

**DE MONTFORT UNIVERSITY
STUDENTS UNION LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

Registered Number 06634464 (England and Wales)

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DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2018

The Trustees (who are also the directors of the Charity for the purposes of the Companies Act) present their Trustees report together with the audited financial statements of De Montfort University Students Union Limited (the Charity) for the year ended 31 July 2018. The Trustees confirm that the Trustees report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Charitable Status

De Montfort University Students Union Limited (DSU) is a company limited by guarantee (company number 06634464) and a registered charity (charity number 1138587).

Principal Address and Registered Office

First Floor, Campus Centre Building, Mill Lane, Leicester, LE2 7DR

Trustees

The following Trustees are also Directors of the company

Full-time Executive Officers

The Executive Officers are elected by the student population to hold office from 1 July 2017 to 30 June 2018 and are known also as the Executive Committee. The Executive Officers who held office during the year are:

Deputy President Education	Mollie Footitt
Vice President Student Activities	Derrick Mensah
Vice President Welfare and Community	Jessica Okwuonu
President	Ahtesham Mahmood (resigned 30/6/18)
Vice President Media and Communications	Michael Clarke (resigned 30/6/18)

External Trustees

The External Trustees are appointed to the Trustee Board by an Appointments Committee. The External Trustees who held office during the year are:

James Gardner
Danielle Gillett
Robert Gofton
Anil Majithia (resigned 20/2/18)

Student Trustees

The Student Trustees who held office during the year are:

Student Trustee	Daniel Czyzak
Student Trustee	Laura Toher-Hindle (appointed 7/8/17)
Student Trustee	Tyler Arthur (appointed 1/7/18)
Student Trustee	Kalem Todd (appointed 1/7/18)
Student Trustee	Keshana Davidson (resigned 30/6/18)
Student Trustee	Quinn Franklin (resigned 30/6/18)

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Alumni Trustees

The Alumni Trustees who held office during the year are:

Carl King (resigned 30/6/18)
Holly Percival (resigned 30/6/18)

Auditors

RSM UK Audit LLP
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
LE19 1SD

Charity Number 1138587

Company Number 06634464

Bankers

Royal Bank of Scotland
5 Market Street
Leicester
LE1 6DN

Governing document

The Students' Union is governed by the Memorandum and Articles of Association. The Students' Union is a company limited by guarantee and does not have any share capital. The guarantors are the members of the Students' Union, being registered students at the De Montfort University as defined in the Articles of Association.

DSU Staff

The Chief Executive Officer works closely with the Executive Officers and as head of the Senior Leadership Team ensures effective management. The Senior Leadership Team is made up of the following:

Chief Executive Officer	Penni Robinson
Commercial Manager	Joe Stephenson
Head of Finance, People and Central Services	Paula Heneghan
Head of Membership Services	Colina Wright

Key Management and Trustees Pay

DSU follows De Montfort University's (DMU) pay and grading system with staff being aligned to the Universities Single Salary Pay Spine. Staff are awarded an annual pay award which is nationally negotiated and is usually applied to the scales on the 1 August each year. Dates can vary depending on national and local agreements but this is back dated to 1 August as required.

Staff on the single salary pay spine are also given annual increments, which take effect from April (until they reach the top of their grade). The first increment for new starters depends on their start date and successful completion of their probation.

The remuneration of the CEO is agreed outside of this salary scale and approved by the Trustee Board.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure and Decision Making

DSU became a company limited by guarantee on 1 August 2009 and registered as a charity on 26 October 2010. The governance structure includes the appointment of up to 4 External Trustees, 4 Student Trustees and 2 Alumni Trustees onto the Trustee Board. The experiences and expertise held by these Trustees ensure that DSU can focus on continuity as previously the short term of office held by the Executive Committee has made long term strategic planning more challenging. Appointments to the Trustee Board are made by an appointment committee.

Recruitment and training of Trustees

The current Trustee Board consists of ten Trustees and is constituted as follows:-

- 3 Executive Officer Trustees
- 4 Elected Student Trustees
- 3 External Trustees

The three Executive Officer posts are Deputy President Education, Vice President Student Activities and Vice President Welfare and Community. These are full time posts which make up the Executive Committee and are remunerated as authorised by the Education Act. These posts cannot exceed two years duration for each post holder. On induction the Executive Committee receive ILM accredited Trustee training and have access to ongoing training as required. The Executive Officers are also charity Trustees. At the current time the Students Union is seeking to fill some of the positions.

The Executive Committee meets monthly to receive reports including financial information, to discuss policy issues and receive information from staff as required. DSU also employs a number of non-student staff who are accountable to the CEO for the performance of their duties.

The Trustee Board structure also includes four elected student trustee positions to improve the voice of students at DSU. This structure ensures accountability of the Executive Committee as well as increasing student participation in DSU.

Our External and Alumni Trustees are appointed for a term of four and two years respectively and can stand for re election for another term. The appointment is made by an Appointments Committee.

All Trustees receive a full induction into the work of the Students' Union and the roles and responsibilities of a Trustee.

DSU is affiliated to the NUS and receives support and information on a wide range of topics.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Risk management

The major strategic, business and operational risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems or procedures put in place to mitigate those risks. A risk register has been established which is updated and reported to the Executive Committee and Trustee Board annually, covering the following key matters amongst others:

Funding – DSU receives the majority of its income from De Montfort University as well as generating its own income from commercial services. Annual budgets are set and approved by the Trustee Board with management accounts and variances to budget regularly reviewed. DSU is also represented on the DMU Board of Governors to ensure reporting and communication with our main funder and reports to the Universities Finance and HR Reporting Committee (FHRC) on a quarterly basis.

