



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended

31 July 2018

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	23 rd Oct 17
Mr Robert Smeath	Chair	23 rd Oct 17	-
Miss Eleanor Keiller	Vice Chair – President (Officer across two financial years)	18 th Jul 16	13 th Jul 18
Miss Jessica Levy	Representation & Resources Officer	17 th Jul 17	15 th Jun 18
Mr Adam Goldstone	Education Officer (Officer across two financial years)	17 th Jul 17	-
Miss Shannon Farmer	Activities & Development Officer	17 th Jul 17	13 th Jul 18
Miss Henrietta Green	Welfare Officer	17 th Jul 17	13 th Jul 18
Mr Kristen Ali	Housing & Community Officer	17 th Jul 17	13 th Jul 18
Miss Helena Bailey	Sports Officer	17 th Jul 17	13 th Jul 18
Mr Ryan Bennett		7 th Jul 17	3 rd Jul 18
Miss Claire Boothman		2 nd Dec 15	2 nd Dec 17
Miss Laura Brindley		18 th Aug 17	3 rd Jul 18
Miss Tanya Chadha		7 th Mar 16	-
Ms Erica Conway		3 rd Jul 18	-
Mrs Christine Davies		15 th Sept 14	-
Mr Richard Evans		30 th Oct 13	-
Mr Christopher Granger		1 st Jan 15	3 rd Jul 18
Miss Amelia Hiller		3 rd Jul 18	-
Mr Adam Keene		3 rd Jul 18	-
Ms Mayya Konovalova		1 st May 18	-
Miss Farah Fahd Mahmoud		2 nd Dec 15	2 nd Dec 17
Miss Krisztina Mair		24 th Jan 18	-
Mr Robert Saunders		30 th Oct 13	-
Mr Lyndon Williams		11 th Jan 16	-
2018/19			
Mr Reece Roberts	Vice Chair – President	16 th Jul 18	-
Miss Isabel Bygrave	Welfare & Community Officer	16 th Jul 18	-
Miss Robyn Macpherson	Activities & Employability Officer	16 th Jul 18	-
Miss Cho Won Park	International Officer	16 th Jul 18	-
Mr Simon Price	Sports Officer	16 th Jul 18	-

Senior Management Team

Mrs Joanne Thomas	Chief Executive
Mr Adam Sheridan	Director of Engagement
Miss Emily Badger	Director of Operations
Miss Sarah Edmunds	Director of Support & Development
Mr Nicholas Bailey	Finance Manager

University of Birmingham Guild of Students

REFERENCE AND ADMINISTRATION DETAILS

Non-Trustee Sabbatical Officer

		Appointed	Resigned
Miss Rose Bennett	Postgraduate Officer (Officer across two financial years)	18 th Jul 16	13 th Jul 18
Miss Jessica Small	Postgraduate Officer	16 th Jul 18	-

Auditors Mazars LLP, 45 Church Street, Birmingham, B3 2RT

Bankers HSBC, 130 New Street, Birmingham, B2 4JU

Solicitors **Governance, Charity Law & General**
Bates, Wells & Braithwaite London LLP
10 Queen Street Place, London, EC4R 1BE

HR
QDOS Legal Services Ltd
Windsor House, Troon Way Business Centre
Humberstone Lane, Thurmaston, Leicester, LE4 9HA

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

The Trustee Board presents their Annual Report for the period ended 31 July 2018 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 2017/18 year-end, there were 17 trustees in post. For 2018/19 only, the Postgraduate Officer will not be a Trustee and therefore only six Sabbatical Trustees will be members of the Board.

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.

Following an Officer Review approved by the Trustee Board on 23rd October 2017, the roles of the elected Sabbatical Trustees were amended to the following positions: President, Activities and Employability, Education, International, Postgraduate, Sport, and Welfare and Community Officers. 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. 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, and to review the Guild's performance and administration. In 2017/18 the Trustee Board met six times.

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

The Guild of Students incurred costs of £3,622 (2017: £3,055) within the year relating to Professional Indemnity insurance cover of £5m (2017: £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 on a regular basis, where appropriate systems or procedures have been established to mitigate the risks the Guild faces. These systems include a new Risk Management Policy, as well as risk management training which has been delivered to Trustees and Guild managers. 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
Financial A significant reduction in trading income	<ul style="list-style-type: none"> Diversifying income streams to reduce reliance on one source of funding Annual value for money check is completed
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
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

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

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

The Guild continues to represent students on relevant local, national and international issues. Through 'Your Ideas', 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 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 at the end of its 2014 – 2017 strategic plan and building on the success achieved, the Guild was delighted to be rewarded with the prestigious NUS Students' Union of the Year award.

The table below provides an update on projects and activities completed in 2017/18 towards the delivery of the strategic plan.

Objectives/Commitments	Outcomes/Achievements in 2017/18:
Theme 1	Improving the Academic and Learning Experience
Implement a new Student Representation Scheme	<p>During the 2017/18 academic year, 927 Student Reps volunteered their time. 216 of these reps were trained centrally by the Student Voice team.</p> <p>A programme of enhancements was introduced this year, including the Regional Rep Conference, community building events and Student Rep inclusion in the Outstanding Teaching Awards scheme.</p>

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

100 changes implemented each year as part of the Student Representation Scheme	In 2017/18, an impressive 371 changes were made through the Student Representation System. This is very similar to the previous year, where 377 wins were recorded. Examples of Student Rep changes include implementing podcasts and online teaching materials, reviewing the inclusivity of the curriculum and wide-scale implementation of lecture capture recording.
80% satisfaction with the Student Representation Scheme	Satisfaction with the Representation Scheme increased by 2% to meet the strategic target of 80% satisfaction.
Theme 2	Representing the Student Voice
Change the democratic structure and Officer Team models so that they represent the student voice effectively	The 3 rd year of the Your Ideas democratic model saw 77 ideas submitted by students for various changes on campus. In total the submitted ideas received 6670 votes from students.
80% of students say that 'the Guild represents them and provides a voice to the University'	55% students believe that the Guild provides them with a voice to the University.
12,000 students voting in Officer Team Elections by 2017	The Guild received a final total of 50 nominations for candidates in the Officer Elections. 8,160 votes were received for these candidates in the election, a record turnaround for a 5 day election.
Theme 3	Developing Skills and increasing Employability
12,000 students in student groups and societies	The Guild continued to offer students a broad choice of groups and associations during the 2017/18 academic year. The number of groups has risen from 293 to 301 over the past year. Over 11,200 students are members of those groups.
8,000 students volunteering	The Jobs, Skills & Volunteering department recorded 6,515 volunteers during the year. A programme of micro-volunteering opportunities, development of community volunteering links and supporting volunteering groups has contributed to this figure.
350 student staff articulating skills	Over 360 student staff were able to articulate the skills gained from working at the Guild.
2,500 students finding part-time work	In total, 1,545 students secured part-time or vacation work through the Guild's job service, enabling Birmingham students to earn over £2.5 million in wages.
Theme 4	Giving better value for money
15,000 students using and visiting our venues and commercial services and attending events and activities	14,000 students visited commercial events at the Guild this academic year. Over 61,000 event tickets were sold throughout the whole year, including Fab n Fresh, Societies Night, Sports Night and Fresher's events. Our flagship Grad Ball event was popular with finalists, with over 3,100 tickets sold for the event. For the second year in succession we organised a Postgraduate Ball which sold all 331 available tickets.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

