

Your Students' Union

University of Birmingham
guild*of***students**

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended

31 July 2016

Company Registration No. 06638759
Charity No 1137548

University of Birmingham Guild of Students

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University of Birmingham Guild of Students

REFERENCE AND ADMINISTRATION DETAILS

Charity Name:	University of Birmingham Guild of Students
Charity Registration No:	1137548 (Registered in England & Wales)
Company Registration No:	06638759 (Registered in England & Wales)
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	-
Mr Jack Mably	Vice Chair – 2015/16 President	20 th Jul 15	15 th Jul 16
Miss Daisy Lindlar	2015/16 Representation & Resources Officer	20 th Jul 15	15 th Jul 16
Miss Isabella Lenga	2015/16 Education Officer	20 th Jul 15	15 th Jul 16
Mr Ben Chapman	2015/16 Activities & Development Officer	20 th Jul 15	15 th Jul 16
Mr Ross Strong	2015/16 & 2016/17 Welfare Officer (Officer across two financial years)	20 th Jul 15	-
Mr Roberto Sorrentino	2015/16 Housing & Community Officer	20 th Jul 15	15 th Jul 16
Mr Remy Claustres	2015/16 Sports Officer	20 th Jul 15	15 th Jul 16
Miss Claire Boothman		2 nd Dec 15	-
Miss Tanya Chadha		7 th Mar 16	-
Mrs Christine Davies		15 th Sept 14	-
Mr Richard Evans		30 th Oct 13	-
Mr Christopher Granger		1 st Jan 15	-
Mr Jeevan Jones		7 th Jul 15	-
Miss Abisola Latunji		17 th Dec 12	18 th Dec 15
Mr Daniel Longhorn		7 th Jul 15	-
Miss Farah Fahd Mahmoud		2 nd Dec 15	-
Mr Robert Saunders		30 th Oct 13	-
Mr Lyndon Williams		11 th Jan 16	-

2016/17

Miss Eleanor Keiller	2016/17 President	18 th Jul 16	-
Mr Brandon Hattiloney	2016/17 Representation & Resources Officer	18 th Jul 16	-
Mr Christopher Wilkinson	2016/17 Education Officer	18 th Jul 16	-
Miss Natalie Cox	2016/17 Activities & Development Officer	18 th Jul 16	-
Miss Isabel Nicholds	2016/17 Housing & Community Officer	18 th Jul 16	-
Miss Georgina Freeman	2016/17 Sports Officer	18 th Jul 16	-

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Senior Management Team

Mrs Joanne Thomas	Chief Executive
Miss Naomi Atkin	Director of Engagement (resigned 24 th Jun 16)
Mr Adam Sheridan	Director of Engagement (appointed 15 th Aug 16)
Miss Emily Badger	Director of Operations
Mr Michael Garrett	Director of Support & Development
Mr Nicholas Bailey	Finance Manager

Non-Trustee Sabbatical Officers

2015/16	From 18th Jul 16	Position
N/A - new post for 2016/17	Miss Rose Bennett	Post Graduate Officer

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

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

The Trustee Board presents their Annual Report for the period ended 31 July 2016 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 objectives 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.

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

The Guild is administered by its Trustee Board of eighteen members comprising of seven Sabbatical Trustees; four Student Trustees; six external Trustees and a University Trustee, who are regarded as the Charity Trustees of the Guild for the purposes of the Charities Act. At the year-end 2016, there were 18 trustees in post.

In addition, there is a further sabbatical officer, a newly approved role and elected during 2016 who is not a Trustee at this time, known as the Postgraduate Officer. 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 eight posts of President, Activities and Development, Education, Housing & Community, Post Graduate, Representation & Resources, Sport, and Welfare Officers 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 the democratic process known as 'Your Ideas' and 'Officer Question Time'. The 'Officer Question Time' holds the Guild Officer Group to account, and 'Your Ideas' proposes and debates ideas that set policy and can mandate the Guild Officers to undertake certain projects.

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 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. In 2015/16 the Trustee Board met six times. In addition, the Trustee Board called a General Meeting of members of the Guild to discuss two special resolutions, in order to change the Guild's democratic structures.

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 £2,957 (2015: £3,898) within the year relating to Professional Indemnity insurance cover of £5m (2015: £5m). This policy included cover for the trustees, directors, officers, employees, student group committee members as well as other volunteers associated with Guild activities.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

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. The key risk areas identified are:

Risk	Mitigating/Control Measures
Financial SUSS Pension deficit payment – significant increases in future years	<ul style="list-style-type: none">• Estimated increases planned into long term financial forecast• Cash-flow planning to take advantage of advance discount offers as they fall due
Operational Loss of any aspect of Guild services due to disaster	<ul style="list-style-type: none">• Guild and departmental contingency plans in place that are regularly tested in conjunction with University Emergency Planning Officer• Guild recently attended best-practise seminar delivered by Guild insurers
Reputational/Operational Guild is no longer perceived as relevant to members and does not respond to changes in students lifestyle and needs	<ul style="list-style-type: none">• Timely and relevant research is conducted on a regular basis to inform strategic and operational decisions.• Regular reports are reviewed by trustees, including members' satisfaction and performance against key targets.
Reputational Student led groups/Officer Team acting in such a way that it harms the reputation of the Guild and/or University	<ul style="list-style-type: none">• Regular training provided to key stakeholders regarding responsibilities, press and PR and organisational processes.• Proactive support provided by staff team in dealing with media issues and other problems that arise.
Operational Health & safety matters across a broad range of activities and failure to follow approved processes such as risk assessments	<ul style="list-style-type: none">• Training and support is provided for high risk areas by the Guild team.• High risk areas are scrutinised more thoroughly by the Guild with effective support from University colleagues.

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Aims, Objectives and Activities

The Guild has clear objects which are stated in its 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 the Guild.

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 Guild Advice, Jobs, Skills & Volunteering; Student Groups; Student Voice; the Student Mentors; the Community Wardens; Guild Lettings; Venues and Catering services.

The Guild continues to represent students on relevant local, national and international issues. 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).

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 100 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 nearing the final year of its 2014 – 2017 strategic plans. The table below provides an update on projects and activities completed in 2015/16 towards the delivery of the strategic plan.

Objectives/Commitments	Outcomes/Achievements in 2015/16:
Theme 1	Improving the Academic and Learning Experience
Implement a new Student Representation Scheme	During the 2015/16 academic year, 823 Student Reps volunteered their time.
100 changes implemented each year as part of the Student Representation Scheme	In 2015/16, an impressive 265 changes made through the Student Representation System were logged. This is a vast improvement on the previous year, where 121 wins were recorded. Example Student Rep wins in 2015/16 have been implementing podcasts and online teaching materials, part-time students granted different assignment submission deadlines and wide-scale implementation of Panopto now being used to record lectures.