Retention of key staff – Use of experts to assist with key recruitment decisions, enhanced support and supervision with opportunities to progress. Key staff are involved in the long-term strategy and annual business planning that aligns resources to activities.

Governance management – Corporate governance structure aligned with Charity commission best practice guidelines which involves strong communication with staff and trustees, review of policies and procedures, regular meetings and information on performance and progress, clear and defined decision-making processes. DSU are undertaking a full governance review with independent expert legal advice which is a positive move to ensure DSU are following best practise for governance.

Financial systems and control – Qualified in-house finance professionals producing accurate and up to date financial reporting with close monitoring of internal controls and a regular review of processes and procedures to ensure they are fit for purpose.

Compliance with laws and regulations – Ongoing monitoring and review of changes as well as adherence to best practice.

Brexit – no significant risks have been identified as a result of the decision to leave the EU. Close monitoring of the impact of Brexit on the student body and DSU will continue and is supported by DMU and NUS.

Public benefit

The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded that as a registered charity and Students' Union, our work directly supports and benefits the 22,000+ students registered to study at De Montfort University. In planning our work we test that the primary goals of all our activities are linked to our core aims and therefore are for the direct benefit of our member students.

OBJECTIVES AND ACTIVITIES

DSU is constituted under the Education Act 1994 as a charity.

The main aims of De Montfort University Students' Union Limited (DSU) as set out in its governing documents are:

To advance the education of the students of De Montfort University for the public benefit by:

- Providing representation, advice and assistance to students on matters affecting their welfare and interests as students;
- Providing sporting, social, cultural and recreational opportunities and facilities for students so as to further the educational purposes of De Montfort University;
- Promoting and encouraging contact and co-operation between students;
- Advancing the welfare and physical and mental wellbeing of students; and
- All such objects as are charitable in law which are incidental or conducive to the foregoing objects.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

OBJECTIVES AND ACTIVITIES (continued)

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission general guidance on public benefit.

Relationship with De Montfort University

For the year ended 31 July 2018 DSU received a Block Grant from De Montfort University (DMU) of £1,046,868 (2017: £1,044,792). For the financial year 2018/19 DMU have agreed a Block Grant of £1,046,868. DSU is extremely grateful for the university's continuing support including the use of the recently refurbished Campus Centre Building and ongoing financial and other support which the University has provided to DSU during the year. The stable Block Grant and continued use of campus space ensures DSU can keep supporting its members and deliver the best service to achieve its aims and aspirations for the coming year.

DSU continue to benefit from positive relationships with university staff at all levels. We aspire to make a continued positive contribution to the lives of our members and the campus community in 2018/19.

The Charities SORP has been adopted for due compliance with the requirements for Students' Unions' provided in the Charities Act 2006. As a result an estimated value to DSU for the free serviced accommodation has been included in the financial statements. This has been valued at £150,000 based on market prices within the Midlands.

FINANCIAL REVIEW

Reserves Policy

The Trustee Board have approved a reserves policy and identified three reasons for DSU to hold reserves:-

- To provide financial stability to enable DSU to continue to achieve its objectives during challenging trading periods. This will enable DSU to cover regular short term fluctuations in income and cashflow.
- To allow DSU to take advantage of strategic development opportunities and plan for growth.
- To enable DSU to make provision for our staff redundancies and closure costs on any dissolving of the Charity.

DSU has identified that a minimum level of unrestricted funds should be set to counter balance trading uncertainty and produce a base level for stability. Additionally a target level of unrestricted funds will also be set to allow for growth and for DSU to take advantage of strategic development opportunities going forward.

DSU have identified the current level of unrestricted funds should be set as:-

Minimum Level

- Three months operating costs plus an additional fund to cover redundancy costs for all staff (general reserve) plus a designated fund for investment.

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Reserves Policy (continued)

SUSS Pension Scheme

Following the triennial valuation at the 30 June 2016, the net present value of future contributions required to eliminate the shortfall has decreased the liability being recognised in the balance sheet at 31 July 2018 to £909,241 (2017: £932,788) and a subsequent deficit on reserves of £452,836 (2017: £535,285). The trustees are confident the current deficit compared to the above reserves policy is wholly as a result of the provision required on adoption of FRS102, that this deficient will reduce over the coming years and that cash reserves remain adequate.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The charitable company has reviewed the key achievements and progress over the course of the year below:

Marketing and Communications

2017/18 has seen further development in the way DSU communicate with our members. With the formulation of stronger working relationships with key departments at the University as well as better internal communication and cohesive working within the union itself, we have ensured events, campaigns and information about DSU are better communicated in a more timely and connected way, using a broad range of channels. The Marketing and Communications department have also developed to take a lead strategic role in guiding their scheduling and implementation. DSU have dramatically increased the quantity and quality of our video output, which is widely used across campus and online, and continues to achieve good engagement numbers. At the end of this academic year DSU have begun to formulate a market research and segmentation strategy for the students' union, the implementation of which will be a core aspect of the department over the next academic year.

MEMBERSHIP SERVICES

This year has seen success in all aspects of membership services with increased engagement at a variety of levels.

