

University of Birmingham **guildofstudents**

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended

31 July 2014

Approved

Company Registration No. 06638759
Charity No 1137548

University of Birmingham Guild of Students

REFERENCE AND ADMINISTRATION DETAILS

Charity Name: University of Birmingham Guild of Students

Charity Registration No: 1137548

Company Registration No: 06638759

Registered Office: Guild of Students, University of Birmingham
Edgbaston Park Road
Birmingham, B15 2TU

Trustee Board

		Appointed	Resigned
Ms Alison Griffin	Chair	8 th Jul 13	-
Miss Poppy Wilkinson	Vice Chair – 2013/14 & 2014/15	15 th Jul 13	-
	President		
Mr Thomas Wragg	2013/14 VP Democracy & Resources	15 th Jul 13	18 th Jul 14
Miss Harriet Craig	2013/14 VP Education	15 th Jul 13	18 th Jul 14
Miss Molly Wright	2013/14 VP Activities & Development	15 th Jul 13	18 th Jul 14
Mrs Gillian Ball		4 th Jul 08	-
Miss Hannah Coakley		7 th Jul 11	-
Mr Richard Evans		30 th Oct 13	-
Miss Farnush Ghadery		30 th Oct 13	2 nd Jul 2014
Miss Emily Halford		15 th Mar 12	-
Miss Abisola Latunji		17 th Dec 12	-
Mr Peter Lewis		1 st Aug 08	29 th Oct 13
Mr Robert Saunders		30 th Oct 13	-
Mr Andrew Slattery		11 th Jul 11	-
Miss Emma Thompson		29 th Nov 10	29 th Oct 13

2014/15

Miss Bethan Dovey	2014/15 VP Democracy, Resources & Sustainability	21 st Jul 14	-
Mr Joseph Armer	2014/15 VP Education	21 st Jul 14	-
Mr Wadim Wesolek	2014/15 VP Activities & Development	21 st Jul 14	-

Senior Management Team

Mrs Joanne Thomas	Chief Executive
Mr Michael Garrett	Director of Membership
Miss Emily Badger	Head of Strategy & Research
Mr Nicholas Bailey	Finance Manager

Non-Trustee Sabbatical Officers

15 th Jul 13 – 18 th July 14	21 st July 14 –	Position
Mr Jethro Lee	Mr Frankie Greenwell	VP Welfare
Mr David Charles	Mr Jack Mably	VP Housing & Community
Miss Vicki Harris	Miss Molly Browne	VP Sport & VP Sport & Nutrition

University of Birmingham Guild of Students

REFERENCE AND ADMINISTRATION DETAILS

Auditors	Mazars LLP, 45 Church Street, Birmingham, B3 2RT
Bankers	HSBC, 130 New Street, Birmingham, B2 4JU
Solicitors	Bates, Wells & Braithwaite London LLP 2 – 6 Cannon Street, London, EC4M 6YH

Approved

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

The Trustee Board presents their Annual Report for the period ended 31st July 2014 which includes the administrative information set out on pages 1-2, together with the audited accounts for the year.

Structure, Governance and Management

The University of Birmingham Guild Of Students (the Guild) is constituted under the Education Act 1994 as a Charity with internal regulations and rules approved by University Council, the governing body of the University.

The Guild's Charitable Objects under the Act, to further and enhance the University's educational purposes by providing representation, support and promotion of social intercourse for the students of the University, are supplemented by the further object of supporting members to develop their own charitable activities as active participants in civil society.

In July 2008, the Guild of Students became incorporated into a Company Limited by Guarantee (CLG) and in August 2010, registered as a Charity.

The Guild is administered by its Trustee Board of fourteen members comprising of four Sabbatical Trustees; three Student Trustees; three Lay Trustees; three Alumni Trustees and one University Trustee, who are regarded as the Charity Trustees of the Guild for the purposes of the Charities Act. At the year-end 2014, there were twelve trustees in post and two vacancies.

In addition, there are a further three sabbatical officers, who are not Trustees but are members of Trustee Board sub-committees. The sabbatical officers group, together with the part-time, non-sabbatical officers (referred to as Guild Officer Group), are elected annually by a cross-campus secret ballot of the Guild's membership.

The seven posts of President, Vice President (Democracy, Resources & Sustainability), Vice President (Education), Vice President (Housing & Community), Vice President (Activities and Development), Vice President (Welfare), and Vice President (Sport & Nutrition) are full time posts remunerated as authorised by the Education Act and cannot exceed two years duration for each holder.

The Guild operates on democratic principles, working for and with our members, the students of the University of Birmingham. The voice of students is represented by Guild Council, run and elected by members of the Guild. In the academic year 2013/14 it had a membership of 92 with representatives from University academic schools, student groups and associations, and the Guild Officer Group as non-voting members.

Guild Council holds the Guild Officer Group to account, sets Guild policy (which may only be overturned by the Trustee Board on financial, reputational or legal reasons), and elects student Trustees to the Trustee Board via an Appointments Panel. Guild Council met seven times during the year, with an additional extraordinary Guild Council held, with outcomes from each meeting sent to the Trustee Board for information.

The Trustee Board, assisted by sub-committees, where appropriate has delegated the day-to-day running of the Guild to the Chief Executive, named above. As Charity Trustees, all Trustees (and also non-Trustee Sabbatical Officers) receive a comprehensive training programme into their legal and administrative responsibilities at the start of their term of office, with ongoing guidance as and when required for issues arising during their term.

The Trustee Board meets six times per year to receive reports from sub-committees, Officers, Senior Management and the Chief Executive, to review the Guild's performance and administration generally and to agree policy issues arising, subject to consultation with Guild Council. In 2013/14 the Trustee Board met six times with an additional conference call meeting. In addition, the Trustee Board called a General Meeting of the members of the Guild to discuss six special resolutions.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

The Guild of Students also employs a number of core staff to provide continuity, consistency and knowledge in the management of its many activities. The staff team are accountable to the Chief Executive for the performance of their duties.

The Guild of Students incurred costs of £3,517 within the year relating to Professional Indemnity insurance cover of £5m. This policy included cover for the trustees, directors, officers, employees, student group committee members as well as other volunteers associated with Guild activities.

Relationship with the University of Birmingham

The relationship between the University and the Guild is established in the Charter, Statutes, Ordinances and Regulations of the University and detailed in the Memorandum of Understanding, which is approved by both organisations.

The Guild receives a block grant from the University, and occupies a building owned by the University which is leased back to the Guild of Students at an agreed rent.

There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body. The University plays an important role within the Guild, having representatives on the Trustee Board and sub-committees.