£600k contribution from the Guild financially from commercial services	£538k in surpluses was contributed by Guild commercial services during 2017/18, compared to £563k achieved in 2016/17.
13,000 Joe's Plus cards sold	Joe's Bar itself secured the prestigious NUS Services' 'Best Bar None Awards' Gold Award.
Theme 5	Increasing Engagement & Participation
80% of students find Guild communications relevant and interesting	Digital channels and targeted messaging have remained at the heart of our communications strategy this year. A total of 23,800 individuals logged into our website this year, an increase of over 1,000 from 2016/17.
Communicate in a targeted way to increase engagement and participation and overall satisfaction	<p>We have introduced a Guild app which has over 6,000 downloads. Students predominantly use this app to buy tickets and join societies.</p> <p>We have continued to develop our targeted communications messaging, with specific fortnightly emails targeted at fresher, returners and postgraduate students. Email open rates have risen to 36% over the year.</p>

Future Plans

As we bring to an end the 2014-17 strategic plan, the Guild continues to focus on delivering an ever more representative, inclusive and exciting experience for students, striving to make the most of their time in Birmingham. We have developed a new strategic plan (2018-2021) which will build on the success of the previous years' achievements; and allow us to understand our student demographic better, increase our digital and social media popularity and presence and continue to give students an excellent student experience at Birmingham.

Extensive consultation with key stakeholders has taken place over the past year, as well as widespread reviews of existing data within the organisation, which has been used to support the development of the new plan, which will deliver greater focus on how we support postgraduate and international students, as well as improving the quality of the undergraduate experience and services offered.

Financial Review

Income and Expenditure

For 2017/18, the Guild reports Net Income of £392.3k compared to Net Expenditure of £1.171m in 2016/17. The financial result for 2016/17 was significantly impacted by pension deficit adjustments made during the year arising from an actuarial revaluation in June 2016 and a revision to the discount factor applied in calculating the net present value of estimated repayments required.

The 2017/18 Net Income figure is also reported after taking account of all student group activity (including Residents' Associations/Hall Reps (RA)). This activity reports Net Income for the year of £94.5k (2017: £128.0k) mainly driven by an under-spend to RA activity in relation to the grant receivable in the year.

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).

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REPORT OF THE TRUSTEE BOARD

Total Income increased by £175.2k (3.0%) from £5.89m to £6.07m in comparison to 2016/17. The increase was spread across the following areas;

- Income from donations and legacies (grants receivable from University) increased by £90.3k (3.6%) consisting of a £82.0k increase to elements of the Block Grant and a £8.3k increase in RA (Hall Reps) grants;
- Income from charitable activities increased by £88.9k (2.9%) consisting of a £57.7k increase to Student Advice, Support & Community funding including increases for the Global Buddies project 'Not On' campaign and Community Wardens Scheme; a £22.2k increase to income generated from Student Development & Employability activities (mainly student groups) and an increase of £9.6k to income generated from charitable trading activities. Income derived from Student Representation activities fell by £0.6k.

Total expenditure & charges decreased by £1.388m from £7.062m to £5.673m compared to 2016/17. However, if we discounted the pension deficit adjustments for both years, expenditure for general activities in 2017/18 would have been £5.695m, only £14.6k lower than the £5.710m that would have been reported for 2016/17.

The Income and Expenditure Account (SOFA) reported on page 17 reports that total expenditure on raising funds was very similar across both financial years (£0.5k saving) whilst expenditure on charitable activities resulted in a £14.1k saving compared to 2016/17.

As highlighted in note (8), the expenditures highlighted above take account of support cost allocations totalling £1.859m representing a £75.7k saving compared to £1.935m reported for 2016/17. The direct costs of the HR and Administration department, Finance department, Communications & Marketing department, Senior Management Team and Professional/Legal budget all decreased by a combined £111k whilst the costs of Facilities (buildings) increased by £35.3k compared to 2016/17.

Fixed Assets

As highlighted in note (13), the net book value of 'Total Fixed Assets' decreased by £135.3k to £471.8k. New asset purchases totalled £85.7k (2017: £321.3k) whilst depreciation charges amounted to £221.0k (2017: £233.9k). Purchases relating to central building works totalled £47.6k (2017: £205.4k) consisting of small scale refurbishments and IT cabling works. Equipment purchases totalled £38.1k (2017: £115.9k) and included student group studio equipment, General IT equipment and other sundry equipment purchases.

Net Current Assets & Cash-Flow

Total Net Current Assets increased by £284.9k to £2.108m during the year consisting of an increase to current assets by £259.7k and a decrease to creditors due within one year by £25.2k.

As reported within the Statement of Cash Flows on page 20, total cash balances increased by £351.6k across the year to £2.476m held at year-end, whilst debtor and stock balances fell by a combined £91.9k. Some of this movement can be explained by the RA's (Hall Reps) grant payments for term three. In 2016/17, this was recorded as accrued income and paid in 2017/18 whilst the corresponding grant for 2017/18 was paid within the year.

Within the cash balances of £2.476m held at year-end, it is important to highlight that £872.8k consisted of student group balances, including £346.8k Guild societies and sports clubs, £469.0k RA (Hall Reps) and £57.0k University sports club custodian funds. The latter custodian funds are reported as creditors to the Guild (totalling £54.0k) whilst the Guild's student groups are reported as both designated and restricted funds (see notes (21) and (22)).

Further detail regarding movements to stock, debtor and creditor balances is reported in notes (15), (16) and (18).