Student Voice: Academic Representation

The 2018 Executive Election, branded as Power Your Union, saw greater numbers of students interacting and involved than ever before and ensures that the Students' Union continues to be relevant and be the legitimate Student Voice. Within the 2018 Election a total of 73 nominations were received, with a total of 54 running in the election. We saw an average of five students running in each of the full time positions and four in the each of the part time positions, with every position being contested for the first time. A total of 6,039 (25%) votes were cast, an increase of 3 % in voter turnout from 2016/17. After the election results were announced, the university, enacted their right in the education act not to ratify the elections. The Students' union is working closely with the university to ensure a full governance review and have recruited student champions to ensure that the student voice is represented across the university and students' union.

The Annual General Meeting and the Student Councils have been well attended. The Annual General Meeting had 226 student attendees and the financial and trustee reports were well received. The Student Councils have also been well attended with over 300 students debating policies and holding the Executive Officers to account.

The Students' Union has been continuing to develop the student representation and student voice at all levels within the Students' Union and University. The Student Representative Coordinator (SRC) roles continue to have a great impact within the University providing a vital link between staff and students. The SRC's meet monthly with the Head of Schools to discuss issues and create action plans. One of the key roles of the SRC's is to be fully active members of University Committees and working groups.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

Student Voice: Academic Representation (continued)

The Course Representative structure saw the first year of a pilot to elect representatives in the previous academic year allowing representatives to be embedded in induction and welcome activities. For the first time the training was delivered separately to Faculties, enabling discussions and training on bespoke areas. The team also utilised the DMU Replay software and all the training materials are available as lectures and videos for all 297 Course Reps in place across the University.

Activities: Societies

DSU has continued to support student groups and increase the number of students involved. DSU currently has 126 active societies and the new online system has removed barriers and enabled easier creation of new Societies. The total society memberships has reached over 4,600, with a total of 939 committee members. These societies are all student-led through committee volunteers. All committee elections are now run through the website, and this year saw 678 students elected into roles across 139 student groups.

Activities: Volunteering

During 17/18 447 students registered and worked as volunteers through DSU working with over 300 local charitable organisations. 7,987 volunteering hours were logged online with students volunteering for either local community, course related projects or in student group committee roles.

Activities: MyUniPal

MyUniPal has transitioned into a group mentoring scheme focusing on the transition into higher education. The team works closely and is a full member of the mentoring working group (Mentoring For All) which includes 5 mentoring schemes across the University working in partnership to ensure accessibility of mentoring on and off campus.

Activities: Demon Media

Demon Media has continued to go from strength-to-strength in 2017/18, with a large student group membership of 276 members. Demon Media is transitioning into an elected committee position model under 3 strands, and continue to be an integral part of University open days, fresher's and key events.

Activities: DSU sports

1,625 students purchased sports membership in 2017/18 with 365 being committee members. The Activities department continues to work in partnership with the DMU Sport team and are currently planning the training and support of new committee members and creating a calendar of events for 2018/19.

Advice

The Advice team has provided excellent advice and support to students this year on more than 7,900 individual enquiries, and held over 5,300 appointments. The Advice team helped students gain over £90k in returned damage deposits, SFE funding cases, rent write-offs and immigration application fees saved. In addition Advice sent 358 successful students visa applications through the Student Batch Scheme. The advice services saw over 900 appointments for academic advice and the team represent students in University disciplinary hearings including misconduct hearings and deferrals.

FINANCIAL RESULTS

DSU gross income from all sources this year totalled £2,087,660 (2017: £1,989,614). Total expenditure of £2,005,211 (2017: £2,260,839) on the wide-ranging student benefits we provide left a surplus of £82,449 (2017: deficit of £271,225).

At the year end, DSU had total funds deficit of £452,836 (2017: £535,285), of which includes restricted funds of £89,668 (2017: £90,966) and designated funds of £100,949 (2017: £135, 575).

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

FINANCIAL RESULTS (continued)

Following the adoption of FRS102, the charitable company has been required to recognise the net present value of future contributions required to eliminate the shortfall estimated with respect to charitable company participation in the Students' Union Superannuation Scheme. This has resulted in a liability being recognised in the balance sheet at 31 July 2018 of £909,241 (2017: £932,788) and this has resulted in a charge to the Statement of Financial Activities in the year of £24,903 (2017: £246,109).

DSU Function Rooms and Catering

During the year a full review of DSU's commercial services was conducted including analysis of the current offer and fit to student needs as well as future opportunities to develop. Following this review the Milly Lanes cafe was closed in February 2018 due to previous financial losses within the business, and further losses forecasted if it remained in its current format. The Milly Lanes café made a loss of £28k (£32k adverse to budget) including closures costs in the year.

The Trustee Board have approved the re-opening of a new offer within the Milly Lanes space from September 2018 (SU's Diner) which will be an American style diner offering burgers, milkshakes etc. With a focus on quick service and value for money this offer is in response to market research carried out and the recommendations from the commercial services review.

The DSU Function Rooms (including private hire bookings) made a profit of £81k (£30k adverse to budget) due to lower than expected sales. Following investment for the new academic year the Function Rooms will be open an extra night a week to boost income and profits as well as development of the private hire bookings within this space. With a focus on costs control, in particular within staffing, these commercial services are expected to generate increased profits to assist with rebuilding of DSU's reserves.

Supplies (DSU Shop)

Supplies sells a variety of specialist supplies for DMU courses such as art and nursing as well as clothing and also provides dissertation and binding services.

