

Charity Registration No. NIC107053

Company Registration No. NI646426 (Northern Ireland)

**ULSTER UNIVERSITY STUDENTS' UNION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**

## ULSTER UNIVERSITY STUDENTS' UNION

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Ms C Cassidy	
	Mr C Chambers	(Appointed 1 July 2019)
	Mr J Coyle	
	Ms K Hewitt	(Appointed 22 October 2018)
	Mr T Logue	
	Mr A McAnallen	
	Mr C McLarnon	(Appointed 20 November 2018)
	Ms A Neill	
	Ms N V M Parkinson-Kelly	(Appointed 22 October 2018)
	Mr R Stewart	
<b>Secretary</b>	Mr C Campbell	
<b>Charity number</b>	NIC107053	
<b>Company number</b>	NI646426	
<b>Registered office</b>	Shore Road Newtownabbey BT37 0QB	
<b>Auditor</b>	GMcG BELFAST Chartered Accountants & Statutory Auditor Alfred House 19 Alfred Street Belfast BT2 8EQ	
<b>Bankers</b>	First Trust Bank 35 University Road Belfast BT7 1ND	
<b>Solicitors</b>	Shean Dickson Merrick 38-42 Hill Street Belfast BT1 2LB	

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# ULSTER UNIVERSITY STUDENTS' UNION

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## **ULSTER UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

#### **FOR THE YEAR ENDED 31 JULY 2019**

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The trustees present their report and financial statements for the year ended 31 July 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

The trustees have taken cognisance of the Charity Commission for Northern Ireland's guidance on public benefit as defined in the Charities Act (Northern Ireland) 2008. The Ulster University Students' Union's (the Students' Union) objective is the advancement of the education of students at Ulster University for the public benefit by:

- promoting the interests and welfare of students at Ulster University during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and Ulster University and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

The Students' Union continues to represent the student voice both internally and externally to ensure the members have effective, accountable representation on issues that affect them. This has translated into an increase in engagement with 2.5% more students voting in officer elections and 10% completing the Students' Union's end of year membership survey. Diversity networks were launched this year offering non-traditional students a clearer means of engagement with the Students' Union and all diversity seats on Student Council were filled giving all students dedicated representation within council. Funding was secured to support three students with asylum seeker status. 800 academic representatives were recruited and trained to resolve issues for students. The new advice bureau helped 150 students with academic and housing concerns.

The Ulster University Students' Union Enterprise Centre continued to grow with 1,158 students upskilled through the provision of workshops on the fundamentals of business. A total of 90 students received a leadership qualification through the program delivered by the Enterprise Centre and students were assisted in securing £130,000 of investment. In total 12% of the student population accessed the Enterprise Centre in some way.

Funding was secured so that spaces could be upgraded on all campuses and students could have more attractive locations to hold their society and social events, including a six-figure investment in Jordanstown. There were 25 new societies created and 350 society events were held during the year.

The number of students engaged in sport continued to grow as the social sport offering was enhanced. There were 17 league and championship wins, 19 individual wins and 27 podium places in the year. Sponsorship secured from Randox allowed UUSU Sports to develop and offer new opportunities for students.

## **ULSTER UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019**

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The Students' Union undertook the difficult decision to carry out a commercial services review which ultimately led to a commercial tender process in conjunction with the University to outsource the commercial services offering with a view to transferring the provision from 1 August 2019. This was in response to the results of the review which predicted a non-sustainable future for the services without significant investment. The process was ultimately unsuccessful, and the Students' Union will continue to operate these services for the 2019/20 academic year. The Students' Union is now taking stock with the University to look at potential solutions to ensure sustainability and improve commercial results for 2019/20.

Awareness campaigns were organised through the year relating to drugs and alcohol, homelessness, environmental issues and mental health. Student officers attended conferences in the UK and Ireland representing Ulster students and voting on a range of social and educational issues on their behalf. There was also significant lobbying of the University on issues core to students including the relocation of courses and the selection and use of divestment funds.

