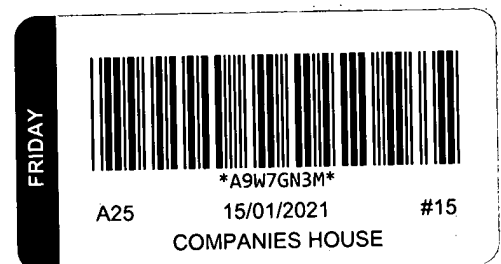


NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020



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

COMPANY INFORMATION

Directors

J Binding (resigned 30 June 2020)
EC Jory (resigned 30 June 2020)
Y El-Tawil (resigned 30 June 2020)
Z Ibrahim (resigned 30 June 2020)
E Ladley (resigned 30 June 2020)
TB McNeil
Dr KJ Reynolds (resigned 30 June 2020)
J Singh (resigned 30 June 2020)
DE Tittle (resigned 30 June 2020)
L Kennedy (appointed 1 July 2020)
R Amin (appointed 1 July 2020)
G Atherton (appointed 1 July 2020)
P Chapman (appointed 1 July 2020)
M Crilly (appointed 1 July 2020)
S Elmegri (appointed 1 July 2020)
E Fearon (appointed 1 July 2020)
H Gyebi-Ababio (appointed 1 July 2020)
C Hind (appointed 1 July 2020)
S Kerton (appointed 1 July 2020)
S Khan (appointed 1 July 2020)
R Ricketts (appointed 1 July 2020)
K Spark (appointed 1 July 2020)
A Wilson (appointed 1 July 2020)

Registered number

08015198

Registered office

Ian King House
Snape Road
Macclesfield
Cheshire
SK10 2NZ

Independent auditor

Crowe U.K. LLP
3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Bankers

The Co-operative Bank plc
Manchester
M2 4JG

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NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Introduction

The directors present their report and the financial statements for the year ended 30 June 2020.

Business review

The NUS Group comprises of 4 different entities:

National Union of Students UK ("the Union" or "NUS") is a company limited by guarantee and confederal association of students' unions, guilds, junior common rooms and representative councils of students, involved in post sixteen education and training in the United Kingdom. Its accounts are consolidated accounts as NUS Group accounts as the largest legal entity of the group.

NUS Services Limited ("Services") exists to develop and maximise income opportunities for the student movement and deliver a strong national infrastructure. This is carried out by the purchasing consortium, which drives better margins for members through negotiation of bulk discounts on a vast range of goods and services, handling billing and payments, as well as securing promotional offers and providing sales growth support.

Services delivers great benefit to the student movement through its revenue generating activities, almost all of which provide significantly greater levels of income to the participating Students' Unions along with cash for the rest of the NUS group.

Services recorded revenues of £4.1m which was a significant decrease from the prior year of £5.7m (following a restatement of the 2019 comparatives. Please see note 22 for more details). This reduction is due to the limitation of purchasing business by member Students' Unions from March 2020 onwards due to the coronavirus pandemic curtailing their on campus business activities. The loss of £0.9m includes a charge for the revaluation of the company's future pension deficit contributions, following the scheme's 2019 actuarial revaluation.

NUS Students' Union Charitable Services ('NUS Charitable Services' or 'the Charity') is constituted as a registered charity and a company limited by guarantee. The Charity is responsible for supporting the development of students' unions throughout the country to ensure they adequately serve their student membership. It is governed by its Articles of Association. The Charity's purpose is the promotion of students' unions for the benefit of the public including promoting the efficiency and effectiveness of students' unions and building the capacity of the students' union section by:

- Providing training, conferences and seminars on subjects relevant to the efficiency of students' unions;
- Identifying needs in students' unions and establishing projects or policies to address them;
- Providing services such as legal, accountancy and management advice services to students' unions; and
- Providing advice and information on fund-raising techniques appropriate for students' unions.

The Charity recorded income of £3.7m in the year and net income of £0.8m compared to net outgoings of £1.8m in the previous year. Total funds at 30 June 2020 stand at £782k, £200k of which are restricted.

The principal activity of **NUS Holdings Limited** ("Holdings") during the year was the ownership of property and provision of property management services. It is also the sole employer for the group.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Holdings recorded revenues of £2.8m in the year and a profit of £2.7m compared to a profit of £228k in the previous year.

Following the financial issues faced by the group in 2018/19, the 2019/20 year saw a continuation of the financial and operational reform programme to bring longer term stability to the group.

Further cost reduction measures were enacted in the year in preparation for the group being reorganised into two "shoulder to shoulder" organisations – NUS UK and NUS Charitable Services. As noted in the 2019 report the group's London building, Macadam House on Gray's Inn Road, Kings Cross, was sold 31 July 2019 for £9.35m, with the building having an asset value in the accounts of £7.0m.

VISION, MISSION AND VALUES

Vision

NUS UK is the student voice organisation and its aim is to re-build a **national student voice** powerful enough to be heard in today's world. We work to make change happen on the issues students care about and want to be different in education and our wider society. We deliver 3 things: **campaigns, election power, and participatory policy.**

NUS UK's work is focused on harnessing the collective power of students and students' unions to deliver a powerful national student voice, focusing on five priority campaigns

NUS Mission

NUS's mission is to promote, defend and extend the rights of students.

