DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

Registered Number 06634464 (England and Wales)

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The Trustees (who are also the director's of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of De Montfort University Students' Union Limited (the Charity) for the year ended 31st July 2015. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Charitable Status

De Montfort University Students Union Limited (DSU) is a company limited by guarantee (company number 06634464) and a registered charity (charity number 1138587).

Principal Address and Registered Office

First Floor, Campus Centre Building, Mill Lane, Leicester, LE2 7DR

Trustees

The following Trustees are also directors of the company

Full-time Executive Officers

The Executive Officers are elected into office by the student population to hold office from 1st July 2015 to 30th June 2016 and are known also as the Executive Committee. The Executive Officers who held office during the year are:

President	Adil Wariach (appointed 1/7/14)
Deputy President Education	Amie Chapman (appointed 1/7/14)
Vice President Media and Communications	Adam Redfern (appointed 1/7/14)
Vice President Welfare	Keira Rounsley (appointed 1/7/15)
Vice President Student Activities	Daniel Winney (appointed 1/7/15)
Vice President Welfare	Rebecca Robson (resigned 30/6/15)
Vice President Student Activities	Stephen Burrell (resigned 30/6/15)

External Trustees

The External Trustees are appointed to the Trustee Board by an appointments committee. The External Trustees who held office during the year are:

Danielle Gillett	
Robert Gofton	(appointed 23/2/15)
Arvind Michael Kapur	
Philip Smith	

Student Trustees

The student trustees who held office during the year are

Student Trustee	Asem Al Bunmi (appointed 1/7/14)
Student Trustee	Valerie Iriogbe (appointed 23/2/15)
Student Trustee	Ahtesham Mahmood (appointed 23/2/15)
Student Trustee	Aiden Keast (resigned 30/6/15)
Student Trustee	Wendy Rainbow (appointed 10/8/2015)

Auditors

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
LE19 1SD

Charity Number 1138587

Company Number 06634464

Bankers

Royal Bank of Scotland
5 Market Street
Leicester
LE1 6DN

Governing document

The Students' Union is governed by the Memorandum and Articles of Association. The Students' Union is a company limited by guarantee and does not have any share capital. The guarantors are the members of the Students' Union, being registered students at the De Montfort University as defined in the Articles of Association.

DSU Staff

DSU employs a Chief Executive Officer to work closely with the Executive Officers and as head of the Senior Management Team ensures effective management. The Senior Management Team is made up of the following:

Chief Executive Officer	Max McLoughlin
Commercial Development Manager	Chris Hackett
People and Organisational Development	Lisa Hackett
Accountant and Company Secretary	Paula Heneghan
Membership Services Manager	Colina Wright

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure and Decision Making

DSU became a company limited by guarantee on 1st August 2009 and registered as a charity on 26 October 2010. The governance structure includes the appointment of up to four External Trustees and 2 Alumni Trustees onto the Trustee Board. The experiences and expertise held by these External and Alumni Trustees ensure that DSU can focus on continuity as previously the short term of office held by the Executive Committee has made long term strategic planning more challenging. Appointments to the Trustee Board are made by an appointment committee.

Recruitment and training of Trustees

The Trustee Board consists of five executive officer trustees, four elected student trustees, four external trustees and 2 alumni trustees.

The five Executive Officer posts of President, Deputy President Education, Vice President Welfare, Vice President Student Activities and Vice President Media and Communications are full time posts which make up the Executive Committee and are remunerated as authorised by the Education Acts. These posts cannot exceed two years duration for each post holder. On induction the Executive Committee receive ILM accredited Trustee training and have access to ongoing training as required. The Executive Officers are also charity trustees.

The Executive Committee meets monthly to receive reports including financial information, to discuss policy issues and receive information from staff as required. DSU also employs a number of non-student full-time staff who are accountable to the Senior Staff member for the performance of their duties.

The Trustee Board structure also includes four elected student trustee positions to improve the voice of students at DSU. This structure ensures accountability of the Executive Committee as well as increasing student participation in DSU.

Our External and Alumni Trustees are appointed for a term of four years and can stand for re election for another four year term. The appointment is made by an appointments committee. DSU is currently seeking to fill the 2 vacant Alumni posts.

All trustees receive a full induction into the work of the Students' Union and the roles and responsibilities of a trustee.