#### **Raising of funds**

The Union's main source of income is by way of block grant awarded by Ulster University.

The Union also operates a catering facility on the Jordanstown and Magee campuses and a shop on the Magee campus.

#### **Governance**

Governance of the organisation is of vital importance and is assessed on a regular basis through the review of the Strategic Plan, Risk Register and Financial Memorandum. The Students' Union Student Executive, consisting of seven full time elected officers and relevant staff, meets every three weeks to discuss Students' Union policy and membership issues. The Senior Management Team meets monthly to review operational matters. The quarterly meetings of the Trustee Board include the review of management accounts, progress of the Strategic Plan, and monitoring of the Risk Register. There are also four sub committees of the Trustee Board which take responsibility for specific areas.

#### **Financial review**

The Students' Union income for the current year was £2,391,518 (2018 - £2,096,176) and net income before exceptional pension movements was £253,024 (2018 - £193,492). After accounting for movements in the pension provision the net income for the period was £153,927 (2018 - net expenditure of £289,769).

The net deficit of the charity at 31 July 2019 was £2,702,273 (2018 - £2,856,200). The main reason for the deficit is the deficit funding commitment in relation to the Students' Union Superannuation Scheme, which amounted to £2,992,571 at 31 July 2019 (2018 - £3,097,003). At 31 July 2019, restricted funds were £138,345 (2018 - £106,176) and general unrestricted funds totalled £131,809 (2018 - £125,194).

Designated funds at 31 July 2019 of £20,144 (2018 - £9,433) relate to the balance of funds held in relation to the Unique shop after income and expenditure during the year.

#### *Reserves Policy*

Reserves will be established to safeguard activity should funding not be available from the principal funding source. At 31 July 2019 the Union had free reserves of £85,992 (2018 - £80,421).

#### *Principal Funding Source*

The principal funder is Ulster University through the allocation of block grant funding to the Union.

## **ULSTER UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

#### **FOR THE YEAR ENDED 31 JULY 2019**

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##### **Risk management**

The trustees have overall responsibility for ensuring that the Students' Union has in place an appropriate system of controls, financial and otherwise, to provide reasonable assurance that:

- the Union is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the organisation or for publication is reliable;
- it complies with relevant laws and regulations; and
- that the systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss.

The major risks to which the Students' Union is exposed are set out in the Union's Risk Register and systems have been established to mitigate those risks.

##### **Plans for future periods**

The Students' Union will continue to represent students both through academic issues and the provision of social opportunities to meet other students through engagement in sport and societies. The structure of the student officer team has been changed for the 2019/20 year with two of the roles being changed to better represent members in the areas of academic affairs and sport and wellbeing. There is now a drive to interpret these new roles into meaningful links and representations within the University landscape. The Students' Union is implanting a more overt identify and affinity for members with the services and opportunities that it offers. This will roll-out to all first-year students and will see a full onboarding in terms of both physical and literature-based resources and aids.

The Students' Union continues to work with the University to ensure it has appropriate facilities on the new Belfast campus as the move into Belfast represents an exciting opportunity for the Union and its members. In addition Ulster University has commissioned a review of sports services which the Students' Union is involved in from both the perspective of a steering and consultative capacity. The outcomes and recommendations as agreed by the Students' Union will need to be realised in the forthcoming period and implemented as may be appropriate. Work will also continue with the University to explore options around the long-term success and viability of the commercial operations.

As the current strategic plan is coming to the end of its lifecycle there is also a process underway to consult with all component groups on the make-up and positioning of the new plan and the outputs defined for the Students' Union over the next five years. It is envisaged that part of that plan will explore the potential on generating additional revenues into the Students' Union to be able to increase services and provision for members.