NUS Values

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

Equality

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

Democracy

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

Collectivism

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

PRINCIPAL ACTIVITIES

The primary aims and objectives of NUS are to:

- represent students of the United Kingdom locally, nationally and internationally;
- promote and maintain the educational, social, cultural and general interests of students;
- arrange services, goods, facilities and other benefits for members of the national union, for persons and organisations associated with the national union, and for other students and their organisations;
- promote the views of students on problems in the educational system as a whole;
- promote the interests of students in economic, social, youth and mature issues which have a direct effect

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

- on education or upon the status and welfare of students within society;
- promote the views of students upon those issues which have a direct bearing on the education or social rights of students of any country;
- maintain and promote co-operation with students and student organisations of other countries;
- discuss, comment and act upon current affairs which are of interest or importance to students;
- support causes which, in the opinion of the National Conference, merit the support of students in general;
- support prospective, current and past students in seeking gainful employment; and
- act as a channel of communication between members and external bodies.

The secondary objects of NUS are to:

- discuss, act upon and promote awareness of all of its primary objects in their full economic and social context;
- promote its primary objects as an organised student group and in liaison and cooperation with other organised groups in society; and
- do anything helpful to its primary objects.

OVERVIEW

Campaigns & Influencing

Despite a highly challenging year implementing the next phase of NUS's structural reorganisation, promoting student issues in a General Election and managing the response to the Covid19 pandemic, the organisation remained focussed on delivering its mission and vision for students. Some of the highlights included:

July 2019: a new NUS priority campaign was launched at the summer officer training event Lead and Change. A National Education Service will seek to provide life-long, accessible, fully funded education from cradle to grave. This work is being built upon in 2020/21.

September 2019: A nationwide Voter registration campaign is launched with The Electoral Commission in preparation for a possible General Election; NUS's Plan for Action 2019/20 is published to members. Created by NUS' 13 full time officers, taking into account member officer priority campaigns, policy, student concerns and member feedback, the plan identified 10 campaigns to remove the barriers to accessing and succeeding in education and society.

The new 16-17 year-old 'saver' railcard, a response to a long campaign by NUS, goes on sale offering financial savings for students who use it immediately and for many others in years to come.

October 2019: SNP members agree to abolish graduation fees at their party conference in Aberdeen. A NUS Scotland Plan for Action commitment, the campaign will save students potentially £225 each in fees.

NUS Officer Campaign accountability surgeries are launched to members.

November 2019: NUS launched its general election campaign information to members and its #WhenStudentsLead manifesto on the day political campaigning began. By 26 November over 2.6million young people had registered to vote.

NUS responded to the fire in Bolton University student accommodation, joining forces with the National Education Union, UCU and Fire Brigades Union to demand action.

UCU strikes began with NUS support for staff involved.

December 2019: Get the vote out activity #WhenStudentsVote began to encourage as many students and young people as possible to use their vote on 12 December. Half a million students used the NUS VoteSavvy app, helping them understand which party best aligned to them, and 43 per cent of students reported awareness of this campaign in the NUS Students' Opinion Survey.

The government confirmed it would be reintroducing bursaries for student nurses, a NUS general election manifesto ask and part of our Plan For Action 2019/20.

The OfS annual report cited various NUS work that has positively informed their approach, including the Poverty Commission, Muslim Students' Survey and Black Attainment Gap work with UUK

March 2020: Launched Education not Isolation campaign and met with Michel Barnier and leading EU officials to discuss the potential impact of Brexit on students.

Despite government lockdown ran NUS Scotland Conference online with new approach to policy discussions.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

April 2020: Delivered NUS National Conference online. Reports provided on Plan for Action 2019/20 along with video by officers and 8 policies, including an emergency coronavirus policy, were passed. A video report on the impact of NUS campaigns this year, prior to the coronavirus crisis, is available.

Launched Student Safety Net campaign to secure reassurances and support on accommodation, student income, examinations & completing the year of study, and supporting seriously affected groups including healthcare students, disabled students, and international students during and post the coronavirus crisis. Asked for a redo of the year, reimbursement of fees or a debt write off.

Ran NUS-USI Conference online with policy discussions.

May 2020: Continued to press government and authorities for support for students during the coronavirus crisis, achieving various funding promises from governments.

PRINCIPAL RISKS AND UNCERTAINTIES

All the organisations in the group take part in the wider NUS Group risk management processes to ensure consistency of management. As part of the annual business planning process, the major strategic and operational risks that NUS UK faces and the ways in which they are being monitored, managed and mitigated, were assessed by the Board and the Audit and Risk Committee.

The board has assessed the main risks facing the group as:

- the impact of the Covid19 pandemic on member Unions, and the activities of the NUS Group
- change in affiliation status of students' unions
- on-going changes in Higher Education,
- potential government spending cuts and their impact on student's unions,
- continued competition from both the high street and supermarkets resulting in continuing steady decline in licensed trade sales,
- together with the risk of certain students' unions ceasing to run their commercial services.

One of the main areas of risk facing NUS Group is the Student Union Superannuation Scheme ("SUSS"). NUS UK offered membership of SUSS, a defined benefit pension scheme, to all employees until 30 September 2011, at which point the scheme closed to future accrual.

The scheme is subject to a revaluation every three years with the last valuation being done in June 2019. The 2019 valuation recommended a monthly contribution requirement by each union, expressed in monetary terms, intended to clear the ongoing funding deficit over a period of 15 years, and will increase by at least 5% each year. This showed an increased funding deficit of around £140m shared between 69 employers. This represents an increase of c.£21m in the deficit in comparison to the 2016 valuation and will result in increased contributions from October 2020 onwards. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme.