Supplies has made a profit of £30k (2016/17 £15k). Constant product reviews, relationship development on the DMU Campus and excellent customer service offered in the shop has been key to our success this year.

DSU Marketing

Marketing achieved a net profit figure of £34k (2016-17 £47k). This is down to a strong Freshers' Fair booking performance and direct sponsorship agreements with 3 national companies accounting as well as strong sales of NUS extra cards. The reduction is due to staffing costs to cover both Marketing and Private Hire income generation.

Student Union Lettings Limited (trading as Sulets)

On 1 August 2012 the trade and assets of the Lettings operation were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly owned by DSU and The University of Leicester Students' Union (ULSU). The agency also supports the Union via its sponsorships of various awards ceremonies at the end of the year.

In the opinion of the Trustees, the Charity's ownership is considered to be a joint venture and not a subsidiary undertaking of the Charity. As such the Charities share of the profits and assets of Sulets are not included in these annual accounts. However at the year end (30 June 2018) Sulets had profits of £137,948 and net assets of £917,607.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

PLANS FOR THE FUTURE

Following the appointment of our new CEO in February 2018 and the completion of an NUS Diagnostic Healthcheck, at the request of the trustees, DSU is conducting a full review of its governance policies and procedures and will be creating a new Strategic Plan to see the union through to 2022. This will be done in conjunction with key stakeholders to ensure we meet the needs of all our student members and reflects the DMU Strategic Framework as well as ensuring strong and fit for purpose governance of the union. We aim to have completed these by April 2019.

Our Values and Mission

De Montfort Students' Union (DSU) is an independent student-run and student-led organisation. We're here to involve, represent and inspire. Our mission is to create an exceptional student experience.

For 2017/18 we delivered this through our values to;

- Act with and for you
- Inspire you
- Listen to you
- Represent you
- Support you

DSU's strategic objectives:

Activities

Student-led activities; creating a lifetime of memories.

Advice

Advice and support when and where you need it.

Life

Services you need to live the life you want to at DMU.

Voice

Giving students a voice to represent, lead and make change.

Trust

A Union you can trust from bottom to top.

Our long term ambitions continue to be:

Activities you love

We want students to try new things, pursue hobbies, play sport and get involved in the local community.

Advice and Support

To provide advice and support to members whenever they need it.

Amplified Student Voice

Our Student Voice will be clear and effective and make positive changes for students.

Clear at Communicating

Our communications will be clear and our members heard.

Heart of Campus

The Union and facilities will be world class.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

DSU's strategic objectives (*continued*)

Shape Your Future

To ensure our members and staff achieve their potential.

Student-Led Media

We will create industry standard opportunities through student-led media.

Trust Your Union

The Union will be well run and representative and financially secure.

Your Social Space

Offer our members a great environment and value for money when they are shopping, eating, drinking and dancing.

Auditors

RSM UK Audit LLP have indicated their willingness to be reappointed for another term. In accordance with the Company Act 2006 a resolution proposing the reappointment of RSM UK Audit LLP as Auditor will be put to the members.

Trustees' Responsibilities

The Trustees (who are also directors of De Montfort University Students Union for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the applicable law and the 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 the affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 the Companies Act 2006. They are also responsible for the safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED


TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2018

In so far as the Trustees are aware there is no relevant audit information of which the charitable company's auditor is unaware and the trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This report was approved by the Trustees on 9th October 2018 and signed on their behalf by:



M Footitt
Trustee and Deputy President Education



D Gillett
External Trustee

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

FOR THE YEAR ENDED 31 JULY 2018

Opinion

We have audited the financial statements of De Montfort University Students Union Limited (the 'charitable company') for the year ended 31 July 2018 which comprise the Statement of Financial Activities, incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2018 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 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED**

FOR THE YEAR ENDED 31 JULY 2018

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, which includes the Director' Report prepared for the purpose 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 have 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 charitable company 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 where 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 exemption from the requirement to prepare a Strategic Report in preparing the Trustees' Report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

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.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED (continued)**

FOR THE YEAR ENDED 31 JULY 2018

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Gareth Jones, Senior Statutory Auditor
for and on behalf of
RSM UK Audit LLP, Statutory Auditor
Chartered Accountants,
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Date: 29/10/18

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2018

	Note	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	4	-	1,196,868	1,196,868	1,194,792
Charitable activities	4	158,293	562,153	720,446	560,607
Other trading activities	4	-	112,778	112,778	122,431
Investment income	4	-	366	366	1,038
Other income	5	-	57,202	57,202	110,746
Total		158,293	1,929,367	2,087,660	1,989,614
Expenditure on:					
Raising funds	6	-	126,483	126,483	149,707
Charitable activities	6	136,044	1,742,684	1,878,728	2,111,132
Total	6	136,044	1,869,167	2,005,211	2,260,839
Net income / (expenditure) before					
Termination costs	11	-	(54,939)	(54,939)	-
Investment in facilities	11	-	-	-	(50,000)
Net income / (expenditure) and net movement in funds					
	11	22,249	60,200	82,449	(271,225)
Reconciliation of funds					
Total funds brought forward		(841,822)	306,537	(535,285)	(264,060)
Total funds carried forward	18	(819,573)	366,737	(452,836)	(535,285)

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

All income and expenditure derive from continuing operations.

A detailed comparative Statement of Financial Activities is shown in note 24.

