

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

WORCESTER STUDENTS' UNION

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WORCESTER STUDENTS' UNION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2015

Trustees

Thomas Clarke, Officer Trustee
Wesley Hudson, Officer Trustee
Abigale Clarke, Officer Trustee
William (Zac) Pritchard, Student Trustee (removed 2 February 2016)
Nicola Le Page, Student Trustee (resigned 31 August 2015)
Diane Noble, Student Trustee
Natalie Hanson, External Trustee
Alice Gentle, Student Trustee (appointed 10 February 2015)
Richard Bishop, External Trustee (appointed 23 September 2014, resigned 4 December 2015)

**Charity registered
number**

1145192

Principal office

Henwick Grove
Worcester
WR2 6AJ

Independent auditors

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Co-operative Bank plc
PO Box 82
118 - 120 Colmore Row
Birmingham
B3 3BA

Chief Executive Officer

Paul Johnston (Resigned 31 June 2015)
Sophie Williams (Appointed 19 May 2015, Commenced 1 August 2015)

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

The 2014/15 academic year saw more development and change for Worcester Students' Union (WSU), after the adoption of the 2014-2017 Strategic Plan by the Board of Trustees in January 2014. Continued activities to increase student engagement were undertaken by the dedicated team of Trustees and staff in WSU, who remain grateful for the continued support received from the University. The end of the financial year saw a change of senior management within WSU, with the appointment of a new Chief Executive on 19th May 2015, Sophie Williams, who officially started in post on 1st August 2015. Our thanks extend to the service and commitment of Paul Johnston, who left the organisation in June 2015, after five years as our Chief Executive. We wish him all the very best.

Within a month of their arrival, the new Chief Executive was alerted to significant issues within the finance department in pulling together the year end accounts. The Chief Executive was required to call upon the University for emergency operational support for the Union's finance functions, as well as for investigating issues relating to the final accounts. This resulted in a lengthy process and a number of concerns relating to process and procedures being uncovered.

Trustees, University and Charity Commission were kept informed of the issues, which centred around a discrepancy of £45,037.00 in the accounts in relation to the self-filled ATM cash machines. Detailed and comprehensive investigations ensued by the University and the Union were completed and whilst no evidence of criminal or fraudulent activity came to light, the advice of the Police was also sought. The loss has been adjusted for within the accounts. The procedures within the finance office of the Union have been overhauled as a consequence of this issue and staffing resources augmented.

Status and Administration

The Students' Union is constituted in accordance with its constitution and is administered and managed by the Trustees. Following the Charities Act 2006 and the withdrawal of this exempt status for organisations with annual turnover exceeding £100,000, the Students' Union considered its options and was, subsequently, registered with the Charity Commission in December 2011, Charity No. 1145192.

The Executive Committee members are elected by the membership to take office on 1st June in the year in which they are elected and hold office for one year until the second week of the following June. Members are able to run for re-election for a second year on the same terms.

Charitable Objects

Worcester Students' Union seeks to enhance the student experience by providing representation, welfare services, social events and opportunities for student development within the Union and the wider community.

Its Objects under its Constitution are:

- Promoting the interests and welfare of students at the University of Worcester during their course of study and representing, supporting and advising students
- Being the recognised representative channel between students and the University of Worcester and any other external bodies
- Providing social, cultural, sporting, and recreational activities and forums for discussions and debate for the personal development of its students

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

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

Structure, Governance and Management

The University of Worcester Students' Union (hereafter referred to as 'WSU' or 'the Union') falls under the definition of a "Students' Union" in section 20(1) of the Education Act 1994, and has charitable status. The University of Worcester (hereafter referred to as the University) exercises its duty under the Education Act 1994 to take such steps as are reasonably practicable to secure that the Union operates in a fair and democratic manner and is accountable for its finances.

