed as being due.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	Amortised over 5 years
----------	---	------------------------

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% per annum on cost
Leasehold Property improvements	-	20% per annum on written down amount
Computer equipment & Furniture	-	20%-33% per annum on cost
Application development	-	20% Straight line

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1. ACCOUNTING POLICIES (continued)

1.6 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first-in-first-out basis and is based on purchase invoice price. Net realisable value is based on estimated selling price less any further costs of realisation.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

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1. ACCOUNTING POLICIES (continued)

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

The Union participated in the Student Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings Pension Scheme. The scheme closed to future accrual on 30 September 2011. After which time the only contributions the Union makes are towards the scheme deficit.

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. In the intervening years, the actuary reviews the progress of the scheme. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 17, in these circumstances, contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions throughout the year.

The Union operates a defined contribution scheme making contributions on a monthly basis for those employees who have joined the scheme. It has no other liabilities under this scheme.

1.12 Comparatives

During the Annual General Meeting of the Union, its members elected to incorporate. This took place on 1st July 2012 at which point all of the assets, liabilities and employees of the unincorporated body were transferred to National Union of Students (United Kingdom). The accounts of the unincorporated NUS have been used for comparative purposes.

1.13 Liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

2. TURNOVER

The group's turnover and net surplus before taxation were all derived from its principal activity of providing a national voice for and provision of services to affiliated students' unions throughout the United Kingdom.

All turnover arose within the United Kingdom.

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Income was received in the following manner:

	2013 £	2012 £
Membership income	3,947,632	3,837,654
NUS extra card sales	4,022,492	2,812,427
Other income	1,078,412	2,201,447
NUS USI other income	157,624	376,519
Commissions receivable	600,000	401,655
NUS Services Ltd	3,854,290	4,933,237
NUS Charitable Services	1,951,323	979,786
Epona Ltd	1,320,940	-
NUS Scotland Charitable Services	659,931	-
NUS Media Ltd	18,959	-
NUS Holdings Ltd	11,616	-
Total	<u>17,623,219</u>	<u>15,542,725</u>

3. ANALYSIS OF OPERATING LOSS

	2013 Continuing £	2012 Continuing £
Turnover	17,623,219	15,542,725
Cost of sales	(18,598,980)	(15,576,905)
Gross profit	<u>(975,761)</u>	<u>(34,180)</u>
	<u>(975,761)</u>	<u>(34,180)</u>

The following amounts were included within continuing activities in relation to acquisitions during the year

	2013 £
Turnover	1,320,940
Cost of sales	(894,499)
Gross profit	426,441
Distribution costs	(32,256)
Administrative expenses	(353,780)
Operating profit	<u>40,405</u>

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4. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2013 £	2012 £
Amortisation - intangible fixed assets	223,258	-
Depreciation of tangible fixed assets		
- owned by the group	783,261	432,566
Operating lease rentals Plant & Machinery	38,623	11,482
Land & buildings	85,084	134,075
Profit on disposal of fixed assets	(72,002)	(425)

5 AUDITORS' REMUNERATION

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	8,000	11,650
Fees payable to the company's auditor and its associates in respect of		
The auditing of accounts of associates of the company	28,000	8,970
Taxation compliance services	4,000	-
Internal audit services	2,500	-
All other non-audit services not included above	1,000	-

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	7,171,220	5,844,791
Social security costs	578,930	440,577
Other pension costs	509,682	401,977
	8,259,832	6,687,345

The average monthly number of employees, including the directors, during the year was as follows

	2013 No.	2012 No.
Office and management	242	227

The salary of the highest paid director during the year was £22,688. There were no pension payments made on behalf of the directors during the year and none of the directors were members of the SUSS.

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Union Executives' Remuneration

	2013 £	2012 £
Salaries and allowances	597,711	367,584
Social security costs	61,841	31,093
Total	659,552	398,677

7. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	39,977	6,300

8 TAXATION

	2013 £	2012 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(100,856)	473,614
Adjustments in respect of prior periods	(46,355)	-
Total current tax	(147,211)	473,614
Deferred tax (see note 17)		
Current year charge	(24,067)	-
Tax on (loss)/profit on ordinary activities	(171,278)	473,614

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**NOTES TO THE FINANCIAL STATEMENTS
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8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.75% (2012 - 26%). The differences are explained below