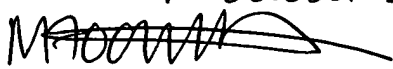
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**BALANCE SHEET
COMPANY NUMBER 06634464**

AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
Fixed assets:					
Tangible assets	12		125,329		164,287
Current assets:					
Stocks	13	40,996		26,327	
Debtors	14	82,677		65,057	
Cash at bank		390,347		323,102	
		<u>514,020</u>		<u>414,486</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(182,944)		(176,270)	
Net current assets			331,076		238,216
Total assets less current liabilities			<u>456,405</u>		<u>402,503</u>
Provisions for liabilities	17		-		(5,000)
Net assets excluding pension liability			<u>456,405</u>		<u>397,503</u>
Defined benefit pension scheme liability	21		(909,241)		(932,788)
Total net liabilities			<u>(452,836)</u>		<u>(535,285)</u>
Total funds of charity					
Restricted funds	18		89,668		90,966
Unrestricted funds:					
General fund	18		265,788		170,962
Facilities development reserve	18		100,949		135,575
Total unrestricted funds			<u>366,737</u>		<u>306,537</u>
Pension reserve	18		(909,241)		(932,788)
Total charity funds			<u>(452,836)</u>		<u>(535,285)</u>

The financial statements on pages 15 to 33 were approved by the Board of Trustees and authorised for issue on 9th October 2018 and signed on their behalf, by:


M Footitt
Trustee and Deputy President Education


D Gillett
External Trustee

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2018

	Note	£	2018 £	£	2017 £
Cash flows from operating activities					
Net cash provided by operating activities	20		74,307		14,921
Cash flows from investing activities					
Interest from investments		366		1,038	
Purchase of tangible fixed assets		(7,428)		(177,629)	
Proceeds on disposal of tangible fixed assets		-		4,284	
Net cash used in investing activities			(7,062)		(172,307)
Change in cash and cash equivalents in the reporting period			67,245		(157,386)
Cash and cash equivalents at the beginning of the reporting period			323,102		480,488
Cash and cash equivalents at the end of the reporting period			390,347		323,102

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

1. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

2. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), (Charities SORP (FRS102)) "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

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 £.

De Montfort University Students Union Limited 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 notes.

Going concern

The charitable company has cash resources and no requirement for external funding, other than the annual block grant received from De Montfort University which has been confirmed for 2018/19. The impact of FRS102 has required the charitable company to recognise the net present value of future contributions required to eliminate the shortfall estimated in the 2016 triennial valuation of the scheme. Taking all of the above into account, the trustees have reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe that the going concern basis of accounting is appropriate in preparing the annual financial statements.

There are no significant financial uncertainties which the trustees consider are a significant risk to the ability of the charitable company to trade as a going concern in the foreseeable future.

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 charitable company 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 charitable company 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.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued)

2. Accounting policies (continued)

Income

All incoming resources are recognised once the trust has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Voluntary income, including donations, and grants are recognised where there is entitlement, probable of receipt and the amount can be measured reliably. The charitable company benefits from the provision of accommodation by the De Montfort University. The value of the gift of these facilities is based on the rental of similar facilities in similar locations.
- Investment income is recognised on a receivable basis.
- Income direct from charitable activities is recognised when the charitable company is legally entitled to income and the amount can be measured reliably, which includes income from bars, catering, shops, membership services and training.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under charitable activity rather than the type of expense, in order to provide more useful information to users of the financial statements. Where costs cannot be directly attributed to particular heading they have been allocated to activities on a basis consistent with use of the resources.

Raising funds are those incurred in seeking voluntary contributions to enable the charitable company to carry out its charitable activities, these do not include the costs of disseminating information in support of the charitable activities.

Support and governance costs which cannot be directly attributable to a specific activity have been allocated to activities on a basis consistent with the use of the resources. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at costs and subsequently measured at cost net of depreciation and any impairment losses. Tangible fixed assets with a cost price in excess of £500 are capitalised and all other expenditure is charged to the statement of financial activities in the year incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of the asset less any residual value, except for land over its estimated useful economic life. It is calculated at the following annual rates:

Fixtures & fittings	-	20 - 33% Straight Line
Computer equipment	-	33% Straight Line

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)

2. Accounting policies (continued)

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of financial activities. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Jointly controlled entity

The charitable company has a long term interest and shares, controlled under contractual arrangements that is classified as a jointly controlled entity.

Stocks

Stock consisting of goods purchased for resale are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

At each reporting date, the charitable company assesses whether stocks are impaired or if any impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in statement of financial activities.

Operating leases

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

Financial instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of financial nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception.

Debtors

Trade debtors and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Cash and cash equivalents

Cash and cash equivalents includes cash and monies on short-term deposits at the bank, other short-term liquid investments with original maturities of three months or less.

Creditors

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued)

2. Accounting policies (continued)

Taxation

No provision for corporation tax has been made as the charitable company is exempt from corporation tax on its income and gains to the extent that these are applied to its charitable activities.

Pensions

The charitable company 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 charitable company. Therefore the pension charge shown in the financial statements represents the contributions payable in the year, as under current accounting standards the contributions are accounted for as if the scheme were a defined contributions scheme.

The charitable company also contributes to the NUS Aegon Pension Scheme and the government approved NEST scheme. The annual contributions payable are charged to the statement of financial activities.

Provisions

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Legal status of the charitable company

De Montfort University Students Union Limited is a private incorporated charitable company (company number 06634464) and is also registered at the Charity Commission in England and Wales (charity number 1138587). The charitable company is limited by guarantee and such has no issued share capital.

