

Company Number: 08015198

National Union of Students (United Kingdom)

(A Company Limited by Guarantee)

Annual Report and Financial Statements

for the year ended 30 June 2021



National Union of Students (United Kingdom)

Contents

	Page
Company Information	3
Strategic Report	4
Directors' Report.....	13
Director's Responsibilities Statement	14
Independent Auditor's Report on the Financial Statements	15
Consolidated Statement of Comprehensive Income	19
Company Statement of Comprehensive Income.....	20
Consolidated Balance Sheet.....	21
Company Balance Sheet	22
Consolidated Statement of Changes in Equity.....	23
Company Statement of Changes in Equity	24
Consolidated Statement of Cash Flows	25
Notes to the Financial Statements	26

National Union of Students (United Kingdom)

Company Information

Directors

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)
A Wilson	(appointed 1 July 2020)
S Rose	(appointed 1 July 2021)

Company secretary

Counterculture Partnership LLP

Company number

08015198

Registered office

Ian King House
Snape Road
Macclesfield
Cheshire
SK10 2NZ

Independent Auditor

Garbutt & Elliott Audit Limited
Triune Court
Monks Cross Drive
York
YO32 9GZ

Bankers

The Co-operative bank plc
Manchester
M2 4JG

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

Introduction

The directors present their report and the financial statements for the year ended 30 June 2021.

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 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 £1.16m in the year and a net deficit of £425k compared to net income of £845k in the previous year. Total funds at 30 June 2021 stand £356k, £14k of which are restricted. The Charity is set to receive a gift aid payment from NUS Services Limited of £505k during 2021/22.

NUS Services Limited ("Services") is a subsidiary company of the Charity. 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 £1.4m which was a decrease from the prior year's income of £4.1m. This reduction is due to the limitation of purchasing business by member Students' Unions across the financial year due to the coronavirus pandemic curtailing their on campus business activities. The surplus of £5.7m includes exceptional income items relating to the restructuring of NUS Holdings' assets and the payment of a cash dividend and a dividend in specie to NUS Services by that entity.

NUS Holdings Limited ("Holdings") was a largely dormant organisation during the 2019/20 financial year. The Directors of the company approved two cash dividends and one dividend in specie during the financial year. The company's ownership was transferred from NUS UK to NUS Services Limited in June 2021.

Holdings recorded revenues of £0 in the year and a loss of £1.1k compared to a profit of £2.6m in the previous year.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

Following the financial issues faced by the group in 2018/19, and the reorganisation process undertaken in 2019/20, the 2020/21 financial year was the first year of the new operating structure and environment for the various entities. In June 2020, the group was reorganised around two "shoulder to shoulder" organisations – NUS UK and NUS Charitable Services with NUS Services becoming the trading subsidiary of the Charity and Holdings becoming an all but dormant company, owned by NUS Services.

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:

- To represent students and apprentices of the United Kingdom locally, nationally and internationally
- To promote and maintain the educational, social, cultural and general interests of students;
- To arrange services, goods, facilities and other benefits for members of NUS, for persons and organisations associated with NUS, and for other students and their organisations;
- To promote the views of students on problems in the educational system as a whole;
- To promote the interests of students in economic, social, youth and mature issues which have a direct effect on education or upon the status and welfare of students within society;
- To promote the views of students upon those issues which have a direct bearing on the education and social rights of students of any country;
- To maintain and promote co-operation with students and student organisations of other countries;
- To discuss, comment and act upon current affairs which are of interest or importance to students;
- To support causes which, in the opinion of the UK Conference, merit the support of students in general;
- To support prospective, current and past students in seeking gainful employment; and
- To act as a channel of communication between members and external bodies.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

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

In the year 2020-21 our top priority was to protect students through the Covid19 pandemic. In total we won various campaigns across England, Wales, Scotland and Northern Ireland that amount to a minimum of **£815m directly back into students pockets**. This money was critical in helping students get through this year and be able to afford the basics to study: accommodation, equipment to study from home, food and utility bills, and access to urgent mental health support. Our campaigns all ran under the banner of 'Students Deserve Better' which gained widespread reach and recognition across the student body and general public and activated **70k official supporters**. Our **press activity** reached unprecedented levels ensuring the student voice reached millions every month.

In addition to 'Students Deserve Better', we also campaigned on other urgent matters. We launched a new campaign to Decolonise Education across the UK, we won significant commitments in Senedd elections in Wales and the Scottish Parliament elections. We won specific student commitments in brand new national mental health strategies in Wales and Northern Ireland. We also invested in our new campaigning methodology and digital infrastructure and developed staff skills through training.

Some of the highlights included:

June 2020: Government enables universities to use WP funding to boost hardship funds in England in recognition of the challenges students are facing

July 2020: After several years of work by NUS, the Mayor of London's "London Plan" comes into force with new regulations on PBSA mandating that all private sector PBSA must have a formal nominations agreement with a university and at least 35% of all bed spaces must be affordable – as defined by NUS.

Campaigning led by NUS secures £563 million in rent refunds and waivers for students who left their PBSA early due to coronavirus – and Scotland achieves legislative change allowing all students to give notice to leave their tenancies early.

The Government announces it will extend the new post-study work visas which NUS and others have been campaigning on to three years for doctorate students.