These rates applied with effect from 1 October 2020 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2022. Surpluses or deficits which arise at future valuations will also impact on NUS' future contribution commitment. In addition to the above contributions, NUS also pays its share of the scheme's levy to the Pension Protection Fund. The impact of the re-valuation has impacted the finances by increasing the interest payable figure in the statement of income and the liabilities in the balance sheet. During the period the Company's contribution was £562,093 (£715,983 for the group). This is set to increase by 5% from 1 October 2020

Whilst the closure of the scheme to future accrual goes some way to mitigate the risk it does not eliminate it. The Company is required to make deficit contributions until June 2035, which at current rates represents a liability of £12.8million (£16.1m for the group). This is subject to fluctuations in fund performance, changes in apportionment methodology, the life expectancy of the individuals within the scheme and the results of the recent valuation.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

FINANCIAL KEY PERFORMANCE INDICATORS

The year saw a refocus on our two core themes of our financial strategy:

- Strengthening our financial performance
- Reducing the proportion that unions pay in affiliation fees

Strengthening our financial performance

To provide greater benefits to our members we have worked hard to increase the stability and sustainability of the organisation. Over the last year we have streamlined our operations in order to start to redress the deficit situation of prior years.

The reduction in operations has led to the decrease in turnover from £13.2m to £11.3m between 2019 and 2020.

Overall Performance

The consolidated accounts show a £148k loss for the year. This is after a £4.2m charge to the profit and loss account for the revaluation of the group's future deficit contributions to the Students' Union Superannuation Scheme following the scheme's 2019 actuarial revaluation. Excluding that item there is an effective operational profit of £4.05m, including the gain from the sale of Macadam House.

The overall net current asset position is £6.8m (2019: £3m net current liabilities). Movement in this figure was driven by a significant reduction in short term creditors compared to 2019, and a £5m increase in cash following the sale of Macadam House.

The net assets value was £5.6m (2019: £5.7m).

Diversifying our revenue streams

We have sought to address some of the pressures on our traditional income streams by securing external funds, generally grants, to deliver on projects that are focused on enhancing students' lives; from schemes on mental health, provision of students' associations and support for climate change activities.

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

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

Reducing the proportion of our revenue from affiliation fees

In the year affiliation fees represented 33% of our total income (2019: 30%). In recognition of the changing landscape of education and the increasing financial pressures on many students' unions from July 2020, the affiliation levy will be 2.5% of block grants, proving our commitment to reducing the proportion of our revenues from affiliation fees.

COVID 19 PANDEMIC

The Covid 19 pandemic has had a significant, immediate impact on the company's operations and, at the present time, it is not clear how long the current circumstances are likely to last and what the long term impact will be. The immediate impact of the pandemic was that University campuses closed in March 2020 and most member Unions trading activities ceased at that point for the remainder of the financial year. This initial

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

closedown impacted on revenues through NUS Services Limited through an immediate reduction in commercial purchasing activity by member Unions. At the commencement of the 2020/21 financial year, although campus trading operations have restarted, they have done so on a much reduced scale further impacting on the income the purchasing consortium can generate.

FUTURE DEVELOPMENTS

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

These proposals were passed at both NUS National Conference in April 2019 and at a Company Law meeting of NUS UK Members in May 2019.

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

The necessary due diligence took place during the 2019/20 financial year and as a result, governance arrangements have been clarified and changed with effect 1 July 2020. This included the transfer of assets from NUS Holdings in favour of NUS UK, including ownership of NUS' Edinburgh office property. In 2020/21 NUS UK will also be transferred shares in Endsleigh, further strengthening our financial position.

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

This year presents an unprecedented time of both challenge and opportunity to create change within England and across the UK. We'll focus our time and effort on two key priorities.

New Vision for Education

Aim: By July 2021, we will have changed the narrative on education within the student movement, so that 217k supporters and 123 students' unions are committed to a new vision for education and have shown this by engaging with action and content that uses our framing and language.

Strategy: Our vision for education is out of step with public and political opinion and education isn't a political priority. To win big we need to change the narrative. We'll identify the new frame and use a range of organising, mobilising and comms to win a measurable increase in support.

Decolonise Education

Aim: By July 2021 50 SUs will be part of a new decolonise network engaging with 50k supporters in local decolonise campaigns. This will result in the start of a national movement to tackle racism in education at the roots of its systemic causes.

Strategy: By shifting from an equality, diversity and inclusion (EDI) approach to a decolonise approach, we will re-centre Black students tackling educational racism at its roots. Through political education and capacity building we will build an empowered active local and nationally connected Decolonise Network across UK FE and HE.

These campaigns will run in all 4 Nations.

Campaigns methodology

To be heard in today's world, we need to shift our campaigning practice towards content-led engagement and

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

high levels of public visibility. We need to be focused on a small number of high impact issues that speak to the big challenges facing students today.

Focus Reach Power



Using research, data, democracy and context, we have identified the top change-making opportunities in the coming year. And we will focus the majority of our resources there in order to leverage big wins for students.

Vocal and Visible

Although we will focus in on the priorities outlined in this plan, there will be other matters we need to speak out on in order to effectively represent students.

For 2020-21 we will be vocal and visible in representing students on the following:

Climate Emergency – partnership SOS UK
Student Accommodation
International Student Experience
Reform the Gender Recognition Act
End the Mental Health Crisis
Violence, Harassment and Consent
End Prevent and Resist Securitisation
Excellent Apprenticeship (sitting in NUS Charity)

Post Balance Sheet Events

NUS Holdings is to be wound up with all assets and liabilities transferred to the other NUS entities. The date that this will take place has not yet been confirmed.