The address of the charitable company's registered office and principal place of business is First Floor, Campus Centre Building, Mill Lane, Leicester, Leicestershire, LE2 7DR.

The main aims of De Montfort University Students Union Limited are to advance the education of the students of De Montfort University for the public benefit.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

4. Income from

	Restricted funds £	Unrestricted funds £	Total funds 2018 £	Total funds 2017 £
Donations and legacies				
Grant income	-	1,046,868	1,046,868	1,044,792
Grant of serviced accommodation	-	150,000	150,000	150,000
Sub total	-	1,196,868	1,196,868	1,194,792
Charitable activities				
Bars and catering	-	366,748	366,748	197,709
Shops	-	151,730	151,730	117,112
Membership services	158,293	28,863	187,156	235,626
Training	-	14,812	14,812	10,160
Sub total	158,293	562,153	720,446	560,607
Other trading activities				
Commercial marketing and sponsorship	-	112,778	112,778	122,431
Sub total	-	112,778	112,778	122,431
Investment income	-	366	366	1,038
Total	-	1,872,165	2,030,458	1,878,868

5. Other incoming resources

	Restricted funds £	Unrestricted funds £	Total funds 2018 £	Total funds 2017 £
Other income	-	57,202	57,202	110,746

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

6. Analysis of expenditure

	Direct supplies £	Direct staff costs £	Other direct costs £	Support costs £	2018 £	2017 £
Raising funds						
Commercial marketing and sponsorship	47,105	20,577	9,855	48,946	126,483	149,707
Sub total	47,105	20,577	9,855	48,946	126,483	149,707
Charitable activities						
Welfare, advice and representation	57,224	329,259	36,242	128,125	550,850	650,780
Bars and catering	169,186	116,018	25,317	199,338	509,859	476,836
Shops	81,720	38,064	5,312	56,447	181,543	182,648
Membership services	231,507	259,540	17,436	120,625	629,108	795,214
Training	7,368	-	-	-	7,368	5,654
Sub total	547,005	742,881	84,307	504,535	1,878,728	2,111,132
Total	594,110	763,458	94,162	553,481	2,005,211	2,260,839
Other direct costs comprised					2018 £	2017 £
Depreciation					33,102	17,606
Repairs and renewals					25,520	2,550
Insurance					-	1,391
Other					35,540	29,811
Total					94,162	51,358

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

7. Analysis of the support costs

	Staff costs £	Rent £	Other costs £	2018 £	2017 £
Raising funds					
Commercial marketing and sponsorship	28,302	7,500	13,144	48,946	53,761
Sub total	<u>28,302</u>	<u>7,500</u>	<u>13,144</u>	<u>48,946</u>	<u>53,761</u>
Charitable activities					
Welfare, advice and representation	70,756	30,000	27,369	128,125	141,790
Bars and catering	84,907	75,000	39,431	199,338	213,784
Shops	28,303	15,000	13,144	56,447	61,261
Membership services	70,756	22,500	27,369	120,625	134,290
Sub total	<u>254,722</u>	<u>142,500</u>	<u>107,313</u>	<u>504,535</u>	<u>551,125</u>
Total	<u><u>283,024</u></u>	<u><u>150,000</u></u>	<u><u>120,457</u></u>	<u><u>553,481</u></u>	<u><u>604,886</u></u>

Other costs comprised

	2018 £	2017 £
Depreciation	13,284	1,135
Repairs and renewals	2,163	5,345
Insurances	19,749	17,608
Sundry supplies	68,265	112,892
Investment in facilities	-	50,000
Audit and accountancy fees	16,996	15,835
Total	<u><u>120,457</u></u>	<u><u>202,815</u></u>

8. Governance costs

	2018 £	2017 £
Audit, accountancy and legal fees	<u>23,543</u>	<u>25,218</u>

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued)

9. Analysis of staff costs and numbers

	2018 £	2017 £
Total staff emoluments for the year were as follows:		
Wages and salaries costs	921,465	909,358
Social security costs	73,834	78,104
Pension contributions	51,183	272,169
	<u>1,046,482</u>	<u>1,259,631</u>

During the year the charitable company made redundancy payments and payments in lieu of notice amounting to £45,319 (2017: £ Nil).

The pension costs are allocated to activities in proportion to related staffing costs incurred.

The average number of individuals employed by the charitable company during the year was as follows:

	2018 No.	2017 No.
Commercial activities	35	26
Charitable activities	17	22
Admin and management	8	8
Total staff	<u>60</u>	<u>56</u>

There were no members of staff who received emoluments, including benefits in kind, within the range of £60,001 - £70,000 (2017: Nil)

10. Trustees' remuneration and expenses and cost of key management personnel

Trustees' remuneration

Each of the Executive Committee's sabbatical officers received remuneration as authorised in the Union's governing document for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. Their remuneration amounted to £93,272 (2017: £107,387) in aggregate. The split as detailed below:

M Footitt	- £19,354	(2017: £2,304)	D Mensah	- £19,354	(2017: £2,304)
J Okwuonu	- £19,354	(2017: £2,304)	M Clarke	- £17,605	(2017: £18,941)
A Mahmood	- £17,605	(2017: £18,941)			

During the year end 31 July 2017, remuneration was paid to K Rounsley amounting to £19,013, D Winney amounting to £19,448 and A Mbanasor amounting to £19,085, these trustees resigned on 30 June 2017.