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80% satisfaction with the Student Representation Scheme by 2017 (60% in year 2015/16)	Following successful implementation of the revised scheme during the previous year (2014/15), there was 58% satisfaction with the scheme, against a target of 60% for 2015/16.
Theme 2	Representing the Student Voice
<p>Change the democratic structure and Officer Team models so that they represent the student voice effectively</p> <p>80% of students say that 'the Guild represents them and provides a voice to the University' by 2017 (60% in year 2015/16)</p> <p>12,000 students voting in Officer Team Elections by 2017 (8,000 in year 2015/16)</p>	<p>Following the decision to call a General Meeting during term 1 of 2015/16, changes were made to the Guild's democratic structure. Guild Council was subsequently replaced by an online ideas portal named 'Your Ideas' and 'Officer Question Time'. Since this, over 1,500 students have voted on ideas during various rounds.</p> <p>The Guild received 91 initial nominations for candidates in the 2016 Officer Team Elections, resulting in 61 people on the ballot (an increase of 20 on the previous year), leading to the appointment of 8 full time and 11 part time officers.</p> <p>In addition to this, and to further evidence representation of Birmingham students on a regional level, the 2015/16 Officer Team became an integral part of the One-City Group, comprised of Officers and key staff from BCU, Aston, UCB & Newman, meeting regularly to discuss key regional issues and potential cross-union campaigns. Campaigns worked on in 2015/16 consisted of EU Referendum, Cut the Costs (NUS campaign) and Transport in the city.</p> <p>47% of students agreed that the Guild provided them with a voice to the University up from a previous record of 32%.</p> <p>A record 7,500 votes were cast in the 2016 Officer Elections, an increase of almost 2,000 votes on the previous year's figures. For the first time, the Guild introduced voter incentives, which data shows to have a positive impact in both increasing the rate of overall turnout and the turnout of students that previously had no engagement with the Guild. With various variables in play such as an increased number of candidates, the reduction of the campaigning period and the removal of cardboard for campaigning use, it is difficult to solely attribute one reason for the increased voter turnout, but the positive response to new ideas has positioned the Guild well for the 2017 Officer Elections.</p>
Theme 3	Developing Skills and increasing Employability
<p>12,000 students in student groups and societies by 2017 (10,000 in year 2015/16)</p> <p>8,000 students volunteering by</p>	<p>A key aim of theme 3 of the strategic plan is to raise the profile of the skills and employability agenda, whilst also ensuring that an appropriate mix of activities is on offer. The Guild offered students a broad choice of over 250 groups and associations during the 2015/16 academic year, achieving the target with over 10,000 unique students in student groups. Efforts will now be made to increase group membership amongst hard to reach student groups, by targeting key demographics such as international students and postgraduates for engagement in groups and activities.</p> <p>The Guild's Jobs, Skills & Volunteering department recorded</p>

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2017 (6,000 in 2015/16)	5,974 volunteers during 2015/16 against a target of 6,000 in the strategic plan.
2,500 students finding part-time work by 2017 (2,000 in 2015/16)	In total, 1,731 students secured part-time or vacation work through the Guilds job service, enabling University of Birmingham students to earn over £2m in wages. Over 8,000 students visited Jobs & Volunteering Fairs across the academic year.
Theme 4	Giving better value for money
15,000 students using and visiting our venues and commercial services and attending events and activities by 2017	12,437 students visited Guild commercial events during the 2015/16 academic year. As with previous years, the Guild's regular event continues to be the weekly club night Fab n Fresh. Over 45.7k tickets were sold during the 2015/16 academic year. Events during the welcome period of 2015 continued to prove popular with students, with 3,649 Fresher's Fest tickets and 4,047 Refreshers tickets sold. The Guild's flagship events for finalists, Grad Ball 2016 saw 3,500 students attending.
13,000 Joe's Plus cards sold by 2016/17	The Guild's main commercial food/drinks outlet, Joe's Bar, saw 8,500 Joe's Plus loyalty cards sold during the 2015/16 academic year, generating savings for students of over £50k on food and beverages within the union bar. The bar itself secured two prestigious 'Best Bar None Awards' in 2016, winning Birmingham City Councils 'Best student bar' and also NUS Services' Gold Standard Award.
£550k contribution from the Guild financially from commercial services	£605k in revenue was contributed by Guild commercial services during 2015/16. Sales of NUS Extra cards also achieved record levels, achieving £81.5k, following record sales previously in 2014/15.
Theme 5	Increasing Engagement & Participation
Communicate in a targeted way to increase engagement and participation and overall satisfaction	<p>A move to a primarily digital communications strategy and also demand from students to access services and information online and via mobile devices means that our digital platforms are more important now than ever for increasing student engagement.</p> <p>The Guild experienced record levels of web traffic, with a total number of unique visitors to the Guild of Students' website of over 1m and 22,000 individuals logging in to the site.</p> <p>Targeting of communications using attitudinal segmentation has increased average email open rates above 40% and utilising video and tailored Buzz feed content within our Facebook channel has seen organic post reach exceed 12,000 on a regular basis, as well as targeted boosted post in excess of 20,000.</p> <p>Following a dedicated communications campaign to final year students, it was encouraging to see a second successive increase in the National Student Survey (NSS), this time by a further 3% to 75%.</p>
80% of students find Guild communications relevant and interesting (60% in 2015/16)	Students responding to the Guild's annual survey rated (on average) relevance of Guild email, website and social combined at 65%, compared to 33% in 2013/14 (pre digital strategy). The average for students that find our emails, website and social

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	<p>interesting is 58%, a +25% increase on 2014/15. We believe that this is a result of much more targeted communications and more multimedia such as video, in order to promote key Guild messages.</p> <p>Growth in popularity of Snapchat and WhatsApp has led to planning how we can benefit from utilising these social channels. For example, 2,766 people used the Guild's first ever Grad Ball Snapchat filter.</p>
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Future Plans

As we move into the final year of the 2014-17 strategic plan, the organisation continues to focus on delivering the key priorities, activities and outcomes for students at Birmingham as outlined within our core strategic priorities; 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. The organisation aims to make significant progress towards achieving the key performance indicators associated with each priority in addition to further embedding and developing an appropriate values based culture in line with our new organisational structure.

Financial Review

Income and Expenditure

For 2015/16, the Guild reports Net Income of £160.1k compared to restated Net Income of £81.5k in 2014/15. These figures include all student groups activity (including Residents' Associations) that report net expenditure of £33.6k in 2015/16 compared to net expenditure of £78.3k in 2014/15.

Therefore, Guild departmental activity reports Net Income of £193.7k for 2015/16 compared to restated Net Income of £159.8k for 2014/15, a positive change by £33.9k. In 2014/15 net income has been restated following FRS102 transition adjustments. This is detailed in the accounting policies and note (30) for further information. The 2015/16 Net Income of £160.1k is favourable against budgeted Net Expenditure of £67.6k.

Credits, charges and transfers to both the restricted and designated reserves are reported in greater detail below in the Reserves Policy section and also in notes (21) and (22).

Total Income increased by £234k (4.4%) from £5.36m to £5.60m in comparison to 2014/15.

The increase to total income was spread across a number of areas as follows;

- Income from donations and legacies (grants receivable from University) increased by £51.1k (2.2%) primarily due to an increase in Residents' Associations grants;
- Income from charitable activities increased by £170.1k (6.2%) mainly arising from increased bars and entertainments sales (£86.0k or 5.0% increase); Student groups income (excluding RA grants) increased by £74.5k (13.8%) due to an increase in the number of groups and memberships whilst the Guild also received additional funding for International Buddying and Pre-sessional Students projects towards year-end.
- Income from other trading activities increased by £14.1k (5.6%) due to improved marketing and lettings agency sales.

Whilst total income increased by £234k, total expenditure increased by £155k (2.9%) from £5.280m to £5.435m allowing for Net Income to increase by £78.6k to £160.1k compared to 2014/15.

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Expenditure incurred to raise funds of £345.8k was very similar to 2014/15 although marginal savings of £4k were generated in 2015/16. However, expenditure on charitable activities increased by £158.9k (3.2%) from £4.931m in 2014/15 to £5.090m in 2015/16.

Note (7) to the financial statements breaks down expenditure on charitable activities (including support cost allocations) into the following activities and movements:

- Expenditure relating to Student Representation incorporating the Officer Team and Student Voice department increased by £27.2k (4.1%) to £693.7k.
- Expenditure relating to Advice, Support & Community increased by £21.6k (4.2%) to £540.8k and all of this increase is attributable to Student Mentors and Community Wardens activities.
- Expenditure relating to Student Development and Employability increased by £89.5k (4.8%). The vast majority of this increase is driven by student groups; societies and Guild sports clubs spent £96.9k more than in 2014/15 whilst Residents' Associations spent £22.2k less than in 2014/15. Expenditure within the Jobs, Skills & Volunteering department increased by £28.8k to £134.0k.
- Expenditure incurred within charitable trading activities increased by £18.7k (1.1%) to £1.746m

The expenditures highlighted above take account of support cost allocations totalling £1.909m. As highlighted in note (8) to the financial statements, total support costs decreased by £13.4k compared to £1.923m incurred in 2014/15. The direct costs of the HR and Administration department, Finance department and Facilities (buildings costs) all decreased compared to 2014/15 whilst professional/legal charges, the Communications and Marketing department and Senior Management Team report increases to expenditure compared to 2014/15.