Since becoming a registered charity, WSU has a dedicated Board of Trustees, consisting of up to three full time officers, up to four student trustees, and up to three external trustees. The Student and External Trustees are selected on the basis of their appropriateness, experience and expertise by a simple majority vote of an Appointments Panel. Appointments of student trustees need to be ratified by a majority vote Student Council. The Board of Trustees has overall responsibility for the good governance and financial stability of the Union and has been responsible for passing policies and procedures to bring the Union up to date with changing legal requirements.

The Union is a democratic organisation, with the ultimate decision making power being its membership through Student Council, which is the sovereign body. Student Council agrees the Policy of the Union, discusses wider and national issues that affect students at Worcester, guides strategic campaigns, represents the voice of students, and makes, appeals and amends the Bye-Laws, jointly with Trustees. Student Council continued to hold the officers accountable for their actions this year through a number of meetings which were minuted.

Officers are elected into position by cross campus secret ballot, for a one year term of office to an Executive Committee. The Executive Committee and any sub-committees oversee the day to day running of the Union and are accountable to Student Council. All Executive Officers should receive an induction and training into their legal and administrative responsibilities, with an on-going programme of development during their term of office.

The Executive Committee Members are able to run for re-election for a second year on the same terms. The development of a committed Trustee Board and its responsibilities has had an effect on the effectiveness of the Executive Committee which has been in flux this academic year, with confusion over its role. This is to be addressed in 2015/16.

The Union employs non-student professional staff to ensure effective management of its many activities and to implement the policy decisions made through the democratic process. There is delegated authority, through the Chief Executive Officer, for operational decision-making and accountability within the various areas of the Union, in accordance with agreed structures.

Relationship with the University of Worcester

The Union receives a Block Grant from the University and occupies buildings owned by the University, which also pays for utilities. This support is intrinsic to the relationship between the University and Union. Although the Union seeks to supplement and diversify its income where possible (through commercial and trading activities) it continues to be dependent on the support of the University. The Union is confident that this support will continue for the foreseeable future as it believes the Union is an integral part of the University structure and of value to the overall student experience at the University.

Continued income generation from WSU's commercial services meant financial outturn was strong at the end of 2013/14, resulting in a policy to reduce our block grant for 2014/15. This policy will be reviewed in 2015/16 by the Trustees, the new Chief Executive of the Union, and new University senior management. Whilst the Union must do what it can to secure vital independent income, it is unusual for a Union to pursue a policy of reducing their block grant, particularly in the current economic climate.

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

The Union has been highly appreciative of the support provided by the University during some very difficult months following year end. The apparent anomaly within the accounts required significant input from University staff in helping the Union investigate the issue, whilst still moving forward. The University are happy that due process has been followed by the Union and has supported the resourcing of additional staff within the Union's finance function.

Management of risk

The Board of Trustees reviews the risk factors that could affect the strategic, operational and business interests of the Union. In light of the possible risks, the Board has put in place a risk register with attendant checks and balances to ensure compliance with health and safety law, financial competencies and to have a close interest in the activities and financial position of our external funders (e.g. Tramps nightclub and McDonalds', to name two). The register is reviewed in its entirety annually but has various reporting mechanisms which require implementation throughout the year.

Aims, Objectives and Activities

The Union exists to enhance the student experience and provide all c.10,300 students of the University of Worcester with opportunities to make the most out of their time at University.

The Union aims to achieve this through services offering advice and support, democracy and representation, societies and sport, volunteering, and through student-focussed entertainment and events. To provide these, the Union has established departments and consults with its student staff and members to continuously improve. Executive Officers of the Union sit on every major committee of the University and regularly meet local organisations and authorities to represent the interests of all students at the University.

The Union will seek at all times to:

- (i) ensure that the diversity of its membership is recognised and that equal access is available to all Members of whatever origin or orientation;
- (ii) pursue its aims and objectives independent of any political party or religious group;
- (iii) pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

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. Our Constitution has been structured to give the Board of Trustees reasonable authority to manage the affairs of the Union in a professional manner. The Board of Trustees will give the utmost consideration to the views of Members.