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Provision for Liabilities and Net Liabilities

Since 2015/16 (and restated for 2014/15), the Guild has been required to adopt Financial Reporting Standard 102 (FRS102). 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 highlighted in note (20), during the year the total liability provision is estimated to have decreased by £198.5k from £4.097m recorded as at 31 July 2017 to £3.898m calculated as at 31 July 2018. The £3.898m liability is split between creditors falling due within one year (£220.8k) and the longer term provision (£3.677m).

The £198.5k decrease within the year arises from two factors. Firstly the Guild made repayments into the scheme totalling £176.5k representing charges for the ten-month period 1 October 2017 to 31 July 2018.

Secondly, the Guild has revised assumptions regarding the discount factor applied to calculate the net present value of deficit repayments required, resulting in a further reduction of £22.0k. For 2016/17, the Guild used 1.85% whilst this has been revised upwards to 2.16% for 2017/18. The revised discount factor better reflects current market conditions forecast for investments over the next sixteen year period.

Within the year the Guild was also alerted to a potential legal issue relating to historical SUSS pension commitments and this could result in an increase to the total scheme deficit at the next actuarial evaluation scheduled for June 2019, and therefore potentially impact the Guild from 2020/21. The Guild is awaiting further information regarding this matter and SUSS/NUS are currently investigating options to resolve this matter. An estimate has not been reflected within the financial statements as it would not meet the definition of a liability or provision as at 31 July 2018. A contingent liability is recorded in note (30) of these financial statements.

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 £54.0k compared to a closing balance of £68.6k held at the end of 2016/17, a decrease of £14.6k. Of the £54.0k balance at year-end, £57.0k is reported within cash and £3.0k within trade creditors.

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 2017/18, Guild Services Ltd generated income of £249.2k (2017: £253.2k) and incurred costs of £200.0k (2017: £202.1k). At 31 July 2018, a gift-aid payment of £49.2k (2017: £51.2k) is due to be made from Guild Services Ltd to University of Birmingham Guild of Students.

University of Birmingham Guild of Students

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Future Finances

The budget for 2018/19 financial year was approved by the Guild's Trustee Board in July 2018. This reports Net Expenditure of £25.6k for the year. After allocating budgeted expenditure and charges to both restricted and designated reserves of £367.1k, the net impact is a budgeted increase of £341.5k to unrestricted reserves (prior to designations and student group activity).

The Guild will be in receipt of a block grant totalling £2.474m for 2018/19 and will also receive additional funding of £795.3k to fund Student Mentors, Community Wardens and Hall Reps. The block grant allocation for 2018/19 onwards also includes £165k new funding towards Postgraduate and International student engagement.

The Guild has budgeted for capital expenditure purchases of £893.7k within 2018/19 although the majority of this expenditure is also likely to roll into 2019/20. This includes a £550k contribution towards a larger scale joint building project with University, who are also committing £1m towards this investment. In addition, £210k has been allocated towards a refurbishment and EPOS upgrade to our Joes Bar venue and £133.7k towards on-going investments to include IT and technical equipment, a CCTV upgrade and sundry building works such as committee room refurbishment.

During the 2018/19 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 forecast has been reviewed by trustees during the year and included an analysis of cash flow forecasts and future capital requirements.

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

In 2017/18, the pay-scale was reviewed and recalibrated reducing pay-points from five points to four points for each grade on the scale. The lower-end of the scale was also corrected to take account of erosion of the Guild pay-scale arising from national statutory increases to minimum wage increasing at a faster rate than annual cost of living/inflationary increases applied by the Guild. The pay-scale has been introduced from the start of 2018/19 and this review should ensure the pay-scale remains fit for purpose in years to come.

In addition, the Guild also compares the pay-scale to the Higher Education Single Pay Spine although the Guild does 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. The Guild applied a 1.75% increase to core pay-scales in 2017/18 and has applied the same increase for next financial year 2018/19.

During 2009/10, the Guild adopted the Local Authority Employers Job Evaluation scheme that remains in place today. All new posts 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. The Board commissioned an external consultant to undertake a benchmark review using Job Evaluation of the CEO's remuneration during 2017/18 and the report was subsequently approved by HR Committee.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

In addition, staff 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 Development & Performance Review. The full-time Officer Team elected annually are paid against a specific pay-scale grade/point.

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, since 2015/16 the Guild has awarded greater increases as a step approach to attaining the equivalent of Living Wage levels of pay. There are currently two levels of student staff pay referred to as 'basic' and 'senior assistant' rates of pay. A 3.6% and 3.4% has been applied respectively for 2018/19.

Reserves Policy

At 31 July 2018, the Guild's free reserves (being general funds excluding that represented by fixed assets and the SUSS pension deficit) stood at £612.1k. After taking account of general funds including fixed assets, but excluding the SUSS pension deficit, total unrestricted reserves stood at £909.4k (as shown in note (23)). This is greater than the range £650k - £750k specified within the Guild's current Reserves Policy.

For 2017/18, the Guild has designated a further £30k to the IT strategy reserve to set aside funds to invest in further IT improvements whilst the designated reserve for the next significant building project (£550k) remains unchanged for 2017/18. It is anticipated a project will commence from summer 2019.

In addition, a charge has been made to the 2014-17 strategy designated reserve of £49.6k within the year reducing the reserve balance to £nil. The charge related to additional staff resource utilised during the year to help deliver strategic goals.

Historical designated reserves held to fund both building refurbishment and IT Strategy implementation costs will be eroded as assets are depreciated. By 31 July 2018, the Guild had almost completed implementation of the original IT Strategy (£181.3k 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 in 2015/16, a negative unrestricted pension fund balance of £3.898m is recognised as at 31 July 18. Refer to the accounting policies section and note (20).

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.