Fixed Assets

As highlighted in note (13), the net book value of 'Total Fixed Assets' decreased by £116k to £519.8k. New asset purchases totalled £107.2k (2015: £76.5k) whilst depreciation charges amounted to £223.2k (2015: £288.1k). Purchases relating to central building works totalled £54.6k (2015: £45.1k) and included expenditure for the Subway relocation enabling works and sundry committee room refurbishment. Equipment purchases totalled £52.6k (2015: £31.4k) and included committee room IT investment, general IT equipment upgrades and network improvements, and the purchase of new display boards for use at fairs.

Net Current Assets & Cash-Flow

Total Net Current Assets increased by £361.5k to £1.906m during the year primarily due to an increase in cash balances of £372.7k to £2.115m as at 31 July 2016. As highlighted in the Statement of Cash Flows on page 19, £478.1k cash was generated from operating activities during the year, reducing to £372.7k after accounting for capital investment purchases.

The cash surplus generated within the year was greater than previous years partly due to the Guild not making a cash repayment into the SUSS pension scheme within the year. This was due to the Guild making a lump sum advance payment in 2014/15 for the three year period covering 2014/15, 2015/16 and 2016/17.

It is important to highlight that cash funds held on behalf of the Guild's student groups and residents associations are also included within the Guild's cash balance at year-end. At 31 July 2016, student group balances totalled £633.1k consisting of £273.0k Guild societies and sports clubs, £312.5k residents associations and £47.6 University sports club custodian funds. The latter custodian funds are reported as creditors to the Guild (see below) whilst the Guild's student groups are reported as both designated and restricted funds (see notes (21) and (22)).

The combined balances for stocks and debtors fell by £34.5k to £291.4k whilst balances for creditors due within one year fell by £23.3k to £499.8k. Further detail regarding movements to stock, debtor and creditor balances is reported in notes (15), (16) and (18).

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Provision for Liabilities and Net Liabilities

As highlighted within the accounting policies section and notes (20) and (30), the Guild has been required to adopt Financial Reporting Standard 102 (FRS102) for the first time this financial year. Under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a liability discounted to net present value. As a result, the Guild has recognised its estimated share of the SUSS pension deficit discounted to a net present value and the comparative figures for 2014/15 have been restated to account for this change.

As at 31 July 2014, the liability to the Guild was calculated as amounting to £3,069,582.

The liability provision is calculated at £2.745m as at 31st July 2016, representing a £85.3k increase to the £2.659m calculated as at 31 July 2015. The deficit calculation is based upon making annual repayments for the next 17 years to 30 September 2031, with repayments incrementing by 5% annually.

The impact of recognising this liability is that the Guild now reports Total Net Liabilities of £318.8k as at 31 July 2016. This has fallen by £160.1k (representing Net Income for the year) compared to restated Total Net Liabilities of £478.9k brought forward at the start of the year.

Custodian Funds

AU Sports Clubs who hold a 'social' account with the Guild are 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 £47.6k compared to a closing balance of £40.2k held at the end of 2014/15.

Guild Services Ltd

As highlighted in note (14), Guild Services Ltd is a wholly owned trading subsidiary of the parent charity, University of Birmingham Guild of Students. Guild Services Ltd engages in trading activities not directly associated with the charitable objects of the parent charity for the purposes of generating income that is donated back to the parent charity to fund charitable activities.

Currently Guild Services Ltd operates a Lettings Agency to assist University of Birmingham students in finding suitable private accommodation in the local area as well as engaging in commercial student related marketing activities directed towards our members.

For 2015/16, Guild Services Ltd generated income of £242.4k (2015: £224.9k) and incurred costs of £193.8k (2015: £187.9k). At 31 July 2016, a gift-aid payment of £48.6k (2015: £37k) is due to be made from Guild Services Ltd to University of Birmingham Guild of Students.

Future Finances

The budget for 2016/17 financial year was approved by the Guild's Trustee Board in May 2016. This reports Net Expenditure of £96.6k for the year. After allocating budgeted expenditure of £54.5k to restricted reserves and designated reserve charges of £119.9k, the net impact is a budgeted increase of £77.9k to unrestricted reserves (prior to designations and student group activity). This is very similar to the budget approved for 2015/16.

However, the approved 2016/17 budget included £159.8k pension deficit charges originally arising from the three year advanced discount payment that was prepaid in 2014/15. As a result of accounting changes arising from FRS102 implementation, the adjustment required will impact the figures reported above.

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The Guild will be in receipt of a block grant totalling £2.148m for 2016/17 and will receive additional funding of £322.3k to fund Student Mentors and Community Wardens services.

The Guild has budgeted for capital expenditure purchases of £45.0k within 2016/17 for on-going investments to include IT equipment and sundry building works such as committee room refurbishment. However subsequently to the original budget approval, the Guild's Finance Committee and Trustee Board have recently approved circa £290k capital expenditure to open a new catering outlet and this is likely to take place in the first six months of 2016/17. The latter will also result in budget revisions compared to that originally approved.

In addition, we are also seeking further financial assistance from University to help fund larger capital improvement plans that are currently being developed and are likely to take place during 2017/18.

During the 2016/17 budget process and University block grant application, the Guild has updated its financial three year forecast and will be further developing the financial plan over the coming months.

The block grant application undertaken in 2015/16 for 2016/17 onwards enabled the Guild to consolidate additional strategic funding for the long term although this was originally approved for three years only for the period 2014/15 – 2016/17 (circa £250k pa).

In February 2017, the Guild will also receive updated SUSS pension deficit projections arising from the actuarial evaluation taking place in 2016. A significant increase to future annual deficit contributions is highly likely and the Guild will need to plan how these costs are met. A substantial increase has already been incorporated into the three year financial forecast prepared during the budget process although only estimates were available at that time.

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.

Remuneration Policy

The Guild's last comprehensive review to remuneration was conducted in 2009/10 although is periodically reviewed to ensure it remains fit for purpose. In 2009/10, the pay-scale was originally aligned to the Higher Education Single Pay Spine although the Guild did not formally adopt the HE scale. Whilst the Guild has issued annual cost of living/inflationary increases that vary from the HE scale uplifts each year, the Guild's pay-scale has remained very much in line with movements reflected in the HE scale.

Annual cost of living/inflationary increases are applied to the scale each year after taking account of general economic conditions, funding, affordability and benchmarking against similar organisations and stakeholders. For the last three financial years, the Guild has applied a 1% increase to core pay-scales.

During 2009/10, the Guild also adopted the Local Authority Employers Job Evaluation scheme that remains in place today. All new positions created are evaluated prior to recruitment and all current job roles are also evaluated periodically either as they become vacant or when variations to responsibility levels are made to roles. This process applies to all core staff posts (including senior managers) with the exception of the Chief Executive role. The latter would require a separate review prior to recruitment that would take account of various stakeholder input and benchmarking analysis.

In addition, staffs are able to increment within a pay-scale grade on an annual basis in line with standard organisational policies and subject to outcomes measured in an employee's annual

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Development & Performance Review. A small number of staff can accelerate more quickly through a pay-grade each year subject to excellent/exceptional contribution, demonstrating a wide range of competencies and achievement of objectives to a high standard.

The full-time Officer Team elected annually are also paid against a specific pay-scale grade/point and this level of pay is set with reference to other Students Unions' in the Midlands and nationally.

With reference to student staff positions, historically the Guild has tracked against National Minimum Wage (21 and over rate) for all student staff regardless of age. However, the Guild's ambition is to implement higher levels of pay in line with published Living Wage rates of pay.

