

**Charity Number: 1140142**

**Company Number: 07509468**

**NUS Students' Union Charitable Services**

**(A Company Limited by Guarantee)**

**Trustees' Report and Financial Statements**

**for the year ended 30 June 2021**

# NUS Students’ Union Charitable Services

## Contents

	Page
Charity Information .....	1
Trustees' Report.....	2
Statement of Trustees’ Responsibilities .....	14
Independent Auditor's Report on the Financial Statements.....	15
Statement of Financial Activities .....	19
Balance Sheet.....	20
Statement of Cash Flows .....	21
Notes to the Financial Statements.....	22

# NUS Students' Union Charitable Services

## Charity Information

<b>Trustees</b>	C Hind	(appointed 1 July 2020)
	G Hughes	(appointed 8 July 2020)
	Y Joondan	(appointed 8 July 2020, resigned 30 June 2021)
	S Kerton	(appointed 1 July 2020)
	RN Smith	(appointed 8 July 2020, resigned 30 June 2021)
	A Wilson	(appointed 1 July 2020)
	PM Chapman	(appointed 1 July 2020)
	D Ormerod	
	M Crilly	(appointed 30 July 2020)
	S Elmegri	(appointed 30 July 2020)
	L Kennedy	(appointed 30 July 2020)
	R Ricketts	(appointed 30 July 2020)
	M Nembhard	(appointed 1 July 2021)
	A Wilson	(appointed 1 July 2021)

**Company Secretary** Counterculture Partnership LLP

**Principal staff** P Robertson (Charity Director)  
D Keen  
S Harris  
J Beer

**Charity number** 1140142

**Company number** 07509468

**Principal and registered office** Ian King House  
Snape Road  
Macclesfield  
Cheshire  
SK10 2NZ

**Auditor** Garbutt & Elliott Audit Limited  
33 Park Place  
Leeds  
LS1 2RY

# **NUS Students' Union Charitable Services**

## **Trustees' Report for the year ended 30 June 2021**

The Trustees present their report, which also complies with a Directors Report for the purposes of the Companies Act 2006, with the financial statements of the charity for the year ended 30 June 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

### **Reference and administrative details**

The Charity Information on page 1 forms part of this report.

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

NUS Students' Union Charitable Services ('NUS Charitable Services' or 'the Charity') is constituted as a registered charity and a company limited by guarantee. The Charity is responsible for supporting the development of students' unions throughout the country to ensure they adequately serve their student membership. It is governed by its Articles of Association.

The Charity has provision for up to twelve members on its Board of Trustees ('the Board'):

- Four are NUS UK Member Directors appointed by the NUS UK Board.
- Four are NUS Full Time Officers who are appointed by the NUS UK Board.
- Four are Independent Charity Directors appointed by the Trustee Board.

The above trustees also serve as the company's directors and fulfil the statutory duties required of them under Company law.

The method of recruitment and appointment of trustees' is laid down in the articles and memorandum of association. Their number shall not be less than three.

The trustees have a vital role in the Charity, and we aim to attract and retain people who have commitment, experience and the necessary skills. Training for the trustees is recorded and delivered on several levels:

- There is trustee training at the beginning of each financial year, this includes external speakers delivering key elements, particularly covering statutory responsibilities
- There is a training element to each main meeting delivered in-house
- This is supplemented by attendance at regional events

NUS Students' Union Charitable Services is a charity with the ultimate decision-making power being vested in its board of trustees during the year. In addition to the board, there are two subcommittees responsible for Finance and HR designed to support the work of the Boards through specialist advice, scrutiny and oversight. These committees are shared with NUS UK and NUS Services and comprise members of each organisations' board as well as additional members to provide specialist advice on HR and Finance matters.

Members are able to influence the strategy and direction of the Charity via the annual members' meeting, which includes setting the level of membership contribution required.

Day to day management of the charity is delegated to the Charity Director following the reorganisation of the wider NUS management structure during 2019/20. The Charity Director provides regular reports to the board on progress against agreed objectives supported by the Charity senior leadership team.

### **Trustee remuneration**

No Trustees, or person with a family or business connection with a Trustee, received remuneration in the period, directly or indirectly, from the Charity (2020 - £nil).

# **NUS Students' Union Charitable Services**

## **Trustees' Report for the year ended 30 June 2021**

### **Remuneration Policy**

Remuneration of the members of staff is determined by the Board of Trustees. The pay structure for all employees and the level of any annual cost of living increase, takes into account appropriate benchmarks and prevailing inflation rates.

### **Relationship with NUS UK**

The relationship between the charity and NUS UK is established in the governing documents of both organisations.

A governance review was concluded in 2019 with proposals for reform of the NUS entities taken to National Conference and a Company Law Meeting. The outcome was that members agreed to change

the structure of the group and reduce the number of entities within it. In 2020 Charity Trustees voted to enact these reforms, and these were also passed by the then Charity member NUS UK. The

reforms took effect as of 1 July 2020. NUS Charity continues to work with students' unions and is funded by students' unions and a gift aid donation from its subsidiary company NUS Services Limited. Students' Unions may now become members of the Charity.

### **Risk Management**

The charity takes part in the wider risk management processes undertaken by the joint NUS boards to ensure consistency of management. As part of the annual business planning process, the major strategic and operational risks that the charity faces and the ways in which they are being monitored, managed and mitigated, were assessed by the trustees and the Audit and Risk Committee.

The Board has assessed the main risks facing the charity as:

- The Covid19 pandemic and its impact on members, and on the trading support activities of the charity's subsidiary,
- On-going changes in Higher Education,
- Potential government spending cuts or regulation of the Higher Education sector and their impact on students' unions,
- Continued competition from both the high street and supermarkets resulting in continuing steady decline in licensed trade sales, together with the risk of certain students' unions ceasing to run their commercial services as this may impact the donation available from NUS Services and the wider NUS Group.

### **Objectives and activities**

The charity has its primary purpose as supporting the development of students' unions. Its charitable objects are:

- The promotion of the efficiency and effectiveness of charities and voluntary organisations including students' unions;
- The promotion of good citizenship;
- The advancement of education of students;
- The promotion for the benefit of the public of the conservation, protection and improvement of the environment; and
- The promotion of equality and diversity.

In pursuit of these objects the charity has established a number of services and departments for use by students' unions. These are centred around Union Development, Membership Administration, Trading Support and the provision of shared back office services between the Charity and NUS UK.

# **NUS Students' Union Charitable Services**

## **Trustees' Report for the year ended 30 June 2021**

### **Performance and Achievements**

#### **Union Development** **UD Campaigns**

At least 50 students' unions (SUs) have been affected by Her Majesty's Revenue & Customs' (HMRC) decision to inconsistently apply their Value Added Tax (VAT) catering concession, with some SUs being retrospectively billed for £100,000s. The current known total financial exposure to the movement is £4,182,000, however that only includes data from 26 unions – the true total is likely to be much higher. NUS Charity has led the campaign against HMRC's decision not to apply the concession in a bar or bar-like environment on the basis that SUs have evidence that this exemption was included in years past, and that no formal change of policy was ever announced by HMRC. Union Development has raised a fighting fund of £122,000 from 28 students' unions for the legal challenge headed by Bates Wells, as advised by a roundtable of 6 different VAT advisors. During 2020/21 the Charity submitted a collective complaint to HMRC and are awaiting a formal reply. Three unions have now had their VAT assessment reversed and have received an apology from HMRC. The case continues.