Risk Management

The Trustee Board has examined the main strategic business and operational risks faced by the Guild. A risk register has been established and is updated annually at least, where appropriate systems or procedures have been established to mitigate the risks the Guild faces. Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and participants across all activities organised for the Guild. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Guild.

Aims, Objectives and Activities

The Guild has clear objects which are stated in its Memorandum and Articles of Association, which are:

The furtherance and the enhancement of the educational purposes of the University of Birmingham including but not limited to;

- (i) The promotion of social intercourse between students of the University of Birmingham and the furtherance of the common interests of such students; and;
- (ii) The support of such societies that shall from time to time be recognised by Guild Council.

In pursuit of these objectives, the Guild will ensure the diversity of its membership is recognised, valued and supported and as such has established student support and development departments and quality services for use by its members, to support its work with the University and other organisations on behalf of students.

These include the Advice and Representation Centre (ARC); the Job Zone; Student Development (student groups, volunteering and residents' associations); Student Voice; the Student Mentor Scheme; the Community Warden Scheme; Guild Lettings and Venues and Retail services.

The Guild continues to represent students on relevant local, national and international issues. Through Guild Council, students are able to mandate the Guild to lobby and campaign in areas important to its members. The Guild also supports the work of the National Union of Students (NUS).

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

On a local level, Guild Officers continue to attend many University committees and working groups to enhance the student experience at Birmingham and ensure that the student voice is heard and responded to at all levels of the University. Through the Student Representation Scheme and the Guild Officer Group, student representatives now sit on and contribute to over 150 University committees and academic programme forums. Guild Officers also regularly meet with the local authority, local Primary Care Trusts, local residents, the Police and other providers of public services used by students in Birmingham.

To further enhance the student experience, the Guild attracts a diverse membership to get involved in the Guild, the University and the local community by actively promoting the benefits of volunteering in student-led activities. When reviewing our objectives and planning our activities, the Guild gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Achievements and Performance

The Guild is at the end of its strategic plan (2011 – 2014). The plan based around four key themes was developed following student consultation and feedback.

The table below provides an update on projects and activities completed in 2013/14 towards the delivery of the strategic plan. It also outlines the Guild's plans for 2014/15 and provides a summary of key activities to be completed moving forward.

Objectives/Commitments	Outcomes/Achievements in 2013/14:
Theme 1	To give you good value from your time at Birmingham
<ul style="list-style-type: none"> To make sure students get the most from their membership To run services that are open to all students. To make money to help run our activities and services. To reduce our environmental impact To work with the University to make sure members get value from their education 	<p>Question 23 of the National Student Survey (NSS) is an important measure of success for students' unions. It asks students about their overall satisfaction with their students' union. 67% of University of Birmingham students agreed that they are 'satisfied with the students' union at my institution'.</p> <p>The Guild expanded its promotion of the Joe's Plus card, offering money off food and drink in Joe's Bar as well as spotlight offers at Zest, the Guild's shop selling clothing and merchandise. The discount card resulted in £62,000 of savings for students over the year.</p> <p>The elected Officer Team successfully campaigned and lobbied both the University to secure more water coolers on campus.</p> <p>Engaging with members online has remained a key consideration for both day-to-day communications and Guild wide campaigns. The Guild has also seen an increase in followers on Twitter up to 9,816 and likes on Facebook up to 11,012 as well as launching a Google+ account in August 2013.</p> <p>The Guild secured gold awards for both Green Impact (a scheme which encourages students' unions to improve the ethical and environmental credentials of their union) and in the Best Bar None category (which celebrates and rewards responsible drinking practices) at this year's NUSSL (NUS Services Ltd) conference.</p> <p>In 2013/14 the Guild of Students asked students a series of questions as part of the annual 'Your View' survey, which is used</p>

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

	<p>to benchmark the Guild's performance year on year, whilst obtaining a better understanding of the student body.</p> <p>Within the recorded 3,632 students who participated, 78% responded by stating that they were satisfied with guild bars, 75% satisfied with Guild food outlets, 69% satisfies with club nights and 67% satisfied with retail.</p>
Theme 2	To give you the chance to have fun, enjoy life and challenge yourself at university
<ul style="list-style-type: none"> • To help members to develop skills outside of academic study • To make it easy for students to join in with Guild activities. • To give members the opportunity to have fun and enjoy themselves. • To make students time at University special. 	<p>Within the Guild's annual 'Student Life Survey' 60% of students said they were satisfied with the range of activities offered by the Guild.</p> <p>The Guild has continued to offer students the chance to get involved with more than 219 different student groups. More than 14,500 memberships have been processed.</p> <p>Students have been offered a range of volunteering opportunities, made available both within the organisation and with external charities, resulting in over 4,900 students volunteering their time in 2013/14.</p> <p>The Guild was awarded a Silver Students' Union Evaluation Initiative (SUEI) award, a quality assessment model that assists in improving the services and activities delivered to members of Students' Unions. In previous years the Guild was awarded bronze.</p> <p>Thirteen students and student groups were presented awards, out of more than 100 nominations, for their achievements at the annual Guild Awards held in March.</p> <p>To celebrate the end of the academic year, and for most, the end of their university experience, over 3,000 students attended the Guild's Graduation Ball. The event on campus included performances from Sigma and Gorgon City, free funfair rides and other attractions. 87% agreed that the Grad Ball had a positive impact on their university experience.</p> <p>For students looking for an alternative social experience, the Guild organised a series of alternative events starting in Welcome Week and continuing throughout the year, including Mock tail events, Casino Nights and bowling events.</p> <p>The Guild ran its Junk Busters initiative for a third year running, in partnership with Environmental Services at the University, and expanded the collection times giving students an additional chance to donate unwanted items. £37,980 was raised and donated to the British Heart Foundation. At Birmingham City Council's Recycling Awards 2013, the scheme won the award for the Best Waste Reduction Scheme – Education category, received a Highly Commended for the Best Community or Neighbourhood Project and was the overall winner of Recycling Awards 2013.</p>