Under the banner of 'Better Union' in the 2014-2017 Strategic Plan, the overall driver for the Union has been to increase and maintain high levels of student engagement in Union activity, but also to ensure that we are fair and transparent to our members regarding potential costs.

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

Achievements and Performance

In line with commitments made in the Union's annual report for the year ending July 2014/15 we:

- More than trebled the amount of volunteer hours conducted from the previous year, with 510 students logging over 34,500 hours (compared with 182 students in 2013/14 logging 18,600 hours), and volunteers being supported by a dedicated member of staff;
- Saw 5 students achieve a new award for reaching 500 hours;
- Had 644 registered StARS (Student Academic Reps) and 17 Institute Reps, 246 of whom attended face to face or on-line training. Bronze, Silver and Gold accreditation awards were given to 24 StARs;
- Made a number of visits to support and train the StARS and Institute Rep in the Learning Institute in Cornwall;
- Supported 24 active societies (6 of which were new) and their 696 members;
- Developed a #TeamWorc brand to encourage student engagement in sport, societies, representation, and volunteering;
- Increased our social media following with 5,107 followers on Twitter, 1,382 likes on the Freshers Facebook page, 4,610 Likes on the general SU Facebook page, 1,808 on Pear Tree Facebook, and 1,288 on #TeamWorc Facebook;
- Had an increase of 50% in the number of students seeking help from our Advice Centre to 571, with a significant increase in the number of accommodation queries dealt with, helped by the employment of an additional part-time member of staff (to reach 1xFTE in the service);
- Saw 13 candidates stand for the 3 Full time Officer positions in the main elections and 1,133 students casting their votes (c.11.7%) of our members;
- Established a student-led Nightline Service on campus, supported by National Niteline and University Student Services. The pilot commenced in May 2015, in time for exam period and provided an email and instant messaging service, as well as a telephone service;
- Received Gold Excellence Accreditation in the NUS Green Impact initiative for our campaign to reduce students' energy consumption and protect the Arctic Shelf, using 'Pearl the Polar Bear' (even adopting our own polar bear);
- Held our first ever Housing Fair in January 2015, hosting 45 accredited landlords and providing a wide range of information to students on their rights as tenants. This succeeded a 'Don't Rent' campaign in November to prevent students from signing housing contracts in a panic. Over 500 people attended the Fair;
- Delivered the 2nd and final year of the Energise Worcester project (funded by the HEFCE/NUS Student Green Fund) with some statistically significant results around behaviour change and a partnership with the University of Birmingham. The project received praise from NUS after a 17% increase in pro-environmental attitudes amongst students and 25% of students questioned stating they had changed their behaviour. It has also caught the attention of Worcester Bosch, with whom we are now discussing a potential new research project, in company with the University;
- Came 59th overall in the British Universities and Colleges Sport (BUCS) League, having submitted 35 teams. Highlights included a Bronze and a Silver at the International Championships in Karate and Boxing respectively;
- Supported 36 Sports clubs with 1135 members (a 12% increase on 2013/14);
- Won the annual Varsity against Gloucester University 13-7;
- Increased ranges of stock sold in the Union's shop, including items for parents of young children, gluten free and vegan options, a wider and cheaper essentials and convenience range, a healthy eating section, a self-service breakfast counter, and an 'Offers Wall' to improve visibility of the NUSSL offers;
- Expanded our clothing sales by 29% on 2013/14, improving the on-line service. Developed relationships with the Institutes of Education and Health & Society, selling over 200 items of bespoke clothing, as well as introducing a range for The Learning Institute in Cornwall (selling 50 items in 4 weeks);
- Retained our Bronze Best Bar None accreditation, increasing our point score to 70, just 10 below Silver; which rates bars on their management procedures and health and safety policies;
- Held a celebration week to mark students' achievements over the year in a variety of areas, giving out 674 awards. The week included the first ever Societies' Ball, the Colours Ball, The Student Led Teaching Awards (for which we received just under 300 nominations) and the VOSCAS (with the highest ever demand for tickets);
- Achieved 68% satisfaction in the National Student Survey.