The Union Development team has continued to act proactively and reactively to the Westminster government's issue with campus freedom of speech. The team created several resources for unions, as well as curating and presenting the excellent existing resources already held on the issue,

encouraging unions to strengthen policies, procedures, and their relationships with institutions on this issue. Two groups have been created. One works with members, the other with stakeholders (UUK, OIA, OFS) to discuss issues as they arise. WonkHE and some SUs have produced a draft code that we will be working on with UUK. We have been invited to the Universities UK (UUK) working party and continue to engage with the Department for Education (DfE) on this matter. The issue was a government manifesto promise and an announcement on legislation was expected in the Queen's speech in May. The latest information indicates that the legislation will be a high-level bill to create a Freedom of Speech Champion but not a wide-ranging bill on the reform of SUs. The Bill has moved to committee stage and briefings and amendments have been drafted and circulated to members for them to use and submit. The NUS Vice President Higher Education gave evidence to the committee in mid-September and students' unions have already begun action mobilising with their local MPs.

#### **Supporting Students' Unions**

Union Development's support to SUs is funded through their membership contribution and continues to be one of the most important aspects of the Charity's work. We provide free advice on their development through an email service, 1-2-1s and through case work. There are also various projects in place to support them with key activity such as elections, governance and communities of practice.

Students' unions can ensure their elections are free and fair through the support of an independent national body, with experience of the distinctive nature of students' union elections. The Union Development team across the UK has supported the Returning Officer (Peter Robertson) in the running of the service. We returned the elections for over **113** Unions in the spring 2021 elections period. We have enhanced the Elections Support Service by supporting students' unions in collecting their candidate demographic data through the Candidate Demographics Collection Survey. This years' service is currently being analysed, and the team will be returning further autumn elections imminently.

6 students' unions are currently undertaking Quality Students' Unions verification this year, with some students' unions already signed up to the next round.

The Charity's externally funded projects in Scotland (Think Positive and Developing College Students' Associations) have been allocated funding for a further year and staff are being recruited to fulfil the project outcomes. We have entered the final year of the HEFCW funding in Wales and have launched an Officer Development Programme to deliver a well-rounded support piece to our members, free of charge.

# NUS Students' Union Charitable Services

## Trustees' Report for the year ended 30 June 2021

### Talent

In Summer 2020 NUS Charity's flagship officer development event Lead and Change moved online for the first time due to the Covid-19 pandemic. Over 400 delegates from over 60 different Students' Unions were welcomed to the event across two weeks. Here delegates took part in three days of tutor group content alongside regional and issue-based networking, plenaries and panel discussions.

The training was redesigned to work in a virtual setting and was delivered across July and August to complement SU Officer induction periods. The new format saw Unions engage in the event who had previously not sent delegates, either due to cost or location of training.

Union Development has continued delivering the sector leading Creating Equity at Work (CEAW) and Leadership on Race Equity programmes with members, redesigning the programme to be delivered online. Over 300 delegates have been trained on CEAW this year, and the team have made some updates to the training as well as widening our delivery partners for both CEAW and Leadership on Race Equity.

The [Employee Engagement Survey for Students' Unions](#) was completed for the ninth year, and it is proving as popular as ever with over 30 SUs (plus NUS UK and Charity) running the 2021 survey (compared with 28 in 2020). The overall employee engagement score for the SU sector was 80% and we are still working with our partners Agenda Consulting and Atkinson HR Consulting on supporting students' unions in their next steps and innovative new product options.

The use of the [Careers in Students' Unions](#) service has significantly increased in the last 6 months of 2020/21. With over 600 jobs advertised during the last year it has been a busy period. The site has continued to be developed and we have created innovative and engaging content to use across social media. This has led in an increase of views, with 27,000 views being achieved in July 2021. There has been a growing trend in non-affiliated unions (10 so far) using SU.careers to advertise their roles which we hope will lead to an interest in joining the NUS family. There has also been an increase in Trustee roles being advertised since the service was made free for members.

[GROW: SU Mentoring](#) is the pilot of a new cross-SU mentoring programme that opened in January 2021. This project was scoped out and developed with the support and input of a group of 7 Students' Unions. The aim was to match around 40 staff in Students' Unions across the UK in March, ready for the mentoring relationships to begin in April. Mentoring relationships will then run for at least 6 months, with the team collecting feedback and evaluating the pilot in October/November 2021. The pilot will be coordinated at no extra cost to members by the NUS Charity team. 50 pairs have been matched and the scheme commenced in April. We are now at mid-term evaluation stage and are looking to partner with a mentoring service who will be able to administrate the service if we wish to continue it. It is hoped that the cost implication to SUs will be small as the resource does not exist to run the programme as a standing project within the small Union Development team.

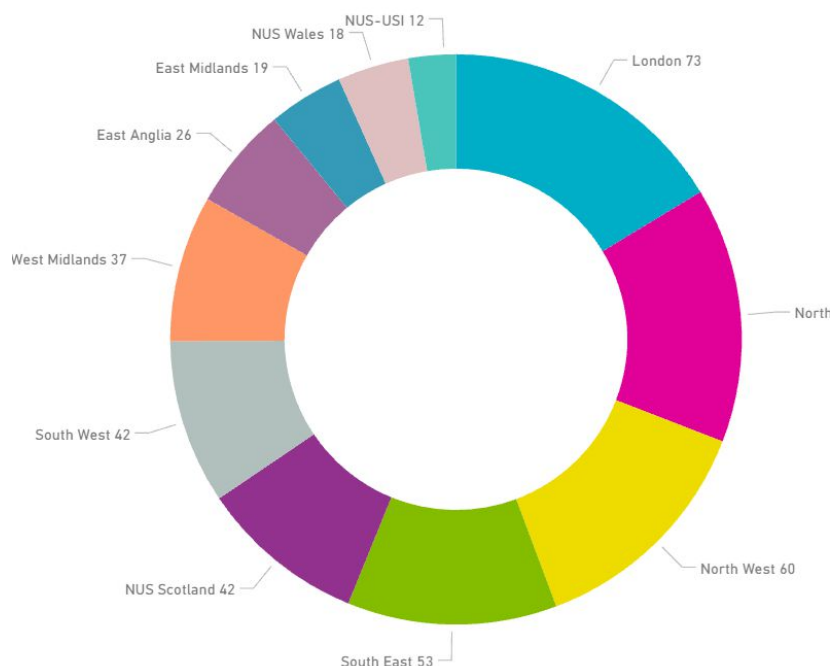
### **Membership Administration**

The Membership team provide support to both the Charity and NUS (though the shared services agreement) in managing relationships with member students' unions, overseeing the governance of the two organisations, and managing conferences and events.