In 2015/16 and 2016/17, the Guild has awarded greater increases to 'bridge the gap', adopting a step approach to attaining Living Wage. There are currently two levels of student staff pay referred to as 'basic' and 'senior assistant' rates of pay.

Reserves Policy

At 31 July 2016, the Guild's free reserves (being general funds excluding that represented by fixed assets) stood at £589.3k. After taking account of general funds including fixed assets, total unrestricted reserves stood at £750.0k (as shown in note (22)). This is in accordance with the range £650k - £750k specified within the Guild's current Reserves Policy

At the end of 2015/16, the Guild has made two further designations to reserves created in 2014/15. Firstly, a transfer of £294.6k has been credited to the second building infrastructure reserve to set aside funds to contribute towards the next large scale building improvement project (to include Mermaid Square and the Debating Hall). The reserve reports a balance of £506.4k as at 31 July 16.

In addition, a further designation has been made into the strategy designated reserve of £19.3k increasing the balance to £97.4k as at 31 July 16. This represents delayed expenditure for the implementation of the 2014-17 strategy that was funded from enacting internal disinvestment plans and additional block grant awarded for 2014/15 onwards. This reserve has been allocated to temporary additional staff resource during 2016/17.

Historical designated reserves held to fund both building refurbishment and IT Strategy implementation costs will be eroded as assets are depreciated. By 31 July 2016, the Guild was mid-way through implementation of the IT Strategy (£167.6k spent to date) whilst all of the original building refurbishment expenditure has been made.

As a result of recognition of the Guild's SUSS pension deficit arising from FRS102 implementation, a negative unrestricted pension fund balance of £2.744m is recognised as at 31 July 16. Refer to the accounting policies section and note (30).

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.

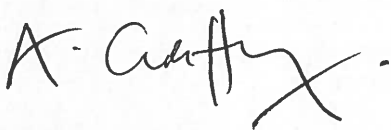
University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Small Company Provisions

The report of the Trustee Board has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by Part 15 and Section 414B(b) of the Companies Act 2006.

On behalf of the Trustee Board

A handwritten signature in black ink, appearing to read 'A. Griffin', with a long horizontal stroke extending to the right.

Alison Griffin
Chair of Trustee Board

24 October 2016

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) including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

The trustees are also 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 AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

We have audited the consolidated financial statements of University of Birmingham Guild of Students for the year ended 31 July 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows 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) including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, 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.

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 (APB's) Ethical Standards for Auditors. This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

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 31 July 2016 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, including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the UK and Ireland' and;
- have been prepared in accordance with the requirements of the Companies Act 2006

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 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

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of Trustees' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit; or
 - The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime.
-



Ian Holder (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street

Birmingham

B3 2RT

Date: 31 October 2016

University of Birmingham Guild of Students

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

For the year ended 31 July 2016

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
INCOME						
Donations	2	2,096,129	30,000	297,836	2,423,965	2,372,907
Income from charitable activities	3	1,952,059	558,487	393,647	2,904,193	2,734,089
Income from other trading activities	4	265,626	-	-	265,626	251,546
Investment income	5	1,739	-	-	1,739	3,455
TOTAL INCOME		4,315,553	588,487	691,483	5,595,523	5,361,997
EXPENDITURE						
Expenditure on raising funds	6	345,607	-	220	345,827	349,790
Expenditure on charitable activities	7	3,774,620	561,694	753,234	5,089,548	4,930,664
TOTAL EXPENDITURE		4,120,227	561,694	753,454	5,435,375	5,280,454
NET INCOME/ (EXPENDITURE)	12	195,326	26,793	(61,971)	160,148	81,543
Transfers between funds	23	(182,894)	182,894	-	-	-
NET MOVEMENT IN FUNDS		12,432	209,687	(61,971)	160,148	81,543
Reconciliation of Funds						
Total funds brought forward		(2,007,229)	1,070,577	457,693	(478,959)	(560,502)
TOTAL FUNDS CARRIED FORWARD		(1,994,797)	1,280,264	395,722	(318,811)	(478,959)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The Consolidated Statement of Financial Activities (including income and expenditure account) for the year ended 31 July 2015 are reported in note (1).

The accounting policies and notes on pages 20 to 44 form an integral part of these financial statements.

University of Birmingham Guild of Students

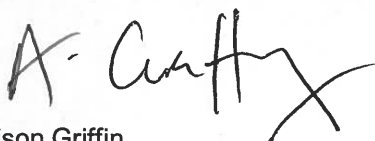
CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 31 July 2016

Company registration number: 06638759

		Group		Guild	
	Note	2016 £	2015 £	2016 £	2015 £
FIXED ASSETS					
Tangible assets	13	519,772	635,768	519,772	635,768
Investments	14	-	-	25,000	25,000
		<u>519,772</u>	<u>635,768</u>	<u>544,772</u>	<u>660,768</u>
CURRENT ASSETS					
Stocks	15	26,087	31,195	26,087	31,195
Debtors	16	265,353	294,735	327,470	371,204
Investments	17	769,127	517,963	769,127	517,963
Cash at bank and in hand		1,345,409	1,223,902	1,190,303	1,044,038
		<u>2,405,976</u>	<u>2,067,795</u>	<u>2,312,987</u>	<u>1,964,400</u>
CREDITORS: Amounts falling due within one year	18	(499,762)	(523,064)	(482,818)	(495,714)
NET CURRENT ASSETS		<u>1,906,214</u>	<u>1,544,731</u>	<u>1,830,169</u>	<u>1,468,686</u>
Provisions for Liabilities: SUSS Pension Deficit	20	(2,744,797)	(2,659,458)	(2,744,797)	(2,659,458)
NET LIABILITIES	23	<u>(318,811)</u>	<u>(478,959)</u>	<u>(369,856)</u>	<u>(530,004)</u>
FUNDS					
Restricted funds	21	395,722	457,693	395,722	457,693
- Unrestricted - General		750,000	652,229	698,955	601,184
- Unrestricted - Pension	20	(2,744,797)	(2,659,458)	(2,744,797)	(2,659,458)
- Designated	22	1,280,264	1,070,577	1,280,264	1,070,577
		<u>(318,811)</u>	<u>(478,959)</u>	<u>(369,856)</u>	<u>(530,004)</u>

The financial statements were approved by the Trustee Board and authorised for issue on 24 October 2016 and signed on their behalf by:



Alison Griffin
Chair of Trustee Board

These accounts are prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The accounting policies and notes on pages 20 to 44 form an integral part of these financial statements.

University of Birmingham Guild of Students
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 July 2016

	2016 £	2015 £
Net cash generated from/(used in) operating activities	478,110	(35,792)
Cash flows from investing activities		
Interest received	1,739	3,455
Purchase of tangible fixed assets	(107,178)	(76,543)
Net cash used in investing activities	(105,439)	(73,088)
Net increase/(decrease) in cash & cash equivalents in the year	372,671	(108,880)
Cash & cash equivalent at the beginning of the year	1,741,865	1,850,745
Total cash & cash equivalents at the end of the year	2,114,536	1,741,865

Reconciliation of net movement in funds (operating surplus) to net cash generated from/(used in) operating activities

	2016 £	2015 £
Operating surplus	160,148	81,543
Depreciation	223,174	288,141
Interest received	(1,739)	(3,455)
Decrease in stocks	5,108	21,327
Decrease/(Increase) in debtors	29,382	(60,217)
Increase/(Decrease) in creditors & pension liability provision	62,037	(363,131)
Net cash generated from/(used in) operating activities	478,110	(35,792)

Analysis of changes in net funds

	At 1 August 2015 £	Cash flow £	At 31 July 2016 £
Short term investment	517,963	251,164	769,127
Cash in hand and at bank	1,223,902	121,507	1,345,409
	1,741,865	372,671	2,114,536

The cash balance of £2.115m includes £633.1k cash relating to student groups consisting of £273k Guild societies and sports clubs, £312.5k residents associations and £47.6k University sports club custodian funds (see notes (18), (21) and (22)).