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

Financial Review

Income from all sources totalled £1,278,916 (2014: £1,347,761). Total expenditure of £1,432,068 includes the adjustment for the cash loss of £45,000 (2014: £1,339,841) resulting in a deficit for the year of £153,152 (2014: £7,920).

The General Funds balance of £200,608 more than covers 3 months activity costs.

Future Funding

In recent years, the Union has pursued a policy of reducing reliance on the University block grant. Moving forward, we need to look at securing a more stable funding model, which, longer term could involve performance targets around delivering results for the University on things that matter to students. This is a model adopted by a number of other institutions. We will continue to allocate as much resource as possible to student-facing services by reviewing contracts, investigating ways of sharing resources with other Students' Unions, and seeking additional sources of income to enable reinvestment that further enhances our offer and, therefore, the student experience.

Reserves Policy

The primary aim of the policy is to ensure that sufficient reserves are in place to provide funds for investment in the Union and its activities, thus enhancing the experience of students at this University. With a secure base of reserves, the Trustees of WSU will be exercising their duty to oversee the finances of the organisation in a prudent and proper manner and to minimise risks to the organisation's viability.

The level of reserves needed at any one time shall be determined by the costs associated with the situations above and shall be calculated as six months core expenditure plus any costs associated with dissolution. This should be determined each year by the trustee board.

Surpluses will normally go to reserves rather than being set against subsequent years' funding, unless the fundraised income is for a specific project.

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

Future Development

In 2015/16 we will...

- Review our governance structures in line with recommendations made in recent organisational audits;
- Re-establish the Executive committee so that it meets regularly, understands its role, and functions effectively;
- Review the membership of Student Council to ensure it is fit for purpose and manageable;
- Establish some core values and aims for the Union, in consultation with our Trustees and Members;
- Review the Union's Strategic Plan for progress and start the process for planning beyond 2017;
- Review our social, office, and service spaces to establish if they are fit for purpose, accessible and appealing;
- Improve the way we record and measure the impact of our various services;
- Establish an SU on Tour programme to take the Union out and about to where our members are across the University, to find out what is important to them;
- Increase our efforts to support students' mental and physical wellbeing;
- Develop our activities in helping students to understand their rights when renting private accommodation;
- Increase the number of students accessing our Advice Service and the range of queries we deal with;
- Increase the engagement of our academic reps and ensure we record and communicate their successes better;
- Work hard to try and ensure all executive committee posts are filled;
- Ensure our annual elections process are a positive experience for our members, increasing the number of voters, and working again to agree a single sign on system with the University to make voting much easier;
- Review and improve the Human Resources processes and procedures within the Union;
- Review and improve the financial processes and procedures within the Union and strengthen the finance and administration resource within the Union;
- Encourage a greater participation of Women in sport;
- Encourage a greater sense of citizenship and environmental responsibility amongst our Sports teams, through the Global Athletes programme;
- If possible, continue our sustainability efforts, in conjunction with the University with a proposed research project involving Worcester Bosch and local landlords to increase the quality of student accommodation in Worcester;
- Continue to increase our sales of clothing through bespoke ranges and relationships with more Institutes, as well as the Worcester Wolves.

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

Beyond July 2016 we will....

- Commit to increasing our satisfaction score from Q23 of the National Student Survey (or any future alliteration of this question) year on year;
- Have a sector-leading Student Voice system;
- Work with the University to improve the Union's physical spaces;
- Continuously improve our services to reflect the demographic and needs of our members;
- Review our bye laws to ensure they are fit for purpose and accessible to our members;
- Continue to review and develop our trading and commercial activity to ensure relevance and maximise income that can be re-invested back into student activities and support
- Improve how we measure and demonstrate our impact on our diverse student body, as well as how we seek feedback;
- Achieve the Investors in People Standard and work towards the NUS Quality Mark;
- Continue to achieve high accreditation against the NUS Green Impact standard;
- Benchmark ourselves against other Students' Unions nationally.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

WORCESTER STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

TRUSTEES' RESPONSIBILITIES STATEMENT

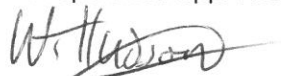
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity 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 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 charity will continue in operation.