# NUS Students' Union Charitable Services

## Trustees' Report for the year ended 30 June 2021

During the year, six students' unions held referenda on their membership of NUS. The team managed NUS's responses and involvement in these processes, providing information and resources to encourage students to support remaining in membership. All six referenda voted in favour of remaining members of both NUS and the Charity. In addition, ten new members joined both organisations, and one students' union re-joined just the Charity. The chart below shows the geographic spread of the membership:



An important element of the support given to both organisations is delivery of the NUS suite of websites, and wider communications with member Unions. In 2020/21 a membership welcome pack and online welcome pages were launched on NUS Connect, with the welcome pages becoming Connect's most viewed pages shortly after launching. Membership emails also saw an increase in click through rates compared to the previous year.

Due to the pandemic, the team managed all the NUS and Charity events online in 2020/21. Between National Conference, Nations events, Liberation Conferences, member meeting and supporting UD events, over 2,500 individual registrations were taken. All the events ran to budget, and in some cases were more cost effective online. Feedback from events was positive, an example from National Conference being attendees scoring the event with 4.3 out of 5 for "the opportunity to have my voice heard" and 4.12 out of 5 for "I have gained more understanding of the issues".

From a governance perspective, the team ensured that all the internal governance meetings took place online in a well organised, well supported structure. The team also supported the recruitment of new Board and Committee members and completed induction processes for the new appointees. Some further work on the reorganisation of the entities was required during the year, particularly managing the winding up of NUS Media and Epona, and the redistribution of assets from NUS Holdings around the other entities.

The Director of Membership is also responsible for managing all the NUS physical facilities and the IT infrastructure. The facilities staff ensured that all required building maintenance and management was fulfilled, particularly whilst the offices were closed through lockdown. The offices were successfully reopened after 18 months closure and the team ensured that all spaces are compliant with Covid 19 prevention guidance. There were no incidents to report to the Health and Safety Commission (HSC) in the 2020/21 year.



# **NUS Students' Union Charitable Services**

## **Trustees' Report for the year ended 30 June 2021**

Within IT, considerable work was undertaken to keep all systems and hardware functioning to a high level to ensure that all staff were able to work from home. Also during the year the team negotiated a new staff mobile phone contract, and reviewed all ongoing contracts in order to ensure the IT function was working efficiently and effectively, and identifying savings were possible.

### **Trading Support**

Trading Support is the area of activity that encompasses the purchasing consortium and commercial support for Students' Unions. The activities are operated through the Charity's subsidiary company NUS Services Limited.

2020/21 was a very difficult year with only a handful of unions undertaking any sort of trading throughout, resulting in volumes being around 17% of pre-pandemic levels. That said, the Trading Support team put a recovery plan in place which included securing tender opportunities to build purchasing volumes from outside of students' unions, some of which are now in the final stages of negotiation. Trading Support will continue to work to secure more volume through external charities and similar organisations in order to protect future volumes into the consortium, and income to the membership and NUS Charity.

Additionally, the recovery plan required the majority of the team to be furloughed. All cost areas were reviewed to make significant savings. For example, £100k of operating costs were saved by bringing in-house the supply compliance auditing. This will be a challenge to achieve within the next year as business levels rebuild, however work has been reviewed across the team and the necessary adjustments made for the next 12 months to retain this saving.

Supply tenders were rolled for another 12 months rather than new contracts being negotiated. This was an exercise to de-risk an exercise that would have resulted in both significant cost price increases and reductions in marketing funds and brand support available for members had new contracts been negotiated. All suppliers have been severely impacted as a result of the pandemic and looking to cut their own costs significantly. Some suppliers did not make it through the year so the team has been extremely busy sourcing alternatives.

Trading Support have transformed ways of working in the virtual world and successfully delivered two online Trade Shows in the year which enabled students' unions to remain engaged and for suppliers to continue to receive good value for their commitments to the consortium. The virtual way of working has delivered some advantages to Trading Support in terms of efficiency, cost savings, improved interaction with students' unions and the ability to remain responsive and flexible. The intention is to continue to work in this way in the areas where improvements have been made.

The operation delivers great benefit to the student movement through its revenue generating activities, almost all of which provide significantly greater levels of income to the participating students' unions.

### **Shared Services**

#### **Human Resources**

#### **Coronavirus Job Retention Scheme (CJRS) – "Furlough scheme"**

- For the original CJRS in this Financial Year (July to October 2020), four CJRS claims totalling £90k were made of which £45.8k subsidised budget for continuing employees and £44.2k was linked to contract extensions, re-hiring former staff or for returning staff from maternity leave.
- In relation to the extended CJRS, shortly after its announcement and by 5 November 2020, 24 Charity colleagues had been placed on the CJRS. The majority of these (17) being flexibly furloughed. During November, these 24 were later joined by a further 4 colleagues who were flexibly furloughed to support childcare requirements due to self-isolation periods for employees' children.

# NUS Students' Union Charitable Services

## Trustees' Report for the year ended 30 June 2021

- Six claims were submitted for the extended CJRS (November 2020 – April 2021 inclusive). These six claims totalled £137k for the 19 - 30 employees concerned. This represented between 19% and 25% of the Charity's net salary bill each month (includes allowances; excludes PAYE, pension and National Insurance).
- As a result of the completed TUPE, the Charity has been unable to claim under the CJRS from 1 May 2021 as it did not meet the eligibility requirements of the extended CJRS i.e. it did not have a PAYE reference on 2 March 2021.

### TUPE

With the new NUS and Charity organisational structures in place early in 2020, work commenced to transfer employees to either NUS UK or NUS Students' Union Charitable Services based on their role. The TUPE transfer of 25 employees to NUS UK took place on 1 October 2020. The TUPE transfer of 49 employees to NUS Students' Union Charitable Services took place on 1 May 2021. In both cases, new contracts and payroll databases were established with our existing outsourced payroll provider – Moorepay. Haven IFA was engaged to advise on pension provision and they recommended Royal London as a provider in preference to Aegon due to a lower annual management charge (0.44% compared with 0.6%), a potential profit-share element and a more diverse range of funds. New pension schemes were established with Royal London. Once pensions were established and the first payments made, members were contacted to see whether they wished to transfer existing funds from Aegon to Royal London (at no cost to the individual).

### Employee Engagement

An employee engagement survey was held in Spring 2021. There were 51 respondents from a possible 85. This is an overall response rate of 60%:

- 67% of Charity/Shared Services colleagues responded (40/65)
- 44% of NUS UK colleagues responded (11/25).

From these respondents there is an overall **71% employee engagement score**:

- 73% in Charity
- 64% in NUS UK.