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	<u>(155,712)</u>	<u>936,887</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 - 26%)	(37,010)	243,557
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	48,554	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,595	63,527
Capital allowances for year in excess of depreciation	(45,482)	(32,354)
Adjustments to tax charge in respect of prior periods	(194,479)	-
Short term timing difference leading to an increase (decrease) in taxation	3,469	-
Other permanent differences leading to an increase (decrease) in taxation	105,765	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(414,552)
Non-taxable income	(142,372)	-
Capital gains	-	527,822
Changes in provisions leading to an increase (decrease) in the tax charge	-	(4,690)
Unrelieved tax losses carried forward	112,726	116,341
Unrelieved tax losses and other deductions arising in the period	36,013	-
Marginal relief	(4,970)	-
Effect of change in tax rate	-	(8,165)
Small companies relief	-	(17,872)
Utilisation of tax losses and other deductions	(2,953)	-
Fixed asset differences	(30,067)	-
Current tax (credit)/charge for the year (see note above)	<u>(147,211)</u>	<u>473,614</u>

Factors that may affect future tax charges

There are no known factors that are expected to affect the company's future tax charge

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**NOTES TO THE FINANCIAL STATEMENTS
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9. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At July 1, 2012	-
Additions	1,115,291
At June 30, 2013	1,115,291
Amortisation	
At July 1, 2012	-
Charge for the year	223,258
At June 30, 2013	223,258
Net book value	
At June 30, 2013	892,033
At June 30, 2012	-

10. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold Property Improve- ments £	Computer equipment & Furniture £	Application Develop- ment £	Total £
Group					
Cost					
At July 1, 2012	392,159	172,617	3,099,946	480,764	4,145,486
Additions	7,516,961	-	1,170,828	599,386	9,287,175
Disposals	(392,159)	(63,997)	(1,768,951)	-	(2,225,107)
On acquisition of subsidiaries	-	-	17,942	-	17,942
At June 30, 2013	7,516,961	108,620	2,519,765	1,080,150	11,225,496
Depreciation					
At July 1, 2012	61,630	115,530	2,456,902	-	2,634,062
Charge for the year	15,887	35,560	447,142	62,145	560,734
On disposals	(65,666)	(62,580)	(1,678,383)	-	(1,806,629)
At June 30, 2013	11,851	88,510	1,225,661	62,145	1,388,167
Net book value					
At June 30, 2013	7,505,110	20,110	1,294,104	1,018,005	9,837,329
At June 30, 2012	330,529	57,087	643,044	480,764	1,511,424

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Company	Leasehold Property Improvements £	Computer equipment £	Total £
Cost			
At July 1, 2012	3,892	1,205,925	1,209,817
Additions	-	259,637	259,637
Disposals	(3,892)	(932,071)	(935,963)
At June 30, 2013	-	533,491	533,491
Depreciation			
At July 1, 2012	2,475	1,025,724	1,028,199
Charge for the year	-	160,619	160,619
On disposals	(2,475)	(932,462)	(934,937)
At June 30, 2013	-	253,881	253,881
Net book value			
At June 30, 2013	-	279,610	279,610
At June 30, 2012	1,417	180,201	181,618

11. FIXED ASSET INVESTMENTS

Group	Listed investments £
Cost or valuation	
At July 1, 2012	13,547,906
Additions	28,435
Revaluations	51,893
At June 30, 2013	13,628,234
Net book value	
At June 30, 2013	13,628,234
At June 30, 2012	13,547,906

Listed investments

The market value of the listed investments at June 30, 2013 was £13,628,234 (2012 - £13,547,906)

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11. FIXED ASSET INVESTMENTS (continued)

Company Cost or valuation	Investments in subsidiary companies £	Listed investments £	Total £
At July 1, 2012 and June 30, 2013	120,002	13,207,144	13,327,146
Net book value			
At June 30, 2013	120,002	13,207,144	13,327,146
At June 30, 2012	120,002	13,207,144	13,327,146

Listed investments

The market value of the listed investments at June 30, 2013 was £13,207,144 (2012 - £13,207,144)

12. STOCKS

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Finished Goods	301,937	-	-	-

13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,366,943	1,038,914	136,904	243,474
Amounts owed by group undertakings	-	-	305,577	229,250
VAT	101,262	246,022	43,291	101,968
Other debtors	188,644	5,203,629	60,747	35,214
Prepayments and accrued income	2,291,132	2,994,087	1,193,717	1,472,059
Deferred tax asset (see note 17)	207,867	-	-	-
	<u>4,155,848</u>	<u>9,482,652</u>	<u>1,740,236</u>	<u>2,081,965</u>

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14. CURRENT ASSET INVESTMENTS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Listed investments	101,896	88,149	-	-

Group listed investments

The market value of the listed investments at June 30, 2013 was £101,896)

Company listed investments

The market value of the listed investments at June 30, 2013 was £NILNIL)