DSU is affiliated to the NUS and receives support and information on a wide range of topics.

Risk Management

The major strategic, business and operational risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems or procedures put in place to mitigate those risks. A risk register has been established which is updated and reported to the Executive Committee and Trustee Board on a twice annual basis.

Public benefit

The trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded that as a registered charity and Students' Union, our work directly supports and benefits the 22,000+ students registered to study at DeMontfort University. In planning our work we test that the primary goal of all our activities are linked to our core aims and therefore are for the direct benefit of our member students.

OBJECTIVES AND ACTIVITES

DSU is constituted under the Education Act 1994 as a charity.
The main aims of De Montfort University Students' Union Limited (DSU) as set out in its governing documents are:

To advance the education of the students of De Montfort University for the public benefit by:

- Providing representation, advice and assistance to students on matters affecting their welfare and interests as students;
- Providing sporting, social, cultural and recreational opportunities and facilities for students so as to further the educational purposes of De Montfort University;
- Promoting and encouraging contact and co-operation between students;
- Advancing the welfare and physical and mental wellbeing of students; and
- All such objects as are charitable in law which are incidental or conducive to the foregoing objects.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission general guidance on public benefit.

Relationship with De Montfort University

For the year ended 31st July 2015 DSU received a Block Grant from De Montfort University (DMU) of £1,250,000 (£1,000,000 2014/15). For the financial year 2015/16 DMU have agreed a block grant of £1,231,250, being a small reduction of 1.5%. DSU is extremely grateful for the university's continuing support and in addition DMU's gift of space within the campus. The stable block grant and continued use of campus space ensures DSU can keep supporting its members and deliver the best service to achieve its aims and aspirations for the coming year.

Looking to the next 12 months, and despite a slight decrease in the block grant, we are nevertheless seeing an increase in funding across the campus for the 'student experience'. This includes investment in facilities by DMU such as the Watershed or Beaumont Town football pitches for our sports and societies and the use of the new Venue@ DMU.

DSU continues to benefit from positive relationships with university staff at all levels. We aspire to make a continued positive contribution to the lives of our members and the campus community in 2015/16.

In addition DSU are delighted to have secured a £3 million investment into the campus centre, which will turn a good students' union into a great one. The work will not start until early 2016 but DSU are currently actively involved in agreeing architects/plans and consulting with its student body to involve as many students as possible in the design, look and feel of this new amazing space. This redevelopment of the Students' Union will complement the wider campus transformation project which is currently in progress.

The Charities SORP has been adopted for due compliance with the requirements for Students Unions' provided in the Charities Act 2006. As a result an estimated value to DSU for the free serviced accommodation has been included in the financial statements. This has been valued at £80,000 based on market prices within the Midlands.

FINANCIAL REVIEW

Reserves Policy

The Trustee Board have approved a reserves policy and identified three reasons for DSU to hold reserves;-

- To provide financial stability to enable DSU to continue to achieve its objectives during challenging trading periods. This will enable DSU to cover regular short term fluctuations in income and cashflow.
- To allow DSU to take advantage of strategic development opportunities and plan for growth for example the Campus Centre Building development.
- To enable DSU to make provision for our staff redundancies and closure costs on any dissolving of the Charity.

DSU has identified that a minimum level of unrestricted funds should be set to counter balance trading uncertainty and produce a base level for stability. Additionally a target level of unrestricted funds will also be set to allow for growth and for DSU to take advantage of strategic development opportunities going forward.

DSU have identified the current level of unrestricted funds should be set as:-

Minimum Level

- Three months operating costs plus an additional fund to cover redundancy costs for all staff (general reserve) plus a designated fund for investment.

Target Level

- Six months operating costs plus an additional fund to cover redundancy costs for all staff (general reserve) plus a designated fund for investment.

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

Improved Communications

During the year the Students' Union made a concerted effort to better listen to and understands the needs of its members. One of the key tools to achieve this was the Question of the Month which encouraged students to answer a simple question each month about their student experience and over the course of the year over 2500 were collated and results were then fed into Students' Union action plans.