University of Birmingham Guild of Students

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

University of Birmingham Guild of Students meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Transition to FRS102 took place on 1 August 2014.

JUDGEMENTS AND ESTIMATIONS

Management has not made any significant judgements and estimations in the process of applying the accounting policies except for the recognition of the SUSS pension liability as detailed below within accounting policies - Reconciliation with previous GAAP and Pensions, and within note (30).

There are no areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the SUSS pension liability. The SUSS pension scheme has conducted a full actuarial evaluation as at 30 June 2016. This information will not be available to the University of Birmingham Guild of Students until February 2017.

FINANCIAL INSTRUMENTS

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required.

The University of Birmingham Guild of Students participated in the multi-employer defined benefit Students' Union Superannuation Scheme (SUSS) that has now been closed to both new entrants and future accrual. Under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a liability discounted to net present value. As at 31 July 2014, the liability to the Guild was calculated as amounting to £3,069,582.

No other restatements were required.

In accordance with the requirements of FRS102, a reconciliation of opening reserves is provided in note (30) to these financial statements.

GOING CONCERN

As a result of the adjustments arising from the transition to FRS102, the Guild now reports a net liabilities position of £318.8k on its Statement of Financial Position (Balance Sheet) as at 31 July 2016. This is directly a result of recognising the discounted pension liability calculated as £2.74m as at 31 July 2016. However, this liability is payable on an incremental basis over a seventeen year period to 30 September 2031 and there is no reason to believe the Guild cannot meet its annual commitments to repay the liability.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

The trustees have prepared detailed budgetary and cash flow information for the financial year 2016/17 and robust financial & cash flow forecasts are also prepared for the following three year period to 31 July 2020. This enables trustees to plan effectively for financial issues and capital investments during the planning period and this is reviewed, updated and extended by one year annually.

The Guild benefits from significant annual grant funding from University of Birmingham and this funding is reviewed annually by both Guild and University representatives. The Guild realised an increase to its block grant by £250k per annum in 2014/15 to approximately £2m per annum, and as part of the 2015/16 application conducted for 2016/17, consolidated this funding into the main grant for future years. The trustees have no reason to believe that the equivalent level of funding will not continue in future years.

In addition, the Guild currently benefits from significant cash resources of £2.11m as at 31 July 2016 and much lower short term creditors of £499.8k. This enables the Guild to report net current assets of £1.91m as at 31 July 2016.

On the basis of this information, the trustees believe the charity and group remain in a position to continue operating and have the capacity to meet all liabilities as they fall due.

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 FRS102 – Consolidated and separate financial statements – Guild Services Limited is considered to be under the control of the Guild. In addition, advantage has been taken of the FRS102 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 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. Stock is recognised on a first in, first out basis.

INCOME

The Guild receives donations 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.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

Donations 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 the sale of goods is recognised within income from charitable activities when all of the following conditions are satisfied:

- the Guild has transferred the significant risks and rewards of ownership to the buyer;
- the Guild retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Guild will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Income from other trading activities relates to the sale of marketing services, franchise agreements and lettings agency services and is recognised in the period the activities relate to on a receivable basis.

Investment income is recognised on a receivable basis.

All income arose within the United Kingdom.

EXPENDITURE

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 result in the payment being unavoidable.

- Expenditure on raising funds are those costs incurred in attracting donations, 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 (8) 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.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

Whilst the scheme operates as a pooled arrangement, under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a liability discounted to net present value. As at 31 July 2014, the liability to the Guild was calculated as amounting to £3,069,582.

In accordance with the requirements of FRS102, a reconciliation of opening reserves is provided in note (30) to these financial statements.

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 FRS102 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 2016

1 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDING 31 JULY 2015

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
INCOME						
Donations	2	2,102,607	25,000	245,300	2,372,907	2,170,015
Income from charitable activities	3	1,889,984	474,737	369,368	2,734,089	2,732,584
Income from other trading activities	4	251,546	-	-	251,546	237,178
Investment income	5	3,455	-	-	3,455	7,563
TOTAL INCOME		4,247,592	499,737	614,668	5,361,997	5,147,340
EXPENDITURE						
Expenditure on raising funds	6	349,320	-	470	349,790	346,141
Expenditure on charitable activities	7	3,725,889	464,764	740,011	4,930,664	4,948,610
TOTAL EXPENDITURE		4,075,209	464,764	740,481	5,280,454	5,294,751
NET INCOME/ (EXPENDITURE)	12	172,383	34,973	(125,813)	81,543	(147,411)
Transfers between funds		(101,128)	101,128	-	-	-
NET MOVEMENT IN FUNDS		71,255	136,101	(125,813)	81,543	(147,411)
Reconciliation of Funds						
Total funds bought forward		(2,078,484)	934,476	583,506	(560,502)	(413,091)
TOTAL FUNDS CARRIED FORWARD		(2,007,229)	1,070,577	457,693	(478,959)	(560,502)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

2	DONATIONS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Grants receivable					
	University					
	- Block grant	1,841,510	-	-	1,841,510	1,835,510
	- Other	254,619	-	10,385	265,004	267,097
	- Residents Associations	-	30,000	287,451	317,451	270,300
		<u>2,096,129</u>	<u>30,000</u>	<u>297,836</u>	<u>2,423,965</u>	<u>2,372,907</u>
		<u><u>2,096,129</u></u>	<u><u>30,000</u></u>	<u><u>297,836</u></u>	<u><u>2,423,965</u></u>	<u><u>2,372,907</u></u>
3	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Student Representation	174	-	-	174	10,500
	Student Advice, Support & Community	-	-	336,743	336,743	296,284
	Student Development & Employability (Incl. Student Groups)	21,989	558,487	56,904	637,380	558,169
	Charitable Trading	1,929,896	-	-	1,929,896	1,869,136
		<u>1,952,059</u>	<u>558,487</u>	<u>393,647</u>	<u>2,904,193</u>	<u>2,734,089</u>
		<u><u>1,952,059</u></u>	<u><u>558,487</u></u>	<u><u>393,647</u></u>	<u><u>2,904,193</u></u>	<u><u>2,734,089</u></u>
4	INCOME FROM OTHER TRADING ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	External trading income	242,382	-	-	242,382	224,809
	Rental and Commission income	23,244	-	-	23,244	26,737
		<u>265,626</u>	<u>-</u>	<u>-</u>	<u>265,626</u>	<u>251,546</u>
		<u><u>265,626</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>265,626</u></u>	<u><u>251,546</u></u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

5 INVESTMENT INCOME	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Bank interest receivable	1,739	-	-	1,739	3,455

6 EXPENDITURE ON RAISING FUNDS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
External trading costs	144,108	-	-	144,108	144,414
Rental & License fee costs	3,492	-	-	3,492	6,218
	147,600	-	-	147,600	150,632
Support Costs (Note 8)	198,007	-	220	198,227	199,158
	345,607	-	220	345,827	349,790