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Theme 3	To represent you to the University and other organisations on issues that matter
<ul style="list-style-type: none"> • To be organised and effective • To make sure we understand students' lives, their expectations and the issues they are facing • To improve the ways we reach and respond to members • To make sure students know who their Guild Officers are, what they do and how they can help 	<p>70% of those students surveyed as part of the annual 'Your View' survey said the Guild 'had made a positive contribution to their time at University'.</p> <p>In terms of representation, 32% are in agreement that 'the Guild provides them with a voice and represents them effectively to the University' and 34% consider themselves to have some involvement with the Guild.</p> <p>In particular, common perceptions are that: 'the Guild lacks the power and influence to bring about change', 'the Guild is not representative of all types of student', 'the Guild does not listen to the majority of students' and 'the Guild focusses on the wrong issues'.</p> <p>The Officer Team elections in March secured a voter turn-out of 5,357. 22% of students asked in the 'Your View' survey responded by stating that they knew who the Sabbatical Officer team were.</p> <p>Guild Officers also utilised the national and local media to represent students. Over the year the Guild and/or Officers were referenced in 61 national print media publications and 5 radio bulletins, as well as over 64 regional and nearly 110 online articles.</p>
Theme 4	To give you the help and support you need, and make sure you get what you want from university life
<ul style="list-style-type: none"> • To make members feel part of the University of Birmingham community • To help members make the move to (and from) university life • To provide help and advice on the issues that matter most • To make sure members can get help and advice when they need it 	<p>During the exam period the Guild ran a 'De-Stresstival' initiative, creating a festival feel in the Guild by facilitating street food vendors serving international cuisines, a bouncy castle and mock tail's from Joes bar to help students to relieve stress.</p> <p>The Advice & Representation Centre received 4,275 enquiries from students during 2013/14 with a satisfaction rate of 82%. During this period it helped students to save/access/gain over £180,000.</p> <p>Job Zone filled 1,891 part-time and temporary vacancies which resulted in £1.9m paid to students in wages. 159 students also had their CVs checked as part of the services offered.</p>

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Future Plans

The Guild's 2011-14 Strategy closed at the end of the 2013/14 academic year. A new 2014-17 strategy is due to launch from September 2014. This strategy has been based on the largest student consultation exercise ever completed by the Guild of Students, with nearly 4,000 students taking part. The plan is designed to focus the Guild on delivering key priorities, activities and outcomes for students at Birmingham and is focused around feedback and information provided from a range of research and consultation exercises.

The new plan is designed to focus the Guild on supporting students, and it sets out a series of core priorities. For each priority there are clearly defined actions and success measures.

To support our plan the Guild has identified five priorities that will help the achievement of its vision – 'we'll make sure you get the best from Birmingham'. They are:

Improving the academic and learning experience; representing the student voice; developing skills and increasing employability; giving better value for money and increasing engagement and participation.

Financial Review

Income, Expenditure & Reserve Transfers

The Guild has changed its accounting treatment of student groups' activities and now reports student groups' income and expenditure through the Statement of Financial Activities. Previous 'Creditor' balances held on behalf of student groups have been re-classified as Designated Reserves. This adjustment has been made within the 2013/14 statements and as a result, 2012/13 balances have been re-stated to incorporate this change.

For 2013/14, the Guild reports Net Outgoing Resources of £138.5k, of which £109.2k is directly attributable to a reduction in student groups' fund balances during 2013/14 and is reported as a result of the change in accounting treatment highlighted above. The remaining Net Outgoing Resources of £29.3k relates to Guild departmental activity that the Guild's Income & Expenditure has traditionally been based upon.

The latter is positive by £163.1k compared to a net outflow of £192.4k budgeted at the start of the year. Credits, charges and transfers to both the restricted and designated reserves are reported in greater detail in notes (21) and (22).

Total incoming resources increased by £42.6k from £5.10m to £5.14m in comparison to 2012/13. However, this is after accounting for a planned £167.4k reduction to the annual grant received for Residents Associations so as to utilise under-spent funds generated in previous years. The main Block Grant received from University increased by £25.0k to part cover the transition of Officers to employment status and to cover increased rent charges incurred for the Guild building.

Income derived from 'Activities to generate funds' increased by £28.5k (14%) to £237.2k. This was a result of a new taxi accreditation contract, increased franchise rental income and a small increase in Guild Lettings and Marketing activity income.

Total income generated from charitable activities increased by £158.5k to £2.73m in comparison to 2012/13. Income generated from Student Advice, Support & Community activities increased by £29.6k as a result of Student Mentor Scheme funding increasing to match expenditure. Temporary savings were generated within the scheme in 2012/13 due to staffing vacancies.

Income derived from 'Student Development & Employability' activities increased by £61.7k although all of this increase is directly attributable to student groups' activity. The one-off national Carnival RAG conference hosted in September 2013 contributed a significant proportion to this increase.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Incoming Resources from Charitable Trading increased by £67.7k (3.7%) across all trading activities with notable successes for Venues (Bars, Entertainments & Catering), Graduation Ball and the sale of NUS Extra cards. However, sales within the Zest clothing store and Print Shop declined significantly and the Guild is currently reviewing its retail operations in light of increased competition on campus. Whilst total income increased by £42.6k, total expenditure increased by £284.3k. Costs allocated to generating voluntary funds, cost of fundraising activities and governance costs report a combined saving of £10.1k whilst the most significant change in expenditure is reported for charitable activities (increasing by £294.4k).

Student groups' expenditure reported within 'Student Development & Employability' charitable activities increased by £201.8k to £852.5k compared to 2012/13. Residents Associations expenditure was £110.0k higher than 2012/13 whilst student societies/Guild sports clubs expenditure was £91.8k higher than 2012/13. 2013/14 was the first year to adopt a more centralised approach to planning RA activities and events and as planned, utilised some of the funds carried forward from previous years.

'Student Representation' charitable expenditure increased by £54.2k to £592.7k and expenditure associated with 'Student Advice Support & Community' increased by £24.8k to £507.6k, both of which relate to stable staffing teams during 2013/14 in comparison to vacant positions during 2012/13. The Student Representation budget also absorbed the one-off consultancy costs arising from the democratic structures review that took place during the year.

As reported in Note (9), Total Support Cost allocations amounted to £1.831m, £22.3k higher than the previous year. Gross expenditure for the Communications & Marketing department increased by £22.5k as a result of temporary IT project management consultancy although the department did absorb £25k within operations to fund strategic consultation. In addition, gross expenditure for Buildings increased by £41.4k, mainly due to repair and maintenance projects undertaken towards year-end.

Professional & legal costs also report an increase of £17.1k although the 2012/13 accounts benefitted from one-off cancelled accruals and also new business rates costs are absorbed from 2013/14 onwards. In contrast, HR & Reception, Finance and Senior Management support costs report combined savings of £58.7k mainly due to staffing vacancies during 2013/14.

Net Assets & Cash-Flow

Total Net Assets decreased by £138.5k to £2.518m during the year. This consisted of the following movements:

The net book value of 'Total Fixed Assets' decreased by £204.1k to £847.4k. New asset purchases totalled £91.1k (2013: £234.6k) whilst depreciation charges amounted to £295.3k (2013: £299.9k). Purchases relating to central building works totalled £40.3k and included expenditure for Joes Bar, committee room refurbishment and building signage. Equipment purchases totalled £50.8k and included committee room IT investment, general IT equipment upgrades, IT network improvements and sundry catering operating equipment.