August 2020: With the U-turn around exam results we got significant media coverage with a reach of 24.5 million, up 264% on the previous year. Over 18,500 students signed our A Level petition. NUS Scotland secures additional £5 million from the Scottish Government for colleges and universities to support digital inclusion.

September 2020: the Scottish Government published its Programme for Government 2020-21. Included was a commitment to conduct a review of Purpose-Built Student Accommodation – a win secured following NUS Scotland advocacy.

October 2020: NUS Wales secured £10 million investment for student wellbeing in Wales - £50k to every SU in Wales and £5 million student hardship as part of £10 million package to support student mental health and wellbeing through pandemic in Wales. Launched Decolonise Education campaign with over 1000 people joining the Insta Live.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

November 2020: NUS launched our new campaign hub websites created by OneVoice. Wales was the first nation to cancel A-level and GCSE exams entirely following consultation with NUS Wales. Organised 15 Students Deserve Better Townhall events across the UK around International Day of the Student.

December 2020: NUS UK secured £20m hardship funding for students. We secured plans to get students home for Christmas and return to campus in the new year. NUS Wales hosted a joint Q&A for students live on social media with the Education Minister that was watched by 5,800 people. We had 35 questions submitted from a range of students in HE, FE and apprentices. NUS Scotland secures £750,000 from the Scottish Government for Student Associations to support them in delivering welfare support to students.

January 2021: NUS Wales secured an additional £40 million funding for student hardship and student mental health support (on top of £27m and £10m already released), with a focus on support for students in the private rented sector.

NUS UK, 70 SUs to submit evidence to APPG for Students inquiry on students and covid, the largest number we've seen submitted. Securing a high number of campaign demands around hardship, rent rebates and no detriment in the APPG's recommendations.

NUS Scotland's budget campaign saw 2,772 emails sent to Scotland's parliamentarians, from 351 individuals. Secured BTEC and vocational exams cancelled. With 100 days until polling day, NUS Wales launches its Senedd election manifesto – Education for a Fairer Wales – calling for the next Welsh Government to commit to a student mental health strategy. Decolonise Education launch their mixed media library with 65 resources and 30 supporters involved in the design.

February 2021: Won £50 million pounds for Student hardship in England. The government announced proposals around free speech and plans to appoint a Free Speech Champion. We built on our work with the sector and the Shadow Education team to respond effectively in the press, alongside advocacy with OfS and the government to ensure that our concerns are addressed, including a roundtable for members and the Universities Minister on the issue. Ran a week-long press partnership with Refinery29 and Vice around the Students Deserve Better campaign.

NUS-USI lead 55 student leaders across NI in an Open Letter to the First and Deputy First Minister and Minister for the Economy calling for urgent financial support for students. Secured £37.7 million support package for students in NI, including a £500 Covid Disruption grant for all full-time students. Launched campaign to extend the grant to those in further education, part-time and international students.

The Scottish Government announced an additional £4.4 million to provide mental health and wellbeing services to students and staff dealing with the impacts of the pandemic. This followed a Colleges Scotland bid, which was endorsed by NUS Scotland's mental health project Think Positive earlier in the year.

March 2021: An extra £15 million for student hardship in England. Organised a joint event with NEU on the experiences of student teachers during the pandemic, with 5000 attendees.

NUS Scotland published its 2021 Scottish Parliament elections manifesto, *A Student Guarantee*. The Scottish Government announced support for full-time HE students who are impacted by extensions to their courses or unable to complete their placements. These students will be eligible for a one-off payment for an additional period of students of up to 16 weeks receiving between £400 - £1600 following advocacy by NUS Scotland. The Scottish Funding Council also confirmed that full-time Further Education students will continue to receive their standard bursary support for any extended study until the course date ends.

Supporting Students Motion passed in Northern Ireland Assembly to extend the grant following the NUS-USI campaign.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

Irish Government announced it would fund access to the Erasmus programme for NI students following work from NUS-USI with the Union of Students in Ireland. The Welsh Government announced a Wales-specific replacement for Erasmus+ which fills the gaps in the Turing scheme, following NUS Wales pressure and consultation.

NUS Wales and NUS Scotland conferences took place online.

NUS Wales secured a cross-sector working group to formulate a post-16 student mental health strategy for Wales that will be presented to the Welsh Government. The group will be co-chaired by Becky and include representation from SUs and the NSoA.

April 2021: National, Liberation and NUS-USI Conference took place online. Students Deserve Better hosted a digital rally during national conference with MPs and student activist speakers. NUS Scotland held the Big Student Election Debate, with Scotland's five main political parties represented, including the leaders of the SNP, the Labour Party and the Conservatives. The debate was viewed over 12,000 times.

May 2021: Ran the Decolonisers Festival with 260 supporters registered followed by the Decolonisers Programme supporting 5 campaigns, 2 in Scotland and 1 in FE. Every college in Wales received and used NUS Wales' register to vote and get out the vote toolkit for 16 and 17-year-olds, who could vote in Wales for the first time.

June 2021: NUS-USI secured an action point specifically on students in the 10-year Mental Health Strategy. Following an NUS Scotland campaign on summer support, the Scottish Government confirms £20 million of new discretionary funding and a review of summer support. This new funding takes total support secured for students during the pandemic to £96 million.