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

7	EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Student Representation:					
	Direct costs					
	Officer Team	238,314	-	-	238,314	233,870
	Student Voice	173,600	-	5,551	179,151	167,972
	Support costs (note 8)	276,071	-	154	276,225	264,635
		<u>687,985</u>	<u>-</u>	<u>5,705</u>	<u>693,690</u>	<u>666,477</u>
	Student Advice, Support & Community:					
	Direct costs					
	Advice	77,765	-	-	77,765	78,247
	Mentor Scheme	-	-	199,133	199,133	175,212
	Community Wardens	-	-	63,992	63,992	57,520
	Housing & Community	-	-	2,855	2,855	1,370
	Night Bus	-	-	-	-	(602)
	Vale Fireworks	-	-	14,868	14,868	12,684
	Support costs (note 8)	121,979	-	60,211	182,190	194,779
		<u>199,744</u>	<u>-</u>	<u>341,059</u>	<u>540,803</u>	<u>519,210</u>
	Student Development & Employability:					
	Direct costs					
	Student Groups Dept & all					
	Student Groups	192,493	561,694	387,819	1,142,006	1,065,409
	Job, Skills & Volunteering	128,763	-	5,199	133,962	105,116
	Support costs (note 8)	679,839	-	11,917	691,756	707,744
		<u>1,001,095</u>	<u>561,694</u>	<u>404,935</u>	<u>1,967,724</u>	<u>1,878,269</u>
	Charitable trading:					
	Direct costs	1,298,259	-	-	1,298,259	1,282,712
	Support costs (note 8)	446,705	-	1,532	448,237	445,117
		<u>1,744,964</u>	<u>-</u>	<u>1,532</u>	<u>1,746,496</u>	<u>1,727,829</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

7	EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
	Governance Costs					
	Audit Fees	13,485	-	-	13,485	12,705
	Legal/Professional Fees	7,719	-	-	7,719	7,580
	Other direct costs	6,827	-	-	6,827	7,222
	Support costs (note 8)	112,801	-	3	112,804	111,372
		<u>140,832</u>	<u>-</u>	<u>3</u>	<u>140,835</u>	<u>138,879</u>
	Total Expenditure on Charitable Activities	<u>3,774,620</u>	<u>561,694</u>	<u>753,234</u>	<u>5,089,548</u>	<u>4,930,664</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

8 SUPPORT COSTS	EXPENDITURE ON RAISING FUNDS		EXPENDITURE ON CHARITABLE ACTIVITIES						
	Generating voluntary income £	Fundraising Trading £	Student Representation £	Student Advice, Support & Community £	Student Development & Employability £	Charitable Trading £	Governance £	Total 2016 £	Total 2015 £
HR, Administration & Reception	79	3,550	25,404	27,614	64,868	33,436	23,066	178,017	193,068
Finance Department	2,002	8,499	8,589	14,589	53,817	67,934	23,120	178,550	183,103
Professional/Legal costs	2,434	9,922	10,110	18,476	65,047	82,124	2,808	190,921	186,248
Communications & Marketing	-	1,806	67,437	67,738	112,596	42,750	12,042	304,369	294,286
Facilities/Buildings costs	127,910	8,464	95,224	28,023	327,888	185,989	1,910	775,408	843,232
Senior Management costs	5,492	28,069	69,461	25,750	67,540	36,004	49,858	282,174	222,868
	137,917	60,310	276,225	182,190	691,756	448,237	112,804	1,909,439	1,922,805

Support costs are allocated on the following bases:

- HR, Administration 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.
- Communications and Marketing – based on number of items of equipment requiring support and number of promotional campaigns conducted.
- Facilities/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 2016

9 REMUNERATION OF SABBATICAL OFFICERS

Gross salary payments and employer pension contributions made during the year to Sabbatical Officers totalled £147k compared to £142.6k in 2014/15. However, the trustee status of Sabbatical Officer teams has varied. The breakdown is as follows:

	2016 £	2015 £
Sabbatical Officers - Trustee status		
Gross salary payments	144,167	86,141
Employers pension costs	557	773
Sabbatical Officer/Trustee Remuneration within the year	144,724	86,914
Sabbatical Officers – Non-trustee status		
Gross salary payments	2,277	55,481
Employers pension costs	18	199
Sabbatical Officer/Non-Trustee Remuneration within the year	2,295	55,680
Total Sabbatical Officer Remuneration	147,019	142,594

During the financial year, the 2015/16 Sabbatical Officer Team were in post for the period 1 August 2015 – 15 July 2016. The 2016/17 Sabbatical Officer Team started their induction on 20 June 2016 and formally took office from 18 July 16.

The trustee status of the Sabbatical Officer teams has varied as follows:

	Trustee	Non-Trustee
2014/15 Sabbatical Officer Team	4	3
2015/16 Sabbatical Officer Team	7	-
2016/17 Sabbatical Officer Team	7	1

In 2015/16 financial year, the following trustees received remuneration:

B Chapman, R Claustres, J Mably, I Lenga, D Lindlar, R Sorrentino, R Strong, N Cox, G Freeman, B Hattiloney, E Keiller, I Nicholds and C Wilkinson.

In 2014/15 financial year, the following trustees received remuneration:

J Armer, B Dovey, W Wesolek, P Wilkinson, B Chapman, R Claustres, J Mably, I Lenga, D Lindlar, R Sorrentino and R Strong.

No remuneration was paid to any other trustees.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

10 TRUSTEE BOARD AND SABBATICAL OFFICER TEAM PERSONAL EXPENSES

Two external members of the Guild's Trustee Board were reimbursed for travel expenses, totalling £69 within the year (2015: £80 - 2 external trustees). This expenditure is reported within Governance Costs, shown in note (7).

In addition, the 2015/16 Sabbatical Officer Team (all trustees) were reimbursed a total of £2,941 (2015: £1,226 across 4 sabbatical trustees) in respect of personal travel and subsistence expenses, in accordance with their role as elected Sabbatical Officers.

Similarly, three of the seven 2016/17 Sabbatical Officer trustees were reimbursed £231 (2015: £202 – 3 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).

A number of external trustees have not claimed travel expenses to attend board and sub-committee meetings during 2015/16 and have personally chosen to waive their expenses. The value of these expenses is unknown.

The Guild of Students also incurred costs of £2,957 (2015: £3,898) within the year relating to Professional Indemnity insurance cover of £5m (2015: £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 (7).

11 STAFF COSTS

The average weekly number of persons employed, excluding the Officer Team and Trustee Board shown in notes (9) and (10), during the year was as follows:

	2016 Number	2015 Number
Permanent Staff (average / full time equivalent)	76 / 68	68 / 64
Student Staff (average / full time equivalent)	142 / 38	162 / 43
	<u>218 / 106</u>	<u>230 / 107</u>

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages & Salaries	2,215,381	2,077,197
Social security costs	145,060	142,192
Pension costs – contributions within year	46,599	36,186
Pension costs – deficit charges	85,340	67,387
	<u>2,492,380</u>	<u>2,322,962</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

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

	2016 Number	2015 Number
£80,000 - £89,999	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

The employer pension contributions totalled £4,972 (2015: £4,776) for this employee within the National Union of Students Pension Scheme (NUSPS).

Key management personnel are considered to be the Guild's Senior Management Team reported on page 2. This consists of the Chief Executive, three Director positions and Finance Manager. Gross salary costs including employer pension contributions totalled £279.5k for 2015/16, compared to £248.9k for 2014/15.

The Guild did not make any termination payments to employees during 2015/16. This compares to termination payments totalling £3,613 in 2014/15. Payments were made to two employees through settlement agreements arising from the 2014 strategic review and subsequent restructure.