The Charity has therefore exceeded its Board employee engagement dashboard target (60% for 2021) by 13 percentage points. NUS UK will need to improve its engagement scores over the next 12 months if it is to meet its ambitious engagement score of 85% for 2022.

An action plan has been created focusing on the high and low scoring questions and on the questions considered to be key drivers of employee engagement). Whilst NUS UK scores are lower on a number of critical questions (workload, wellbeing, collaboration between organisations), a joint action plan is in place as there are opportunities for improvement across both organisations.

### Equality, Diversity & Inclusion

Targets for NUS' workforce to comprise 16% Black<sup>1</sup> employees were published in 2017 as part of NUS' Race Equity plan. At that time, NUS had a significantly bigger workforce (over 250 staff and officers), the structure contained more levels of management, there were substantially more management posts and a larger number of employees based in central London. This year, a data monitoring exercise has been completed which shows:

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<sup>1</sup> NUS currently uses 'Black' to denote 'political Blackness' – an all-encompassing term for anyone who does not identify as White. There has been lots of debate on terminology in Liberation recently and discussion in the wider media about the appropriateness or otherwise of the acronym BAME (Black, Asian and Minority Ethnic). Within the Officer team and NUS UK, there is a move towards using the terms student/people of colour as a preference. However, as this has not gone through democratic debate and approval; 'Black' is still the official NUS terminology used in communications. This report uses Black as an all-encompassing term on this basis.

# NUS Students' Union Charitable Services

## Trustees' Report for the year ended 30 June 2021

- **Ethnicity** – Black staff only make up 2% of the workforce in the Charity, but 37% in NUS UK. In 2016 a target of 16% representation was set for 2022, which NUS UK has already exceeded. The NUS Charity has not yet met this target.
- **Sexual Orientation** – In the Charity, 11% of staff identified as lesbian, gay, bi-sexual or queer and in NUS UK it was 40%. No target was set in 2016 around sexual orientation, but 2017 ONS statistics show that 2% of the population identified as lesbian, gay, bi sexual or queer.
- **Disability** – In the Charity, 26% of staff identified as having a disability or long-term health condition and in NUS UK it was 40%. There was no target set in 2016 for disabled staff, but official government statistics published in 2014 stated that 16% of the working age population were disabled.

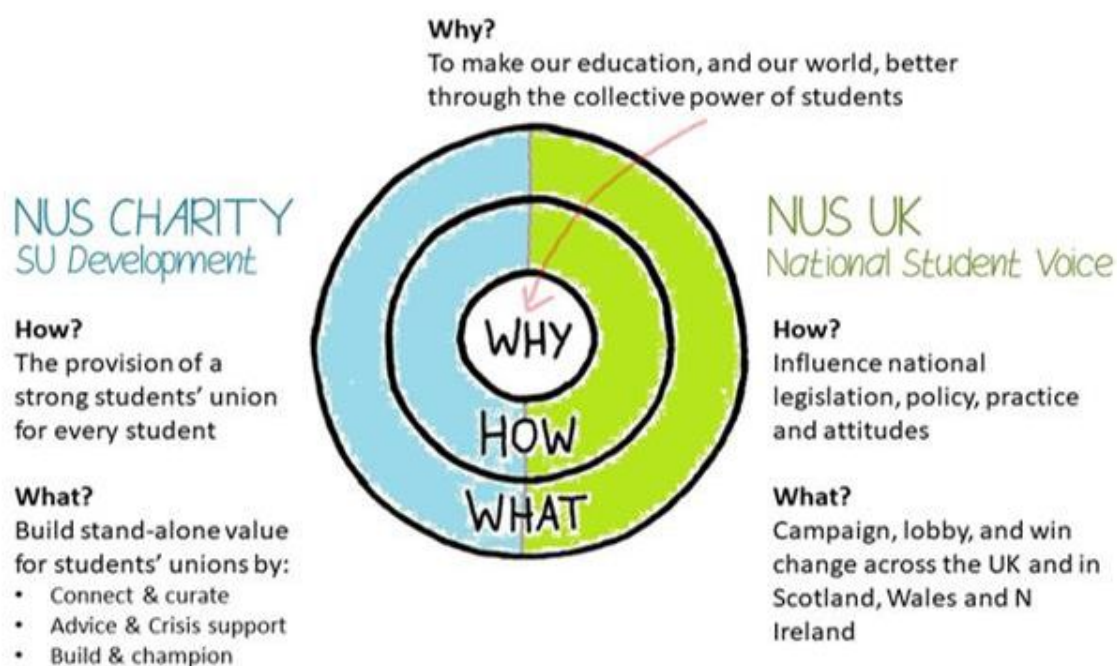
**Racial diversity target:** HR Subcommittee agreed to set new racial diversity targets for the Charity that realistically reflect the make-up of the local populations from which the organisation recruits from – along with a realistic timescale in which to achieve them, considering the Charity's historically low turnover. A 10% target to be achieved over a 3-year period, rising to 15% over 5. Given the diversity of the workforce on other measures, no other targets have been set for other protected characteristics; these demographics will continue to be monitored instead.

### Future Developments

In March 2019, NUS published proposals to reform the near 100-year-old organisation. Following four months of member consultation, and an extensive cost reduction plan to ensure it remained solvent, the student voice organisation outlined a new governance structure which proposes simplification, a reduction in fees charged to members and a modern approach to campaigning and service delivery.

These proposals were passed at both NUS National Conference in April 2019 and at a Company Law meeting of the Charity's sole member, NUS UK, in May 2019.

Under the reform proposals NUS has split up its current group of companies and created two separate bodies with two separate purposes – one to represent students' voices and one to support and work with students' unions. Both will be funded by students' unions, but with contributions directed to specific activities, enabling clarity over where monies are spent.



# NUS Students' Union Charitable Services

## Trustees' Report for the year ended 30 June 2021

The necessary due diligence took place during the 2019/20 financial year and as a result, governance arrangements have been clarified and changed with effect 1 July 2020. This included the transfer of assets from NUS Holdings in favour of NUS Charity, including majority shareholding in NUS Services to act as a trading subsidiary of the Charity and provide income to strengthen the Charity's financial position.

In addition, a collaboration agreement with NUS UK has been entered into effective 1 July 2020. This articulates the nature of collaboration and shared resources between the two organisations.

As a member of NUS Charity Students' Unions are part of a membership that includes 95% of students' unions across the country. Together, our collective power is used to create, build and grow strong Students' Unions. Through membership, Students' Unions not only benefit from the range of resources and services we offer but also a network of peers to help them effectively represent their students, generate revenue and grow as an organisation.