People and Organisational Development

DSU maintained its investors in People Gold standard in November. With only 5% of organisations that are part of IIP achieving the gold standard DSU is particularly proud of this. Furthermore the Union also scored almost 90% as part of its staff engagement survey and with further evidence emerging from NUS that that a well engaged staff team impacts positively on the student experience DSUs history of strong people-centred policies and procedures continues to be a driving factor in its success

Academic Representation

The Union has worked hard to strengthen its voice within the University committee structure and has achieved some considerable wins this year for students, indeed a simple process of recording each committee 'win' by course reps resulted in over 140 improvements being made to the academic experience, via the suggestions and representation from the reps. Estimates suggest this positively impact over 12,000 students. DSU also played an important role in the University's Quality Assurance Agency audit by submitted a well-received Student Written Submission and organising a well-structured audit process on campus. Finally DSU secured additional financial support for the course representation structure for the future and next year will see payments being made for the School Reps to recognise the invaluable work done by these reps.

MEMBERSHIP SERVICES

This year has seen success in all aspects of membership services with increased engagement at a variety of levels.

DSU Societies

DSU Societies have grown hugely again this year. 122 active societies existed who between created an incredible 4000 memberships sold to over 2,600 students. This is an increase of over 1,500 memberships sold in comparison to last year.

DSU Volunteering

DSU currently have 2,500 DMU students registered as volunteers and in 2014/15 more than 1,400 new volunteers got involved. In total over 20,000 hours of volunteering time were logged. DSU volunteering now have partnerships with over 340 local organisations.

MyUniPal

MyUniPal has had almost 50 returning students volunteering as mentors to over 160 new students at DMU. The new mentoring scheme has been confirmed to deliver training to Westminster Students' Union to provide training for their new peer mentoring programme.

DSU Raise and Give (RAG)

This year our two chosen RAG charities were the Joe Humphries Memorial Trust, a local charity set up in memory of Joe to raise funds and awareness of 'Sudden Death Syndrome' and Macmillan Cancer Support. More than £5,500 has been raised for these causes with over £20,000 raised in total.

DSU Sports

This year DSU sold 1,156 Active Cards and in addition supplemented this number with an informal sports programme that has approaching 350 active members. Our final BUCS (British Colleges and University Sports) league position was 88th with 200 points, with the squash team the only one to win its league. DSU saw some fantastic individual successes particularly in Athletics, Karate & Kayaking and at the end of the year the Cheerleading Club won the European Championships.
DSU are soon to benefit from the additional facilities secured by DMU with access to a new Rowing Boat House at the Watershed and our own set of football pitches based up at Beaumont Town FC.

In terms of sports development and performance DMU have also allocated additional funding for a dedicated Rowing Coach and Football Coach which will provide a fantastic opportunity for these teams to continue to develop and attract new players.

Demon Media

Demon Media have once again grown this year with nearly 300 students getting involved in one of the three media strands an increase from 260 in the previous year.

The launched of a new Demon Media website and App have helped increase the places for content to be consumed by students as well as avenues for students to create content. Demon Media rose over £3,000 for MacMillan Cancer Support and Nottingham Hospitals Charity Trust by broadcasting live for 48 hours as part of their exciting – "I'm a Demon Get Me Outta Here" and Demon FM continued its live broadcasting via the FM frequency. Demon TV continued its growth and with a steady output of student generated content via its You Tube channel. Finally, it has been decided to evolve the fortnight newspaper into a magazine for the coming year that will showcase the best work via the various internet based platforms.

DSU Welfare

The DSU Welfare team has provided excellent advice and support to students this year on more than 6,000 individual enquiries. Welfare helped students gain over £110,000 in returned damage deposits, SFE funding cases, rent write-offs and immigration application fees saved. In addition DSU Welfare sent 400 successful students visa applications through the Student Batch Scheme and achieved a 100% approval rating.

It's Good to be Green

This year we achieved our NUS Green Impact 'Bronze' status. This reflects our dedication to promoting positive environmental action within DSU, helping us to maintain our position as a hub of sustainability in the local community.

DSU Elections

The 2015 elections were the biggest ever at DSU with 3,850 (2014: 3,100) students casting their votes an increase of 24%. In addition over 150 students attended our AGM known as the Big Meet.

National Student Survey

The Unions hard work and commitment to its charitable objectives was recognised by a 2% increase, to 75% in its National Student Survey score, placing it well within the top quartile of SUs in the country, with the majority of third year students rating their time with DSU as either good or excellent

FINANCIAL RESULTS

DSU gross income from all sources this year totalled £2,339,529. Total expenditure of £2,248,339 on the wide ranging student benefits we provide left a surplus of £91,190 increasing total reserves to £428,781.