During the year pension payments were made to the NEST scheme as follows:

M Footitt	£98	(2017: £nil)
D Mensah	£194	(2017: £nil)
J Okwuonu	£194	(2017: £nil)
M Clarke	£176	(2017: £79)
A Mahmood	£176	(2017: £79)

During the year end 31 July 2017, pension payments were made to NEST for K Rounsley amounting to £79 and D Winney amounting to £79, these trustees resigned on 30 June 2017.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

10. Trustees' remuneration and expenses and cost of key management personnel (continued)

Trustees' remuneration (continued)

During the year, two (2017: one) external trustees' received travelling expenses totalling £302 (2017: £104)

Key management remuneration

The key management personnel of the charitable company comprise the trustees and members of the DSU staff management committee that are responsible for the day to day running of the charity. The total employee benefits for key management personnel of the charitable company were £294,984 (2017: £342,379).

11. Net (expenditure)/income

This is arrived at after charging:

	2018	2017
	£	£
Depreciation of owned assets	46,386	18,741
Loss on disposal of fixed assets	-	4,986
	<u> </u>	<u> </u>

The exceptional item of £50,000 in the year ended 31 July 2017 represented an investment required into the bar and nightclub space which was match funded by DMU.

During the year the charitable company incurred termination costs consisting of severance payments £45,319 (2017: £nil), employee claim of £6,930 (2017: £nil) and legal costs relating to these terminations of £2,690 (2017: £nil).

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	2018	2017
	£	£
Audit services – statutory audit of the charitable company	11,750	11,750
Other services:		
Other non-audit services	5,246	4,085
	<u>16,996</u>	<u>15,835</u>

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

12. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 August 2017	279,352	39,856	319,208
Additions	7,428	-	7,428
At 31 July 2018	286,780	39,856	326,636
Depreciation			
At 1 August 2017	153,394	1,527	154,921
Charge for the year	33,102	13,284	46,386
At 31 July 2018	186,496	14,811	201,307
Net book value			
At 31 July 2018	100,284	25,045	125,329
At 31 July 2017	125,958	38,329	164,287

13. Stocks

	2018 £	2017 £
Finished goods and goods for resale	40,996	26,327

14. Debtors

	2018 £	2017 £
Trade debtors	43,719	39,707
Other debtors	16,291	14,793
Prepayments and accrued income	22,667	10,557
	82,677	65,057

**15. Creditors:
Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	19,114	20,504
Other taxation and social security	26,826	22,417
Other creditors	7,629	9,932
Accruals and deferred income	129,375	123,417
	182,944	176,270

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

15. Creditors:
Amounts falling due within one year (continued)

Deferred Income	£
Deferred income at 1 August 2017	73,134
Resources deferred in the year	30,815
Amounts released from previous year	(73,134)
	<hr/>
Deferred income at 31 July 2018	30,815
	<hr/>

The deferred income at 31 July 2018, relates to training, private hire, sponsorship and events for the next year.

16. Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	60,010	54,500
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	125,303	80,719
	<hr/>	<hr/>

17. Provisions

	Holiday Pay Accrual £
At 1 August 2017	5,000
Amounts released	(5,000)
	<hr/>
At 31 July 2018	-
	<hr/>

At the end of July 2017, the Trustees were aware of a liability which had arisen due to a difference in payment of holiday pay. The Trustees do not believe this payment is due at 31 July 2018, therefore the provision has been released during the year.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

18. Statement of funds

	At 1 August 2017 £	Incoming resources £	Resources expended £	Transfer £	At 31 July 2018 £
Restricted funds					
Clubs and societies	90,966	158,293	(159,591)	-	89,668
Unrestricted funds					
General fund	170,962	1,929,367	(1,834,541)	-	265,788
Facility development reserve	135,575	-	(34,626)	-	100,949
Total unrestricted funds	306,537	1,929,367	(1,869,167)	-	366,737
Pension reserve	(932,788)	-	23,547	-	(909,241)
Total funds	(535,285)	2,087,660	(2,005,211)	-	(452,836)

Clubs and societies

Restricted funds represent funds raised and administered by the Union for the specific benefit of clubs and societies and as such are ring fenced for the future benefit of that specific club or society.

Facility development reserve

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

19. Analysis of net assets between funds

	Restricted funds £	General funds £	Facility development reserve £	Pension reserve £	Total funds £
Tangible fixed assets	-	25,033	100,296	-	125,329
Current assets	89,668	423,699	653	-	514,020
Creditors due within one year	-	(182,944)	-	-	(182,944)
Pension liability	-	-	-	(909,241)	(909,241)
	89,668	265,788	100,949	(909,241)	(452,836)

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued)

20. Reconciliation of net income (expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the reporting period	82,449	(271,225)
Adjustments for:		
Depreciation charges	46,386	18,741
Interest on investments	(366)	(1,038)
Loss on disposal of fixed assets	-	4,986
(Increase)/decrease in stocks	(14,669)	1,395
(Increase)/decrease in debtors	(17,620)	21,806
Increase in creditors	6,674	39,579
Movement on defined pension scheme liability	(23,547)	200,677
Movement on provision	(5,000)	
Net cash provided by operating activities	74,307	14,921

21. Pension costs

The charitable company 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 charitable company. Under the accounting standard FRS102 and Charity SORP (FRS102), in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year.

The charitable company participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m. The assumptions which have the most significant effect upon the results of the Valuation are those relating to the sustained low yield on government bonds.