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.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

On behalf of the Trustee Board



Robert Smeath
Chair of Trustee Board

29 October 2018

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

Opinion

We have audited the financial statements of University of Birmingham Guild of Students (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2018 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we

University of Birmingham Guild of Students

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

conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page (13), the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

University of Birmingham Guild of Students

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

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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



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

Date: 30 January 2019

University of Birmingham Guild of Students

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

For the year ended 31 July 2018

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
INCOME						
Donations	2	2,235,208	33,500	341,564	2,610,272	2,519,997
Income from charitable activities	3	2,063,445	658,760	461,578	3,183,783	3,094,910
Income from other trading activities	4	262,214	-	-	262,214	266,304
Investment income	5	9,493	-	-	9,493	9,329
TOTAL INCOME		4,570,360	692,260	803,142	6,065,762	5,890,540
EXPENDITURE						
Expenditure on raising funds	6	350,474	-	1,825	352,299	352,811
Expenditure on charitable activities	7	3,962,419	674,622	706,089	5,343,130	5,357,182
Pension Deficit (credit)/charges	20	(21,963)	-	-	(21,963)	1,351,916
TOTAL EXPENDITURE		4,290,930	674,622	707,914	5,673,466	7,061,909
NET INCOME/ (EXPENDITURE)	12	279,430	17,638	95,228	392,296	(1,171,369)
Transfers between funds	23	114,781	(114,781)	-	-	-
NET MOVEMENT IN FUNDS		394,211	(97,143)	95,228	392,296	(1,171,369)
Reconciliation of Funds						
Total funds bought forward		(3,162,238)	1,230,102	441,956	(1,490,180)	(318,811)
TOTAL FUNDS CARRIED FORWARD		(2,768,027)	1,132,959	537,184	(1,097,884)	(1,490,180)

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 2017 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

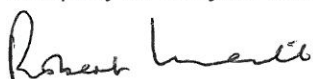
As at 31 July 2018

Company registration number: 06638759

		Group		Guild	
	Note	2018 £	2017 £	2018 £	2017 £
FIXED ASSETS					
Tangible assets	13	471,815	607,153	471,815	607,153
Investments	14	-	-	25,000	25,000
		<u>471,815</u>	<u>607,153</u>	<u>496,815</u>	<u>632,153</u>
CURRENT ASSETS					
Stocks	15	32,955	35,903	32,955	35,903
Debtors	16	384,711	473,754	504,526	590,711
Investments	17	1,772,041	1,520,233	1,772,041	1,520,233
Cash at bank and in hand		704,168	604,332	465,608	363,525
		<u>2,893,875</u>	<u>2,634,222</u>	<u>2,775,130</u>	<u>2,510,372</u>
CREDITORS: Amounts falling due within one year	18	(786,128)	(811,382)	(743,428)	(763,577)
NET CURRENT ASSETS		<u>2,107,747</u>	<u>1,822,840</u>	<u>2,031,702</u>	<u>1,746,795</u>
Provisions for Liabilities: SUSS Pension Deficit	20	(3,677,446)	(3,920,173)	(3,677,446)	(3,920,173)
NET LIABILITIES	23	<u>(1,097,884)</u>	<u>(1,490,180)</u>	<u>(1,148,929)</u>	<u>(1,541,225)</u>
FUNDS					
Restricted funds	21	537,184	441,956	537,184	441,956
- Unrestricted - General		1,130,184	934,475	1,079,139	883,430
- Unrestricted - Pension	20	(3,898,211)	(4,096,713)	(3,898,211)	(4,096,713)
- Designated	22	1,132,959	1,230,102	1,132,959	1,230,102
		<u>(1,097,884)</u>	<u>(1,490,180)</u>	<u>(1,148,929)</u>	<u>(1,541,225)</u>

The financial statements were approved by the Trustee Board and authorised for issue on 29 October 2018 and signed on their behalf by:

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. Net Income for the parent company for the year 2017/18 is £392,296.



Robert Smeath
Chair of Trustee Board

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 2018

	2018 £	2017 £
Net cash generated from/(used in) operating activities	427,861	322,028
Cash flows from investing activities		
Interest received	9,493	9,329
Purchase of tangible fixed assets	(85,710)	(321,328)
Net cash used in investing activities	(76,217)	(311,999)
Net increase/(decrease) in cash & cash equivalents in the year	351,644	10,029
Cash & cash equivalent at the beginning of the year	2,124,565	2,114,536
Total cash & cash equivalents at the end of the year	2,476,209	2,124,565

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

	2018 £	2017 £
Operating Surplus/(Deficit)	392,296	(1,171,369)
Depreciation	221,048	233,947
Interest received	(9,493)	(9,329)
Decrease/(Increase) in stocks	2,948	(9,816)
Decrease/(Increase) in debtors	89,043	(208,401)
(Decrease)/Increase in creditors & pension liability provision	(267,981)	1,486,996
Net cash generated from/(used in) operating activities	427,861	322,028

Analysis of changes in net funds

	At 1 August 2017 £	Cash flow £	At 31 July 2018 £
Short term investment	1,520,233	251,808	1,772,041
Cash in hand and at bank	604,332	99,836	704,168
	2,124,565	351,644	2,476,209

The cash balance of £2.476m includes £872.8k cash relating to student groups consisting of £346.8k Guild societies and sports clubs, £469.0k residents associations and £57.0k 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).

JUDGEMENTS AND ESTIMATIONS

Management has not made any significant judgements and estimations in the process of applying the accounting policies except for the revised estimation of the SUSS pension liability as detailed below within accounting policies (pensions) and within note (20).

Estimations included within the 2017/18 financial statements are based upon the latest information available following an actuarial revaluation conducted as at 30 June 2016, and it is reasonable to assume the estimations will not change until the next actuarial revaluation is conducted as at June 2019.

As highlighted within the Report of the Trustee Board (pg9), the SUSS pension scheme is currently investigating a historical legal issue which may give rise to additional commitments and increase the overall scheme deficit from 2020/21 onwards. The Guild is currently waiting for further information regarding this issue and no provision/estimation is included in the financial statements at present.

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.

GOING CONCERN

Since 2015/16 (and restated for 2014/15), the Guild has been required to report estimated repayments into the SUSS pension deficit discounted to a net present value. This has resulted in the Guild reporting a net liability position within the Balance Sheet that was estimated to be £1.49m brought forward as at 1 August 2017. For 2017/18, the Guild reports Net Income of £392.3k reducing the Balance Sheet net liability position to £1.098m as at 31 July 2018.

However, the SUSS pension liability is payable on an incremental basis over a sixteen year period to 30 June 2033 and there is no reason to believe the Guild cannot meet its annual commitments to repay the liability. Actuarial revaluations will take place every three years and the pension deficit will decrease as the Guild makes payments up to June 2033.

The trustees have prepared detailed budgetary and cash flow information for the financial year 2018/19 and robust financial & cash flow forecasts are also prepared for the following three year period to 31 July 2022. 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 and University has agreed an increase of £188.5k (8.3%) for 2018/19 increasing the recurrent grant to £2.47m. This excludes additional funding receivable to deliver core services such as the Student Mentor Scheme, Wardens Scheme and Residents' Associations (Hall Reps), all of which are supported by three year service level agreements. The trustees have no reason to believe that the equivalent level of funding will not continue in future years.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

Furthermore, the Guild currently benefits from significant cash resources of £2.476m as at 31 July 2018 and much lower short term creditors of £786.1k. This enables the Guild to report net current assets of £2.108m as at 31 July 2018.