DSU Venue and Catering

DSU Venue & Catering revenue decreased to £382k (2013/14 £414k). This decline further highlights the reduced spending per student. Students prefer to drink either at home or at city centre competitors only arriving at the DSU Venue late evening hence reducing the time spent at the DSU Venue. This trend was mainly evidenced on the Saturday night whilst the Sports & Societies Wednesday night in-house event generally remained well attended. The DSU Fresher's Ball was a huge success with over 3,000 attendees. In total more than 30,000 people passed through the doors of our Level 1 venue in 2014/15. Despite reduced revenue profit increased to £51K (£38K 2013/14 Year end). This was due to tight cost control particularly surrounding staffing rotas and in addition early decision making with regards to not opening the Venue every Saturday and reducing to one Saturday a month during term 3.

DSU Shop

The DSU shop sells a variety of specialist supplies for DMU courses such as art and nursing as well as clothing and also provides dissertation and binding services. The DSU Shop had an exceptional year with sales up 3% to £172k (2013-14 £168k) but profits up 13% to £43k (2013-14 £38k). This is due to a review of product lines and shop layout as well as market research with our customers.

DSU Tech

DSU Tech offered a valuable service to student members during the year which on occasion has meant that computers can be fixed or lost work recovered meaning students assignments are submitted on time. However the service suffered during the year due to difficulty in recruitment of staff. This resulted in DSU Tech making a loss for the year of £14k. For the new financial year the service has been outsourced to a local company who will provide a high quality and competitive service to students in return for payment of an annual rent to DSU.

DSU Marketing

Marketing achieved a net profit figure of £16k (2013/14 £42k). This reduction compared to prior years was due to DSU focus on both internal and external marketing and the additional staff and expenditure incurred in this area to really establish this new department. Marketing income is generated via an external 3rd party provider 'BAM' for national clients as well as DSU sourcing our own local deals. These Marketing sales are supplemented by sales of the NUS extra card for which DSU receives commission payments. Sales of NUS cards strengthened during the year and this is an area where further growth is expected going forward.

Student Union Lettings Limited (trading as Sulets)

On 1st August 2012 the trade and assets of the Lettings operation were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly owned by DSU and The University of Leicester Students Union (ULSU). The agency also supports the Union via its sponsorships of various awards ceremonies at the end of the year.

In the opinion of the Trustees, the Charity and its subsidiary undertaking comprise a small group. The Charity has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts. As such the Charities share of the profits and assets of Sulets are not included in these annual accounts. However at the year end (30th June 2015) Sulets had profits of £159,824 and net assets of £479,317.

PLANS FOR THE FURUTE

Strategic Planning

The current Strategic Plan will be coming to its natural end in 2016; hence a key activity for the coming year will be the formulation of a new plan to take the Union until 2020. The DSU Trustee Board has worked hard to take a more strategic view of planning to provide a greater degree of stability for the future. The changing nature of DMU's student profile, competition from the high street and the changing way in which higher education and students are funded, represent challenges and opportunities for DSU. The current nine strategic priorities and ambitions are below:

1. Amplified Student Voice
Our Student Voice will be clear and effective and make positive changes for students.

2. Activities you love
We want students to try new things, pursue hobbies, play sport and get involved in the local community.

3. Advice and Support
To provide advice and support to members whenever they need it

4. Your Social Space
Offer our members a great environment and value for money when they are shopping, eating, drinking and dancing.

5. Student-Led Media
We will create industry standard opportunities through student-led media.

6. Shape Your Future
To ensure our members and staff achieve their potential.

7. Clear at Communicating
Our communications will be clear and our members heard.

8. Trust Your Union
The Union will be well run and representative and financially secure.

9. Heart of Campus
The Union and facilities will be world class.

#DSURevamp – the Campus Centre Development

During the course of the 2015-2016 the Union will be redesigned and built with a view that DSU takes up its new office space in October 2016. This will involve a considerable decanting operation to take place in February which will invariably have an impact on our operations and the manner in which we deliver a great student experience.