12 NET MOVEMENT IN FUNDS

	2016 £	2015 £
Is stated after charging:		
Auditors remuneration:		
- audit services	10,650	10,550
- other services	4,790	3,380
	<u>15,440</u>	<u>13,930</u>
Depreciation:		
- owned assets	223,174	288,141
	<u><u>223,174</u></u>	<u><u>288,141</u></u>
Operating lease rentals:		
- plant and machinery	10,806	11,308
- land and buildings	115,175	115,175
	<u>125,981</u>	<u>126,483</u>
	<u><u>125,981</u></u>	<u><u>126,483</u></u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

13	TANGIBLE FIXED ASSETS	Central Building Refurbish £	Equipment £	Total £
	GROUP & GUILD			
	Cost:			
	At 1 August 2015	2,095,210	1,392,547	3,487,757
	Additions	54,558	52,620	107,178
	Disposals	-	-	-
	At 31 July 2016	2,149,768	1,445,167	3,594,935
	Depreciation:			
	At 1 August 2015	1,592,760	1,259,229	2,851,989
	Charge for the year	149,768	73,406	223,174
	Disposals	-	-	-
	At 31 July 2016	1,742,528	1,332,635	3,075,163
	Net book value:			
	At 31 July 2016	407,240	112,532	519,772
	At 31 July 2015	502,450	133,318	635,768

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

14	INVESTMENTS	Group £	Guild £
	Cost:		
	At 1 August 2015	-	25,000
	Disposal	-	-
	At 31 July 2016	-	25,000
	Net book value:		
	At 1 August 2015	-	25,000
	Disposal	-	-
	At 31 July 2016	-	25,000

An analysis of the above investments is set out below. At 31 July 2016 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%

UNLISTED INVESTMENTS	Unlisted investments £	Investment in subsidiary £	Total £
Cost			
At 1 August 2015	-	25,000	25,000
Disposal	-	-	-
At 31 July 2016	-	25,000	25,000
Net book value			
At 1 August 2015	-	25,000	25,000
At 31 July 2016	-	25,000	25,000

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

14 INVESTMENTS (continued)

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

	2016 £	2015 £
Turnover	242,382	224,809
Operating profit	48,552	36,864
Interest receivable	50	131
Taxation	-	-
Donation under Gift aid distribution	(48,602)	(36,995)
Retained profit	-	-
Net current assets and shareholders' funds	76,045	76,045

Guild Services Limited is a registered company in England and Wales under number 2080761.

For the year ended 31 July 2016, Guild Services Limited was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476.

15 STOCKS

	Group		Guild	
	2016 £	2015 £	2016 £	2015 £
Bars	25,270	30,097	25,270	30,097
Catering	817	1,098	817	1,098
	<u>26,087</u>	<u>31,195</u>	<u>26,087</u>	<u>31,195</u>

Total expenditure for bars and catering stocks purchased in 2015/16 is £378,633 (2015: £381,727).

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

16

Group

Guild

DEBTORS: Amounts falling due after more than one year

2016
£

2015
£

2016
£

2015
£

Prepayments (General)

302

12,856

302

12,856

302

12,856

302

12,856

Group

Guild

DEBTORS: Amounts falling due within one year

2016
£

2015
£

2016
£

2015
£

Trade debtors

56,768

80,475

52,052

69,222

Other debtors

16,978

23,746

16,978

21,717

Owed by subsid. undertakings

-

-

68,564

92,544

Prepayments (General)

149,619

141,672

149,619

143,670

Accrued Income

41,686

35,986

39,955

31,195

265,051

281,879

327,168

358,348

265,353

294,735

327,470

371,204

17

SHORT TERM INVESTMENTS

Group

Guild

2016
£

2015
£

2016
£

2015
£

Money Market/Deposit Investments

769,127

517,963

769,127

517,963

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

18	CREDITORS: Amounts falling due within one year	Group		Guild	
		2016 £	2015 £	2016 £	2015 £
	Trade creditors	230,368	233,482	230,368	231,820
	Other taxation & social security	38,734	33,356	38,734	33,356
	Custodian Funds held on behalf of AU/University Sports Groups	47,562	40,224	47,562	40,224
	Other Creditors	41,275	54,368	27,952	31,890
	Accruals	127,022	125,861	123,401	122,651
	Deferred Income	14,801	35,773	14,801	35,773
		<u>499,762</u>	<u>523,064</u>	<u>482,818</u>	<u>495,714</u>

19	DEFERRED INCOME	Group		Guild	
		2016 £	2015 £	2016 £	2015 £
	At 1 August 2015	35,773	19,445	35,773	19,445
	Additions	14,801	35,015	14,801	35,015
	Released	(35,773)	(18,687)	(35,773)	(18,687)
		<u>14,801</u>	<u>35,773</u>	<u>14,801</u>	<u>35,773</u>
	At 31 July 2016	<u>14,801</u>	<u>35,773</u>	<u>14,801</u>	<u>35,773</u>

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

20	PROVISION FOR LIABILITIES: SUSS PENSION DEFICIT	2016 £	2015 £
	Balance bought forward	2,659,458	3,069,582
	Deficit contributions paid	-	(477,511)
	Unwinding of discount factor/interest	85,339	67,387
		<u>2,744,797</u>	<u>2,659,458</u>
	Balance carried forward	<u>2,744,797</u>	<u>2,659,458</u>

The SUSS pension liability after five years is estimated to be £2,408,784 (2015: £2,542,348).

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

21	RESTRICTED FUNDS	1 August 2015 £	Income £	Expenditure £	Transfers £	31 July 2016 £
	Mentor Scheme	12,016	256,294	(249,299)	-	19,011
	Warden Scheme	33,815	72,615	(73,493)	-	32,937
	Post Graduate (Incl. PAVE)	5,932	-	(5,932)	-	-
	Vale Fireworks	-	14,868	(14,868)	-	-
	Student Groups (RA's)	372,994	330,321	(390,735)	-	312,580
	Capital Grants	12,787	-	(6,256)	-	6,531
	Sundry Funds	20,149	7,000	(12,871)	-	14,278
	University Maintenance SLA	-	10,385	-	-	10,385
		<u>457,693</u>	<u>691,483</u>	<u>(753,454)</u>	<u>-</u>	<u>395,722</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	1 August 2015 £	Income £	Expenditure £	Transfers £	31 July 2016 £
	Building Refurbishment 1	406,396	-	-	(89,356)	317,040
	Infrastructure	128,071	-	-	(41,670)	86,401
	Building Refurbishment 2	211,799	-	-	294,619	506,418
	Student Groups (Societies & Guild Sports Clubs)	246,193	588,487	(561,694)	-	272,986
	2014-17 Strategy	78,118	-	-	19,301	97,419
		<u>1,070,577</u>	<u>588,487</u>	<u>(561,694)</u>	<u>182,894</u>	<u>1,280,264</u>

The designated reserve to finance building refurbishment 1 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. £89.4k depreciation costs have been charged during 2015/16, whilst depreciation costs of £160.5k were charged in 2014/15.

A further depreciation charge of £34.2k has been charged against the ICT Strategy Fund within the year, compared to £31.0k charged in 2014/15, whilst £7.5k of IT consultancy costs has also been charged against the reserve in 2015/16.

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 increased by £26.8k within the year, consisting of £588.5k income and £561.7k expenditure. This compares to a £35.0k increase reported for 2014/15, after accounting for £499.7k of income and £464.8k expenditure during 2014/15.

The two new designated reserves created last year (2014/15) have benefitted from further credit transfers into them for 2015/16.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

Firstly, the second building refurbishment capital fund to save towards building improvements has been credited with £294.6k to a closing balance of £506.4k. Plans for the development of Mermaid Square and the Debating Hall are currently being progressed and the project investment is likely to take place in 2017/18.

A further £19.3k has been credited to the designated 'strategy' reserve to set aside 'unspent' strategic funding during 2014/15 and 2015/16, arising from the implementation of the 2014-17 strategy. The majority of this fund is being utilised in 2016/17 to invest in additional temporary staffing resource to accelerate the delivery of the strategy.

23	ANALYSIS OF NET LIABILITIES	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
	Restricted funds	5,833	389,889	-	395,722
	Designated funds	353,202	927,062	-	1,280,264
	General funds				
	- UoB Guild of Students	160,737	513,218	-	673,955
	- UoB Guild - Pension	-	-	(2,744,797)	(2,744,797)
	- Subsidiary undertaking(s)	-	76,045	-	76,045
		<u>519,772</u>	<u>1,906,214</u>	<u>(2,744,797)</u>	<u>(318,811)</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 FRS102 and does not detail related party transactions with its subsidiary undertaking.

Other related party disclosures consist of the following:

- **National Union of Students (NUS)**

Mr J Mably who was appointed as a trustee in July 2015 and resigned in July 2016 was also a member of the NUS Services Ltd Purchasing Consortium Board from September 2015 to July 2016.