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.

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;

University of Birmingham Guild of Students

ACCOUNTING POLICIES

- 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.

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 2018, the liability to the Guild was calculated as amounting to £3,898,211.

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.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

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 2018

1 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDING 31 JULY 2017

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £
INCOME					
Donations	2	2,147,729	31,607	340,661	2,519,997
Income from charitable activities	3	2,052,421	636,487	406,002	3,094,910
Income from other trading activities	4	266,304	-	-	266,304
Investment income	5	9,329	-	-	9,329
TOTAL INCOME		4,475,783	668,094	746,663	5,890,540
EXPENDITURE					
Expenditure on raising funds	6	352,591	-	220	352,811
Expenditure on charitable activities	7	4,058,160	598,813	700,209	5,357,182
Pension Deficit charges		1,351,916	-	-	1,351,916
TOTAL EXPENDITURE		5,762,667	598,813	700,429	7,061,909
NET INCOME/ (EXPENDITURE)	12	(1,286,884)	69,281	46,234	(1,171,369)
Transfers between funds		119,443	(119,443)	-	-
NET MOVEMENT IN FUNDS		(1,167,441)	(50,162)	46,234	(1,171,369)
Reconciliation of Funds					
Total funds brought forward		(1,994,797)	1,280,264	395,722	(318,811)
TOTAL FUNDS CARRIED FORWARD		(3,162,238)	1,230,102	441,956	(1,490,180)

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 2018

2	DONATIONS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	Grants receivable					
	University					
	- Block grant	1,949,968	-	-	1,949,968	1,876,416
	- Other	285,240	-	-	285,240	276,749
	- Residents Associations	-	33,500	341,564	375,064	366,832
		<u>2,235,208</u>	<u>33,500</u>	<u>341,564</u>	<u>2,610,272</u>	<u>2,519,997</u>
3	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	Student Representation	1,059	-	-	1,059	1,658
	Student Advice, Support & Community	-	-	437,190	437,190	379,499
	Student Development & Employability (Incl. Student Groups)	21,907	658,760	24,388	705,055	682,835
	Charitable Trading	2,040,479	-	-	2,040,479	2,030,918
		<u>2,063,445</u>	<u>658,760</u>	<u>461,578</u>	<u>3,183,783</u>	<u>3,094,910</u>
4	INCOME FROM OTHER TRADING ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	External trading income	249,214	-	-	249,214	253,206
	Rental and Commission income	13,000	-	-	13,000	13,098
		<u>262,214</u>	<u>-</u>	<u>-</u>	<u>262,214</u>	<u>266,304</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

5	INVESTMENT INCOME	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	Bank interest receivable	9,493	-	-	9,493	9,329
		<u>9,493</u>	<u>-</u>	<u>-</u>	<u>9,493</u>	<u>9,329</u>
6	EXPENDITURE ON RAISING FUNDS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	External trading costs	155,255	-	-	155,255	157,843
	Rental & License fee costs	-	-	-	-	2,910
		<u>155,255</u>	<u>-</u>	<u>-</u>	<u>155,255</u>	<u>160,753</u>
	Support Costs (Note 8)	195,219	-	1,825	197,044	192,058
		<u>195,219</u>	<u>-</u>	<u>1,825</u>	<u>197,044</u>	<u>192,058</u>
		<u>350,474</u>	<u>-</u>	<u>1,825</u>	<u>352,299</u>	<u>352,811</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

7	EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	Student Representation:					
	Direct costs					
	Officer Team	249,902	-	-	249,902	248,620
	Student Voice	169,906	-	-	169,906	198,276
	Support costs (note 8)	273,774	-	1,276	275,050	285,932
		<u>693,582</u>	<u>-</u>	<u>1,276</u>	<u>694,858</u>	<u>732,828</u>
	Student Advice, Support & Community:					
	Direct costs					
	Advice	91,278	-	-	91,278	90,926
	Not On Ambassadors	-	-	11,334	11,334	1,358
	Global Buddies	-	-	37,430	37,430	38,349
	Mentor Scheme	-	-	228,728	228,728	221,195
	Community Wardens	-	-	82,590	82,590	69,398
	Housing & Community	-	-	-	-	2,583
	Vale Fireworks	-	-	17,882	17,882	17,627
	Support costs (note 8)	136,720	-	55,258	191,978	202,761
		<u>227,998</u>	<u>-</u>	<u>433,222</u>	<u>661,220</u>	<u>644,197</u>
	Student Development & Employability:					
	Direct costs					
	Student Groups Dept, RA's & Student Groups	197,244	674,622	252,770	1,124,636	1,104,819
	Job, Skills & Volunteering	140,651	-	-	140,651	169,118
	Support costs (note 8)	644,576	-	16,311	660,887	687,977
		<u>982,471</u>	<u>674,622</u>	<u>269,081</u>	<u>1,926,174</u>	<u>1,961,914</u>
	Charitable trading:					
	Direct costs	1,484,600	-	-	1,484,600	1,431,503
	Support costs (note 8)	419,925	-	2,489	422,414	450,303
		<u>1,904,525</u>	<u>-</u>	<u>2,489</u>	<u>1,907,014</u>	<u>1,881,806</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

7	EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	Governance Costs					
	Audit Fees	10,000	-	-	10,000	10,000
	Legal/Professional Fees	22,248	-	-	22,248	3,120
	Other direct costs	9,960	-	-	9,960	7,614
	Support costs (note 8)	111,635	-	21	111,656	115,703
		<u>153,843</u>	<u>-</u>	<u>21</u>	<u>153,864</u>	<u>136,437</u>
	Total Expenditure on Charitable Activities	<u>3,962,419</u>	<u>674,622</u>	<u>706,089</u>	<u>5,343,130</u>	<u>5,357,182</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

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 2018 £	Total 2017 £	
	HR, Administration & Reception	90	4,041	33,671	36,904	73,376	42,991	24,432	215,505	219,313	
	Finance Department	1,931	11,315	7,134	15,654	46,251	61,006	23,836	167,127	185,499	
	Professional/Legal costs	1,217	7,132	8,604	27,576	43,270	53,855	1,408	143,062	185,676	
	Communications & Marketing	-	1,585	59,158	59,422	98,773	37,502	10,563	267,003	295,845	
	Facilities/Buildings costs	129,538	8,572	96,435	28,379	332,059	188,354	1,934	785,271	750,020	
	Senior Management costs	5,418	26,205	70,048	24,043	67,158	38,706	49,483	281,061	298,381	
		138,194	58,850	275,050	191,978	660,887	422,414	111,656	1,859,029	1,934,734	