Total Current Assets decreased by £47.4k to £2.138m during the year. Debtor balances at year-end had fallen by £149.4k compared to last year-end due to improved credit control and the delaying of Welcome Week 2014 invoicing to shortly after year-end. In contrast, Cash & investment balances increased by £102.8k to £1.851m despite student group expenditure levels much higher than income. This was mainly a result of reduced capital expenditure compared to 2012/13.

As highlighted in note (19), Creditors due within one year decreased by £118.4k to £467.2k. Trade creditor balances fell by £88.4k whilst accruals and deferred income fell by £35.8k.

As a result of the movements highlighted above, Net Current Assets increased by £71.0k to £1.671m, representing 66.3% of the total balance sheet asset value.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Custodian Funds

As previously highlighted, the Guild has changed its accounting treatment of student group's income, expenditure and reserves from 31st July 2014 and as a result 2012/13 balances have been re-stated. Income and expenditure derived directly by student groups is now incorporated into the Guild's Statement of Financial Activities and prior year funds previously reported as 'Creditor' balances have been re-stated as Designated Reserves.

The adjustment relates to all transactions for Residents Associations, student societies and non-AU Guild sports clubs. AU Sports Clubs who hold a 'social' account with the Guild are still classified as Custodian Funds held on behalf of University of Birmingham and are treated as Creditors.

At year-end, the closing balance of funds held on behalf of AU Sports Clubs was £49.3k compared to a closing balance of £49.8k held at the end of 2012/13.

Grant funds awarded to individual student groups by the Guild are reported as a cost within 'Student Development & Employability' charitable activities. All grant funding awarded was spent in full by the end of the year.

Future Finances

The budget for 2014/15 financial year was approved by the Guild's Trustee Board in June 2014. This reports Net Outgoing Resources of £65.5k for the year. After allocating budgeted expenditure of £16.8k to restricted reserves and designated reserve depreciation charges of £186.3k, the net impact is a budgeted increase of £137.6k to unrestricted reserves (prior to designations and student group activity).

The Guild successfully applied to University for an increase to the 2014/15 block grant to help fund new strategic priorities highlighted above, and the Guild will be making a number of adjustments to its allocation of resources to assist in the delivery of the plan.

The Guild has budgeted for capital expenditure purchases of almost £80.0k within 2014/15 for on-going general investments to include IT and technical services equipment, and sundry upgrades within our Venues. In addition, we are also seeking further financial assistance from University to help fund larger capital improvement plans that are currently being developed and it is envisaged the Guild will designate funds towards capital improvements in the next twelve months.

Investment Policy

In accordance with the Guild's Investment Policy, the primary objective is to continue to invest surplus cash to best advantage with minimum risk, although it is anticipated that the Guild will be able to generate greater returns in future years through implementation of the policy. During the year, the Guild has taken a prudent stance, with funds being deposited with high street banks. Investment returns in the year reflect the stated policy.

Reserves Policy

At 31 July 2014, the Guild's free reserves (being general funds excluding that represented by fixed assets) stood at £825.3k. After taking account of general funds including fixed assets, total unrestricted reserves stood at £1.0m (as shown in note (23)). This is higher than the range £650k - £750k specified within the Guild's current Reserves Policy although the excess will most likely be designated towards a specific capital investment within the next twelve months.

Designated reserves held to fund both building refurbishment and IT Strategy implementation costs will be eroded as assets are depreciated. By 31 July 2014, the Guild was mid-way through

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

implementation of the IT Strategy (£146.7k spent to date) whilst only sundry signage costs remain outstanding for the building refurbishment project.

Auditors

Mazars LLP has indicated its willingness to continue in office.

Statement as to Disclosure of Information to Auditors

The members of the Trustee Board who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustee Board members have confirmed that they have taken all the steps that they ought to have taken as Trustee Board members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the Trustee Board

Poppy Wilkinson
2013/14 and 2014/15 President
Vice Chair of Trustee Board

27 October 2014

University of Birmingham Guild of Students

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In as far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

University of Birmingham Guild of Students

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

We have audited the financial statements of University of Birmingham Guild of Students for the year ended 31st July 2014 which comprise the Group Statement of Financial Activities, the Group (and Parent Charitable Company) Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st July 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

University of Birmingham Guild of Students

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

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

Ian Holder (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham B3 2RT
Date:

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

University of Birmingham Guild of Students

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

For the year ended 31 July 2014

	Note	Unrestricted General £	Designated Funds £	Restricted Funds £	Total 2014 £	Re-stated Total 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
- voluntary income	1	1,820,994	25,000	324,021	2,170,015	2,312,464
- activities for generating funds	2	237,178	-	-	237,178	208,639
- investment income	3	7,563	-	-	7,563	9,524
Incoming resources from charitable activities	4	1,946,257	422,097	364,230	2,732,584	2,574,082
TOTAL INCOMING RESOURCES		4,011,992	447,097	688,251	5,147,340	5,104,709
RESOURCES EXPENDED						
Costs of generating funds:						
Cost of generating voluntary income	5	147,264	-	2,097	149,361	147,414
Fundraising trading costs	6	187,765	-	140	187,905	195,871
Charitable activities	7	3,546,970	462,900	807,095	4,816,965	4,522,561
Governance costs	8	131,620	-	25	131,645	135,770
TOTAL RESOURCES EXPENDED		4,013,619	462,900	809,357	5,285,876	5,001,616
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS						
	13	(1,627)	(15,803)	(121,106)	(138,536)	103,093
Transfers between funds	22	213,404	(213,404)	-	-	-
NET INCOMING/(OUTGOING) RESOURCES AFTER TRANSFERS BEING NET MOVEMENT IN FUNDS						
		211,777	(229,207)	(121,106)	(138,536)	103,093
Funds brought forward as originally stated		-	-	-	-	1,927,531
Prior Year Adjustments	29	-	-	-	-	625,868
Balance brought forward (re-stated)		788,197	1,163,683	704,612	2,656,492	2,553,399
FUNDS CARRIED FORWARD		999,974	934,476	583,506	2,517,956	2,656,492