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

The charity is a company limited by guarantee and does not have a share capital. It was incorporated on 15 June 2017 and is governed by its Memorandum and Articles of Association dated 15 June 2017. The members of the charity for the purposes of company law are the trustees and the liability of each member is limited to an amount not exceeding £1.

Prior to 1 September 2017 the activities of the Students' Union were carried out through an unincorporated entity and were governed by the Constitution of the unincorporated entity. On 1 September 2017 the assets and liabilities of the unincorporated entity were transferred to the charity and it commenced its activities on that date. The total amount transferred was net liabilities of £2,566,431.

## ULSTER UNIVERSITY STUDENTS' UNION

### TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

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The Board of Trustees is responsible for the management and administration of the Union and may exercise all the powers of the Union. The application to become a registered charity was approved by the Charity Commission for Northern Ireland on 12 April 2019. The charity number is NIC107053.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms C Cassidy	
Mr C Chambers	(Appointed 1 July 2019)
Mr J Coyle	
Ms K Hewitt	(Appointed 22 October 2018)
Mr T Logue	
Mr A McAnallen	
Mr C McLamon	(Appointed 20 November 2018)
Ms A Neill	
Ms N V M Parkinson-Kelly	(Appointed 22 October 2018)
Mr R Stewart	
Ms E Bonner	(Resigned 13 August 2018)
Ms C R Burns	(Appointed 22 October 2018 and resigned 30 May 2019)
Ms M Downey	(Resigned 13 August 2018)
Mr C Keenan	(Resigned 30 June 2019)
Mr O McCloskey	(Resigned 13 August 2018)
Mr K McStravock	(Resigned 30 June 2019)

The trustees are made up of the following persons:

- Not more than four student officer trustees, elected by Members of the Union at an annual election;
- Not more than four student trustees elected by Members of the Union at an annual election; and
- Not more than four external trustees appointed by interview process.

Student officer trustees can serve a maximum of three years, student trustees can serve a maximum of two terms each term lasting two years and external trustees may serve a maximum of two terms, each term being a maximum of four years in duration.

The Chief Executive, Mr D Longstaff, carries out the day to day management of the Union. The trustees meet on a quarterly basis. There are other committees in place to manage specific areas of the organisation. Procedures have been put in place for the induction and training of trustees and the Union ensures trustees are aware of their responsibilities on Corporate Governance. The charity engages an external trustee every year to deliver induction training. All salaries are set using the University pay scales. When a new member of staff joins the organisation their job description is sent to an external consultant who specialises in grading in Higher Education and who allocate a grade. To move up a grade this must go to the Staffing Committee for approval. The Staffing Committee is a sub committee of the Trustee Board and meets twice a year.

#### Relationship with related parties

The relationship between Ulster University (the University) and the Students' Union is established in an Ordinance of the University's Governing Documents and the Union receives a block grant from the University, by agreement with the University on an annual basis. The Union occupies commercial space owned by the University for which it pays an annual rent. There is also non-monetary support which is intrinsic to the relationship between the University and the Union in relation to the provision of office space.

Although the Students' Union continues to generate supplementary funding from various mutual trading activities, it is dependent on the University's financial support. There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future.

## **ULSTER UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019**

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The Ulster University Students' Union Club bar is a separate legal entity from the Students' Union but is overseen by the same management structure.

#### **Statement of trustees responsibilities**

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Small companies exemption**

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

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

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**Mr A McAnallen**  
**Chairman of the Trustee Board**

Dated: 27 November 2019



## **ULSTER UNIVERSITY STUDENTS' UNION**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF ULSTER UNIVERSITY STUDENTS' UNION**

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##### **Opinion**

We have audited the financial statements of Ulster University Students' Union (the 'charity') for the year ended 31 July 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 31 July 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- the expenditure to which the accounts relate is consistent with the purposes of an educational charity and the requirements of the Financial Memorandum.