Specifically, Unions benefit from an offer which includes:

- **Core support – Creating and Developing Strong Students' Unions.** We provide expertise, resources, programmes and collective buying to give your Students' Union exactly what you need to thrive.
- **Championing the Value of Students' Unions.** We work to ensure students' unions are represented and valued. We demonstrate the standalone value of you as Students' Unions and the collective value of our sector to funders, stakeholders and regulators.
- **Connection and Curation.** We actively promote the value of mutual support for students' Unions. We work to connect Students' Unions to one another to share expertise and network. We curate a marketplace of high quality providers to put members in touch with specific services and expertise.
- **Crisis Support.** Unfortunately, we still see unions in crisis. Our crisis support works as a distilled version of our offer. We provide members in crisis the core support and diagnostic tools they need. We champion our members' value. We harness the power of collectivism to connect with other members for mutual support, and signpost to relevant interim or consultant support.

Under these four areas there are a huge range of benefits which all of our members can tap into. From trading support to SU.careers, Quality Students' Unions to the consultants directory, the Learning Academy to governance peer review: NUS Charity is the first port of call to help a Students' Union thrive.

### Financial Review

A summary of the results for the year is given on page 19 of the financial statements.

In assessing the financial performance, the trustees consider it appropriate to include the results of both the Charity and its subsidiary, NUS Services Limited hereafter referred to as the "Charitable Group"

The Charity ended the year with surplus funds of £357k (2020: £782k) having made a deficit of £425k. This deficit will be offset by the gift aid payment from NUS Services Limited of £505k. A deed of covenant will be put in place between the two organisations so that any future gift aid payments can be recognised in-year.

The Charitable Group ended the year with consolidated surplus funds of £3.7m (2020: deficit of £1.6m) having made a consolidated surplus of £5.3m (2020: deficit of £285k). This surplus arose from the Charity's trading subsidiary NUS Services Limited receiving a cash dividend and dividend in specie from NUS Holdings Limited following the completion of the NUS group restructuring process begun in 2019/20. NUS Services will make a gift aid payment to the Charity during 2021/22 of £505k.

# **NUS Students' Union Charitable Services**

## **Trustees' Report for the year ended 30 June 2021**

### **Pension Deficit**

Although not a liability of the Charity, the trustees consider the Pension Deficit of NUS Services when assessing the financial performance and key risks of the Charitable Group.

The Charitable Group's balance sheet recognises the pension deficit carried by the Charity's subsidiary company. NUS Services Limited offered membership of SUSS, a defined benefit pension scheme, to all employees until 30 September 2011, at which point the scheme closed to future accrual. Since the entry into effect of FRS102 there has been a change of accounting policy regarding pension deficits. Previously, a prior year adjustment was recognised in the NUS Services accounts for the full SUSS deficit plan payable over 17 years as of October 2014.

The scheme is subject to a revaluation every three years with the most recent valuation taking place in June 2019. The 2019 valuation recommended a monthly contribution requirement by each union, expressed in monetary terms, intended to clear the ongoing funding deficit over a period of 15 years, and will increase by at least 5% each year. This showed an increased funding deficit of around £140m shared between 69 employers. This represented an increase of c.£21m in the deficit in comparison to the 2016 valuation and resulted in increased contributions from October 2020 onwards. 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 2020 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2022. Surpluses or deficits which arise at future valuations will also impact on the company's future contribution commitment. In addition to the above contributions, NUS Services also pays its share of the scheme's levy to the

Pension Protection Fund. The impact of the re-valuation has impacted the finances by increasing the interest payable figure in the statement of income and the liabilities in the balance sheet. During the period the Company's contribution was £160,940. The company's contributions are set to increase by 8.3% from 1 October 2021.

Whilst the closure of the scheme to future accrual goes some way to mitigate the risk it does not eliminate it. The Company is required to make deficit contributions until September 2035, which at current rates represents a liability of £3.0million. This is subject to fluctuations in fund performance, changes in apportionment methodology, the life expectancy of the individuals within the scheme and the results of the recent valuation.

### **Reserves Policy**

During the 2019/20, the Board developed its reserves policy for the whole of NUS to establish a target of rebuilding the organisation's free cash reserve to £3.5m within ten years (equivalent to 6 months operating costs in the revised organisation structure). In doing so it recognised that the Charity would be required to produce net operating surpluses of at least £175k per year after making its pension deficit payments, and work towards holding £1.75m of free unrestricted reserves in addition to the level held at 1 July 2020 by 30 June 2030.

The Finance Committee reviews the reserves policy on an annual basis to ensure its appropriateness, given the inherent internal and external factors.

The Charity held a total reserve balance at 30 June 2021 of £356,517 (2020 - £781,519). Of this £13,881 (2020 £200,100) were restricted funds. Free reserves at the year end were £54,132 (2020 - £112,111).

The total reserves balance in the Charitable Group as at 30 June 2021 was £3.72m (2020 - £781,519). Of this £13,811 (2020 - £200,100) were restricted funds. This is above the updated reserves policy of 6 months operating costs for the new organisation that came into effect on 1 July 2020 (equivalent to £1.7m). However, this is the consolidated reserves position, with the majority being held by the subsidiary company.

# **NUS Students' Union Charitable Services**

## **Trustees' Report for the year ended 30 June 2021**

### **Future funding**

The trustees confirm that the charity has sufficient funds to meet all its obligations. As part of the 2020 governance and structure reforms, the charity now receives funding direct from students' unions as well as being supported by NUS Services as the trading subsidiary of the charity.

The Charity currently requires members to make a membership contribution based on 0.5% of their annual block grant funding. There is a minimum fee of £50, and contributions are capped at £7,500. In 2020/21 the Charity received a total contribution of £515,389 (2020 - £nil).

### **Fundraising**

Going forwards the charity continues to explore a number of funding streams including:

- Seeking funding from public and private funders to undertake projects that will advance the objects
- Grants from a number of bodies; and
- Fees from training and conferences.

To this end, the organisation does not engage in raising funds directly from the general public or indirectly through a fundraising agent. As such, there is no expenditure from the charity's resources on raising funds directly from the public.

### **Covid 19 Pandemic**

The circumstances presented by the Covid 19 pandemic have created challenges for the charity in relation to its financial operating model. Going forward the key income streams for the organisation are membership contributions and income generated from the members' trading consortium operating through NUS Services Ltd which exists as the Charity's subsidiary company from 1 July 2020. There remains some risk of the trading consortium not operating at pre-pandemic levels during 2021/22. The Charity has budgeted for the subsidiary's income to return to 75% of pre-pandemic levels during 2021/22. This will have an impact on the future financial performance of the organisation, and the trustees' assessment of Charity as a going concern.

At the commencement of the 2021/22 financial year, most campus trading operations have restarted, and the indication is that the Charity's budget assumptions appear to be broadly correct. In addition, member contributions appear to be stable in the short term, but as the financial consequences of the pandemic impact on universities beyond 2021/22, there remains a risk that Students' Union funding could be reduced which in turn affects the level of contribution members would make.

Hopefully some clarity will emerge as time progresses, but the directors continue to review and update their financial forecasts as developments occur and the impacts on the charity become clearer.