Students' Union Quality Mark

During the first half of the 2015-2016 sessions the Union intends to complete the NUS Students' Union Quality Mark with a view to use the process as a means to help establish our strategic aims for the future whilst also supporting the Union to recognise and understand its current strengths and weaknesses

Student Voice

The focus on student voice will be more transparent than ever before will positives experience of student representation expected across all committees within the University. To support this process the Union has a bolstered the student voice team and now has the ability to remunerate its key School Reps

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustee's report and the financial statements in accordance with the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practise)

Company Law requires the Trustees to prepare financial statements for each financial year. Under Company law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure, of the charitable company 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 principle in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;

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

Provision of information to auditors

The trustees at the time when this Trustee's report is approved have confirmed that:

- So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- That Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by the section 415A of the Companies Act 2006.

This report was approved by the Trustees on 27 October 2015 and signed on their behalf by:

A Chapman
Deputy President

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 JULY 2015

We have audited the financial statements of De Montfort University Students Union Limited for the year ended 31 July 2015 set out on pages 15 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Gareth Jones, Senior Statutory Auditor
for and on behalf of RSM UK Audit LLP

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants,
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Date: 4/11/15

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2015

	Notes	Designated funds 2015 £	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
INCOMING RESOURCES						
Voluntary income	2	-	10,445	1,330,000	1,340,445	*1,160,103*
Activities for generating funds	2	-	-	67,161	67,161	*59,974*
Charitable activities for students	2	-	181,090	675,462	856,552	*885,393*
Other incoming resources	3	-	-	75,371	75,371	*28,933*
TOTAL INCOMING RESOURCES		-	191,535	2,147,994	2,339,529	*2,134,403*
RECOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	4	-	-	94,654	94,654	*57,257*
Charitable activities	4	-	185,343	1,954,480	2,139,823	*2,040,693*
Governance costs	4,6	-	-	13,862	13,682	*13,862*
TOTAL RESOURCES EXPENDED		-	185,343	2,062,996	2,248,339	*2,111,812*
Net incoming resources before transfer		-	6,192	84,998	91,190	*22,591*
Transfer		-	(12,372)	12,372	-	-
Net movement in funds		-	(6,180)	97,370	91,190	*22,591*
Total funds at 1 August 2014		159,919	73,784	103,888	337,591	*315,000*
TOTAL FUNDS AT 31 JULY 2015		159,919	67,604	201,258	428,781	*315,000*

The notes on pages 17 to 26 form part of these financial statements.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

BALANCE SHEET
COMPANY NUMBER 06634464

AS AT 31 JULY 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	9		43,325		*56,876*
CURRENT ASSETS					
Stocks	10	31,093		*42,462*	
Debtors	11	50,851		*62,400*	
Cash at bank		433,677		*291,618*	
		515,621		*396,480*	
CREDITORS: amounts falling due within one year	12	(125,165)		*(105,765)*	
NET CURRENT ASSETS			390,456		*290,715*
TOTAL ASSETS LESS CURRENT LIABILITIES			433,781		*347,591*
PROVISIONS FOR LIABILITIES	13		(5,000)		*(10,000)*
NET ASSETS			428,781		*337,591*
CHARITY FUNDS					
Facilities development reserve	14		159,919		*159,919*
Restricted funds	14		67,604		*73,784*
Unrestricted funds	14		201,258		*103,888*
TOTAL FUNDS			428,781		*337,591*

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 27 October 2015 and signed on their behalf, by:

A Chapman
Deputy President

The notes on pages 17 to 26 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

The charity benefits from the provision of accommodation by the De Montfort University. The value of the gift of these facilities is based on the rental of similar facilities in similar locations.

1.4 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The charitable company has cash resources and no requirement for external funding, other than the annual block grant received from De Montfort University which has been confirmed for 2015/2016. The trustees have reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe that the going concern basis of accounting is appropriate in preparing the annual financial statements.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	33% Straight Line
Fixtures & fittings	-	20 - 33% Straight Line
Computer equipment	-	33% Straight Line

1.7 Leased assets

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and its net realisable value.

1.9 Pensions

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

The union also contributes to the NUS Aegon Pension Scheme and the government approved NEST scheme. The annual contributions payable are charged to the income and expenditure account.

1.10 Provisions

Provisions are recognised when either a constructive or legal obligation exists.