NUS Wales commissioned Shelter Cymru to undertake a major piece of research into student housing in Wales, which will form the basis of campaign work for 2021-22.

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 held 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 increasing 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 resulted in increased contributions from October 2020 onwards. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

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 £587,852 (£748,811 for the group). This is set to increase by 21.4% from 1 October 2021.

Whilst the closure of the scheme to future accrual goes some way to mitigate the risk it does not eliminate it. The Company is required to make deficit contributions until June 2035, which at current rates represents a liability of £12.6million (£15.6m 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.

Financial Key Performance Indicators

The year saw the organisation pursue a new financial strategy:

- Cover the SUSS pension deficit payments and deliver a group surplus of at least £350k each year, equally split between NUS and the Charity
- Rebuild £3.5m in unrestricted cash reserves within 10 years;
- Reinvest cash reserves in a long-term asset when re-built.

In addition, due to the pandemic, the board approved three further financial priorities:

- No member should be forced to leave NUS through an inability to pay its membership contributions in the 2020/21 financial year;
- That the organisation should ensure reserves remain at least at a level which means it can meet its pension liabilities (in both NUS and the Charity);
- That future growth in fixed costs should not be contemplated until the reserves have been built back up to the level held at the end of the 2019/20 financial year (minus any agreed utilisation), unless those fixed costs are fully funded from external sources.

Overall Performance

The consolidated accounts show a £1.1m surplus for the year.

The overall net current asset position is £7.5m (2020 net current assets of £6.9m).

The net assets value is £6.58m (2020 £5.43m).

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.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

Membership contributions

2020/21 was the first year of the revised scheme of membership contributions. From 1 July 2020, members pay an NUS contribution based on 2% of their block grant funding, with a minimum fee of £200 and a maximum contribution capped at £30,000. In addition, members of the Charity pay a contribution based on 0.5% of their block grant funding, with a minimum Charity fee of £50, and a maximum contribution capped at £7,500. In the year membership contributions totalled £2.06m for NUS UK and £515k for the Charity.

In recognition of the changing landscape of education and the increasing financial pressures on many students' unions from July 2021, the affiliation levy will remain set at 2.5% of block grants, maintaining our commitment to reducing the proportion of our revenues from affiliation fees.

COVID 19 PANDEMIC

The Covid 19 pandemic had a significant impact on the company's operations during 2020/21. This initial closedown of University campuses resulted in the majority of our members moving their services and activities online. There was some return to campus activity in the latter part of the year, but not on any great scale. NUS also pivoted to delivering campaigns, services and activities online, and the review of the past year set out above identifies many successes. Financially, the biggest impact was felt by NUS Services Limited as its income reduced as a result of members lowering their commercial purchasing volumes to around 20% of the pre-pandemic level. Some members requested support with making their annual membership contributions, but there was no significant loss of income, which in turn enabled NUS to maintain its delivery of the annual objectives.

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, NUS 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 almost unanimously and with huge member support 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 split up its then group of companies and created two separate bodies with two separate purposes – one to represent students' voices and one to support and work with students' unions. Both are 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 were clarified and changed with effect from 1 July 2020.

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

2021-22 will be year 2 of our new strategy in which we will take the organisation the next level in terms of our campaigning reach and impact. The following table summarises our strategic performance to date and our plans for the year to come.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

NUS UK Strategic Goals Summary

	<u>2020-21 Goals</u>	<u>2020-21 Actual</u>	<u>2021-22 Goals</u>	<u>Strategy end goals</u>
<u>Focus</u>	<u>70% resources on 5 campaigns</u>	<u>ACHIEVED</u>	<u>70% resources on 5 campaigns</u>	<u>70% resources on 5 campaigns</u>
<u>Reach</u>	<u>300k supporters</u> <u>30% SUs</u>	<u>70k supporters NOT ACHIEVED</u> <u>55% SUs EXCEEDED</u>	<u>300k supporters</u> <u>55% SUs</u>	<u>1m supporters</u> <u>80% SUs</u>
<u>Impact</u>	<u>Protect students through covid19</u> <u>Launch a new vision for education</u> <u>Launch Decol campaign</u> <u>Win mental health strategies in Wales and NI</u> <u>Win cost of living goals in Scotland</u>	<u>ACHIEVED: £815m in students pockets, represented nationally on all major issues</u> <u>PAUSED until 2021-22</u> <u>ACHIEVED</u> <u>ACHIEVED</u> <u>EXCEEDED</u>	<u>Launch a new vision for education and build the foundations of a new movement</u> <u>Build the Decol movement across education</u> <u>Win on manifesto aims in NI Assembly elections</u> <u>Win a student summer payment in Scotland</u> <u>Win on student accommodation via a WG review</u>	<u>Win a major shift in public opinion on a new vision for education leading to victories at the next UK General Election</u> <u>The education sector is decolonised financially, culturally, and pedagogically.</u>

We will continue to **build the strength and effectiveness of NUS UK** by working on our campaigning methodology (below), building a more detailed theory of change and developing a medium-term resourcing plan around the digital infrastructure and staff skills we need to deliver our goals.



And finally, we will focus on creating an empowering and positive experience for staff and elected leaders by bringing to life a fresh set of **organisational values**:

Collectivism

Democracy is at the heart of what we do and how we organise with collective accountability. We use the power of students and our unions to build a movement that shapes the future of education for the benefit of the wider community. We amplify the voices of students and young people through political education and organising.