### **Going Concern**

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient facilities in place and that they comply with the terms and conditions of the bank facilities. In addition, the Board in formulating its plan and strategy for the future development of the business has considered a period beyond that for which formal budgets and forecasts are prepared. At its meeting in Spring 2021, the Board considered a three year financial forecast which modelled the possible impact of the pandemic on the group's activities up to June 2024. The model identified that there were two significant risks – Unions' ability to pay their membership contributions, and the level of on-campus trade impacted on the revenues generated through the purchasing consortium.

The Board took a view that of these risks, the impact on the purchasing consortium income would be the most significant, and may require further monitoring and adjustments to the business model during 2021/22. An update on the financial model will be considered at each Board meeting during 2021/22 in order for further mitigating action to be taken to maintain the overall financial strategy of the group.

# **NUS Students' Union Charitable Services**

## **Trustees' Report for the year ended 30 June 2021**

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

### **Trustees' statement on Public Benefit**

The trustees confirm that they have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission regarding Public Benefit.

### **Disclosure of information to auditor**

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far they are each aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and each Trustee has taken all the steps that he ought to have taken as a Trustee to make himself aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

### **Auditor**

Garbutt & Elliott Audit Limited were re-appointed as auditor to the charitable company during the period and have expressed their willingness to stand for reappointment at the Annual General Meeting.

### **Small Company Rules**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. It was approved by the Board and signed on its behalf.

This report was approved on 16<sup>th</sup> November 2021 and signed on its behalf by:

*Larissa Kennedy*

**Larissa Kennedy**

Chair of the Board of Trustees

# **NUS Students' Union Charitable Services**

## **Statement of Trustees' Responsibilities in respect of the Trustees' report and the financial statements**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial period. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the excess of expenditure over income for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charitable Company and to prevent and detect fraud and other irregularities.



# **NUS Students' Union Charitable Services**

## **Independent Auditor's Report to the Members of NUS Students' Union Charitable Services**

### **Opinion**

We have audited the financial statements of NUS Students' Union Charitable Services (the 'charity') for the year ended 30 June 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

# **NUS Students' Union Charitable Services**

## **Independent Auditor's Report to the Members of NUS Students' Union Charitable Services (continued)**

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

### **Responsibilities of Trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

# **NUS Students' Union Charitable Services**

## **Independent Auditor's Report to the Members of NUS Students' Union Charitable Services (continued)**

### **Extent to which the audit was considered capable of identifying irregularities, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Trustees and other management, and from inspection of the charity's regulatory and legal correspondence. We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charitable company is subject to laws and regulations that directly affect the financial statements including company law, charity law, financial reporting legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising safeguarding, environmental, health and safety and employment legislation, and, in the current economic climate, Covid regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the group and the parent charitable company to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular completeness, the risk that income is recognised in the wrong reporting period, or that restricted income is incorrectly recognised within unrestricted income; and
- subjective accounting estimates.

These fraud risks arise due to a potential desire to present the results in a differing light to suit management objectives.

As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation;
- assessing significant accounting estimates for bias;
- testing the recognition of income and in particular that it was recognised in the correct period and any restrictions recognised.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

# NUS Students' Union Charitable Services

## Independent Auditor's Report to the Members of NUS Students' Union Charitable Services (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### Use of our report

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

*Garbutt & Elliott Audit Limited*

**Laura Mashedor**  
**Senior Statutory Auditor**

30/11/2021

**For and on behalf of Garbutt & Elliott Audit Limited**  
**Statutory Auditor**

2 Park Place  
Leeds  
LS1 2RY

# NUS Students' Union Charitable Services

## Statement of Financial Activities (including Income and Expenditure Account) for the year ended 30 June 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<b>Income from:</b>							
Donations and legacies	3	68,942	320,900	389,842	1,442,002	-	1,442,002
Charitable activities	4	127,243	-	127,243	892,260	-	892,260
Other Income	5	599,565	-	599,565	1,337,505	-	1,337,505
<b>Total income</b>		795,750	320,900	1,116,650	3,671,767	-	3,671,767
<b>Expenditure on:</b>							
Charitable activities	6	1,034,533	507,119	1,541,652	2,802,375	23,646	2,826,021
<b>Total expenditure</b>		1,034,533	507,119	1,541,652	2,802,375	23,646	2,826,021
<b>Net movement in funds</b>		(238,783)	(186,219)	(425,002)	869,392	(23,646)	845,746
<b>Reconciliation of funds</b>							
Total funds brought forward		581,419	200,100	781,519	(287,973)	223,746	(64,227)
Net movements in funds		(238,783)	(186,219)	(425,002)	869,392	(23,646)	845,746
<b>Total funds carried forward</b>	<b>15, 16</b>	342,636	13,881	356,517	581,419	200,100	781,519

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 22 to 34 form part of these financial statements.

# NUS Students' Union Charitable Services

## Balance Sheet as at 30 June 2021

		2021	2020
	Note	£	£
<b>Fixed Assets</b>			
Intangible assets	9	68,271	193,433
Tangible assets	10	220,233	275,875
Investments	11	277,460	277,460
		565,964	746,768
<b>Current Assets</b>			
Debtors	12	379,932	1,983,411
Cash at bank and in hand		3,064,262	2,196,531
		3,444,194	4,179,942
<b>Creditors</b>			
Amounts falling due within one year	13	(3,653,641)	(4,145,191)
<b>Net Current (Liabilities)/ Assets</b>		(209,447)	34,751
<b>Total net assets</b>		356,517	781,519
<b>Charity Funds</b>			
Restricted funds	15, 16	13,881	200,100
Unrestricted funds	15, 16	342,636	581,419
<b>Total Funds</b>		356,517	781,519

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 16<sup>th</sup> November 2021 and signed on their behalf by:

*Larissa Kennedy*

**Larissa Kennedy**  
Chair of the Board of Trustees

Company number: 07509468

# NUS Students' Union Charitable Services

## Statement of Cash Flows for the Year Ended 30 June 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash generated by operating activities	17	867,731	1,326,973
<b>Cash flows from investing activities</b>			
Transfer of intangible assets		-	(173,053)
<b>Net cash (used in) investing activities</b>		-	(173,053)
<b>Change in cash and cash equivalents in the year</b>		867,731	1,153,920
Cash and cash equivalents at the beginning of the year		2,196,531	1,042,611
<b>Cash and cash equivalents at the end of the year</b>		3,064,262	2,196,531

# **NUS Students' Union Charitable Services**

## **Notes to the Financial Statements for the year ended 30 June 2021**

### **1. Charity information**

The Charity is a company limited by guarantee with company registration number 07509468 and charity number 1140142 incorporated and registered in England and Wales. The registered office of the Charity is Ian King House, Snape Road, Macclesfield, Cheshire, SK10 2NZ.

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The charitable company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the charitable company as an individual entity and not about its group.

The sole corporate member of the charitable company is the National Union of Students (United Kingdom) and the results of NUS Students' Union Charitable Services are included in the consolidated financial statements of National Union of Students (United Kingdom) and are publicly available from Companies House, Crown Way, Cardiff CF14 3UZ.