##### **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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **ULSTER UNIVERSITY STUDENTS' UNION**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ULSTER UNIVERSITY STUDENTS' UNION**

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##### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

## **ULSTER UNIVERSITY STUDENTS' UNION**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ULSTER UNIVERSITY STUDENTS' UNION**

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##### **Responsibilities of trustees**

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

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

## **ULSTER UNIVERSITY STUDENTS' UNION**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF ULSTER UNIVERSITY STUDENTS' UNION**

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##### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Nigel Moore FCA (Senior Statutory Auditor)**  
for and on behalf of **GMcG BELFAST**

19 December 2019

**Chartered Accountants**  
**Statutory Auditor**

Chartered Accountants & Statutory Auditor

Alfred House  
19 Alfred Street  
Belfast  
BT2 8EQ

# ULSTER UNIVERSITY STUDENTS' UNION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<b>Income from:</b>					
Donations and legacies	3	1,613,000	-	1,613,000	1,396,362
Charitable activities	4	-	82,560	82,560	71,654
Other trading activities	5	370,929	324,318	695,247	626,450
Investments	6	-	-	-	39
Other income	7	711	-	711	1,671
<b>Total income</b>		<u>1,984,640</u>	<u>406,878</u>	<u>2,391,518</u>	<u>2,096,176</u>
<b>Expenditure on:</b>					
Raising funds	8	<u>354,715</u>	<u>-</u>	<u>354,715</u>	<u>385,763</u>
Charitable activities	9	<u>1,409,070</u>	<u>374,709</u>	<u>1,783,779</u>	<u>1,516,921</u>
Exceptional movement in pension provision	13	<u>99,097</u>	<u>-</u>	<u>99,097</u>	<u>483,261</u>
<b>Total resources expended</b>		<u>1,862,882</u>	<u>374,709</u>	<u>2,237,591</u>	<u>2,385,945</u>
Gross transfers between funds		-	-	-	(2,566,431)
<b>Net income/(expenditure) for the year/</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		121,753	32,169	153,927	(2,856,200)
Fund balances at 1 August 2018		<u>(2,962,376)</u>	<u>106,176</u>	<u>(2,856,200)</u>	<u>(3,097,003)</u>
<b>Fund balances at 31 July 2019</b>		<u><u>(2,840,618)</u></u>	<u><u>138,345</u></u>	<u><u>(2,702,273)</u></u>	<u><u>(2,856,200)</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# ULSTER UNIVERSITY STUDENTS' UNION

## BALANCE SHEET

AS AT 31 JULY 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	14		45,817		44,773
<b>Current assets</b>					
Stocks	16	11,329		15,235	
Debtors	17	98,283		82,069	
Cash at bank and in hand		309,993		277,238	
		<u>419,605</u>		<u>374,542</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(175,124)</u>		<u>(178,512)</u>	
Net current assets			<u>244,481</u>		<u>196,030</u>
<b>Total assets less current liabilities</b>			<u>290,298</u>		<u>240,803</u>
<b>Provisions for liabilities</b>					
Defined benefit pension liability	19	<u>2,992,571</u>		<u>3,097,003</u>	
			<u>(2,992,571)</u>		<u>(3,097,003)</u>
<b>Net liabilities</b>			<u>(2,702,273)</u>		<u>(2,856,200)</u>
<b>Income funds</b>					
Restricted funds	20		138,345		106,176
Unrestricted funds					
Designated funds	22	20,144		9,433	
General unrestricted funds	21	131,809		125,194	
Pension reserve	21	<u>(2,992,571)</u>		<u>(3,097,003)</u>	
			<u>(2,840,618)</u>		<u>(2,962,376)</u>
			<u>(2,702,273)</u>		<u>(2,856,200)</u>