2. INCOMING RESOURCES

	Designated Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds 2015 £	*Total Funds 2014 £*
Voluntary income					
Grant income	-	10,445	1,250,000	1,260,445	*1,080,103*
Grant of serviced Accommodation	-	-	80,000	80,000	*80,000*
Sub total	-	10,445	1,330,000	1,340,445	*1,160,103*
Activities to generate funds					
Commercial marketing/sponsorship	-	-	66,495	66,495	*58,688*
Investment income	-	-	666	666	*1,286*
Sub total	-	-	67,161	67,161	*59,974*
Charitable activities for students					
Bars and catering	-	-	382,350	382,350	*413,557*
Shops	-	-	210,938	210,938	*241,880*
Membership Services	-	181,090	71,414	252,504	*229,956*
Training	-	-	10,760	10,760	-
Sub total	-	181,090	675,462	856,552	*885,393*
Total	-	191,535	2,072,623	2,264,158	*2,105,470*

3. OTHER INCOMING RESOURCES

	Designated Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds 2015 £	*Total Funds 2014 £*
Other Income	-	-	**75,371**	**75,371**	*28,933*

4. CHARITABLE AND OTHER ACTIVITY COSTS

	Supplies £	Staff costs £	Other £	2015 £	*2014 £*
Charitable Activities for Students					
Welfare, advice/representation	127,772	411,263	23,502	562,537	*553,171*
Bars and catering	258,862	204,217	30,685	493,764	*525,215*
Shops	129,444	95,222	9,130	233,796	*238,550*
Membership Services	490,539	331,140	22,787	844,466	*722,529*
Training	5,260	-	-	5,260	*1,228*
Sub total	1,011,877	1,041,842	86,105	2,139,823	*2,040,693*
Activities for Generating Funds					
Commercial marketing/ sponsorship	50,971	32,106	11,577	94,654	*57,257*
Sub total	50,971	32,106	11,577	94,654	*57,257*
Governance					
Governance costs	13,862	-	-	13,862	*13,862*
Sub total	13,862	-	-	13,862	*13,862*
Total	1,076,710	1,073,948	97,682	2,248,339	*2,111,812*

Included in the above governance costs is the annual audit fee of £10,000 (2014: £10,000).

Others costs comprised

	2015 £	*2014 £*
Depreciation	28,870	*43,488*
Repairs and renewals	10,104	*5,243*
Insurance	20,682	*6,977*
Other	38,026	*15,170*
Total	97,682	*64,701*

5. CENTRAL OVERHEADS COSTS INCLUDED IN NOTE 4

	Staff costs £	Rent £	Other £	2015 £	*2014 £*
Charitable Activities for Students					
Welfare, advice and representation	69,683	16,000	25,000	110,682	*102,590*
Bars and catering	86,015	40,000	36,043	162,058	*149,218*
Shops	28,672	8,000	12,014	48,686	*44,406*
Membership Services	69,683	12,000	25,000	106,682	*98,590*
Sub total	254,053	76,000	98,057	428,109	*394,804*
Activities for Generating Funds					
Marketing/sponsorship	28,672	4,000	12,014	44,686	*40,406*
Sub total	28,672	4,000	12,014	44,686	*40,406*
Governance					
Governance costs	-	-	10,000	10,000	*10,000*
Sub total	-	-	10,000	10,000	*10,000*
Total	282,725	80,000	120,071	428,795	*445,210*

Other costs comprised

	2015 £	*2014 £*
Depreciation	3,222	*6,177*
Repairs and renewals	1,579	*1,371*
Insurances	22,384	*21,168*
Sundry supplies	82,886	*65,483*
Auditors fees for audit of the financial statements	10,000	*10,000*
Total	120,071	*104,199*

6. GOVERNANCE COSTS

	Designated funds 2015 £	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
Audit and legal fees	-	-	13,862	13,862	*13,862*

7. STAFF COSTS

Staff costs were as follows:

	2015 £	*2014 £*
Wages and salaries	932,765	*964,816*
Social security costs	74,720	*76,002*
Other pension costs	70,373	*55,157*
	1,077,858	*1,095,975*

The average monthly number of FT employees during the year as follows:

2015 No.	2014 No.
66	76

The emoluments of one member of staff, including benefits in kind, are within the range of £60,001 - £70,000 (2014: 1)

During the year ended 31 July 2015, pension contributions for this staff member amounted to £3,639 (2014: £3,581).