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 2018

9 REMUNERATION OF SABBATICAL OFFICERS

Gross salary payments and employer pension contributions made during the year to Sabbatical Officers totalled £166.2k compared to £165.7k in 2016/17. However, the trustee status of Sabbatical Officer teams has varied. The breakdown is as follows:

	2018 £	2017 £
Sabbatical Officers - Trustee status		
Gross salary payments	143,973	145,609
Employers pension costs	673	444
Sabbatical Officer/Trustee Remuneration within the year	144,646	146,053
Sabbatical Officers – Non-trustee status		
Gross salary payments	21,383	19,519
Employers pension costs	215	137
Sabbatical Officer/Non-Trustee Remuneration within the year	21,598	19,656
 Total Sabbatical Officer Remuneration	 166,244	 165,709

The trustee status of the Sabbatical Officer teams has varied in recent years 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
2017/18 Sabbatical Officer Team	7	1
2018/19 Sabbatical Officer Team	6	1

During the financial year, the 2017/18 Sabbatical Officer Team were in post for the period 1 August 2017 – 13 July 2018. The 2018/19 Sabbatical Officer Team started their induction on 18 June 2018 and formally took office from 16 July 18. For 2018/19, the Sabbatical Officer Team has been reduced back to 7 compared to 8 reported for 2016/17 and 2017/18.

In 2017/18 financial year, the following trustees received remuneration:

2017/18 Team – K Ali, H Bailey, S Farmer, H Green, A Goldstone, E Keiller & J Levy.
2018/19 Team – I Bygrave, A Goldstone, R Macpherson, CW Park, S Price & R Roberts.

In 2016/17 financial year, the following trustees received remuneration:

2016/17 Team – N Cox, G Freeman, B Hattiloney, E Keiller, I Nicholds, R Strong & C Wilkinson.
2017/18 Team – K Ali, H Bailey, S Farmer, H Green, A Goldstone, E Keiller & J Levy.

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 2018

10 TRUSTEE BOARD AND SABBATICAL OFFICER TEAM PERSONAL EXPENSES

Four external members of the Guild's Trustee Board were reimbursed for travel expenses, totalling £357 within the year (2017: £44 - 2 external trustees). This expenditure is reported within Governance Costs, shown in note (7).

In addition, the 2017/18 Sabbatical Officer Team (7 trustees only) were reimbursed a total of £2,382 (2017: £2,371) in respect of personal travel and subsistence expenses, in accordance with their role as elected Sabbatical Officers.

Similarly, two of the six 2018/19 Sabbatical Officer trustees were reimbursed £31 (2017: £180 – 2 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 2017/18 and have personally chosen to waive their expenses. The value of these expenses is unknown.

The Guild of Students also incurred costs of £3,622 (2017: £3,055) within the year relating to Professional Indemnity insurance cover of £5m (2017: £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:

	2018 Number	2017 Number
Permanent Staff (average / full time equivalent)	77 / 69	79 / 72
Student Staff (average / full time equivalent)	242 / 44	298 / 45
	<u>319 / 113</u>	<u>377 / 117</u>

The aggregate payroll costs of these persons were as follows:

	2018 £	2017 £
Wages & Salaries	2,421,892	2,449,388
Social security costs	153,299	157,432
Pension costs – contributions within year	50,683	51,350
Pension costs – deficit (credit)/charges	(21,963)	1,351,916
	<u>2,603,911</u>	<u>4,010,086</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

The following number of employees received remuneration above £60,000 within the year:	2018 Number	2017 Number
£60,000 - £69,999	-	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1
	<u>1</u>	<u>2</u>

For the 2017/18 employee paid in the range £80,000 - £89,999, employer pension contributions totalled £5,011 (2017: £5,169). Contributions were paid into 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 £280.6k for 2017/18, compared to £296.2k for 2016/17.

During 2017/18, the Guild made termination payments totalling £47,997 to three employees as part of the Guild's performance management framework and a small restructuring exercise. This compares to payments of £20,987 made in 2016/17 to three employees. (Please note, payments to one employee spanned both financial years and there are a total of five employees across both years). Statutory payments totalled £8,890 (2017 - £9,601) and non-statutory payments totalled £39,107 (2017 - £11,386).

12 NET MOVEMENT IN FUNDS

	2018 £	2017 £
Is stated after charging:		
Auditors remuneration:		
- audit services	10,000	10,000
- other services	2,720	2,210
	<u>12,720</u>	<u>12,210</u>
Depreciation:		
- owned assets	221,048	233,947
	<u>221,048</u>	<u>233,947</u>
Operating lease rentals:		
- plant and machinery	9,242	8,611
- land and buildings	118,849	118,849
	<u>128,091</u>	<u>127,460</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

13	TANGIBLE FIXED ASSETS	Central Building Refurbs £	Equipment £	Total £
	GROUP & GUILD			
	Cost:			
	At 1 August 2017	2,355,166	1,561,097	3,916,263
	Additions	47,630	38,080	85,710
	Disposals	-	-	-
	At 31 July 2018	2,402,796	1,599,177	4,001,973
	Depreciation:			
	At 1 August 2017	1,890,789	1,418,321	3,309,110
	Charge for the year	154,532	66,516	221,048
	Disposals	-	-	-
	At 31 July 2018	2,045,321	1,484,837	3,530,158
	Net book value:			
	At 31 July 2018	357,475	114,340	471,815
	At 31 July 2017	464,377	142,776	607,153

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

14	INVESTMENTS	Group £	Guild £
	Cost:		
	At 1 August 2017	-	25,000
	At 31 July 2018	-	25,000
	Net book value:		
	At 1 August 2017	-	25,000
	At 31 July 2018	-	25,000

An analysis of the above investments is set out below. At 31 July 2018 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 & property lettings agency	100%

The registered address of Guild Services Ltd is C/O Guild of Students, Edgbaston Park Road, Birmingham, B15 2TU.

UNLISTED INVESTMENTS	Unlisted investments £	Investment in subsidiary £	Total £
Cost			
At 1 August 2017	-	25,000	25,000
At 31 July 2018	-	25,000	25,000
Net book value			
At 1 August 2017	-	25,000	25,000
At 31 July 2018	-	25,000	25,000

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

14 INVESTMENTS (continued)

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

	2018 £	2017 £
Turnover	249,214	253,206
Operating profit	49,239	51,154
Interest receivable	-	2
Taxation	-	-
Donation under Gift aid distribution	(49,239)	(51,156)
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 2018, 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	
	2018 £	2017 £	2018 £	2017 £
Bars	30,055	33,854	30,055	33,854
Catering – combined outlets	2,900	2,049	2,900	2,049
	32,955	35,903	32,955	35,903

Total expenditure for bars and catering stocks purchased in 2017/18 is £446,360 (2017: £430,464).