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

University of Birmingham Guild of Students

BALANCE SHEETS

31 July 2014

Company registration number: 06638759

	Note	Group 2014 £	Re-stated 2013 £	Guild 2014 £	Re-stated 2013 £
FIXED ASSETS					
Tangible assets	14	847,366	1,051,452	847,366	1,051,452
Investments	15	-	5,460	25,000	30,460
		<u>847,366</u>	<u>1,056,912</u>	<u>872,366</u>	<u>1,081,912</u>
CURRENT ASSETS					
Stocks	16	52,522	53,395	52,522	53,395
Debtors	17	234,518	383,890	306,639	389,635
Investments	18	830,995	821,650	830,995	821,650
Cash at bank and in hand		1,019,750	926,277	893,431	814,739
		<u>2,137,785</u>	<u>2,185,212</u>	<u>2,083,587</u>	<u>2,079,419</u>
CREDITORS: Amounts falling due within one year	19	(467,195)	(585,632)	(453,541)	(520,383)
NET CURRENT ASSETS		<u>1,670,590</u>	<u>1,599,580</u>	<u>1,630,046</u>	<u>1,559,036</u>
NET ASSETS	23	<u>2,517,956</u>	<u>2,656,492</u>	<u>2,502,412</u>	<u>2,640,948</u>
FUNDS					
Restricted funds	21	583,506	704,612	583,506	704,612
Unrestricted funds					
- General		999,974	788,197	984,430	772,653
- Designated	22	934,476	1,163,683	934,476	1,163,683
		<u>2,517,956</u>	<u>2,656,492</u>	<u>2,502,412</u>	<u>2,640,948</u>

The financial statements were approved by the Trustee Board and authorised for issue on 27 October 2014 and signed on their behalf by:

Poppy Wilkinson
2013/14 and 2014/15 President and Vice Chair of Trustee Board

University of Birmingham Guild of Students

CASH FLOW STATEMENT

For the year ended 31 July 2014

	2014 £	Re-stated 2013 £	
NET CASH INFLOW FROM OPERATING ACTIVITIES	180,942	328,053	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	7,563	9,524	
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(91,148)	(234,596)	
Proceeds on disposal of NUS Shareholding investment	5,460	-	
(DECREASE)/INCREASE IN CASH IN THE YEAR	<u>102,817</u>	<u>102,981</u>	
RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014 £	2013 £	
Operating (loss)/surplus	(138,536)	103,093	
Depreciation	295,234	299,856	
Interest received	(7,563)	(9,524)	
Loss on Disposal	-	-	
(Increase)/Decrease in stocks	873	5,537	
(Increase)/Decrease in debtors	149,371	(51,325)	
Increase/(Decrease) in creditors	(118,437)	(19,584)	
	<u>180,942</u>	<u>328,053</u>	
Net cash inflow from operating activities	180,942	328,053	
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2014 £	2013 £	
Increase/(Decrease) in cash in the year	102,817	102,981	
NET FUNDS AT 1 AUGUST	<u>1,747,928</u>	<u>1,644,947</u>	
NET FUNDS AT 31 JULY	<u>1,850,745</u>	<u>1,747,928</u>	
ANALYSIS OF CHANGES IN NET FUNDS			
	At 1 August 2013 £	Cash flow £	At 31 July 2014 £
Short term investment	821,651	9,344	830,995
Cash in hand and at bank	926,277	93,473	1,019,750
	<u>1,747,928</u>	<u>102,817</u>	<u>1,850,745</u>

University of Birmingham Guild of Students

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable United Kingdom accounting standards and the Companies Act 2006.

BASIS OF CONSOLIDATION

The financial statements consolidate the results, assets and liabilities of the University of Birmingham Guild of Students and trading subsidiary, Guild Services Limited on a line by line basis. The University of Birmingham Guild of Students is the sole Corporate Director of Guild Services Limited and all shares are owned by the Company Limited by Guarantee. In accordance with Financial Reporting Standard number 2 – Accounting for Subsidiary Undertakings – Guild Services Limited is considered to be under the control of the Guild. In addition, advantage has been taken of the FRS8 exemption from disclosure of certain intra group transactions.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

FIXED ASSETS and DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing below £500 are not capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Central and building services	- over 2 to 10 years
Other equipment	- over 2 to 5 years

'Central/building services' capital investment and depreciation only relates to refurbishments works undertaken within the building, and do not include the physical building which is owned by University of Birmingham and leased to the Guild.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow moving items.

GRANTS

The Guild receives voluntary income in the form of a block grant from the University and this is credited to the financial statements in respect of the period to which each grant relates

INCOMING RESOURCES

Voluntary income including grants receivable and other voluntary income are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions or relates to primary purpose charitable trading. Such income is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

RESOURCES EXPENDED

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating voluntary income are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with student representation, student advice, support and community, student development and employability and charitable trading and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources (see note 9 for further details).

LEASED ASSETS

All leases are operating leases and the annual rentals are charged to expenditure on a straight line basis over the lease term.

PENSION COSTS

The Guild participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the Trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Guild. Under the terms of FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year.

The Guild also participates in both the National Union of Students Pension Scheme (NUSPS) and government NEST scheme. Both NUSPS and NEST are defined contribution schemes and are accounted for under the terms of FRS17, based upon actual contributions paid during the year.

INVESTMENTS

Investments are stated at the original investment value. The Trustee Board value the 100% shareholding in the trading subsidiary, at its original investment value. It is the Trustee Board's opinion that the market value is not materially different to the original investment value.

Short term investments relate to money market investments.

FUNDS STRUCTURE

The Guild has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The Trustees intend to use part of the unrestricted funds to finance building refurbishment plans and have set up a designated fund to reflect this.

TAXATION

The University of Birmingham Guild of Students is a registered charity and is exempt from incurring taxation on its charitable activities.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

	Unrestricted General £	Designated funds £	Restricted funds £	Total 2014 £	Re-stated Total 2013 £
1 VOLUNTARY INCOME					
Grants receivable					
University					
- Block grant	1,571,510	-	-	1,571,510	1,564,509
- Other	249,484	-	-	249,484	231,509
- Residents Associations	-	25,000	324,021	349,021	516,446
	<u>1,820,994</u>	<u>25,000</u>	<u>324,021</u>	<u>2,170,015</u>	<u>2,312,464</u>
2 ACTIVITIES FOR GENERATING FUNDS					
External trading income	212,045	-	-	212,045	202,984
Rental and Commission income	25,133	-	-	25,133	5,655
	<u>237,178</u>	<u>-</u>	<u>-</u>	<u>237,178</u>	<u>208,639</u>
3 INVESTMENT INCOME					
Bank interest receivable	7,563	-	-	7,563	9,524
	<u>7,563</u>	<u>-</u>	<u>-</u>	<u>7,563</u>	<u>9,524</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