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

This report was approved by the Trustees on 8 March 2016 and signed on their behalf by:



Wesley Hudson
Trustee

WORCESTER STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORCESTER STUDENTS' UNION

We have audited the financial statements of Worcester Students' Union for the year ended 31 July 2015 set out on pages 12 to 24. 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 charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charity's affairs as at 31 July 2015 and of its incoming resources and application of resources 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 Charities Act 2011.

WORCESTER STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORCESTER STUDENTS' UNION

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP
Crowe Clark Whitehill LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
8 March 2016

WORCESTER STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 JULY 2015

| | Note | Restricted Funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds: | | | | | |
| Voluntary income | 2 | 69,945 | 403,094 | 473,039 | 493,160 |
| Activities for generating funds | 3 | - | 132,048 | 132,048 | 130,649 |
| Incoming resources from charitable activities | 4 | 198,544 | 475,285 | 673,829 | 723,952 |
| TOTAL INCOMING RESOURCES | | 268,489 | 1,010,427 | 1,278,916 | 1,347,761 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds: | | | | | |
| Fundraising expenses and other costs | | - | 62,204 | 62,204 | 57,161 |
| Charitable activities | 7 | 335,194 | 920,832 | 1,256,026 | 1,240,278 |
| Governance costs | | 50,000 | 63,838 | 113,838 | 42,402 |
| TOTAL RESOURCES EXPENDED | 5 | 385,194 | 1,046,874 | 1,432,068 | 1,339,841 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | (116,705) | (36,447) | (153,152) | 7,920 |
| Transfers between Funds | 15 | 158 | (158) | - | - |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | (116,547) | (36,605) | (153,152) | 7,920 |
| <i>Total funds at 1 August 2014</i> | | <i>570,307</i> | <i>237,213</i> | <i>807,520</i> | <i>799,600</i> |
| TOTAL FUNDS AT 31 JULY 2015 | | 453,760 | 200,608 | 654,368 | 807,520 |

All activities relate to continuing operations.

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

The notes on pages 14 to 24 form part of these financial statements.

WORCESTER STUDENTS' UNION

**BALANCE SHEET
AS AT 31 JULY 2015**

| | Note | £ | 2015 £ | £ | 2014 £ |
|---|------|----------------|----------------|----------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | | 423,481 | | 502,786 |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 16,703 | | 17,044 | |
| Debtors | 13 | 26,364 | | 19,257 | |
| Cash at bank | | 231,289 | | 297,934 | |
| | | <u>274,356</u> | | <u>334,235</u> | |
| CREDITORS: amounts falling due within one year | 14 | (43,469) | | (29,501) | |
| NET CURRENT ASSETS | | | <u>230,887</u> | | <u>304,734</u> |
| NET ASSETS | | | <u>654,368</u> | | <u>807,520</u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 15 | | 453,760 | | 570,307 |
| Unrestricted funds | 15 | | 200,608 | | 237,213 |
| TOTAL FUNDS | | | <u>654,368</u> | | <u>807,520</u> |

The financial statements were approved by the Trustees on 8 March 2016 and signed on their behalf, by:


Wesley Hudson

Trustee

The notes on pages 14 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

1.2 Fund accounting

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

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

WORCESTER STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

There is no set de minimis level for the capitalisation of tangible fixed assets and each case is dealt with on an individual basis.

The policy with respect to impairment reviews of fixed assets is that reviews will be carried out if events indicate that the carrying value of any fixed asset may not be recoverable. Impairment losses are recognised in the SOFA.