### **2. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **Accounting convention**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

NUS Students' Union Charitable Services meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Financial Statements are prepared in sterling, which is the financial currency of the Charity. Monetary amounts in these Financial Statements are rounded to the nearest £1.

#### **Going concern**

The Trustees prepare annual budgets and forecasts in order to ensure that they have sufficient facilities in place and that they comply with the terms and conditions of the bank facilities. In addition, the Board in formulating its plan and strategy for the future development of the business has considered a period beyond that for which formal budgets and forecasts are prepared. At its meeting in Spring 2021, the Board considered a three year financial forecast which modelled the possible impact of the pandemic on the group's activities up to June 2024. The model identified that there were two significant risks – Unions' ability to pay their membership contributions, and the level of on-campus trade impacted on the revenues generated through the purchasing consortium.

The Board took a view that of these risks, the impact on the purchasing consortium income would be the most significant, and may require further monitoring and adjustments to the business model during 2021/22. An update on the financial model will be considered at each Board meeting during 2021/22 in order for further mitigating action to be taken to maintain the overall financial strategy of the group.

Having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.



# **NUS Students' Union Charitable Services**

## **Notes to the Financial Statements for the year ended 30 June 2021 (continued)**

### **Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

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

Income from Government and other grants is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

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.

The Charity also benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

### **Pension Costs**

The charity operates a defined contribution scheme for the employees of the Charity. Contributions are charged as an expense to the Statement of Financial Activities in the period in which they fall due.

# **NUS Students' Union Charitable Services**

## **Notes to the Financial Statements for the year ended 30 June 2021 (continued)**

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

#### **Intangible assets and amortisation**

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Website development	20 % straight line
---------------------	--------------------

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	2% straight line
Fixtures and fittings	20% straight line

#### **Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as gain/ (loss) on disposal of investments in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# **NUS Students' Union Charitable Services**

## **Notes to the Financial Statements for the year ended 30 June 2021 (continued)**

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

#### **Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

#### **Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### **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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

#### **Taxation**

NUS Students' Union Charitable Services is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 3. Grants, donations and legacies

	2021 £	2020 £
Grants and donations	389,842	1,442,002

Donations totalling £320,900 (2020 - £nil) were restricted.

Included within grants, donations and legacies is amounts recognised in relation to the Coronavirus Job Retention Scheme totalling £68,942 (2020 - £nil).

### 4. Charitable activities

	2021 £	2020 £
Sustainability	-	660,356
Events and conferences	80,455	231,904
HR support unit	46,788	-
	127,243	892,260

### 5. Other income

	2021 £	2020 £
Membership	515,389	-
Surveys	47,844	-
Other	36,332	1,337,505
	599,565	1,337,505

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 6. Analysis of expenditure by activities

	Events 2021 £	Other 2021 £	Direct Costs 2021 £	Support Costs 2021 £	Total 2021 £
Staff costs	-	910,745	910,745	257,691	1,168,436
Legal and professional	1,875	271,039	272,914	79,176	352,090
Venue costs	180	206,373	206,553	-	206,553
Travel and subsistence	-	526	526	-	526
Printing and stationery	5	(992)	(987)	1,009	22
Recharges	-	(638,116)	(638,116)	(188,614)	(826,730)
Sundry	314	5,359	5,673	9,717	15,390
Marketing	14,468	4,300	18,768	1,245	20,013
Recruitment and training	-	34,858	34,858	1,108	35,966
IT costs	-	12,688	12,688	184,182	196,870
Subscriptions	3,422	30,748	34,170	137,828	171,998
Grants	-	264,565	264,565	-	264,565
Amortisation	-	21,876	21,876	103,286	125,162
Depreciation	-	55,642	55,642	-	55,642
Exceptional	-	(244,851)	(244,851)	-	(244,851)
	20,264	934,760	955,024	586,628	1,541,652

Exceptional costs relate to the reversal of a bad debt provision (Credit of £274,070) due to the continued relationship with OneVoice Limited and negotiation of a payment plan to resolve the debt. Exceptional costs amounting to £29,219 were incurred in relation to a HMRC PAYE settlement and associated interest and redundancy costs.

	Events 2020 £	Other 2020 £	Direct Costs 2020 £	Support Costs 2020 £	Total 2020 £
Staff costs	343,015	503,585	846,600	69,502	916,102
Legal and professional	77,507	54,761	132,268	60,353	192,621
Venue costs	155,948	34,504	190,452	1,772	192,224
Travel and subsistence	15,595	25,311	40,906	4,490	45,396
Printing and stationery	4,694	978	5,672	60	5,732
Bank charges	-	-	-	327	327
Recharges	-	77,701	77,701	802,913	880,614
Sundry	5,053	(2,917)	2,136	(967)	1,169
Marketing	-	836	836	-	836
Recruitment and training	5,541	10,361	15,902	-	15,902
IT costs	492	250	742	109	851
Subscriptions	2,766	90	2,856	18,290	21,146
Grants	413,125	2,500	415,625	-	415,625
Amortisation	-	-	-	19,267	19,267
Exceptional - restructure	-	-	-	118,209	118,209
	1,023,736	707,960	1,731,696	1,094,325	2,826,021

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 7. Auditor's remuneration

	2021 £	2020 £
Audit fees	6,200	4,992
Accountancy fees	2,000	-

### 8. Information regarding trustees and employees

	2021 £	2020 £
<b>Staff costs comprise:</b>		
Wages and salaries	1,008,459	727,868
Social security costs	88,849	77,606
Pension costs	71,128	57,881
Redundancy costs	-	52,747
	1,168,436	916,102

The average monthly head count and the average monthly number of full-time equivalent staff during the year were as follows:

	2021 £	2020 £
Management	4	4
Administration	38	27
	42	31

The number of employees who received employee benefits during the year in excess of £60,000, classified within bands of £10,000 is:

	2021 £	2020 £
£100,001 - £110,000	1	1

The key management personnel of the Charity comprise the senior management team as disclosed in the Charity Information on Page 1. The total employee benefits of the key management personnel of the Charity, which encompasses 4 individuals were £228,494 (2020: £225,751).

During the year, no Trustees received any remuneration or other benefits (2020 - £nil).

During the year ended 30 June 2021, no Trustee expenses have been incurred (2020 - £nil).