This report was approved by the board and signed on its behalf by:.

L Kennedy
Director
Date: 15/12/20

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Directors

The directors who served during the year were:

2019/20

Zamzam Ibrahim (resigned 30 June 2020) - Chair
Jo Binding (resigned 30 June 2020)
Eva Crossan Jory (resigned 30 June 2020)
Yousef El-Tawil (resigned 30 June 2020)
Eden Ladley (resigned 30 June 2020)
Thomas McNeil
Kate Reynolds (resigned 30 June 2020)
Jaspreet Singh (resigned 30 June 2020)
David Titley (resigned 30 June 2020)

2020/21

Larissa Kennedy (appointed 1 July 2020) - Chair
Rima Amin (appointed 1 July 2020)
Graeme Atherton (appointed 1 July 2020)
Paul Chapman (appointed 1 July 2020)
Matt Crilly (appointed 1 July 2020)
Salsabeel Elmegri (appointed 1 July 2020)
Ellen Fearon (appointed 1 July 2020)
Hillary Gyebi-Ababio (appointed 1 July 2020)
Charlie Hind (appointed 1 July 2020)
Sarah Kerton (appointed 1 July 2020)
Sara Khan (appointed 1 July 2020)
Thomas McNeill
Becky Ricketts (appointed 1 July 2020)
Kamilla Spark (appointed 1 July 2020)
Andrew Wilson (appointed 1 July 2020)

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £148,120 (2019 - loss £2,925,652).

Financial instruments

NUS UK does not hold any complex financial instruments. In previous years one of its subsidiaries entered into forward contracts for the purchase of US dollars to hedge against unfavourable movements between the time of order of the goods and delivery of the same. NUS UK does not, nor do its subsidiaries, undertake any speculative financial positions.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Disclosure of information to auditor

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

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

Going Concern Basis

The NUS group meets its day to day operational expenditure as a result of a number of income generating activities as mentioned in the Group Strategic Report.

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient facilities in place and that they comply with the terms and conditions of the bank facilities. In addition, the Board in formulating its plan and strategy for the future development of the business has considered a period beyond that for which formal budgets and forecasts are prepared. At its meeting in Spring 2020, the Board considered a three year financial forecast which modelled the possible impact of the pandemic on the group's activities up to June 2023. The model identified that there were two significant risks – Unions' ability to pay their membership contributions, and the level of on-campus trade impacted on the revenues generated through the purchasing consortium.

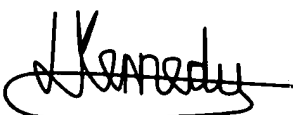
The Board took a view that of these risks, the impact on the purchasing consortium income would be the most significant, and would require further monitoring and adjustments to the business model during 2020/21. An update on the financial model will be considered at each Board meeting during 2020/21 in order for further mitigating action to be taken to maintain the overall financial strategy of the group.

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

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



L Kennedy
Director

Date: 15/12/20

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL UNION OF STUDENTS
(UNITED KINGDOM)**

Opinion

We have audited the financial statements of NATIONAL UNION OF STUDENTS (UNITED KINGDOM) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2020, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2020 and of the Group's loss 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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 directors 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.

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL UNION OF STUDENTS
(UNITED KINGDOM) (CONTINUED)**

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.

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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 8, the directors 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 directors 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 directors are responsible for assessing the Group's and the parent 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL UNION OF STUDENTS
(UNITED KINGDOM) (CONTINUED)**

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's shareholders in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders for our audit work, for this report, or for the opinions we have formed.



Michael Jayson (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Senior Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT
Date: 17 December 2020

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £	As restated 2019 £
Turnover	4	11,271,550	13,247,262
Cost of sales		(4,275,667)	(7,028,359)
Gross profit		6,995,883	6,218,903
Administrative expenses		(10,339,667)	(6,515,811)
Exceptional administrative expenses		2,533,512	(1,218,361)
Fair value movements		-	(16,570)
Operating loss	5	(810,272)	(1,531,839)
Income from participating interests		-	(24,441)
Income from fixed assets investments		792,429	795,175
Amounts written off investments	17	-	(2,000,000)
Interest receivable and similar income	10	20,856	28,687
Interest payable and expenses	11	(171,000)	(235,268)
Loss before taxation		(167,987)	(2,967,686)
Tax on loss	12	19,866	42,034
Loss for the financial year		(148,121)	(2,925,652)
(Loss) for the year attributable to:			
Non-controlling interests		(114,091)	-
Owners of the parent Company		(34,030)	(2,925,652)
		(148,121)	(2,925,652)

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 22 to 46 form part of these financial statements.

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)

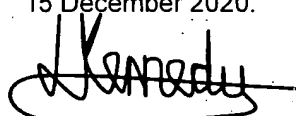
(A company limited by guarantee)

REGISTERED NUMBER: 08015198

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	15	193,433	39,647
Tangible assets	16	711,975	7,234,817
Investments	17	13,207,144	13,207,144
		14,112,552	20,481,608
Current assets			
Debtors: amounts falling due within one year	18	2,871,356	3,164,580
Current asset investments	19	1,527	1,526
Cash at bank and in hand	20	7,028,178	1,975,652
		9,901,061	5,141,758
Creditors: amounts falling due within one year	21	(3,052,723)	(8,168,878)
Net current assets/(liabilities)		6,848,338	(3,027,120)
Total assets less current liabilities		20,960,890	17,454,488
Creditors: amounts falling due after more than one year	22	(15,368,568)	(11,714,046)
Net assets		5,592,322	5,740,442
Capital and reserves			
Profit and loss account		5,684,434	5,718,464
Equity attributable to owners of the parent Company		5,684,434	5,718,464
Non-controlling interests		(92,112)	21,978
		5,592,322	5,740,442

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 December 2020.