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:

| | | |
|------------------------------------|---|--|
| Retail fixtures and fittings | - | 10 to 20% per annum straight line and 20% reducing balance |
| Administration fixtures & fittings | - | 20% per annum reducing balance |
| Improvements to premises | - | 10% per annum straight line and 20% reducing balance |

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Pensions

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

The union also contributes to the NUS Aegon Pension Scheme. The annual contributions payable are charged to the income and expenditure account.

1.11 Recognition of liabilities

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

WORCESTER STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015**

2. VOLUNTARY INCOME

| | Restricted Funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|---------------------------------|--|--|---------------------------------------|---------------------------------------|
| University grants and donations | - | 370,094 | 370,094 | 375,500 |
| Provision of free services | - | 33,000 | 33,000 | 33,000 |
| Other grants | 69,945 | - | 69,945 | 84,660 |
| | <u>69,945</u> | <u>403,094</u> | <u>473,039</u> | <u>493,160</u> |

3. ACTIVITIES TO GENERATE FUNDS

| | Restricted Funds 2015 £ | Unrestricted funds 2015 £ | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|-----------|--|--|---------------------------------------|---------------------------------------|
| Marketing | - | 93,777 | 93,777 | 89,364 |
| Other | - | 38,271 | 38,271 | 41,285 |
| | <u>-</u> | <u>132,048</u> | <u>132,048</u> | <u>130,649</u> |

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted Income £ | Restricted Income £ | 2015 £ | 2014 £ |
|------------------------------|--------------------------------------|------------------------------------|-------------------|-------------------|
| Charitable Activities | | | | |
| Bar | 133,610 | - | 133,610 | 147,663 |
| Shop | 306,900 | - | 306,900 | 338,764 |
| Entertainments | 3,346 | - | 3,346 | 6,288 |
| Student Activity Membership | - | 198,544 | 198,544 | 183,788 |
| Transport bookings | 12,405 | - | 12,405 | 25,109 |
| Other | 19,024 | - | 19,024 | 22,340 |
| | <u>475,285</u> | <u>198,544</u> | <u>673,829</u> | <u>723,952</u> |

WORCESTER STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015**

5. EXPENDITURE BY CHARITABLE ACTIVITY - BY FUND TYPE

| | Unrestricted Funds £ | Restricted Funds £ | 2015 £ | 2014 £ |
|--|----------------------------|--------------------------|-----------|-----------|
| Activities for Generating Funds | | | | |
| Marketing | 62,204 | - | 62,204 | 57,161 |
| Sub total | 62,204 | - | 62,204 | 57,161 |
| Charitable Activities | | | | |
| Representation | 85,142 | 8,738 | 93,880 | 110,954 |
| Commercial activities | 524,207 | 43,688 | 567,895 | 627,116 |
| Advice and welfare | 125,397 | 8,738 | 134,135 | 102,468 |
| Student activities | 204,178 | 203,926 | 408,104 | 398,090 |
| Other | 52,012 | - | 52,012 | 1,650 |
| Sub total | 990,936 | 265,090 | 1,256,026 | 1,240,278 |
| Governance | | | | |
| Governance | 63,838 | 50,000 | 113,838 | 42,402 |
| Total | 1,116,978 | 315,090 | 1,432,068 | 1,339,841 |

An exceptional loss of £45,000 is included in other expenses above which relates to an unreconciled difference on the cash ATM machines.