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

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	Group		Guild	
DEBTORS: Amounts falling due after more than one year	2018 £	2017 £	2018 £	2017 £
Prepayments (General)	19,162	1,428	19,162	1,428
	<u>19,162</u>	<u>1,428</u>	<u>19,162</u>	<u>1,428</u>

	Group		Guild	
DEBTORS: Amounts falling due within one year	2018 £	2017 £	2018 £	2017 £
Trade debtors	45,299	68,539	34,585	46,134
Other debtors	33,098	17,289	31,948	17,289
Owed by subsid. undertakings	-	-	131,679	142,762
Prepayments (General)	194,775	177,950	194,775	177,950
Accrued Income	92,377	208,548	92,377	205,148
	<u>365,549</u>	<u>472,326</u>	<u>485,364</u>	<u>589,283</u>
	<u>384,711</u>	<u>473,754</u>	<u>504,526</u>	<u>590,711</u>

17

SHORT TERM INVESTMENTS

	Group		Guild	
	2018 £	2017 £	2018 £	2017 £
Money Market/Deposit Investments	<u>1,772,041</u>	<u>1,520,233</u>	<u>1,772,041</u>	<u>1,520,233</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

18 CREDITORS: Amounts falling due within one year

	Group		Guild	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	239,115	231,739	239,115	231,739
Other taxation & social security	40,413	42,881	40,413	42,881
Custodian Funds held on behalf of AU/University Sports Groups	53,969	68,558	53,969	68,558
Other Creditors	53,777	63,043	17,503	19,844
Accruals	135,814	194,250	132,835	191,473
Deferred Income	42,275	34,371	38,828	32,542
SUSS Pension Deficit	220,765	176,540	220,765	176,540
	<u>786,128</u>	<u>811,382</u>	<u>743,428</u>	<u>763,577</u>

19 DEFERRED INCOME

	Group		Guild	
	2018 £	2017 £	2018 £	2017 £
At 1 August 2017	34,371	14,801	32,542	14,801
Additions	41,279	24,651	38,828	22,822
Released	(33,375)	(5,081)	(32,542)	(5,081)
	<u>42,275</u>	<u>34,371</u>	<u>38,828</u>	<u>32,542</u>

Deferred income primarily relates to 'Mentor Scheme' income received in advance of the period that it relates to, and Venues and Student Groups income relating to events taking place in 2018/19.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

20	PROVISION FOR LIABILITIES: SUSS PENSION DEFICIT	2018 £	2017 £
	Balance bought forward	4,096,713	2,744,797
	Deficit contributions paid	(176,540)	-
	Unwinding of discount factor/interest (based upon prior year rate)	75,248	-
	Adjustment arising from actuarial revaluation in year	-	911,011
	(Surplus)/Deficit adjustment arising from change to discount factor assumption	(97,210)	440,905
	Total Balance carried forward	<u>3,898,211</u>	<u>4,096,713</u>
	Creditors – Amounts falling due within one year (see note 18)	220,765	176,540
	Provisions for liabilities	<u>3,677,446</u>	<u>3,920,173</u>
		<u>3,898,211</u>	<u>4,096,713</u>

The SUSS pension liability after five years is estimated to be £3,059,285 (2017: £3,317,416).

21	RESTRICTED FUNDS	1 August 2017 £	Income £	Expenditure £	Transfers £	31 July 2018 £
	Mentor Scheme	13,845	273,728	(273,728)	-	13,845
	Warden Scheme	26,700	102,457	(92,475)	-	36,682
	Vale Fireworks	-	17,882	(17,882)	-	-
	Student Groups (RA's)	371,244	338,230	(261,403)	-	448,071
	Capital Grants	2,740	10,715	(3,292)	-	10,163
	Sundry Funds	7,336	15,508	(11,334)	-	11,510
	Global Buddies Scheme	4,270	44,622	(37,430)	-	11,462
	University Maintenance SLA	15,821	-	(10,370)	-	5,451
		<u>441,956</u>	<u>803,142</u>	<u>(707,914)</u>	<u>-</u>	<u>537,184</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.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

22	DESIGNATED FUNDS	1 August 2017 £	Income £	Expenditure £	Transfers £	31 July 2018 £
	Building Refurbishment 1	231,536	-	-	(83,664)	147,872
	Infrastructure	56,687	-	-	18,495	75,182
	Building Refurbishment 2	550,000	-	-	-	550,000
	Student Groups (Societies & Guild Sports Clubs)	342,267	692,260	(674,622)	-	359,905
	2014-17 Strategy	49,612	-	-	(49,612)	-
		<u>1,230,102</u>	<u>692,260</u>	<u>(674,622)</u>	<u>(114,781)</u>	<u>1,132,959</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. £83.7k depreciation costs have been charged during 2017/18, whilst depreciation costs of £85.5k were charged in 2016/17. The reserve will be fully cleared during 2019/20.

A further depreciation charge of £11.5k has been allocated against the ICT Strategy Fund within the year, compared to £29.7k charged in 2016/17. However, a new £30.0k designation has also been made to allocate funds for future IT Strategy investment.

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 £17.6k within the year, consisting of £692.2k income and £674.6k expenditure. This compares to a £69.3k increase reported for 2016/17, after accounting for £668.1k of income and £598.8k expenditure.

The second building refurbishment designated reserve to fund developments to Mermaid Square, the Debating Hall and a potential extension to the Guild building has been frozen at £550k for 2017/18. These projects will also receive financial support from University of Birmingham whom have currently set aside £1m for the development and works are likely to progress during 2018/19.