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

The financial statements were approved by the Trustees on 27 November 2019

Mr A McAnallen  
Trustee

Company Registration No. NI646426

# **ULSTER UNIVERSITY STUDENTS' UNION**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 JULY 2019**

		2019		2018	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28		51,992		303,731
<b>Investing activities</b>					
Purchase of tangible fixed assets		(19,237)		(43,522)	
Proceeds on disposal of tangible fixed assets		-		16,990	
Interest received		-		39	
<b>Net cash used in investing activities</b>			(19,237)		(26,493)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			32,755		277,238
Cash and cash equivalents at beginning of year			277,238		-
<b>Cash and cash equivalents at end of year</b>			309,993		277,238

# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2019

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#### 1 Accounting policies

##### Charity information

Ulster University Students' Union is a private company limited by guarantee incorporated in Northern Ireland. The registered office is Shore Road, Newtownabbey, Co Antrim, BT37 0QB. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company was incorporated on 15 June 2017 and commenced its charitable activities on 1 September 2017. The period of the comparative financial statements cover the period from 15 June 2017 to 31 July 2018.

##### 1.2 Going concern

These financial statements have been prepared on a going concern basis, notwithstanding the fact that the charity had a net deficit of £2,702,273 at the balance sheet date (2018 - £2,856,200). Before accounting for movements in the pension provision the charity realised a surplus of £253,024 (2018 - £193,492) in the year, and the deficit on the balance sheet is due to the pension deficit liability in relation to the Students' Union Superannuation Scheme. The liability in relation to the pension scheme at 31 July 2019 was £2,992,571 (2018 - £3,097,003). Further details of the scheme are given in note 19.

The Union continues to operate within its financing facilities and continues to have the support of Ulster University. On this basis the trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.



# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

### 1 Accounting policies (Continued)

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

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.

Trading income represents net sales to customers and excludes Value Added Tax. Trading income is recognised upon delivery of the goods and services to the customer.

### 1.5 Resources expended

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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Alterations to premises	10-20% per annum straight line
Fixtures, fittings and equipment	20% per annum straight line
Computers	20% per annum straight line
Motor vehicles	20% per annum straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2019

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#### **1 Accounting policies (Continued)**

##### **1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

##### **1.8 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **1.10 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

## ULSTER UNIVERSITY STUDENTS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

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#### 1 Accounting policies (Continued)

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.12 Retirement benefits

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 FRS 102, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year.

Contributions are also made to two defined contribution schemes being NUSPs and NEST.

Contributions are recognised in profit or loss in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the Union will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## ULSTER UNIVERSITY STUDENTS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

#### 2 Critical accounting estimates and judgements (Continued)

##### Key sources of estimation uncertainty

##### Fixed Assets

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The trustees regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

##### Defined Benefit Pension Scheme Liability

The pension scheme liability is in relation to the contributions payable that have arisen from an agreement with a multi-employer plan to fund a deficit and is based on certain assumptions as detailed in note 19.

#### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Grants	1,613,000	1,396,362

#### 4 Charitable activities

	Restricted funds	Restricted funds
	2019	2018
	£	£
Income within charitable activities:		
Student Enterprise	75,000	52,652
Hardship Fund	7,560	19,002
	82,560	71,654

# **ULSTER UNIVERSITY STUDENTS' UNION**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2019**

### **5 Other trading activities**

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Fundraising income	37,200	324,318	361,518	220,383
Charity trading income	324,129	-	324,129	392,951
Unique Art Shop commission	9,600	-	9,600	13,116
	<u>370,929</u>	<u>324,318</u>	<u>695,247</u>	<u>626,450</u>
Other trading activities	370,929	324,318	695,247	626,450
<b>For the year ended 31 July 2018</b>	<u><u>439,152</u></u>	<u><u>187,298</u></u>		<u><u>626,450</u></u>

### **6 Investments**

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Interest receivable	-	39
	<u>-</u>	<u>39</u>

### **7 Other income**

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Other income	711	1,671
	<u>711</u>	<u>1,671</u>

# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

### 8 Raising funds

	Unrestricted funds	Unrestricted funds
	2019 £	2018 £
<u>Trading costs</u>		
Operating charity shops	195,437	216,154
Staff costs	159,278	169,609
	<hr/>	<hr/>
Trading costs	354,715	385,763
	<hr/>	<hr/>
	<u>354,715</u>	<u>385,763</u>

# **ULSTER UNIVERSITY STUDENTS' UNION**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2019**

### **9 Charitable activities**

	Students' Union	Students' Union
	2019 £	2018 £
Staff costs	921,398	688,761
Depreciation and impairment	18,193	16,271
NUS and USI fees	51,568	49,267
Membership services	72,908	54,901
Sports unions	460,341	399,185
Societies	40,819	29,650
Repairs, renewals and cleaning	37,819	39,160
Insurance	13,094	9,440
Postage, printing, stationery and telephone	13,001	12,562
Legal, consultancy and stocktaking fees	3,501	65,691
Motor and travelling expenses	31,020	26,863
Bank charges	9,555	8,140
Staff training and recruitment	9,912	30,315
Marketing expense	16,667	20,411
Student enterprise	67,836	52,652
Miscellaneous costs	2,833	(1,060)
Hardship fund	7,560	8,958
	<u>1,778,025</u>	<u>1,511,167</u>
Share of governance costs (see note 10)	5,754	5,754
	<u>1,783,779</u>	<u>1,516,921</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,409,070	1,260,927
Restricted funds	374,709	255,994
	<u>1,783,779</u>	<u>1,516,921</u>
<b>For the year ended 31 July 2018</b>		
Unrestricted funds	1,260,927	
Restricted funds	255,994	
	<u>1,516,921</u>	

# **ULSTER UNIVERSITY STUDENTS' UNION**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2019**

### **10 Support costs**

	Support costs	Governance costs	2019	2018
	£	£	£	£
Audit fees	-	5,754	5,754	5,754
	-	5,754	5,754	5,754
Analysed between				
Charitable activities	-	5,754	5,754	5,754

Governance costs includes payments to the auditors of £5,754 (2018 - £5,754) for audit fees.

### **11 Trustees**

None of the trustees (or any persons connected with them) received any remuneration from the charity during the year. One trustee received reimbursement of expenses totalling £41 (2018 - £103).

### **12 Employees**

#### **Number of employees**

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	129	106

#### **Employment costs**

	2019 £	2018 £
Wages and salaries	945,774	759,725
Social security costs	70,296	48,769
Other pension costs	64,606	49,876
	1,080,676	858,370

Remuneration to student officers who were also trustees was £76,354 (2018 - £124,969). This remuneration was payable in respect of their role as Student Officers, which are elected positions, and was paid in accordance with the charitable company's articles of association. None of the trustees are paid for serving on the Board.

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
In the band £60,001 - £70,000	1	-



# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

### 13 Exceptional movement in pension provision

	Unrestricted funds	Total
	2019	2018
	£	£
Remeasurements - impact of any change in assumptions	-	393,024
Unwinding of the discount factor (interest expense)	99,097	90,237
	<u>99,097</u>	<u>483,261</u>

### 14 Tangible fixed assets

	Alterations to fixtures, fittings premises and equipment		Computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 August 2018	196,554	212,639	121,064	42,150	572,407
Additions	-	10,686	8,551	-	19,237
Disposals	-	-	-	(7,200)	(7,200)
At 31 July 2019	<u>196,554</u>	<u>223,325</u>	<u>129,615</u>	<u>34,950</u>	<u>584,444</u>
<b>Depreciation and impairment</b>					
At 1 August 2018	196,554	197,982	113,792	19,306	527,634
Depreciation charged in the year	-	6,852	4,351	6,990	18,193
Eliminated in respect of disposals	-	-	-	(7,200)	(7,200)
At 31 July 2019	<u>196,554</u>	<u>204,834</u>	<u>118,143</u>	<u>19,096</u>	<u>538,627</u>
<b>Carrying amount</b>					
At 31 July 2019	<u>-</u>	<u>18,491</u>	<u>11,472</u>	<u>15,854</u>	<u>45,817</u>
At 31 July 2018	<u>-</u>	<u>14,657</u>	<u>7,272</u>	<u>22,844</u>	<u>44,773</u>