CENTRAL OVERHEAD COSTS INCLUDED ABOVE

| | Staff costs £ | Other costs £ | 2015 £ |
|------------------------------|------------------|------------------|-----------|
| Charitable Activities | | | |
| Representation | 18,564 | 12,634 | 31,198 |
| Commercial activities | 37,129 | 25,268 | 62,397 |
| Advice and welfare | 18,564 | 12,634 | 31,198 |
| Student activities | 18,564 | 12,634 | 31,198 |
| Entertainments | 1,857 | 1,263 | 3,120 |
| Total | 94,678 | 64,433 | 159,111 |

WORCESTER STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

| | Staff costs 2015 £ | Depreciation 2015 £ | Other costs 2015 £ | Total 2015 £ | Total 2014 £ |
|----------------------------------|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Marketing costs | 62,204 | - | - | 62,204 | 57,161 |
| Costs of generating funds | 62,204 | - | - | 62,204 | 57,161 |
| Representation | 18,564 | 9,914 | 65,402 | 93,880 | 110,954 |
| Commercial activities | 214,687 | 49,566 | 303,642 | 567,895 | 627,116 |
| Advice & welfare | 95,746 | 9,914 | 28,475 | 134,135 | 102,468 |
| Student activities | 57,140 | 9,911 | 341,053 | 408,104 | 398,090 |
| Other | 5,749 | - | 46,263 | 52,012 | 1,650 |
| Charitable activities | 391,886 | 79,305 | 784,835 | 1,256,026 | 1,240,278 |
| Governance | 52,476 | - | 61,362 | 113,838 | 42,402 |
| | 506,566 | 79,305 | 846,197 | 1,432,068 | 1,339,841 |

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2015 £ | Support costs 2015 £ | Total 2015 £ | Total 2014 £ |
|-----------------------|---|-------------------------------|--------------------|--------------------|
| Commercial activities | 505,498 | 62,397 | 567,895 | 627,116 |
| Advice & welfare | 102,937 | 31,198 | 134,135 | 102,468 |
| Student activities | 376,906 | 31,198 | 408,104 | 398,090 |
| Representation | 62,682 | 31,198 | 93,880 | 110,954 |
| Other | 48,892 | 3,120 | 52,012 | 1,650 |
| Total | 1,096,915 | 159,111 | 1,256,026 | 1,240,278 |

WORCESTER STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015**

8. NET INCOME / (EXPENDITURE)

This is stated after charging:

| | 2015 £ | 2014 £ |
|--|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 79,305 | 79,912 |
| Auditors' remuneration | 11,000 | 7,050 |
| | <u>79,305</u> | <u>79,912</u> |

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

9. STAFF COSTS

Staff costs were as follows:

| | 2015 £ | 2014 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 463,051 | 402,913 |
| Social security costs | 26,596 | 28,635 |
| Other pension costs | 16,919 | 27,440 |
| | <u>506,566</u> | <u>458,988</u> |

The average monthly number of employees during the year was as follows:

| | 2015 No. | 2014 No. |
|--------------------------|-------------|-------------|
| Full time | 7 | 6 |
| Students - Semester only | 15 | 17 |
| | <u>22</u> | <u>23</u> |

No employee received remuneration amounting to more than £60,000 in either year.

10. TRUSTEES' REMUNERATION

| | 2015 £ | 2014 £ |
|--------------|-----------|-----------|
| Remuneration | 51,060 | 47,319 |

Each of the Executive Committee's sabbatical officers received remuneration of £17,020 as authorised in the Union's governing document, for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities.

WORCESTER STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015**

11. TANGIBLE FIXED ASSETS

| | Fixtures & fittings £ |
|-----------------------------------|--|
| Cost | |
| At 1 August 2014 and 31 July 2015 | 961,848 |
| Depreciation | |
| At 1 August 2014 | 459,062 |
| Charge for the year | 79,305 |
| At 31 July 2015 | 538,367 |
| Net book value | |
| At 31 July 2015 | 423,481 |
| At 31 July 2014 | 502,786 |

The net book value of fixed assets represents;

| | 2015 £ | 2014 £ |
|---------------------------------------|-------------------|-------------------|
| Assets used for charitable activities | 423,481 | 502,786 |

12. STOCKS

| | 2015 £ | 2014 £ |
|------|-------------------|-------------------|
| Bar | 2,490 | 1,433 |
| Shop | 14,213 | 15,611 |
| | 16,703 | 17,044 |

13. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 12,811 | 6,677 |
| Other debtors | 6,514 | 3,343 |
| Prepayments and accrued income | 7,039 | 9,237 |
| | 26,364 | 19,257 |

WORCESTER STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015**

14. CREDITORS:
Amounts falling due within one year

| | 2015 £ | 2014 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 14,937 | 8,914 |
| Other taxation and social security | 10,341 | 7,663 |
| Other creditors | 3,402 | 5,290 |
| Accruals and deferred income | 14,789 | 7,634 |
| | <u>43,469</u> | <u>29,501</u> |

15. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Carried Forward £ |
|--------------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|
| Unrestricted funds | | | | | |
| General funds | 237,213 | 1,010,427 | (1,046,874) | (158) | 200,608 |
| | <u>237,213</u> | <u>1,010,427</u> | <u>(1,046,874)</u> | <u>(158)</u> | <u>200,608</u> |
| Restricted Funds | | | | | |
| Clubs and Societies Funds | 40,557 | 198,544 | (195,191) | - | 43,910 |
| Capital Grant | 479,750 | - | (69,900) | - | 409,850 |
| Green fund income | - | 69,945 | (70,103) | 158 | - |
| Pension contribution from university | 50,000 | - | (50,000) | - | - |
| | <u>570,307</u> | <u>268,489</u> | <u>(385,194)</u> | <u>158</u> | <u>453,760</u> |
| Total of funds | <u>807,520</u> | <u>1,278,916</u> | <u>(1,432,068)</u> | <u>-</u> | <u>654,368</u> |

WORCESTER STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015**

15. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Carried Forward £ |
|------------------|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| General funds | 237,213 | 1,010,427 | (1,046,874) | (158) | 200,608 |
| Restricted Funds | 570,307 | 268,489 | (385,194) | 158 | 453,760 |
| | <u>807,520</u> | <u>1,278,916</u> | <u>(1,432,068)</u> | <u>-</u> | <u>654,368</u> |

The clubs and societies funds represent balances held for specific clubs and societies where the ultimate control vests with the Union.

The capital grant fund represents the capital investment received from the University which is being reduced by the annual depreciation of the assets purchased.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Restricted Funds 2015 £ | Unrestrict- ed funds 2015 £ | Total funds 2015 £ | <i>Total funds 2014 £</i> |
|-------------------------------|--|--|---------------------------------------|---------------------------------------|
| Tangible fixed assets | 409,850 | 13,631 | 423,481 | 502,786 |
| Current assets | 43,910 | 230,446 | 274,356 | 334,235 |
| Creditors due within one year | - | (43,469) | (43,469) | (29,501) |
| | <u>453,760</u> | <u>200,608</u> | <u>654,368</u> | <u>807,520</u> |

WORCESTER STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

17. PENSION COMMITMENTS

The 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 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 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 £47,869,000.

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 1 October 2010:-

- The investment return would be 6.6% per annum before retirement and 4.6% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.2% per annum.
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The 2010 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 20 years and will increase by at least 3.2% each year. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2011 and will be formally reviewed following completion of the next valuation due with an effective date of 1 July 2013. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The Union also has members in the NUS Pension Scheme which is a defined contribution scheme.

The total contributions paid into the Schemes by the Union in respect of eligible employees for the year ended 31 July 2015 are disclosed in the staff costs note.

18. RELATED PARTY TRANSACTIONS

The union is in receipt of a recurrent grant from the parent body to cover salaries and overheads. The amount received for the year ended 31 July 2015 was £339,094 (2014: £328,500).

During the year the union received free services for rent which have been valued at £33,000 (2014: £33,000).

At the year end the total due to the union from the University of Worcester was Nil.

WORCESTER STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

19. CONTROLLING PARTY

The union is controlled by the executive committee which is subject to democratic election by the voting membership of the union. The ultimate control of the union is vested under the constitution in the membership in General meeting. As such no single person or entity controls the union as defined by Financial Reporting Standard 8.