15. CREDITORS

Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	463,798	847	-	163
Other loans	14,000	-	-	-
Payments received on account	1,741,410	1,869,396	-	-
Trade creditors	2,233,949	2,097,088	226,163	458,859
Amounts owed to group undertakings	-	-	410,074	47,225
Corporation tax	47,279	468,136	-	-
Other taxation and social security	267,538	304,934	100,981	98,604
Proceeds of factored debts	(151)	-	-	-
Other creditors	266,477	295,279	31,985	18,126
Accruals and deferred income	2,202,187	2,460,190	735,128	1,805,801
	7,236,487	7,495,870	1,504,331	2,428,778

16. CREDITORS:

Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	2,121,624	-	-	-
Other loans	4,746	-	-	-
	2,126,370	-	-	-

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16. CREDITORS

Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Repayable by instalments	2,121,624	-	-	-

Bank loans are secured by a floating charge due to Co-operative Bank plc over the property and assets at Gray's Inn Road, London. The loan period is for 7 years at an interest rate of 2.5% per annum over the Bank's published base rate (currently 0.5% per annum)

17. DEFERRED TAXATION

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	-	-	-	-
Released during the year (P&L)	24,067	-	-	-
Other movement (P&L)	183,800	-	-	-
At end of year	207,867	-	-	-

The deferred taxation balance is made up as follows

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Tax losses carried forward	207,867	-	-	-

The above provision relates to Epona Ltd. Across the rest of the group no provision has been made in the financial statements for the deferred tax asset, 2013 £799,965 (2012 £1,180,913) due to the uncertainty over the timescale in which it can be utilised.

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18. PROVISIONS

	Other provisions- Insurance Claim £
Group	
At July 1, 2012	109,563
Amounts reversed	(109,563)
	<u> </u>
At June 30, 2013	<u> </u>

Other provisions- Insurance Claim

The provision was for a Death in Service claim which was paid during the year by the company's insurers

The Company has no provisions

19. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

20. RESERVES

	Profit and loss account £
Group	
At July 1, 2012	21,585,572
Loss for the financial year	(79,849)
	<u> </u>
At June 30, 2013	<u>21,505,723</u>
Company	
At July 1, 2012	15,221,107
Profit for the financial year	130,320
	<u> </u>
At June 30, 2013	<u>15,351,427</u>

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21. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

Group	2013 £	2012 £
Opening members' funds	21,585,572	16,335,213
Profit for the financial year	(79,849)	267,609
Other movements in profit and loss reserve	-	4,982,750
	<u>21,505,723</u>	<u>21,585,572</u>
Closing members' funds	<u>21,505,723</u>	<u>21,585,572</u>

Company	2013 £	2012 £
Opening members' funds	15,221,107	15,120,588
Profit for the financial year	130,320	100,519
	<u>15,351,427</u>	<u>15,221,107</u>
Closing members' funds	<u>15,351,427</u>	<u>15,221,107</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the company was £130,320 (2012 - £100,519)

22. MINORITY INTERESTS

Non equity

At July 1, 2012	1,352,260
Proportion of profit/(loss) after taxation for the year	95,415
	<u>1,447,675</u>
At June 30, 2013	<u>1,447,675</u>

The minority interests are 75% of the shareholders of NUS Services Limited, a company under the effective control of NUS

23. ACQUISITIONS AND DISPOSALS

Epona Limited and Neil Jennings Associates Community Interest Company, known as Student Switch Off were both acquired on 1st July 2012

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Acquisitions

	Vendors' book value £	Fair value to the group £
Assets and liabilities acquired		
Tangible fixed assets	17,941	17,941
Stocks	146,070	146,070
Debtors	257,688	257,688
Cash at bank	237,049	237,049
Bank overdrafts	(286,723)	(286,723)
Loans and finance leases	(298,805)	(298,805)
Other creditors and provisions	(471,694)	(471,694)
Net assets acquired	<u>(398,474)</u>	<u>(398,474)</u>
Satisfied by		
Consideration		
Cash		502,728
Contingent consideration		156,000
Acquisition costs		58,088
		<u>716,816</u>
Goodwill arising on consolidation (see note 9)		<u>1,115,290</u>
 Turnover		 <u>1,136,335</u>
Operating loss		<u>(243,570)</u>
Loss before tax		(293,900)
Taxation		58,700
Loss after tax		<u>(235,200)</u>

The Profit and Loss account above relates to the period 1/4/11-30/6/12 for Epona Limited. Disclosure of Student Switch Off has not been made on the grounds of materiality.