L Kennedy
Director

The notes on pages 22 to 46 form part of these financial statements.

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)

(A company limited by guarantee)

REGISTERED NUMBER: 08015198

**COMPANY BALANCE SHEET
AS AT 30 JUNE 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	436,100	-
Investments	17	13,327,146	13,327,146
		<u>13,763,246</u>	<u>13,327,146</u>
Current assets			
Debtors: amounts falling due within one year	18	702,992	519,060
Cash at bank and in hand	20	339,939	126,253
		<u>1,042,931</u>	<u>645,313</u>
Creditors: amounts falling due within one year	21	(2,571,095)	(2,091,998)
Net current liabilities		<u>(1,528,164)</u>	<u>(1,446,685)</u>
Total assets less current liabilities		<u>12,235,082</u>	<u>11,880,461</u>
Creditors: amounts falling due after more than one year	22	(12,350,023)	(9,196,284)
Net (liabilities)/assets		<u><u>(114,941)</u></u>	<u><u>2,684,177</u></u>
Capital and reserves			
Profit and loss account		(114,941)	2,684,177
		<u><u>(114,941)</u></u>	<u><u>2,684,177</u></u>

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

L Kennedy
Director

Date: 15/12/20

The notes on pages 22 to 46 form part of these financial statements.

The loss for the financial year dealt with in the financial statements of the parent company £2,799,118 (2019 - profit of £260,281).

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£
At 1 July 2018 (as previously stated)	8,834,200	8,834,200	23,838	8,858,038
Prior year adjustment	(190,084)	(190,084)	-	(190,084)
At 1 July 2018 (as restated)	8,644,116	8,644,116	23,838	8,667,954
Comprehensive income for the year				
Loss for the year	(2,925,652)	(2,925,652)	-	(2,925,652)
Total comprehensive income for the year	(2,925,652)	(2,925,652)	-	(2,925,652)
Purchase of minority interests	-	-	(1,860)	(1,860)
At 1 July 2019 (as previously stated)	5,983,548	5,983,548	21,978	6,005,526
Prior year adjustment	(265,084)	(265,084)	-	(265,084)
At 1 July 2019 (as restated)	5,718,464	5,718,464	21,978	5,740,442
Comprehensive income for the year				
Loss for the year	(34,030)	(34,030)	-	(34,030)
Total comprehensive income for the year	(34,030)	(34,030)	-	(34,030)
Minority interests	-	-	(114,090)	(114,090)
Total transactions with owners	-	-	(114,090)	(114,090)
At 30 June 2020	5,684,434	5,684,434	(92,112)	5,592,322

The notes on pages 22 to 46 form part of these financial statements.

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

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Profit and loss account £	Total equity £
At 1 July 2018	2,423,895	2,423,895
Comprehensive income for the year		
Profit for the year	260,282	260,282
	<u>260,282</u>	<u>260,282</u>
Total comprehensive income for the year		
At 1 July 2019	2,684,177	2,684,177
Comprehensive income for the year		
Loss for the year	(2,799,118)	(2,799,118)
	<u>(2,799,118)</u>	<u>(2,799,118)</u>
Total comprehensive income for the year		
At 30 June 2020	<u>(114,941)</u>	<u>(114,941)</u>

The notes on pages 22 to 46 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	As restated 2019 £
Cash flows from operating activities		
Loss for the financial year	(148,121)	(2,925,652)
Adjustments for:		
Amortisation of intangible assets	19,267	17,472
Depreciation of tangible assets	191,592	482,439
Impairments of fixed assets	-	2,000,000
(Profit)/Loss on disposal of tangible assets	(2,785,161)	141,761
Interest paid	171,000	235,268
Interest received	(20,856)	(823,862)
Taxation charge	(19,866)	(42,034)
Decrease in debtors	459,209	943,975
Decrease/(increase) in amounts owed by joint ventures	9,028	(9,028)
Increase/(decrease) in creditors	698,654	(3,244,197)
(Decrease)/increase in amounts owed to joint ventures	(611,489)	611,489
Net fair value losses recognised in P&L	-	16,570
Net cash generated from operating activities	(2,036,743)	(2,595,799)
Cash flows from investing activities		
Purchase of intangible fixed assets	(173,053)	-
Purchase of tangible fixed assets	(436,100)	(57,985)
Sale of tangible fixed assets	9,552,509	-
New loans to associates	-	(1,025,000)
Sale of listed investments	-	510,358
Interest received	20,856	28,687
Dividends received	-	795,175
Net cash from investing activities	8,964,212	251,235
Cash flows from financing activities		
Repayment of loans	(1,627,185)	(148,764)
Interest paid	(171,000)	(235,268)
Purchase of shares from non controlling interests	-	(1,860)
Net cash used in financing activities	(1,798,185)	(385,892)
Net increase/(decrease) in cash and cash equivalents	5,129,284	(2,730,456)
Cash and cash equivalents at beginning of year	1,898,894	4,629,350

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

	2020	<i>As restated</i>
	£	2019
		£
Cash and cash equivalents at the end of year	7,028,178	1,898,894
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,028,178	1,975,652
Bank overdrafts	-	(76,758)
	7,028,178	1,898,894

The notes on pages 22 to 46 form part of these financial statements.