Solidarity

We have a strong history of change. We recognise those who came before us and champion those who come after us. Our work feeds into a wider movement of social justice; we unionise with others, locally and globally, as we strive for a more just and liberated world.

National Union of Students (United Kingdom)

Strategic Report for the year ended 30 June 2021

Anti-oppression

We strive to be anti-oppressive through our actions, reflections, and learning. Using our campaign power, we dismantle the structural barriers to create a liberated, emancipatory¹ society through education.

Creativity

We are creative and radical in our vision for change, and in our approach to getting it done.

Collective care

We are here for each other, practicing collective care and prioritising the long-term wellbeing of our staff, officers and members, striving toward reparative justice.²

Joy

We enjoy working together, we want to be here, we celebrate and we have fun together.

Post Balance Sheet Events

TBC

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



L. Kennedy
Director

¹ **Emancipatory** - giving people social or political freedom and rights.

² **Reparative justice** measures seek to repair, in some way, the harm done to victims as a result of human rights violations committed against them. This means that by their very nature, such measures must be responsive to both the context in question and the lived reality of victims.

National Union of Students (United Kingdom)

Directors' Report for the year ended 30 June 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company and group is 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.

Results and dividends

The results for the year are set out on page 19.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

TB McNeil	(resigned 30 June 2021)
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	(resigned 30 June 2021)
A Wilson	(appointed 1 July 2020)
S Rose	(appointed 1 July 2021)

Auditor

During the year, Garbutt & Elliott Audit Limited were appointed as auditors to the company and group and in accordance with section 845 of the Companies Act 2006, a resolution proposing that they be reappointed will be put at a general meeting.

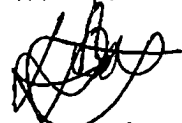
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the audit of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all the relevant audit information and to establish that the auditor of the company is aware of that information.

Going concern

During the year, COVID-19 has resulted in a pandemic affecting economies globally. The spread and severity of the impact has been unprecedented but many Governments, including within the UK, have introduced considerable measures to help businesses through this extremely challenging time. At the time of approval of these accounts, the full effect of the pandemic is uncertain, but as noted in 2.3, the directors consider that the group remains a going concern.

This report was approved by the board on 16.11.21 and signed on its behalf.



L Kennedy
Director

National Union of Students (United Kingdom)

Directors' Responsibilities Statement for the year ended 30 June 2021

The directors are responsible for preparing the Annual Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company, 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed. Subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that

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

National Union of Students (United Kingdom)

Independent Auditor's Report to the Members 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 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and the notes to the financial statements, including 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 company's and group's affairs as at 30 June 2021 and of its profit 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.

National Union of Students (United Kingdom)

Independent Auditor's Report to the Shareholders of National Union of Students (United Kingdom)

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 Directors' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

National Union of Students (United Kingdom)

Independent Auditor's Report to the Shareholders of National Union of Students (United Kingdom)

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

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

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

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

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

- revenue recognition and in particular the risk that revenue is recorded in the wrong period; and
- subjective accounting estimates.

These risks arise due to a desire to present results which may enable management and directors to present the result in a differing light. As required by auditing standards we also identified and addressed the risk of management override of controls.

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

- identifying and testing high risk journal entries through vouching the entries to supporting documentation; and
- assessing significant accounting estimates for bias; and
- testing the timing and recognition of income and, in particular, that it was appropriately recognised or deferred.

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

National Union of Students (United Kingdom)

Independent Auditor's Report to the Shareholders of National Union of Students (United Kingdom)

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

Use of our report

This report is made solely to the group'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 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 company and the company's members for our audit work, for this report, or for the opinions we have formed.

Garbutt & Elliott Audit Limited

Laura Masheder
Senior Statutory Auditor

30/11/2021

.....

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

Triune Court
Monks Cross Drive
York
YO32 9GZ

National Union of Students (United Kingdom)

Consolidated Statement of Comprehensive Income for the year ended 30 June 2021

	Note	2021 £	2020 As restated £
Turnover	4	5,131,841	11,271,550
Cost of sales		(2,937,655)	(4,275,667)
Gross profit		2,194,186	6,995,883
Administrative expenses		(1,996,521)	(10,339,667)
Exceptional administrative expenses	13	244,851	2,533,512
Operating profit/(loss)	5	442,516	(810,272)
Income from fixed assets investments		792,219	792,429
Other income		227,126	-
Interest receivable and similar income	10	5,532	20,856
Interest payable and expenses	11	(356,373)	(332,589)
Profit/(loss) before taxation		1,111,020	(329,576)
Taxation	12	39,195	19,866
Profit/(loss) for the financial year		1,150,215	(309,710)
Profit/(loss) for the year attributable to:			
Non-controlling interests		257,656	(114,091)
Owners of the parent Company		892,559	(195,619)
		1,150,215	(309,710)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

National Union of Students (United Kingdom)