	Unrestricted General £	Designated funds £	Restricted funds £	Total 2014 £	Re-stated Total 2013 £
4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES					
Student Representation	149	-	-	149	620
Student Advice, Support & Community	7,970	-	296,386	304,356	274,777
Student Development & Employability (Incl. Student Groups)	18,602	422,097	67,844	508,543	446,843
Charitable Trading	1,919,536	-	-	1,919,536	1,851,842
	<u>1,946,257</u>	<u>422,097</u>	<u>364,230</u>	<u>2,732,584</u>	<u>2,574,082</u>
5 COSTS OF GENERATING VOLUNTARY INCOME					
Direct Costs	-	-	-	-	-
Support Costs (Note 9)	147,264	-	2,097	149,361	147,414
	<u>147,264</u>	<u>-</u>	<u>2,097</u>	<u>149,361</u>	<u>147,414</u>
6 FUNDRAISING TRADING COSTS					
External trading costs	138,463	-	-	138,463	142,729
Rental & License fee costs	6,218	-	-	6,218	6,296
	<u>144,681</u>	<u>-</u>	<u>-</u>	<u>144,681</u>	<u>149,025</u>
Support Costs (Note 9)	43,084	-	140	43,224	46,846
	<u>187,765</u>	<u>-</u>	<u>140</u>	<u>187,905</u>	<u>195,871</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

7	CHARITABLE ACTIVITIES COSTS	Unrestricted General £	Designated funds £	Restricted funds £	Total 2014 £	Re-stated Total 2013 £
	Student Representation:					
	Direct costs					
	Officer Team	206,603	-	-	206,603	194,536
	Student Voice	137,897	-	-	137,897	104,346
	Support costs (note 9)	246,593	-	1,564	248,157	239,590
		591,093	-	1,564	592,657	538,472
	Student Advice, Support & Community:					
	Direct costs					
	Advice Centre (ARC)	82,275	-	-	82,275	83,595
	Mentor Scheme	-	-	180,966	180,966	144,052
	Community Wardens	-	-	52,596	52,596	46,355
	Housing & Community	-	-	1,499	1,499	2,356
	Night Bus	7,870	-	-	7,870	3,602
	Vale Fireworks	-	-	13,691	13,691	15,954
	Support costs (note 9)	113,554	-	55,160	168,714	186,896
		203,699	-	303,912	507,611	482,810
	Student Development & Employability:					
	Direct costs					
	Student Development, Groups & Volunteering	202,770	462,900	480,570	1,146,240	976,900
	Job Zone	58,302	-	-	58,302	55,601
	Support costs (note 9)	677,615	-	16,766	694,381	677,338
		938,687	462,900	497,336	1,898,923	1,709,839
	Charitable trading:					
	Direct costs	1,396,259	-	-	1,396,259	1,382,972
	Support costs (note 9)	417,232	-	4,283	421,515	408,468
		1,813,491	-	4,283	1,817,774	1,791,440
	Total cost of charitable activities	3,546,970	462,900	807,095	4,816,965	4,522,561

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

8 GOVERNANCE COSTS	Unrestricted General £	Designated funds £	Restricted funds £	Total 2014 £	Total 2013 £
Audit Fees	11,850	-	-	11,850	11,500
Legal/Professional Fees	4,233	-	-	4,233	13,270
Other direct costs	10,025	-	-	10,025	8,958
Support costs (note 9)	105,512	-	25	105,537	102,042
	<u>131,620</u>	<u>-</u>	<u>25</u>	<u>131,645</u>	<u>135,770</u>

Approved

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

9 SUPPORT COSTS

	Generating voluntary income £	Fundraising Trading £	Student Represent- ation £	Student Advice, Support & Community £	Student Development & Employability £	Charitable Trading £	Governance £	Total 2014 £	Total 2013 £
Administration, HR & Reception	70	3,127	21,962	24,325	58,325	34,597	22,730	165,136	191,477
Finance Department	1,692	6,194	8,832	10,640	54,662	55,547	22,051	159,618	166,291
Professional/Legal costs	1,834	7,604	10,859	19,156	71,542	72,705	2,633	186,333	169,218
Marketing & Communications	-	6,220	63,334	63,616	105,744	40,149	11,310	290,373	267,835
Buildings costs	137,579	9,104	102,422	30,141	352,672	200,047	2,054	834,019	792,649
Senior Management costs	8,186	10,975	40,748	20,836	51,436	18,470	44,759	195,410	221,123
	<u>149,361</u>	<u>43,224</u>	<u>248,157</u>	<u>168,714</u>	<u>694,381</u>	<u>421,515</u>	<u>105,537</u>	<u>1,830,889</u>	<u>1,808,593</u>

Support costs are allocated on the following bases:

Administration, HR and Reception – based upon number of employees associated with each activity.

Finance Department – based on total transaction values for each activity.

Professional/Legal costs – based on total transaction values for each activity.

Marketing and Communications – based on number of items of equipment requiring support and number of promotional campaigns conducted.

Building costs – based on space occupied.

Senior Management Costs – based on proportion of time spent.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

10 REMUNERATION OF SABBATICAL OFFICERS

From 5th April 2014, the Guild of Students changed the way Sabbatical Officers were funded. As a result the 2013/14 Officer Team received bursary payments between 1st August 2013 – 5th April 2014 and salary payments from 6th April 2014 – 18th July 2014.

Total payments made during the year amounted to £126,984, consisting of £75,746 bursary payments and £51,238 salary payments. Costs reported also include salary payments made to the 2014/15 Officer Team during the period 21st July – 31st July 2014. Further costs of £209 were also charged for employer pension contributions.

Each year, four of the seven Officer Team members also become trustees of the University of Birmingham Guild of Students. Payments made to 2013/14 Sabbatical Officer trustees within the year totalled £65,348, consisting of bursaries (£43,283) and salaries (£22,065). Salary payments made to 2013/14 Sabbatical Officer trustees consisted of payments to Miss Poppy Wilkinson (£5,517), Mr Thomas Wragg (£5,516), Miss Harriet Craig (£5,516) and Miss Molly Wright (£5,516).

Salary payments made to 2014/15 Sabbatical Trustees who came into position from 21st July 2014 totalled £6,602. This consisted of payments to: Miss Poppy Wilkinson (£578), Miss Bethan Dovey (£2,008), Mr Joseph Armer (£2,008) and Mr Wadim Wesolek (£2,008).

No remuneration was paid to any other trustees.

11 TRUSTEE BOARD AND SABBATICAL OFFICER TEAM PERSONAL EXPENSES

One external member of the Guild's Trustee Board was reimbursed for hotel and/or travel expenses, totalling £12 within the year (2013: £936 - 3 external trustees). This expenditure is reported within Governance Costs, shown in note (8).