The following assumptions applied at 30 June 2016:

- Pre-retirement discount rate – 4.3% pa
- Post retirement discount rate – 2.3% pa
- Retail price inflation (RPI) – 3.2% pa
- Consumer Price inflation (CPI) – 2.2% pa
- Pension increase in payment for services, post 1997 (RPI min 3% and max 5%) – 3.6% pa and post 2000 (RPI max 5%) – 3.1% pa

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued)

21. Pension costs (continued)

The 2016 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and therefore contribution will increase by 20% from 1 October 2017 and by a further 5% each year subsequent year. These rates applied with effect from 1 October 2017 and contributions due from October 2020 onwards will be reviewed following the next actuarial valuation.

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. FRS102 and Charities SORP (FRS102), require that the charitable company share of past service shortfall is reflected in the financial statements. Based on the most recent valuation, the charitable company contribution to eliminating the shortfall was £48,450 for the year ended 31 July 2018 (2017: £45,432) and increasing by 5% each year at October until June 2033.

Therefore, at 31 July 2018, the balance sheet of charitable company includes a liability of £909,241 (2017: £932,788), which represents the net present value of all future contributions towards eliminating this shortfall. The discount rate used is 2.72% (2017: 2.57%) which is comparable to that for a 15+ year AA-rated corporate bond. The estimated liability is based on the 2016 triennial valuation of the scheme, and will necessarily require revision after subsequent revaluations. The balance is made up as follows:

	2018 £	2017 £
Balance brought forward	932,788	732,111
Contributions made in the year	(48,450)	(45,432)
Charge to statement of financial activities	24,903	246,109
Balance carried forward	<u>909,241</u>	<u>932,788</u>

Total contributions paid by the charitable company with respect to the pension schemes for the year amounted to £51,183 (2017: £272,169).

During the year the Student Union were made aware of a claim against the Students' Union Superannuation Scheme. As a participating student union a potential liability exists as a result of this claim although its quantum cannot be reliably measured at the date of signing the accounts and therefore no provision has been made in these financial statements.

22. Related party transactions

The De Montfort University Students' Union Limited is in receipt of a recurrent grant from its parent institution, De Montfort University of £1,046,864 (2017: £1,044,792).

In addition, the De Montfort University Students' Union Limited occupies its building and receives certain people related services on a free of charge basis. This is under an informal license subject to the De Montfort University Students' Union Limited maintaining the building in a good state of repair. As a result, an estimated value to De Montfort University Students' Union Limited for the free serviced accommodation has been included in the accounts. This has been valued at £150,000 (2017: £150,000) based on market prices within Leicester. This income can be seen in note of the financial statements under accommodation costs.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018 (continued)

22. Related party transactions (continued)

Income of £10,020 (2017: £72,020) was collected and purchases of £79,537 (2017: £20,479) were made on behalf of De Montfort University during the year. These transactions were reimbursed and recharged respectively to De Montfort University with a balance owing from De Montfort University Student Union Limited to De Montfort University of £18,955 (2017: £336) at the year-end date. In addition, De Montfort University made payments of £20,000 (2017: £50,000) to De Montfort University Student Union Limited, representing a contribution to the improvement of facilities in the building occupied.

Student Union Lettings Limited (trading as Sulets)

On 1 August 2012, the trade and assets of the lettings operation (previously known as DSU Lettings) were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly controlled by DSU and The University of Leicester Students Union (ULSU). This collaboration with ULSU offers many commercial advantages within student lettings including contracts with external Halls Providers.

A summary of the trading results of Sulets are shown below:

	2018 £	2017 £
Income	1,215,032	969,447
Expenditure	(1,077,084)	(848,084)
Net movements in funds	<u>137,948</u>	<u>121,363</u>
	2018 £	2017 £
Balance sheet		
Fixed assets	29,376	15,586
Current assets	969,137	867,209
Creditors: amounts falling due within 1 year	(80,906)	(103,136)
Total funds	<u>917,607</u>	<u>779,659</u>

The charitable company constitutes 50% of the membership, therefore the charitable company's share of income is £607,516 (2017: £484,723) and share of expenditure £538,542 (2017: £424,042). The charitable company's share of the total funds at 31 July 2018 is £458,804 (2017: £389,829).

During the year the charitable company received £16,500 (2017: £10,000) from Sulets for sponsorship of Club and Society events. In addition, Sulets paid £43,143 (2017: £90,000) for finance, HR support and rent. At the year end Sulets owed the charitable company £68 (2017: £nil).

23. Controlling party

The trustees consider that the ultimate control of DSU rests with its membership.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018 (continued)**

24. Statement of financial activities incorporating income and expenditure accounts for the year ended 31 July 2017

	Restricted funds £	Unrestricted funds £	Total funds £
Income from:			
Donations and legacies	-	1,194,792	1,194,792
Charitable activities	214,940	345,667	560,607
Other trading activities	-	122,431	122,431
Investment income	-	1,038	1,038
Other income	-	110,746	110,746
Total	<u>214,940</u>	<u>1,774,674</u>	<u>1,989,614</u>
Expenditure on:			
Raising funds	-	149,707	149,707
Charitable activities	406,381	1,704,751	2,111,132
Total	<u>406,381</u>	<u>1,854,458</u>	<u>2,260,839</u>
Net movement in funds	<u>(191,441)</u>	<u>(79,784)</u>	<u>(271,225)</u>