Company Statement of Comprehensive Income for the year ended 30 June 2021

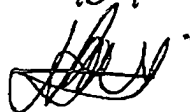
	2021 £	2020 £
Turnover	8,755	2,755,399
Cost of sales	(8,755)	(321,408)
Gross profit	-	2,433,991,
Administrative expenses	(3,646)	(2,464,923)
Exceptional administrative expenses	-	2,687,490
Operating profit/(loss)	(3,646)	2,656,558
Interest payable and expenses	-	(1,619)
Profit/(loss) before taxation	(3,646)	2,654,939
Taxation	(100)	4,836
(Loss)/profit for the financial year	(3,646)	2,659,775

National Union of Students (United Kingdom)

Consolidated Balance Sheet as at 30 June 2021

		2021		2020	
				As restated	
	Note	£	£	£	£
Fixed Assets					
Intangible assets	14		68,629		193,433
Tangible assets	15		645,742		711,975
Investments	16		13,207,144		13,207,144
			13,921,515		14,112,552
Current Assets					
Debtors: amounts falling due within one year	17	1,916,966		2,871,356	
Current asset investments	18	1,527		1,527	
Cash at bank and in hand		8,688,427		7,028,178	
		10,606,920		9,901,061	
Creditors: amounts falling due within one year	19	(3,122,206)		(3,214,312)	
Net Current assets/(liabilities)			7,484,714		6,686,749
Total assets less current liabilities			21,406,229		20,799,301
Creditors: amounts falling due after more than one year	20		(14,825,281)		(15,368,568)
Net assets			6,580,948		5,430,733
Capital and reserves					
Profit and loss account			6,415,404		5,522,845
Equity attributable to owners of the parent Company	28		6,415,404		5,522,845
Non-controlling interests			165,544		(92,112)
			6,580,948		5,430,733

The financial statements were approved by the board of directors and authorised for issue on 16.11.21 and are signed on behalf by:



Larissa Kennedy
Director

Company Registration No. 08015198

National Union of Students (United Kingdom)

Company Balance Sheet as at 30 June 2021

		2021		2020	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	15	425,867		436,100	
Investments	16	13,207,144		13,327,146	
		13,633,011		13,763,246	
Current Assets					
Debtors: amounts falling due within one year	17	612,271		702,992	
Cash at bank and in hand		1,206,405		339,939	
		1,818,676		1,042,931	
Creditors: amounts falling due within one year	19	(851,763)		(2,571,095)	
Net Current assets/(liabilities)		966,913		(1,528,164)	
Total assets less current liabilities		14,599,924		12,235,082	
Creditors: amounts falling due after more than one year	20	(11,916,337)		(12,350,023)	
Net assets/(Liabilities)		2,683,587		(114,941)	
Capital and reserves					
Profit and loss account		2,683,587		(114,941)	
		2,683,587		(114,941)	

As permitted by s408 Companies Act 2006. The company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,798,528 (2020 – loss £2,799,118)

The financial statements were approved by the board of directors and authorised for issue on.....and are signed on behalf by:

Larissa Kennedy
Director

Company Registration No. 08015198

National Union of Students (United Kingdom)

Consolidated Statement of Changes in Equity for the year ended 30 June 2021

	Note	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 July 2019		5,740,443	5,718,464	21,978	5,740,442
Total comprehensive income for the year		(309,710)	(195,619)	-	(195,619)
Minority interests	28	-	-	(114,090)	(114,090)
At 1 July 2020 (As restated)		5,430,733	5,522,845	(92,112)	5,430,733
Total comprehensive income for the year		1,150,215	892,559	-	892,559
Minority interests	28	-	-	257,656	257,656
At at 30 June 2021		6,580,948	6,415,404	165,544	6,580,948

National Union of Students (United Kingdom)

Company Statement of Changes in Equity for the year ended 30 June 2021

	Profit and loss account £	Total equity £
At July 2019	2,684,177	2,684,177
Comprehensive income for the year		
Loss for the year	(2,799,118)	(2,799,118)
Total comprehensive income for the year	(2,799,118)	(2,799,118)
At 30 June 2020	(114,941)	(114,941)
Comprehensive income for the year		
Profit for the year	2,798,528	2,798,528
Total comprehensive income for the year		
At 30 June 2021	2,683,587	2,683,587

National Union of Students (United Kingdom)

Consolidated Statement of Cash Flows for the year ended 30 June 2021

	2021 £	As restated 2020 £
Cash flows from operating activities		
Profit/(Loss) for the financial year	1,150,215	(148,121)
Adjustments for:		
Amortisation of intangible assets	124,804	19,267
Depreciation of tangible assets	66,233	191,592
(Profit)/Loss on disposal of tangible assets	-	(2,785,161)
Interest paid	356,373	332,589
Interest received	(5,532)	(20,856)
Taxation credit	(39,195)	(19,866)
Decrease in debtors	857,746	459,209
Decrease/(increase) in amounts owed by joint ventures	-	9,028
Increase/(decrease) in creditors	(101,584)	367,839
(Decrease)/increase in amounts owed to joint ventures	-	(611,489)
Defined benefit pension contributions paid	(748,811)	
Net cash generated from operating activities	1,660,249	(2,205,969)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(173,053)
Purchase of tangible fixed assets	-	(436,100)
Sale of tangible fixed assets	-	9,552,509
Interest received	5,532	20,856
Net cash from investing activities	5,532	8,964,212
Cash flows from financing activities		
Repayment of loans	-	(1,627,185)
Interest paid	-	(1,774)
Net cash used in financing activities	-	(1,628,959)
Net increase in cash and cash equivalents	1,660,249	5,129,284
Cash and cash equivalents at beginning of year	7,028,178	1,898,984
Cash and cash equivalents at the end of year	8,688,427	7,028,178
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,688,427	7,028,178
Analysis of net debt:		
	At July 2020 £	At 30 June 2021 £
Cash at bank and in hand	7,028,178	8,688,427

National Union of Students (United Kingdom)

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

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 Accounting convention

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 financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £1.