Miss D Lindlar who was appointed as a trustee in July 2015 and resigned in July 2016 was also a member of the NUS Services Ltd NUS Extra Direction & Oversight Board from September 2015 to July 2016.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

Miss E Keiller who was appointed as a trustee in July 2016 is also a member of both the NUS Services Ltd Purchasing Consortium Board and NUS Extra Direction & Oversight Board, appointed from September 2016.

Mrs J Thomas who was appointed as CEO in August 2007 has been a member of the board of trustees of NUS Charitable Services Ltd since August 2011 although resigned in June 2016.

During the year, the Guild received NUS Extra card sales of £81.5k (2015: £79.2k) and incurred costs of £45.6k (2015: £44.2k). At 31 July 2016, there was an 'accrued income' debtor balance of £5.5k (2015: £5.0k) and an accrual creditor balance of £2.3k (2015: £2.9k).

In addition, the Guild incurred costs directly from NUS of £67.5k mainly for affiliations and training (2015: £64.8k) and generated income of £5.0k (2015: £2.6k). At 31 July 16, there was a debtor balance of £0.1k (2015: £0.3k) outstanding. A trade creditor balance of £4.3k (2015: £4.6k) was also recorded at year-end, 31 July 16.

Furthermore, the Guild transacted £269.2k via NUS to purchase bar stocks and consumables from external suppliers contracted via the NUS Services Ltd Purchasing Consortium (2015: £263.4k). At 31 July 16, the Guild reported a trade creditor balance of £0.8k (2015: £0.3k) and a debtor balance of £2.9k (2015: £3.4k) to represent retrospective discounts owed at year-end.

- **University of Birmingham**

Mr C Granger who was appointed as the University nominated trustee in December 2014 is also the Director of Finance for University of Birmingham, appointed December 2014.

During the year, the Guild received income of £2.814m (2015: £2.782m) and incurred expenditure of £542.3k (2015: £523.5k). At 31 July 16, the Guild held a creditor balance of £114.7k (2015: £130.2k) and a debtor balance of £103.7k (2015: £91.4k).

- **Birmingham City Students' Union and Birmingham City Enterprises Ltd**

Mr R Evans who was appointed as a trustee in October 2013 is also the Chief Executive for Birmingham City Students' Union and Birmingham City Enterprises Ltd, appointed November 2009.

As regards Birmingham City Students' Union, during the year the Guild received income of £0.1k (2015: £nil) and incurred expenditure of £nil (2015: £0.2k). At 31 July 16, the Guild held no creditor or debtor balances for Birmingham City Students' Union (2015: creditor balance of £0.2k).

In addition, the Guild incurred expenditure of £nil for 2015/16 (2015: £0.6k) in relation to Birmingham City Enterprises Ltd with no creditor/debtor balances held at 31 July 2016 (2015 £nil).

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

26 OPERATING LEASE COMMITMENTS

At 31 July 2016, the Guild had commitments under property leases and non-cancellable equipment operating leases (minimum lease payments) as set out below:

	2016 £	2015 £
Land & Buildings Lease which expire:		
Within 1 year	117,539	115,175
Within 2 – 5 years	235,079	235,079
Over 5 years	-	-
	<hr/>	<hr/>
	352,618	350,254
	<hr/>	<hr/>
Operating leases which expire:		
Within 1 year	2,146	2,146
Within 2 – 5 years	432	2,160
Over 5 years	-	-
	<hr/>	<hr/>
	2,578	4,306
	<hr/>	<hr/>

27 CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted but not provided for	-	-
Expenditure authorised by the Board but not contracted	-	36,840
	<hr/>	<hr/>

For 2014/15, the 'expenditure authorised by the Board but not contracted' related to preparation works for the relocation of the Subway franchise. This work was undertaken in 2015/16.

28 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.

	2016 £	2015 £
Advice UK Limited	240	-
Association of Licensed Multiple Retailers	310	-
Association of British Theatre Technicians	250	-
NUS Services Limited	380	275
National Union of Students	51,936	51,851
National Centre for Voluntary Organisations - Free	-	-

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2016

Royal Society for the Prevention of Accidents	-	435
UKCISA	317	301
Subscriptions & Affiliations of £150 or less	217	169
	<hr/>	<hr/>
	53,650	53,031
	<hr/>	<hr/>

29 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. 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 2016 was £nil compared to £477,512 paid in 2014/15. This was on the basis of paying a discounted lump sum advance payment in 2014/15 to cover the three year period 1 October 2014 to 30 September 2017. As a result, the Guild will also not be required to make deficit contributions during 2016/17 financial year.

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However, whilst no cash payments were paid into the scheme during 2015/16, a charge of £85,340 has been recognised within the year to represent the estimated increase in the value of the liability provision within the year.

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. Contributions into the NEST scheme are currently based upon 1% of qualifying earnings also matched by employee contributions, or enhanced 4% or 6% employer contributions matched by individual employees.

The total contributions paid into both NUSPS and NEST by the Guild in respect of eligible employees amounted to £46,599 (2015 - £36,186). At 31 July 2016, a balance of £7,497 was recorded as a Creditor within the Balance Sheet representing July 2016 pension contributions payable in August 2016 (2015: £6,376). The estimated employer contributions for 2016/17 financial year relating to NUSPS and NEST are £50,073.

The total pension contributions paid into all three schemes by the Guild in respect of eligible employees for the year ended 31 July 2016 amounted to £46,599 (2015 - £513,698 including funding deficit contributions for three years)

30 ADJUSTMENTS ARISING FROM FRS102 TRANSITION

As highlighted within the Accounting Policies section (page 20), the financial statements have been prepared in accordance with FRS102 for year ending 31 July 2016. This transition has resulted in the restatement of the 2014/15 comparative figures to reflect the recognition of the Guild's liabilities in relation to the multi-employer defined benefit SUSS pension scheme.

Comparative figures for 2014/15 have been adjusted for by firstly calculating the Guild's pension deficit liability as at 31 July 2014 (£3,069,582) and then making necessary adjustments for 2014/15. Figures have been adjusted on the following basis;

	As at 31 st Jul 2014 £	As at 31 st Jul 2015 £
RECONCILIATION OF GROUP FUNDS		
Funds previously recorded under UK GAAP	2,509,080	2,519,369
SUSS Pension Deficit adjustment	(3,069,582)	(2,998,328)
	<hr/>	<hr/>
Group Funds recognised under FRS102	(560,502)	(478,959)
	<hr/>	<hr/>
RECONCILIATION OF GROUP NET INCOME		
		As at 31 st Jul 2015 £
Net Income under UK GAAP		10,288
SUSS Pension Deficit adjustment		71,255
		<hr/>
Net Income under FRS102		81,543
		<hr/>

In calculating the liability accruing from past service for the multi-employer defined benefit scheme, the Guild has used repayment assumptions provided by SUSS as at 1 October 2014 as agreed with the pension regulator at the time. The repayment plan was based upon a

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repayment date of 30 September 2031 with SUSS estimating annual deficit repayments incrementing by 5% per annum during the 17 year period 1 October 2014 to 30 September 2031. A discount factor of 3.2% has been used to calculate the net present value of the liability as at 31 July 2014, 2015 and 2016.

In addition, the Guild made a three year advanced discount payment in October 2014 to cover the period to 30 September 2017 and this has also been taken into account when calculating net present values for 2014/15 and 2015/16.

31 FINANCIAL PERFORMANCE OF THE CHARITY

The charity reports a surplus of £160,148 for the year ended 31 July 2016 in comparison to a restated surplus of £81,543 reported for 2014/15.

The charity reports gross income of £5,565,534 for the year ended 31 July 2016 in comparison to gross income of £5,325,731 reported for 2014/15.

The charity has taken advantage of Section 408 of the Companies Act 2006 and the SORP and has not included a separate Statement of Financial Activities in these financial statements.

32 EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have taken place since the Balance Sheet date.