In addition, the four members of the 2013/14 Sabbatical Officer Team who were also trustees were reimbursed a total of £289 (2013: £1,289) in respect of personal travel and subsistence expenses, in accordance with their role as elected Sabbatical Officers. Similarly, one of the four 2014/15 Sabbatical Officer trustees was reimbursed £24 (2013: £39 – 1 Officers) towards the end of the financial year. These costs are included within the total costs of Student Representation and are recorded within the costs of charitable activities in note (7).

The Guild of Students also incurred costs of £3,517 within the year relating to Professional Indemnity insurance cover of £5m. This policy included cover for the trustees, directors, officers, employees, student group committee members as well as other volunteers associated with Guild activities. A proportion of this cost has been allocated as a Governance Cost, reported in note (8).

12 STAFF COSTS

The average weekly number of persons employed, excluding the Officer Team and Trustee Board shown in notes (10) and (11), during the year was as follows:

	2014 Number	2013 Number
Permanent Staff (actual / full time equivalent)	63 / 59	60 / 55
Student Staff (actual / full time equivalent)	170 / 45	166 / 44
	<hr/>	<hr/>
	233 / 104	226 / 99
	<hr/>	<hr/>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

12 STAFF COSTS (continued)

2014
£

2013
£

The aggregate payroll costs of these persons were as follows:

Wages & Salaries	1,952,965	1,872,553
Social security costs	128,776	128,242
Pension costs (incl deficit payments)	132,133	131,119
	<u>2,213,874</u>	<u>2,131,914</u>

The following number of employees received remuneration above £60,000 within the year:

2014
Number

2013
Number

£60,000 - £69,999	-	-
£70,000 - £79,999	1	1
	<u>1</u>	<u>1</u>

There are no pension benefits which are accruing to higher paid staff under the defined benefit pension scheme.

13 NET MOVEMENT IN FUNDS

2014
£

2013
£

Is stated after charging:

Auditors remuneration:

- audit services	11,850	11,500
- other services	750	700
	<u>12,600</u>	<u>12,200</u>

Depreciation:

- owned assets	295,234	299,856
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Operating lease rentals:

- plant and machinery	15,781	15,791
- land and buildings	115,175	100,000
	<u>130,956</u>	<u>115,791</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

14 TANGIBLE FIXED ASSETS	Central Building Refurbish £	Equipment £	Total £
GROUP & GUILD			
Cost:			
At 1 August 2013	2,056,411	1,321,218	3,377,629
Additions	40,276	50,872	91,148
Disposals	-	-	-
At 31 July 2014	2,096,687	1,372,090	3,468,777
Depreciation:			
At 1 August 2013	1,252,483	1,073,694	2,326,177
Charge for the year	186,663	108,571	295,234
Disposals	-	-	-
At 31 July 2014	1,439,146	1,182,265	2,621,411
Net book value:			
At 31 July 2014	657,541	189,825	847,366
At 31 July 2013	803,928	247,524	1,051,452
CAPITAL COMMITMENTS		2014 £	2013 £
Contracted but not provided for		-	-

There were no capital commitments for the year ending 31 July 2014

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

15 INVESTMENTS	Group £	Guild £
Market value:		
At 1 August 2013	5,460	30,460
Disposal	(5,460)	(5,460)
At 31 July 2014	-	25,000
Net book value:		
At 1 August 2013	5,460	30,460
Disposal	(5,460)	(5,460)
At 31 July 2014	-	25,000

An analysis of the above investments is set out below. At 31 July 2014 the Guild held investments in the following companies which are incorporated in the United Kingdom:

Name of Company	Main Trading Activity	Equity Held	
Guild Services Limited	Provision of external marketing services	100%	
NUS Services Limited	Provision of services to individual student and other organisations	2012/13	2013/14
'A' Shares		0.33%	0.00%
'B' Shares		1.90%	0.00%

UNLISTED INVESTMENTS	Unlisted investments £	Investment in subsidiary £	Total £
Market value			
At 1 August 2013	5,460	25,000	30,460
Disposal	(5,460)	-	(5,460)
At 31 July 2014	-	25,000	25,000
Net book value			
At 1 August 2013	5,460	25,000	30,460
Disposal	(5,460)	-	(5,460)
At 31 July 2014	-	25,000	25,000

The investment in subsidiary undertakings was valued by the Trustees at 31 July 2014.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

15 INVESTMENTS (continued)

The results and assets of Guild Services Limited are as follows:

	2014 £	2013 £
Turnover	212,045	202,984
Operating profit	71,283	58,055
Interest receivable	114	39
Donation under Gift Aid	(71,397)	(58,094)
Retained profit	-	-
Net current assets and shareholders' funds	40,544	40,544

16 STOCKS

	Group		Guild	
	2014 £	2013 £	2014 £	2013 £
Bars	19,590	15,811	19,590	15,811
Catering	1,355	978	1,355	978
Clothing & Gifts	31,577	36,606	31,577	36,606
	52,522	53,395	52,522	53,395

17 DEBTORS

	Group		Guild	
	2014 £	Re-stated 2013 £	2014 £	Re-stated 2013 £
Trade debtors	105,638	238,515	76,030	181,233
Other debtors	29,425	24,357	27,459	24,214
Owed by subsid. undertakings	-	-	103,695	63,378
Prepayments/accrued income	99,455	121,018	99,455	120,810
	234,518	383,890	306,639	389,635

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

18	SHORT TERM INVESTMENTS	Group		Guild	
		2014 £	2013 £	2014 £	2013 £
	Money Market/Deposit Investments	830,995	821,650	830,995	821,650
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
19	CREDITORS: Amounts falling due within one year	Group		Guild	
		2014 £	Re-stated 2013 £	2014 £	Re-stated 2013 £
	Trade creditors	171,887	260,267	169,931	260,099
	Other taxation & social security	36,213	33,267	36,213	33,267
	Custodian Funds held on behalf of AU/University Sports Groups	49,325	49,828	49,325	49,828
	Other Creditors	38,688	35,430	29,540	18,815
	Accruals and deferred income	171,082	206,840	168,532	158,374
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		467,195	585,632	453,541	520,383
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
20	DEFERRED INCOME	Group		Guild	
		2014 £	2013 £	2014 £	2013 £
	At 1 August 2013	51,215	81,346	5,000	81,346
	Additions	18,687	46,215	18,687	-
	Released	(50,457)	(76,346)	(4,242)	(76,346)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 July 2014	19,445	51,215	19,445	5,000
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Deferred income includes sales raised at the end of the financial year relating to the following year's Welcome Week activities and also 'rental' income received in advance of the period that it relates to.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