The company is a qualifying entity for the purpose of FRS102, being the parent of a group that prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities and financial position and profit and loss of the group. The company has therefore taken advantage of exemptions from following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flows and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

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 Company has taken advantage of the disclosure exemptions of section 33.1A of FRS102 which permit it to not present details of its transactions with members of the group where relevant group companies are wholly owned.

One of the group's subsidiaries, NUS Students' Union Charitable Services Limited is a registered charity and as such, reports its entity accounts under the Charities SORP (FRS 102). The parent company and group headed by the Company, reports under FRS 102 and as such NUS Students' Union Charitable Services Limited is recognised on a group basis in accordance with FRS 102. No transitional adjustments arose as part of the consolidation process.

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.

National Union of Students (United Kingdom)

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

2. Accounting policies

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 1 July 2014.

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 income 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 illiquid 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 2021/22 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 21/22 financial year even if there were considerable reductions in both these sources of income.

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.

National Union of Students (United Kingdom)

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

2. Accounting policies

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.

2.4 Revenue

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.

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

Depreciation is provided on the following basis:

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

2.7 Value 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.

National Union of Students (United Kingdom)

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

2. Accounting policies

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.

2.8 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.

2.9 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associated or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was not recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

National Union of Students (United Kingdom)

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

2. Accounting policies

2.9 Financial instruments

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at the fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligation expires or is discharged or cancelled.

National Union of Students (United Kingdom)

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

2. Accounting policies

2.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

2.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including and lease incentives received are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.12 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.

2.13 Foreign currency translation

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.

2.14 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.

National Union of Students (United Kingdom)

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

2. Accounting policies

2.15 Pensions

Defined benefit pension plan

The Group operates a multi employer defined benefit pension scheme, the scheme is now closed to new admissions. In accordance with FRS 102 where the liability of individual participating employers cannot be reliably measured but a deficit plan is in place the present value of the liability is recognised, with an appropriate discount rate applied. The actuary uses certain critical assumptions, such as discount rate, mortality and expected rates of return when they set the deficit recovery plan.

Defined contribution pension plan

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

2.17 Interest income

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

2.18 Borrowing costs

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

2.19 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.

2.20 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.

National Union of Students (United Kingdom)

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

2. Accounting policies

2.20 Current and deferred taxation

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.

2.21 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. Judgements 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.

(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. As disclosed in the accounting policy the scheme liability has been recognised on the basis of the present value of the deficit recover plan laid out and certified by the scheme actuary.

(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.

National Union of Students (United Kingdom)

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

(b) Key accounting estimates and assumptions

(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.

4. Turnover

All turnover arose within the United Kingdom.

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

	2021 £	2020 £
NUS extra	-	1,058,850
Membership income	2,062,700	4,173,196
Charitable activities	1,047,707	2,371,767
Trading support and business development	1,406,787	3,016,389
Rental and service charge income	27,400	46,421
Commissions	500,000	500,000
Other	87,247	104,927
	5,131,841	11,271,550

5. Operating loss

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Exchange (gains)/losses	-	(8,789)
Government grants coronavirus job retention scheme	227,126	-
Depreciation of tangible assets	66,233	192,868
Amortisation of intangible assets	124,804	19,267

6. Auditors remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	8,100	9,550

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	16,000	17,050
Other services relating to taxation	2,900	5,100
All other services	8,000	9,500
	26,900	31,650

National Union of Students (United Kingdom)

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

7. Employees

Staff costs were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,400,881	3,315,111	856,076	972,407
Social security costs	219,327	319,642	79,893	94,214
	2,620,208	3,834,753	935,969	1,066,621

Key management personnel remuneration

During the year the key management of the Group received remuneration totalling £471,754 (2020 - £484,990).

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

	2021 No.	2020 No.
Office and administration	85	111

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £nil).

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 £33,872 (2020 £29,145) 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

	2021 £	2020 £
Unlisted preference share dividends	792,219	792,429

10. Interest receivable

	2021 £	2020 £
Other interest receivable	5,532	20,856

National Union of Students (United Kingdom)

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

11. Interest payable and similar expenses

	2021 £	As restated 2020 £
Bank interest payable	-	1,774
Unwinding and change of discount rate on pension liabilities	356,373	330,815
	356,373	332,589

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	42,643
Adjustments in respect of previous periods	(130,395)	112,502
Total current tax	(130,395)	155,145
Deferred tax		
Origination and reversal of timing difference	91,200	(315,939)
Adjustment in respect of prior periods	-	181,002
Effect of tax rate change on opening balance	-	(40,074)
Total deferred tax	91,200	(175,011)
Taxation on loss on ordinary activities	(39,195)	(19,866)