Finally, a closing allocation of costs totalling £49.6k (2017: £47.8) has been charged against the designated 'strategy' reserve during 2017/18 representing additional staff resource temporarily employed to progress 2014-2017 strategic goals. This designated reserve is now closed.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

23	ANALYSIS OF NET LIABILITIES (2017/18)	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
	Restricted funds	9,465	527,719	-	537,184
	Designated funds	165,064	967,895	-	1,132,959
	General funds				
	- UoB Guild of Students	297,286	756,853	-	1,054,139
	- UoB Guild – Pension	-	(220,765)	(3,677,446)	(3,898,211)
	- Subsidiary undertaking(s)	-	76,045	-	76,045
		<u>471,815</u>	<u>2,107,747</u>	<u>(3,677,446)</u>	<u>(1,097,884)</u>

The comparative figures for the previous financial year are as follows:

	ANALYSIS OF NET LIABILITIES (2016/17)	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
	Restricted funds	2,042	439,914	-	441,956
	Designated funds	237,985	992,117	-	1,230,102
	General funds				
	- UoB Guild of Students	367,126	491,304	-	858,430
	- UoB Guild – Pension	-	(176,540)	(3,920,173)	(4,096,713)
	- Subsidiary undertaking(s)	-	76,045	-	76,045
		<u>607,153</u>	<u>1,822,840</u>	<u>(3,920,173)</u>	<u>(1,490,180)</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.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

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)**

Miss E Keiller who was appointed as a trustee in July 2016 was also a member of the NUS Services Ltd Board appointed from September 2016, NUS Services Ltd Trading Support Board and NUS Epona Board, both appointed from June 2017. Miss E Keiller resigned from all NUS boards in July 2018.

Miss J Levy who was appointed as a trustee in July 2017 was also a member of the NUS National Executive Committee (appointed March 2017) and was also a member of the NUS Talent Development Charity Advisory Group, appointed July 2017. Miss J Levy resigned from all NUS boards in June 2018.

Mrs J Thomas who was appointed as CEO in August 2007 is a member of the NUS HR Sub-committee and was also appointed to the NUS Project 100 Board from September 2016 until July 2018.

During the year, the Guild received NUS Extra card sales of £69.5k (2017: £79.1k) and incurred costs of £40.4k (2017: £45.4k). At 31 July 2018, there was an 'accrued income' debtor balance of £6.3k (2017: £7.7k) and an accrual creditor balance of £3.2k (2017: £3.9k).

In addition, the Guild incurred costs directly from NUS of £71.4k mainly for affiliations and training (2017: £67.7k) and generated income of £8.9k (2017: £12.9k). At 31 July 18, there was a debtor balance of £nil (2017: £nil). A trade creditor/accruals balance of £7.3k (2017: £7.9k) was also recorded at year-end, 31 July 18.

Furthermore, the Guild transacted £268.0k via NUS to purchase bar stocks and consumables from external suppliers contracted via the NUS Services Ltd Purchasing Consortium (2017: £280.7k). At 31 July 18, the Guild reported a trade creditor balance of £1.4k (2017: £0.4k) and a debtor balance of £2.0k (2017: £3.1k) to represent retrospective discounts owed at year-end.

For 2016/17, the Guild also made purchases from Epona Ltd (a wholly owned subsidiary of NUS) totalling £7.7k with a balance of £2.4k outstanding at the 2017 year-end. No corresponding purchases were made during 2017/18.

- **University of Birmingham**

Mr C Granger was appointed as the University nominated trustee in December 2014 was also the Director of Finance for University of Birmingham, appointed December 2014. Mr C Granger resigned from both positions in July 2018 and is now replaced by Ms E Conway as both University Director of Finance and University nominated trustee to the Guild.

During the year, the Guild received income of £3.176m (2017: £3.009m) and incurred expenditure of £585.5k (2017: £579.4k). At 31 July 18, the Guild held a creditor balance of £187.5k (2017: £155.3k) and a debtor balance of £140.5k (2017: £232.4k).

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

- **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 £nil (2017: £0.3k) and incurred expenditure of £nil (2017: £nil). At 31 July 18 and 31 July 2017, the Guild held no creditor or debtor balances for Birmingham City Students' Union.

In addition, the Guild incurred expenditure of £nil for both 2016/17 and 2017/18 in relation to Birmingham City Enterprises Ltd with no creditor/debtor balances held at 31 July 2017 or 31 July 2018.

26 OPERATING LEASE COMMITMENTS

At 31 July 2018, the Guild had commitments under property leases and non-cancellable equipment operating leases (minimum lease payments) as set out below:

	2018	2017
	£	£
Land & Buildings Lease which expire:		
Within 1 year	133,445	118,849
Within 2 – 5 years	266,889	237,698
Over 5 years	-	-
	<u>400,334</u>	<u>356,547</u>
Operating leases which expire:		
Within 1 year	3,873	2,285
Within 2 – 5 years	529	-
Over 5 years	-	-
	<u>4,402</u>	<u>2,285</u>

27 CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for	-	3,684
Expenditure authorised by the Board but not contracted	-	-
	<u>-</u>	<u>-</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

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.

	2018 £	2017 £
Advice UK Limited	247	240
Association of Licensed Multiple Retailers	325	310
Association of British Theatre Technicians	250	250
National Association of Student Employment Services	345	345
National Hindu Students Forum	616	-
NUS Services Limited	380	380
National Union of Students	54,702	52,053
National Centre for Voluntary Organisations - Free	-	-
Shelter	-	300
UKCISA	-	327
Subscriptions & Affiliations of £175 or less	490	382
	<hr/>	<hr/>
	57,355	54,587
	<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 full valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101,313,000 with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119,687,000.

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 2016:-

- The investment return would be 4.3% per annum before retirement and 2.3% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.2% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

period of 16 years, initially increasing by 20% followed by an increase of 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 2017 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2019.

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 2018 was £176,540 (2017: £nil). The 2017 nil payment 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. The Guild resumed annual contributions from 1 October 2017.

The Guild will be required to make pension deficit payments into SUSS totalling £220,765 during 2018/19 compared to £176,540 for the ten month period 1st October 2017 – 31st July 2018.

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 2.5% 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 £50,683 (2017 - £51,350). At 31 July 2018, a balance of £8,929 was recorded as a Creditor within the Balance Sheet representing July 2018 pension contributions payable in August 2018 (2017: £8,718). The estimated employer contributions for 2017/18 financial year relating to NUSPS and NEST are £71,944.

30 CONTINGENT LIABILITY

During the year, the charitable company was made aware of a possible increase in the liability for the SUSS pension deficit. The outcome of this contingent liability is not yet known and it cannot be quantified at this stage. As a result, the charitable company do not consider it necessary to provide for any additional liabilities in the financial statements for the year ended 31 July 2018.

31 FINANCIAL PERFORMANCE OF THE CHARITY

The charity reports Net Income of £392,296 for the year ended 31 July 2018 in comparison to Net Expenditure of £1,171,369 reported for 2016/17.

The charity reports gross income of £6,028,307 for the year ended 31 July 2018 in comparison to gross income of £5,855,768 reported for 2016/17.

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.