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**NOTES TO THE FINANCIAL STATEMENTS
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24 NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	2013 Total £	2012 £
Operating loss	(975,761)	-	(975,761)	(34,180)
Depreciation of tangible fixed assets	783,261	-	783,261	432,566
Profit on disposal of tangible fixed assets	(72,003)	-	(72,003)	-
Increase in stocks	(155,867)	-	(155,867)	-
Decrease/(increase) in debtors	5,734,674	-	5,734,674	(1,845,498)
(Decrease)/increase in creditors	(745,489)	-	(745,489)	1,494,704
(Decrease)/increase in provisions	(109,563)	-	(109,563)	109,563
Net cash inflow from continuing operating activities	4,459,252			
Net cash inflow from operating activities			4,459,252	157,155

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	11,261	112,310
Interest paid	(35,529)	(6,479)
Income from investments	-	72,812
Dividends received	792,424	792,424
Net cash inflow from returns on investments and servicing of finance	768,156	971,067
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(9,287,175)	(1,051,491)
Sale of tangible fixed assets	490,482	1,700
Purchase of investment properties	-	(5,040,000)
Sale of investment properties	-	4,982,750
Purchase of listed investments	(28,435)	(340,762)
Net cash outflow from capital expenditure	(8,825,128)	(1,447,803)

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25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2013 £	2012 £
Acquisitions and disposals		
Purchase of fixed asset investments	<u>(479,768)</u>	<u>-</u>
	2013 £	2012 £
Management of liquid resources		
Purchase of short term listed investments	<u>(13,747)</u>	<u>(1,371)</u>
	2013 £	2012 £
Financing		
New secured loans	1,958,361	-
Other new loans	18,746	-
Net cash inflow from financing	<u>1,977,107</u>	<u>-</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2012 £	Cash flow £	Other non-cash changes £	30 June 2013 £
Cash at bank and in hand	5,913,133	(2,514,155)	-	3,398,978
Bank overdraft	(847)	847	-	-
Proceeds of factored debts	-	151	-	151
	<u>5,912,286</u>	<u>(2,513,157)</u>	<u>-</u>	<u>3,399,129</u>
Liquid resources:				
Current asset investments	88,149	13,747	-	101,896
Debt:				
Debts due within one year	-	(1,977,107)	1,499,309	(477,798)
Debts falling due after more than one year	-	-	(2,126,370)	(2,126,370)
Net funds	<u>6,000,435</u>	<u>(4,476,517)</u>	<u>(627,061)</u>	<u>896,857</u>

27 PENSION COMMITMENTS

The Union participated 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

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27 PENSION COMMITMENTS (continued)

The scheme closed to future accrual in September 2011. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year.

The most recent valuation of the scheme was carried out as at 1 October 2010 and showed that the market value of the scheme's assets was £67,141,000 with these assets representing 58% of the benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an on-going fund basis amounted to £47,869,000.

The assumptions which have the most significant effect upon the results of those valuations are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied:

- The investment return would be 6.6% per annum before retirement and 4.6% per annum after retirement.
- Salaries would increase at 3.2% per annum, equivalent to 0.5% per annum above inflation (CPI).
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The contributions paid into the scheme in respect of eligible employees for the period ended 30 June 2013 amounted to £211,494 (2012: £226,090), the benefit of which is spread across all members. The estimated contribution for the following 12 months to the end of June 2014 is £220,054.

Surpluses or deficits which arise at future valuations may impact on the Union's Limited's future contribution commitment. With effect from 30 September 2011 the scheme closed to future accrual. The next formal actuarial valuation is due as at 1 July 2013 when the above rates will be reviewed.

On 1 October 2011 the Company moved to a defined contribution scheme where the Company contributes either 3% or 6% of salary depending upon each member's level of contribution.

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28 OPERATING LEASE COMMITMENTS

At June 30, 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2013	2012	2013	2012
Group	£	£	£	£
Expiry date:				
Within 1 year	61,500	168,227	-	-
Between 2 and 5 years	41,084	-	72,664	70,936
After more than 5 years	-	89,084	-	-

At June 30, 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2013	2012	2013	2012
Company	£	£	£	£
Expiry date				
Within 1 year	-	4,200	-	-
Between 2 and 5 years	17,500	-	-	70,936

29. RELATED PARTY TRANSACTIONS

During the year the group earned commission amounting to £600,000 (2012 £401,655) from Endsleigh Limited, in whose parent company the group held an investment. The amounts outstanding at the balance sheet date were £396,210, shown in accrued income.

The Union has taken advantage of the exemptions conferred by FRS No 8 from the requirement to make disclosures concerning transactions with other group entities which are wholly owned subsidiaries.

30. PRINCIPAL SUBSIDIARIES

Company name	Percentage Shareholding	Description
NUS Services Limited	25	Provision of services in the student sector
NUS Holdings Limited	100	Provision of services in the student sector
NUS Media Limited	100	Provision of services in the student sector
Epona Limited	100	Fairtrade clothing company

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31. CASH AT BANK

Included within the group cash balance and creditors payments on account, is an amount of £1,708,877 (2012 £1,869,396) of payments received on account, being amounts held for redistribution to members of the purchasing consortium for retrospective volume related payments