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 9. Intangible assets

	<b>Website Development £</b>
<b>Cost</b>	
At 1 July 2020 and 30 June 2021	242,939
<b>Depreciation</b>	
At 1 July 2020	49,506
Charge for the year	125,162
At 30 June 2021	174,668
<b>Net book value</b>	
At 30 June 2021	68,271
At 30 June 2020	193,433

### 10. Tangible fixed assets

	<b>Freehold Property £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 July 2020 and 30 June 2021	221,655	54,220	275,875
<b>Depreciation</b>			
At 1 July 2020	-	-	-
Charge for the year	44,066	11,576	55,642
At 30 June 2021	44,066	11,576	55,642
<b>Net book value</b>			
At 30 June 2021	177,589	42,644	220,233
At 30 June 2020	221,655	54,220	275,875

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 11. Fixed asset investments

	Investments in Subsidiary Companies £
<b>Cost or valuation</b>	
At 1 July 2020 and 30 June 2021	277,460
<b>Net book value</b>	
At 1 July 2020 and 30 June 2021	277,460

### Subsidiaries

The following were subsidiary undertakings of the Charity:

Name	Company Number	Principal Activity
NUS Services Limited	01639519	Wholesale
NUS Holdings Limited	01158893	Dormant company

Class of Shares	Class of Shares	Holding
NUS Services Limited	Ordinary A and B shares	97%
NUS Holdings Limited	Ordinary shares	97% (held indirectly)

The financial results of the subsidiaries for the period were:

Name	Income £	Expenditure £	Profit/(Loss) £	Net Assets/ (Liabilities) £
NUS Services Limited	6,739,644	979,897	5,759,747	3,638,326
NUS Holdings Limited	-	(1,092)	(1,092)	183,923

During the year the group was restructured such that NUS Holdings Limited became a subsidiary of NUS Services Limited. The subsidiaries registered off is Ian King House, Snape Road, Macclesfield, Cheshire, SK10 2NZ.



# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 12. Debtors

	2021 £	2020 £
Trade debtors	196,307	64,860
Amounts owed by group undertakings	1,326	1,839,224
Other taxation and social security	54,069	-
Other debtors	-	689
Prepayments and accrued income	128,230	78,638
	379,932	1,983,411

### 13. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	201,375	97,788
Amounts owed to group undertakings	3,169,575	3,398,939
Other taxation and social security	34,529	218,781
Other creditors	129,333	56,608
Accruals	118,829	373,075
	3,653,641	4,145,191

### 14. Commitments

As at 30 June 2021 the charity had total commitments under non-cancellable operating leases as follows:

	2021 £	2020 £
Expiry date:		
Within one year	70,532	90,900
Between one and five years	152,814	251,200
	223,346	342,100

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 15. Statement of funds

#### Statement of funds - current year

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2021 £
<b>Unrestricted funds:</b>					
<b>Designated funds</b>					
100 year anniversary	100,000	-	-	-	100,000
<b>General funds</b>					
General funds – all funds	481,419	795,750	(1,034,533)	-	242,636
<b>Total Unrestricted funds</b>	<b>581,419</b>	<b>795,750</b>	<b>(1,034,533)</b>	<b>-</b>	<b>342,636</b>
<b>Restricted funds:</b>					
Apprentice cards	191,119	-	(191,119)	-	-
Spirit of AMSU	8,981	-	-	-	8,981
Scottish Funding Council	-	188,208	(188,208)	-	-
Student Mental Health	-	87,792	(87,792)	-	-
NUS Wales Effective SU's	-	40,000	(40,000)	-	-
Apprentice funding	-	4,900	-	-	4,900
	200,100	320,900	(507,119)	-	13,881
<b>Total of funds</b>	<b>781,519</b>	<b>1,116,650</b>	<b>(1,541,652)</b>	<b>-</b>	<b>356,517</b>

#### Purpose of restricted funds

**Spirit of AMSU (Association for Managers in Students' Unions)** – The residual funds of AMSU left over when it merged with the NUS Charity. The fund exists to support initiatives developed by and for staff members in Students' Unions.

**Scottish Funding Council** – A fund to support a programme of development for students' associations across Scottish colleges.

**Student Mental Health** – A fund to develop mental health support for students across Scottish further and higher education institutions.

**NUS Wales Effective Sus** – A fund to enable NUS to build and support strong and effective students' unions across Welsh higher education institutions.

**Apprentice funding** – Donation received from One Voice Digital Limited to support the Apprenticeship programme.

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 15. Statement of funds (continued)

#### Statement of funds – prior year

	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2020 £
<b>Unrestricted funds:</b>					
<b>Designated funds</b>					
100 year anniversary	-	-	-	100,000	100,000
<b>General funds</b>					
General funds – all funds	(287,973)	3,671,767	(2,802,375)	(100,000)	481,419
<b>Total Unrestricted funds</b>	(287,973)	3,671,767	(2,802,375)	-	581,419
<b>Restricted funds:</b>					
Apprentice cards	214,765	-	(23,646)	-	191,119
Spirit of AMSU	8,981	-	-	-	8,981
	223,746	-	(23,646)	-	200,100
<b>Total of funds</b>	(64,227)	3,671,767	(2,826,021)	-	781,519

### 16. Analysis of net assets between funds

#### Analysis of net assets between funds - current period

	Unrestricted Funds 2021 £	Restricted 2021 £	Total Funds 2021 £
Tangible fixed assets	220,233	-	220,233
Intangible fixed assets	68,271	-	68,271
Fixed asset investments	277,460	-	277,460
Current assets	3,430,313	13,881	3,444,194
Creditors due within one year	(3,653,641)	-	(3,653,641)
<b>Total</b>	342,636	13,881	356,517

#### Analysis of net assets between funds - prior period

	Unrestricted Funds 2020 £	Restricted 2020 £	Total Funds 2020 £
Tangible fixed assets	275,875	-	275,875
Intangible fixed assets	193,433	-	193,433
Fixed asset investments	277,460	-	277,460
Current assets	3,979,842	200,100	4,179,942
Creditors due within one year	(4,145,191)	-	(4,145,191)
<b>Total</b>	581,419	200,100	781,519

# NUS Students' Union Charitable Services

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

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

	2021 £	2020 £
Net (expenditure)/ income for the year	(425,002)	845,746
<b>Adjustments:</b>		
Depreciation and amortisation charges	180,804	19,267
Intra group transfer of investments & tangible fixed assets	-	(553,335)
Decrease/ (increase) in debtors	1,500,609	(476,403)
(Decrease)/ increase in creditors	(388,680)	1,491,698
<b>Net cash provided by operating activities</b>	<b>867,731</b>	<b>1,326,973</b>

The charity had no debt in the current or previous financial year.

### 18. Controlling party

The National Union of Students (United Kingdom) is the effective parent undertaking due to its control over the Board of Trustees of the Charity.

The National Union of Students (United Kingdom) is the smallest and largest organisation producing consolidated accounts including the financial statements of the Charity. The consolidated statements are publicly available from Companies House (Company Number 08015198).

### 19. Related Party Transactions

During the year the charity entered into the following related party transactions:

	2021 £
<b>National Union of Students United Kingdom Limited:</b>	
Owed to group company	71,230
Recharges from group entity	2,013,689
Recharges to group entity	2,113,621
<b>NUS Services Limited:</b>	
Owed to group company	2,978,343
Recharges from group entity	4,250,222
Recharges to group entity	1,365,830
<b>NUS Holdings Limited:</b>	
Owed to group company	120,002