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

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2020**

	At 1 July 2019 £	Cash flows £	At 30 June 2020 £
Cash at bank and in hand	1,975,652	5,052,526	7,028,178
Bank overdrafts	(76,758)	76,758	-
Debt due within 1 year	(1,681,712)	1,681,712	-
	<u>217,182</u>	<u>6,810,996</u>	<u>7,028,178</u>

The notes on pages 22 to 46 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.3 Going concern

The NUS Group meets its day to day operational expenditure as a result of a number of income-generating activities as mentioned in the Group Strategic Report. One of these is the sale of discount cards to students.

Whilst the Group remains solvent, due to its strong asset base, the directors have concluded that this fall in revenue, and resultant liquid working capital, represents a material uncertainty that the Group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Following a strategic review, the directors have decided on a course of action to address this, namely to:

- a) review the organisational structure with a view to reducing the number of paid roles; and
- b) to look to obtain funding via its fixed assets.

As a result of the above, and after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Covid-19 pandemic has not had a significant immediate impact on the organisations work but the directors are aware that as the situation continues, this will affect work and income going into the 2020/21 financial year.

The principal issues being that the key areas of income are from affiliation fees and trading support. Affiliation fee income is received from students' unions and is based on their block grant. Due to the uncertainty around student numbers for further and higher education institutions, this may impact their block grants and as a result income from this source may reduce. The added uncertainty around when students will begin on-campus learning further impacts those unions that have commercial trading. Current expectations are that there may only be a return to campuses from January 2021 and even then, there may still be social distancing measures in place. Any physical return sooner than that has a higher probability of social distancing measures impact on unions' ability to operate trading activities. This impact for the commercial activities within unions has a direct effect on the income we receive from the trading support function and this is considered our biggest risk to income.

In light of the impact that Covid-19 may have on affiliation fee income and trading support income, the directors have carried out further financial modelling based on a reduction of income in both of these areas, considered reductions in 10% increments. The outcome of the modelling is that the organization has sufficient reserves to continue to be a going concern for the 20/21 financial year even if there were considerable reductions in both these sources of income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Membership income is recognised rateably over the period to which it relates.

Income from the sale of single-year NUS Extra cards is recognised at the point of sale, not over the period of the card, as there are no subsequent direct costs to the Union of providing the card. Income from the sale of multi-year cards is deferred and recognised during the future periods.

Commission income is recognised on a monthly basis once it has been confirmed as being due.

Contract income and revenue grants are recognised as income in the period in which the performance criteria are met. Deferred income is classified as "Creditors amounts falling due within one year" and includes contract and grant income received in advance. These contracts and grants represent funds that have been received for specific purposes and are potentially refundable if the conditions of the contract or grant are not satisfied. Contract and grant income received in the year but which remains unspent at the year end is, with the agreement of the funder, carried over into the following year.

2.5 Intangible assets

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5 years
Goodwill	-	5 years
Negative goodwill	-	1 - 3.5 years apportioned between relevant assets

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Computer equipment & furniture	- 20%-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.15 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

NATIONAL UNION OF STUDENTS (UNITED KINGDOM)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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.

(a) Critical judgments in applying the Company's accounting policies

(i) Multi-employer defined benefit pension scheme

The Group participated in the Student Union Superannuation Scheme, a multi-employer defined benefit pension scheme with other Student Union organisations. In the judgment of the directors, the Group does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 29 for further details.

(b) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Measurement of multi-employer pension liability

The Group must measure its defined benefit obligation on a discounted present value basis. The Group must determine the rate used to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated period of the future payments.

(ii) Impairment of investment in subsidiaries

The Group considers whether its investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

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4. Turnover

All turnover arose within the United Kingdom.

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
NUS Extra	1,058,850	2,490,366
Membership income	4,173,196	4,065,770
Charitable activities	2,371,767	2,119,209
Trading support and business development	3,110,885	3,546,778
Rental and service charge income	46,421	241,555
Commissions	500,000	500,000
Other	104,927	358,584
	<u>11,366,046</u>	<u>13,322,262</u>

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	(8,789)	(4,491)
Other operating lease rentals	-	115,814
	<u>-</u>	<u>111,325</u>

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6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	9,550	9,300
	<u>9,550</u>	<u>9,300</u>
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	17,050	21,300
Other services relating to taxation	5,100	5,545
All other services	9,500	7,150
	<u>31,650</u>	<u>33,995</u>

7. Employees

Staff costs were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	3,315,111	5,729,689	972,407	1,581,509
Social security costs	319,642	505,921	94,214	143,514
	<u>3,841,693</u>	<u>6,521,494</u>	<u>1,114,047</u>	<u>1,804,375</u>

Key management personnel remuneration

During the year the key management of the Group received remuneration totalling £484,990 (2019 - £408,563).

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

	2020 No.	2019 No.
Office and Administration	<u>111</u>	<u>174</u>

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL)

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Salary bandings

During the year the number of employees across the Group, including the directors, were paid in the following salary ranges:

	2020 No.	2019 No.
£0 - £10,000	3	1
£10,001 - £20,000	14	7
£20,001 - £30,000	49	74
£30,001 - £40,000	28	69
£40,001 - £50,000	8	11
£50,001 - £60,000	3	4
£60,001 - £70,000	2	2
£70,001 - £80,000	3	5
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

Our remuneration policy is based on the principles of aligning remuneration outcomes with our strategy, and of encouraging employees to adhere to our values, while achieving simplicity and transparency in the design and communication of remuneration arrangements.