### 15 Financial instruments

	2019	2018
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>78,196</u>	<u>61,373</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>154,323</u>	<u>156,982</u>

# **ULSTER UNIVERSITY STUDENTS' UNION**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2019**

### **16 Stocks**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	11,329	15,235
	<u>11,329</u>	<u>15,235</u>

### **17 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	77,065	38,495
Other debtors	1,131	22,878
Prepayments and accrued income	20,087	20,696
	<u>98,283</u>	<u>82,069</u>

### **18 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	20,801	21,530
Trade creditors	42,345	47,468
Other creditors	62,956	69,875
Accruals and deferred income	49,022	39,639
	<u>175,124</u>	<u>178,512</u>

## ULSTER UNIVERSITY STUDENTS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2019

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#### 19 Retirement benefit schemes

##### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

##### Defined benefit schemes

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 available was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101,300,000 with these assets representing 51% 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 £119,700,000.

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

The following assumptions applied at 30 June 2016:

- The investment return would be 4.3% per annum before retirement and 2.3% 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 2013 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 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and were formally reviewed following completion of the valuation with an effective date of 30 June 2016. 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.

# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

### 19 Retirement benefit schemes (Continued)

Amounts recognised in the profit and loss account:

	2019 £	2018 £
Net interest on defined benefit liability	99,097	90,237

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2019 £	2018 £
Present value of defined benefit obligations	2,992,571	3,097,003
Deficit in scheme	2,992,571	3,097,003

Movements in the present value of defined benefit obligations:

	2019 £
Benefits paid	(203,529)
Interest cost	99,097
At 31 July 2019	2,992,571

The total contributions paid into the Scheme by the Union in respect of eligible employees for the period ended 31 July 2019 amounted to £203,529 (2018 - £199,962) but this includes an additional proportion of contributions in respect of future accrual as well as deficit contributions. There was also £37,488 paid into defined contribution schemes (2018 - £26,560).

# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

### 20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 15 June 2017	Incoming resources	Resources expended	Transfers	Balance at 1 August 2018	Incoming resources	Resources expended	Transfers	Balance at 31 July 2019
	£	£	£	£	£	£	£	£	£
Sports Union Fundraising	-	158,602	(171,875)	80,009	66,736	289,488	(269,488)	-	86,736
Societies Fundraising	-	28,696	(22,509)	23,209	29,396	34,830	(29,825)	-	34,401
Student Enterprise	-	52,652	(52,652)	-	-	75,000	(67,836)	-	7,164
Hardship Fund	-	19,002	(8,958)	-	10,044	7,560	(7,560)	-	10,044
	-	258,952	(255,994)	103,218	106,176	406,878	(374,709)	-	138,345

### 21 General funds

	Balance at 15 June 2017	Incoming resources	Resources expended	Transfers	Balance at 1 August 2018	Incoming resources	Resources expended	Transfers	Balance at 31 July 2019
	£	£	£	£	£	£	£	£	£
General funds	-	1,824,108	(1,643,007)	(55,907)	125,194	1,968,917	(1,758,773)	(203,529)	131,809
Pension reserve	-	-	(483,261)	(2,613,742)	(3,097,003)	-	(99,097)	203,529	(2,992,571)
	-	1,824,108	(2,126,268)	(2,669,649)	(2,971,809)	1,968,917	(1,857,870)	-	(2,860,762)

Transfers of £203,529 from the general fund to the pension reserve represents contributions to the defined benefit pension scheme for the year ended 31 July 2019.

# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

### 22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 15 June 2017 £	Incoming resources £	Resources expended 1 August 2018 £	Balance at 1 August 2018 £	Incoming resources £	Resources expended £	Balance at 31 July 2019 £
Unique Art Shop	-	13,116	(3,683)	9,433	15,723	(5,012)	20,144
	-	13,116	(3,683)	9,433	15,723	(5,012)	20,144

# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

### 23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	£	£	£	£
Fund balances at 31 July 2019 are represented by:				
Tangible assets	45,817	-	45,817	44,773
Current assets/(liabilities)	106,136	138,345	244,481	196,030
Provisions and pensions	(2,992,571)	-	(2,992,571)	(3,097,003)
	<u>(2,840,618)</u>	<u>138,345</u>	<u>(2,702,273)</u>	<u>(2,856,200)</u>

### 24 Explanatory notes to the funds

#### Unrestricted funds

##### General funds

This fund is expendable at the discretion of the Trustees for the general purposes of the charity. Reserves will be established to safeguard activity should funding not be available from the principal funding source.

##### Pension reserve

The pension reserve represents contributions payable under an agreement with the Students' Union Superannuation Scheme to fund prior year deficits.

##### Designated funds

Surpluses generated through commission earned from sales in the Unique Art Shop have been set aside as a designated fund. At 31 July 2019 the total amount of such funds was £20,144 and the use of these funds will be decided at a future date.

#### Restricted funds

##### Sports Unions and Societies Fundraising

These funds relate to income generated through the fundraising activities of Sports Unions and Societies and can only be used by the Sports Union or Society that raised the relevant funds.

##### Student Enterprise

This fund relates to income received for Student Enterprise activity.

##### Hardship fund

These funds are available to support students in financial hardship.

### 25 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

## ULSTER UNIVERSITY STUDENTS' UNION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2019

#### 26 Financial commitments, guarantees and contingent liabilities

The Union has issued a letter of support to the University of Ulster Students' Union Club (Coleraine) to provide financial support for as long as it may be required.

During the prior period the charitable company was made aware of a possible increase in the liability for the pension deficit. The outcome of this contingent liability is not yet known and it cannot be quantified at this stage. As a result the charitable company do not consider it necessary to provide for any additional liabilities, other than the liability detailed in note 19, in the accounts for the period ended 31 July 2019.

During the year the Union became aware of potential legal proceedings for personal injury prior to 31 July 2019. At 31 July 2019 the trustees are unable to determine the amount of liability that may become payable.

#### 27 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	200,949	133,685

The Union is financially dependent on Ulster University for funding and is therefore regarded as a related party. It received £1,613,000 (2018 - £1,396,672) as a block grant in the year. Rent of £20,468 (2018 - £19,585) was paid to the University for the use of premises for commercial purposes. At the year end the Union had a trade debtor balance of £48,330 (2018 - £16,191) owed by the University and a trade creditor balance of £15,412 (2018 - £25,059) owed to Ulster University.

University of Ulster Students' Union Club (Coleraine) (the Club) is regarded as a related party as defined by FRS 102, section 33 "Related Party Disclosures".

The Club operates a licensed bar at the Coleraine campus. The financial statements of the club are reported independently of UUSU financial statements.

The amounts due from the Club at 31 July 2019 was £5,197 (2018 - £5,185).



# ULSTER UNIVERSITY STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

28	Cash generated from operations	2019 £	2018 £
	Surplus/(deficit) for the year	153,927	(2,856,200)
	Adjustments for:		
	Investment income recognised in statement of financial activities	-	(39)
	Gain on disposal of tangible fixed assets	-	(1,060)
	Depreciation and impairment of tangible fixed assets	18,193	16,271
	Difference between pension charge and cash contributions	(104,432)	3,049,692
	Movements in working capital:		
	Decrease/(increase) in stocks	3,906	(15,235)
	(Increase) in debtors	(16,214)	(82,069)
	(Decrease)/increase in creditors	(3,388)	192,371
	<b>Cash generated from operations</b>	<b>51,992</b>	<b>303,731</b>

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