Factors affecting tax charge for the year

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 As restated £
Profit on ordinary activities before tax	1,111,040	(329,576)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	211,098	(62,619)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	4,750
Expenses not deductible for tax purposes	14,160	454,018
Adjust opening deferred tax to average rate of 19%	-	(235,845)
Non-taxable income less expenses not deductible for tax purposes	(134,254)	(27,362)
Adjustment in relation to previous periods	(130,395)	324,205
Fixed asset differences	1,944	(432,564)
Other adjustments	(1,748)	(44,449)
Total tax charge for the year	(39,195)	(19,866)

National Union of Students (United Kingdom)

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

13. Exceptional items

	2021 £	2020 £
Restructuring costs	29,219	251,647
Sale of building	-	(2,785,159)
Release of OneVoice debt provision	(274,070)	-
	(244,851)	(2,533,512)

14. Intangible assets

Group and company

	Development Expenditure £	Goodwill £	Negative Goodwill £	Total £
Cost				
At 1 July 2020 & 30 June 2021	242,939	274,349	(416,015)	101,273
Amortisation				
At 1 July 2020	49,506	274,349	(416,015)	(92,160)
Charge for the year on owned assets	124,804	-	-	124,804
At 30 June 2021	174,310	274,349	(416,015)	32,644
Net book value				
At 30 June 2021	68,629	-	-	68,629
At 30 June 2020	193,433	-	-	193,433

15. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 July 2020 & 30 June 2021	678,476	190,825	869,301
Depreciation			
At 1 July 2020	20,721	136,605	157,326
Charge for the year on owned assets	54,299	11,934	66,233
At 30 June 2021	75,020	148,539	223,559
Net book value			
At 30 June 2021	603,456	42,286	645,742
At 30 June 2020	657,755	54,220	711,975

National Union of Students (United Kingdom)

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

15. Tangible fixed assets

Company

	Freehold Property £
Cost or valuation	
At 1 July 2020 and 30 June 2021	436,100
Depreciation	
At 1 July 2020	
Charge for the year on owned assets	10,233
At 30 June 2021	10,233
Net book value	
At 30 June 2021	425,867
At 30 June 2020	436,100

16. Fixed asset investment

Group

	Unlisted investments £
Cost or valuation	
At 1 July 2020 and at 30 June 2021	13,207,144
Net book value	
At 30 June 2021	13,207,144
At 30 June 2020	13,207,144

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. Impairment is still considered appropriate as at 30 June 2021.

National Union of Students (United Kingdom)

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

16. Fixed asset investment (continued)

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 July 2020	120,002	13,207,144	13,327,146
Disposal	(120,002)	-	(120,002)
	-	13,207,144	13,207,144
At 30 June 2021			
Net book value			
At 30 June 2021	-	13,207,144	13,207,144
At 30 June 2020	120,002	13,207,144	13,327,146

Unlisted investments consists of preference shares which are legally held in nominee by NUS Holdings Limited for NUS UK. The preference shares held have been treated as a debt instrument for the purposes of the financial statements and are therefore held on an amortised cost basis. The preference shares fall due for redemption on 2 January 2022, they carry a fixed right to dividend at a rate of 6% per annum, each preference dividend shall accrue on a daily preference dividend interest payable bi annually in arrears.

Direct subsidiary undertaking

National Union of Students (United Kingdom) is the sole corporate member of NUS Student's Union Charitable Services, which is a charitable company limited by guarantee registered with the Charity Commission in England and Wales. As such National Union of Students (United Kingdom) directly controls this entity for accounting purposes.

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Activity	Class of shares	Holding
Epona Limited	Dormant	Ordinary	100%
NUS Services Limited	Trading	Ordinary A	94.1%
NUS Services Limited	Trading	Ordinary B	96.8%
NUS Media Limited	Dormant	Ordinary	100%
NUS Holdings Limited	Dormant	Ordinary	100%

During the year, the group underwent a restructure whereby NUS Holdings Limited was sold by National Union of Students (United Kingdom) to NUS services Limited and the assets of NUS Holdings Limited were significantly distributed to National Union of Students (United Kingdom) Limited and NUS Services Limited. Bar final distributions to be made that entity is now dormant and the intention is to commence wind up proceedings.

National Union of Students (United Kingdom)

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

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	630,376	1,375,629	102,627	27,912
Amounts owned by group undertakings	-	-	71,230	28,752
Other debtors	52,035	200,895	536	194,746
Prepayments and accrued income	634,555	598,188	437,878	451,582
Deferred taxation	600,000	696,644	-	-
	1,916,966	2,871,356	612,271	702,992

18. Current asset investments

	Group 2021 £	Group 2020 £
Unlisted investments	1,527	1,527
	1,527	1,527

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 As restated £	Company 2021 £	Company 2020 £
Payments received on account	760,725	395,129	-	-
Trade creditors	398,817	396,260	36,555	39,244
Amounts owned to group undertakings	-	-	-	1,839,224
Corporation tax	23,532	155,145	-	42,034
Other taxation and social security	58,435	328,058	23,906	-
Other creditors	164,688	98,083	-	-
Accruals and deferred income	860,750	1,137,227	108,585	90,761
Defined benefit pension liability (Note 24)	855,259	704,410	682,717	559,832
	3,122,206	3,214,312	851,763	2,571,095

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

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Defined benefit pension liability (Note 24)	14,825,281	15,368,568	11,916,337	12,350,023

National Union of Students (United Kingdom)

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

21. Deferred taxation

Group	2021 £	2020 £
At beginning of year	696,644	521,632
Charged to profit or loss	(96,644)	175,012
At end of year	600,000	696,644
	Group 2021 £	Group 2020 £
Accelerated capital allowances	-	74,974
Pension deficit	600,000	621,670
	600,000	696,644

22. 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. If any property remains after National Union of Students (United Kingdom) has been wound up or dissolved and all debts and liabilities have been satisfied, it shall be paid to or distributed among the members. The subsidiary entities included the charitable entity will be dissolved in accordance with their articles of association.