21	RESTRICTED FUNDS	Re-stated 1 August 2013 £	Income £	Expenditure £	Transfers £	31 July 2014 £
	Volunteering	25,000	-	(16,205)	-	8,795
	Mentor Scheme	17,059	227,507	(225,965)	(1,542)	17,059
	Warden Scheme	23,375	68,046	(61,728)	-	29,693
	Post Graduate (Incl. PAVE)	5,932	-	-	-	5,932
	RA Support	-	82,908	(82,908)	-	-
	Vale Fireworks	-	13,691	(13,691)	-	-
	Student Groups (RA's)	579,717	296,099	(389,571)	-	486,245
	Capital Grants	23,174	-	(6,327)	1,542	18,389
	Sundry Funds	17,467	-	(1,499)	-	15,968
	University Maintenance SLA	12,888	-	(11,463)	-	1,425
		<u>704,612</u>	<u>688,251</u>	<u>(809,357)</u>	<u>-</u>	<u>583,506</u>

All of the above restricted reserves represent funds received specifically for the identified activity and are either supported by service level agreements or one-off grant applications.

22	DESIGNATED FUNDS	Re-stated 1 August 2013 £	Income £	Expenditure £	Transfers £	31 July 2014 £
	Building Refurbishment	751,842	-	-	(187,643)	564,199
	Infrastructure	184,818	-	-	(25,761)	159,057
	Student Groups (Societies & Guild Sports Clubs)	227,023	447,097	(462,900)	-	211,220
		<u>1,163,683</u>	<u>447,097</u>	<u>(462,900)</u>	<u>(213,404)</u>	<u>934,476</u>

The designated reserve to finance building refurbishment plans was originally created in the financial year 2004/05 and was a jointly funded project between the Guild of Students and University of Birmingham, totalling an estimated £3.6m. £188k depreciation costs have been charged during 2013/14, whilst depreciation costs of £199k were charged in 2012/13

A further depreciation charge of £25.8k has been charged against the ICT Strategy Fund within the year (as per last year).

In addition, Guild societies and Guild Sports Clubs are classified as designated activity of the Guild of Students. The net balances of Guild societies and sports clubs fell by £15.8k after accounting for £447.1k of income and £462.9k expenditure during 2013/14.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

23 ANALYSIS OF NET ASSETS

	Fixed assets and investments £	Net current assets £	Net assets £
Restricted funds	16,847	566,659	583,506
Designated funds	655,857	278,619	934,476
General funds			
- UoB Guild of Students	174,662	809,768	984,430
- Subsidiary undertaking(s)	-	15,544	15,544
	<u>847,366</u>	<u>1,670,590</u>	<u>2,517,956</u>

24 LEGAL STATUS

The University of Birmingham Guild of Students incorporated as a company limited by guarantee on 4th July 2008, changing from its previous status as an unincorporated association.

In addition, the Guild of Students also registered as a Charity with the Charity Commission in August 2010. This was due to students' unions connected with higher education institutions being removed from the list of exempt charities within section 11(9) of the Charities Act 2006.

25 RELATED PARTY TRANSACTIONS

The charity has taken advantage of the exemptions allowed under FRS8 and does not detail related party transactions with its subsidiary undertaking.

26 COMMITMENTS

At 31st July 2014, the Guild had annual commitments under property leases and non-cancellable equipment operating leases as set out below:

	2014 £	2013 £
Land & Buildings Lease which expire:		
Within 1 year	-	-
Within 2 – 5 years	-	-
Over 5 years	115,175	100,000
	<u>115,175</u>	<u>100,000</u>
Operating leases which expire:		
Within 1 year	1,562	740
Within 2 – 5 years	-	13,345
Over 5 years	-	-
	<u>1,562</u>	<u>14,085</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

27 SUBSCRIPTIONS AND AFFILIATIONS

The Guild of Students paid the following memberships and affiliations during the year. They are listed in accordance with the requirements of the Education Act 1994.

	2014 £	2013 £
Advice UK Limited	210	280
Family Welfare Association	-	325
NUS Services Limited	300	300
National Union of Students	51,882	51,847
National Centre for Voluntary Organisations - Free	-	-
Royal Society for the Prevention of Accidents	425	425
Shelter	-	300
UKCISA	360	353
Subscriptions & Affiliations of £150 or less	259	195
	<hr/>	<hr/>
	53,436	54,025
	<hr/>	<hr/>

28 PENSIONS

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

The most recent valuation of the Scheme was carried out as at 30 June 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £73,849,000.

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

The following assumptions applied at 30 June 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2013 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2014

28 PENSIONS (Continued)

These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next valuation due with an effective date of 30 July 2016.

Surpluses or deficits which arise at future valuations will also impact on the University of Birmingham Guild of Students's future contribution commitment. In addition to the above contributions, the University of Birmingham Guild of Students also pays its share of the scheme's levy to the Pension Protection Fund.

The total deficit contributions paid into the Scheme by the Guild in respect of eligible employees for the year ended 31 July 2014 amounted to £100,744 (2013 - £97,616).

In addition, the Guild of Students also participates in the National Union of Students Pension Scheme (NUSPS) and the government NEST scheme to fulfil auto-enrolment obligations. NUSPS is a defined contribution scheme and the Guild contributes either 4% or 6% based upon matched funding from individual employees whilst contributions into the NEST scheme are currently based upon 1% of qualifying earnings also matched by employee contributions.

The total contributions paid into both NUSPS and NEST by the Guild in respect of eligible employees amounted to £31,389 (2013 - £33,503).

The total pension contributions paid into all three schemes by the Guild in respect of eligible employees for the year ended 31 July 2014 amounted to £132,133 (2013 - £131,119), including funding deficit contributions.

29 PRIOR YEAR ADJUSTMENTS

As stated in the Trustees' Report, the Guild has changed its accounting treatment of student groups' activities and now reports student groups' income and expenditure through the Statement of Financial Activities. Previous 'Creditor' balances held on behalf of student groups have been re-classified as Designated Reserves. This adjustment has been made within the 2013/14 statements and as a result, 2012/13 balances have been re-stated to incorporate this change.

30 FINANCIAL PERFORMANCE OF THE CHARITY

The charity reports a deficit of £138,536 for the year ended 31 July 2014 in comparison to a re-stated surplus of £103,093 reported for 2012/13.

The charity reports gross income of £5,109,659 for the year ended 31 July 2014 in comparison to re-stated gross income of £5,074,509 reported for 2012/13.