8. Directors' remuneration

The salary of the highest paid director of NUS UK during the year was £29,145 (2019 £29,772) inclusive of inner London weighting. None of the directors were members of the SUSS. The directors of NUS are not the executives of NUS.

9. Income from investments

	2020 £	2019 £
Dividends received from unlisted investments	792,429	795,175
	<u>792,429</u>	<u>795,175</u>

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10. Interest receivable

	2020 £	2019 £
Other interest receivable	20,856	28,687

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	1,774	59,086
Mortgage interest payable	-	54,880
Unwinding and change of discount rate on pension liabilities	169,226	121,302
	171,000	235,268

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	42,643	-
Adjustments in respect of previous periods	112,502	(80,535)
Total current tax	155,145	(80,535)
Deferred tax		
Origination and reversal of timing differences	(315,939)	38,501
Adjustment in respect of prior periods	181,002	-
Effect of tax rate change on opening balance	(40,074)	-
Total deferred tax	(175,011)	38,501
Taxation on loss on ordinary activities	(19,866)	(42,034)

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12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	(167,987)	(2,967,686)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(31,918)	(563,860)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	4,750	45,228
Expenses not deductible for tax purposes	454,018	51,871
Adjust opening deferred tax to average rate of 19%	(235,845)	-
Short term timing difference leading to an increase (decrease) in taxation	-	68,319
Non-taxable income less expenses not deductible for tax purposes	(774,841)	177,125
Adjustment in relation to previous periods	293,504	(80,535)
Group relief	-	(549)
Expenditure not deducted	-	14,772
Fixed asset differences	(432,564)	(40,559)
Deferred tax not recognised	747,479	271,904
Other adjustments	(44,449)	14,250
Total tax charge for the year	(19,866)	(42,034)

Factors that may affect future tax charges

Across the Group there are tax losses to carry forward against future trading profits totalling £NIL (2019 - £NIL). A deferred tax asset has not been recognised as explained in note 27 due to the uncertainty over the timing of taxable profits in the future.

13. Exceptional items

	2020 £	2019 £
Restructuring costs	251,647	1,218,361
Sale of building	(2,785,159)	-

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14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £2,799,118 (2019 - profit £260,282).

15. Intangible assets

Group and Company

	Development expenditure £	Goodwill £	Negative goodwill £	Total £
Cost				
At 1 July 2019	69,886	274,349	(416,015)	(71,780)
Additions	173,053	-	-	173,053
At 30 June 2020	242,939	274,349	(416,015)	101,273
Amortisation				
At 1 July 2019	30,239	274,349	(416,015)	(111,427)
Charge for the year on owned assets	19,267	-	-	19,267
At 30 June 2020	49,506	274,349	(416,015)	(92,160)
Net book value				
At 30 June 2020	193,433	-	-	193,433
At 30 June 2019	39,647	-	-	39,647

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16. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2019	7,970,420	190,825	515,970	8,677,215
Additions	436,100	-	-	436,100
Disposals	(7,728,044)	(136,605)	(515,970)	(8,380,619)
At 30 June 2020	678,476	54,220	-	732,696
Depreciation				
At 1 July 2019	1,072,792	114,206	255,400	1,442,398
Charge for the year on owned assets	56,555	20,200	116,113	192,868
Disposals	(1,108,626)	(134,406)	(371,513)	(1,614,545)
At 30 June 2020	20,721	-	-	20,721
Net book value				
At 30 June 2020	657,755	54,220	-	711,975
At 30 June 2019	6,897,628	76,619	260,570	7,234,817

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	657,755	6,897,628
	<u>657,755</u>	<u>6,897,628</u>

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16. Tangible fixed assets (continued)

Company

	Freehold property £
Cost or valuation	
Additions	436,100
At 30 June 2020	<u>436,100</u>
Net book value	
At 30 June 2020	<u>436,100</u>
At 30 June 2019	<u>-</u>

17. Fixed asset investments

Group

	Unlisted investments £
Cost or valuation	
At 1 July 2019	13,207,144
At 30 June 2020	<u>13,207,144</u>
Net book value	
At 30 June 2020	<u>13,207,144</u>
At 30 June 2019	<u>13,207,144</u>

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17. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 July 2019	120,002	13,207,144	13,327,146
At 30 June 2020	120,002	13,207,144	13,327,146
Net book value			
At 30 June 2020	120,002	13,207,144	13,327,146
At 30 June 2019	120,002	13,207,144	13,327,146

Unlisted investments consists of preference shares which are legally held in nominee for NUS Holdings Limited by NUS UK. The shares will be legally transferred to NUS UK post year end. The preference shares held have been treated as a debt instrument for the purposes of the financial statements and are are therefore held on an amortised cost basis.