23. 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 £748,792 (2020 - £713,108).

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 participating employers.

National Union of Students (United Kingdom)

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

24. Pension Commitments

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% (2020 - 1.5%).

Present value of provision	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
SUSS pension deficit	15,680,540	16,072,978	12,599,080	12,892,844

Shown as:

Creditors: amounts falling due within one year	855,259	704,410	682,717	542,821
Creditors: amounts falling due after more than one year	14,825,281	15,368,568	11,916,355	12,350,023
	15,680,540	16,072,978	12,599,072	12,892,844

Reconciliation of opening and closing provisions

	Group 2021 £	Company 2020 £
Provision at start of period	16,072,978	12,892,844
Interest charge - unwinding of discount	356,373	294,080
Deficit contributions paid	(748,811)	(587,852)
	15,680,540	12,599,072

The following schedule details the deficit contributions agreed between the company and the scheme to settle the company share of the deficit for National Union of Students (United Kingdom):

Start	End	Year	% Increase	Annual contributions
Jul-21	Oct-21	2021	5%	199,116
Nov-21	Oct-22	2022	21.4%	725,401
Nov-22	Oct-23	2023	5%	761,672
Nov-23	Oct-24	2024	5%	799,755
Nov-24	Oct-25	2025	5%	839,743
Nov-25	Oct-26	2026	5%	881,730
Nov-26	Oct-27	2027	5%	925,817
Nov-27	Oct-28	2028	5%	972,107
Nov-28	Oct-29	2029	5%	1,020,713
Nov-29	Oct-30	2030	5%	1,071,748
Nov-30	Oct-31	2031	5%	1,125,336
Nov-31	Oct-32	2032	5%	1,181,603
Nov-32	Oct-33	2033	5%	1,240,683
Nov-33	Oct-34	2034	5%	1,302,717
Nov-34	Oct-35	2035	5%	1,367,853

National Union of Students (United Kingdom)

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

24. Pension Commitments (continued)

The following schedule details the deficit contributions agreed between the company and the scheme to settle the company share of the deficit for NUS Services Limited:

Start	End	Year	% Increase	Annual contributions
Jul-21	Oct-21	2020	5%	54,512
Nov-21	Oct-22	2021	8.3%	177,084
Nov-22	Oct-23	2022	5%	185,938
Nov-23	Oct-24	2023	5%	195,235
Nov-24	Oct-25	2024	5%	204,997
Nov-25	Oct-26	2025	5%	215,247
Nov-26	Oct-27	2026	5%	226,009
Nov-27	Oct-28	2027	5%	237,309
Nov-28	Oct-29	2028	5%	249,175
Nov-29	Oct-30	2029	5%	261,634
Nov-30	Oct-31	2030	5%	274,715
Nov-31	Oct-32	2031	5%	288,451
Nov-32	Oct-33	2032	5%	302,874
Nov-33	Oct-34	2033	5%	318,017
Nov-34	Oct-35	2034	5%	333,918

Assumptions

	2021 %	2020 %	2019 %
Rate of discount	1.5	1.5	2.2

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

25. Commitments under operating leases

Operating lease payments represent rentals payable by the group of its properties and assets. At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	137,232	185,200
Later than 1 year and not later than 5 years	152,814	251,200
	290,046	436,400

National Union of Students (United Kingdom)

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

26. 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 (2020 - £500,000). The amounts outstanding from Endsleigh Limited at the balance sheet date were £396,000 (2020 -

396,000), disclosed as accrued income. In addition, dividend income from the investment in Endsleigh totalled £792,219 (2020 - £792,429).

Insurance covering the Group's activities was purchased through Endsleigh Insurance. Total expenditure in the period was £50,425 (2020 - £64,091) 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 2021

27. Controlling party

In the opinion of the directors, there is no ultimate controlling party.

28 Minority interest and charitable reserves

Minority interests represent minority interest held in both the A ordinary and B ordinary shares of NUS Services Limited as at 30 June 2021.

Included in the consolidated retained earnings are charitable funds which are for the use of charitable purposes, these funds total £356,517 and include restricted funds of £13,881.

29. Prior period adjustment

The prior period adjustment relates to the reconciliation of the defined benefit pension scheme.

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 30 June 2020 £
Creditors due within on year			
Accruals and deferred income	975,638	161,589	1,137,227
Capital and reserves			
Profit and loss account	5,684,434	(161,589)	5,522,845

National Union of Students (United Kingdom)

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

Changes to profit and loss account

	As previously reported £	Adjustment £	As restated at 30 June 2020 £
Interest payable and similar expenses	(171,000)	(161,589)	(332,589)
Loss for the financial period	(148,121)	(161,589)	(309,710)