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Class of shares	Holding
NUS Holdings Limited	Ordinary	100%
NUS Students' Union Charitable Services	n/a	

The aggregate of the share capital and reserves as at 30 June 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name

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17. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding
Epona Limited	Ordinary	100.0%
NUS Services Ltd	Ordinary A	94.1%
NUS Services Ltd	Ordinary B	96.8%
NUS Media Limited	Ordinary	100.0%

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18. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	1,375,629	1,288,289	27,912	44,053
Amounts owed by group undertakings	-	-	28,752	510
Amounts owed by joint ventures and associated undertakings	-	9,028	-	-
Other debtors	200,895	377,714	194,746	49,239
Prepayments and accrued income	598,188	967,917	451,582	425,258
Deferred taxation	696,644	521,632	-	-
	2,871,356	3,164,580	702,992	519,060

19. Current asset investments

	Group 2020 £	Group 2019 £
Unlisted investments	1,527	1,526
	1,527	1,526

20. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	7,028,178	1,975,652	339,939	126,253
Less: bank overdrafts	-	(76,758)	-	-
	7,028,178	1,898,894	339,939	126,253

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21. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	-	76,758	-	-
Bank loans	-	1,627,185	-	-
Payments received on account	395,129	1,317,553	-	-
Trade creditors	396,260	840,687	39,244	33,124
Amounts owed to group undertakings	-	-	1,839,224	2,011,948
Amounts owed to joint ventures	-	611,489	-	-
Corporation tax	155,145	-	42,034	-
Other taxation and social security	328,058	442,423	-	-
Other creditors	98,083	368,717	-	-
Accruals and deferred income	1,680,048	2,884,066	650,593	46,926
	3,052,723	8,168,878	2,571,095	2,091,998

Payments received on account represent amounts held for redistribution to members of the purchasing consortium for retrospective volume related payments.

22. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Defined benefit pension liability	15,368,568	11,714,046	12,350,023	9,196,284
	15,368,568	11,714,046	12,350,023	9,196,284

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23. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at fair value through profit or loss	13,208,673	13,208,671	13,207,144	13,207,144
Financial assets that are debt instruments measured at amortised cost	1,576,524	1,511,787	222,658	93,802
	<u>14,785,197</u>	<u>14,720,458</u>	<u>13,429,802</u>	<u>13,300,946</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(17,633,293)	(19,175,417)	(14,879,084)	(11,288,282)

Financial assets measured at fair value through profit or loss comprise listed investments whose market value can be reliably determined.

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, obligations under finance lease or hire purchase, other creditors and accruals.

24. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	521,632	560,133
Charged to profit or loss	175,012	(38,501)
At end of year	<u>696,644</u>	<u>521,632</u>

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24. Deferred taxation (continued)

	Group 2020 £	<i>Group 2019 £</i>
Accelerated capital allowances	74,974	87,748
Pension surplus	-	428,019
Short term timing differences	621,670	5,865
	<u>696,644</u>	<u>521,632</u>

25. Company status

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

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26. Pension commitments

Defined contribution scheme

The Group participates in a defined contribution pension scheme where the Group contributes either 3% or 6% of salary depending upon each member's level of contribution.

The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £713,108 (2019 - £679,154). Contributions totalling £NIL (2019 - £NIL) were payable to the fund at the balance sheet date.

Multi-employer pension scheme

NUS UK offered membership of Student Union Superannuation Scheme ("SUSS"), a defined benefit pension scheme, to all employees until 30 September 2011, at which point the scheme closed to future accrual.

The scheme is subject to a revaluation every three years with the last valuation being performed in June 2016. The 2016 valuation recommended a monthly contribution requirement by each 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. This showed an increased funding deficit of around £120m shared between 69 employers.

This represents an increase of c£47m in the deficit in comparison to the 2013 valuation and resulted in increased contributions from October 2017 onwards. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme.

During the year the Group was made aware of a possible increase in SUSS's pension deficit. This will not impact the Group until a revised deficit funding contribution schedule has been agreed, which will be following the next triennial valuation of the scheme.

Under FRS102 the multi-employer pension liability has been calculated based on the assumptions of the above expected deficit payments using a discount rate of 1.5% (2019 - 2.2%):

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27. Commitments under operating leases

At 30 June 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>
Not later than 1 year	90,900	100,767
Later than 1 year and not later than 5 years	251,200	340,300
	342,100	441,067
	Group 2020 £	<i>Group 2019 £</i>
Not later than 1 year	-	26,987
Later than 1 year and not later than 5 years	-	107,948
Later than 5 years	-	101,201
	-	236,136

28. Prior year adjustment

It has been identified in NUS Services Limited that income was incorrectly recognised as a reduction within 'payments on account' rather than being recognised in the profit and loss account as a reduction in income leading to the overstatement of profits and understatement of creditors at 30 June 2019 of £265,084 and overstatement of the profit and loss account for the year to 30 June 2019 of £75,000.

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29. Related party transactions

The parent company of the Group holds an investment in Endsleigh Limited. There is no deemed significant influence or control.

Transactions with Endsleigh

During the year the group earned commission income amounting to £500,000 (2019 - £500,000). The amounts outstanding from Endsleigh Limited at the balance sheet date were £396,000 (2019 - 396,000), disclosed as accrued income. In addition, dividend income from the investment in Endsleigh totalled £792,429 (2019 - £792,495).

Insurance covering the Group's activities was purchased through Endsleigh Insurance. Total expenditure in the period was £64,061 (2019 - £79,746) and no balance existed at the balance sheet date.

OneVoice Digital Limited

NUS Services owns 20% of the share capital of OneVoice Digital Limited.

In 2018, NUS Services entered into a £2m Loan Facility agreement to OneVoice. As at June 2019 it was assessed by management that the Loan Facility agreement was irrecoverable and a full impairment of £2m was recognised in the year to 30 June 2019. This is still the case in the year ended 30 June 2020.

30. Post balance sheet events

NUS Holdings is to be wound up with all assets and liabilities transferred to the other NUS entities. The date that this will take place has not yet been confirmed.