8. TRUSTEES' REMUNERATION AND EXPENSES

Each of the Executive Committee's sabbatical officers received remuneration as authorised in the Union's governing document for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. Their salary costs amounted to £86,689 *(2014: £87,035)* in aggregate. The split as detailed below:

A Wariach	-	£17,168	R Robson	-	£15,175
A Chapman	-	£17,168	A Redfern	-	£17,181
S Burrell	-	£15,495	K Rounsley	-	£2,251
D Winney	-	£2,251			

During the year one external trustee received travelling expenses totalling £148 *(2014: £166)*

9. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 August 2014	12,312	675,847	56,319	744,478
Additions	18,540	-	-	18,540
Disposals	(12,312)	-	-	(12,312)
At 31 July 2015	18,540	675,847	56,319	750,706
Depreciation				
At 1 August 2014	12,312	623,797	51,493	687,602
Charge for the year	-	27,982	4,109	32,091
Disposals	(12,312)	-	-	(12,312)
At 31 July 2015	-	651,779	55,602	707,381
Net book value				
At 31 July 2015	18,540	24,068	717	43,325
At 31 July 2014	*-*	*52,050*	*4,826*	*56,876*

	2015 £	*2014* £
Assets used for charitable activities	20,068	*8,589*
Commercial activities	23,257	*48,287*
Total	43,325	*56,876*

10. STOCKS

	2015 £	*2014* £
Finished goods and goods for resale	31,093	*42,462*

11. DEBTORS

	2015 £	*2014* £
Trade debtors	21,513	*34,205*
Other debtors	7,944	*5,495*
Prepayments and accrued income	21,394	*22,700*
	50,851	*62,400*

12. CREDITORS:

Amounts falling due within one year	2015 £	*2014 £*
Trade creditors	37,305	*22,460*
Other taxation and social security	23,544	*28,905*
Other creditors	10,402	*11,619*
Accruals and deferred income	53,914	*42,781*
	125,165	*105,765*

13. PROVISIONS

	Holiday Pay Accrual £
At 1 August 2014	10,000
Amounts expended	(1,089)
Amounts released	(3,911)
At 31 July 2015	5,000

The Trustees are aware of a liability which has arisen due to the difference in payment of holiday pay. This liability goes back several years and provision has been made of the best estimate of likely costs based on the known current year costs and legal advice obtained.

14. STATEMENT OF FUNDS

	At 1st August 2014 £	Incoming resources £	Resources expended £	Transfer £	At 31st July 2015 £
Unrestricted funds					
General Fund	103,888	2,147,994	(2,062,996)	12,372	201,258
Facility Development					
Facility Development	159,919	-	-	-	159,919
Restricted funds					
Clubs and societies	64,511	181,090	(165,625)	(12,372)	67,604
FUSE	4,968	10,445	(4,968)	-	-
Sport England	4,305	-	(4,305)	-	-
	73,784	191,535	(185,343)	-	67,604
Total of funds	337,591	2,339,529	(2,248,339)	-	428,781

SUMMARY OF FUNDS

Restricted funds represent funds raised and administered by the Union for the specific benefit of clubs and societies (including Sport England grants) and as such are ring fenced for the future benefit of that specific club or society. The FUSE contract provides mentoring in the local community and the funding is provided by Leicestershire County Council.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Designated funds 2015 £	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
Tangible fixed assets	-	-	43,325	43,325	*56,876*
Other current assets	159,919	67,604	288,098	515,621	*396,480*
Creditors due within one year	-	-	(125,165)	(125,165)	*(105,765)*
Provisions for liabilities and charges	-	-	(5,000)	(5,000)	*(10,000)*
	159,919	67,604	201,258	428,781	*337,591*

16. CAPITAL COMMITMENTS

At 31 July 2015 the company had no capital commitments

17. PENSION COSTS

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

The Union 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 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2014 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £73,849,000. The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2014

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

The 2014 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2015 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, The Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2015 amounted to £70,373 (2014 - £55,157), including deficit contributions of £29,704 (2014 - £20,271).

18. RELATED PARTY TRANSACTIONS

The Union is in receipt of a recurrent grant from its parent institution, De Montfort University of £1,250,000 (*2014*: £1,000,000).

In addition the Union occupies its building on a rent free basis under an informal license subject to the union maintaining the building in a good state of repair. As a result an estimated value to De Montfort University Students' Union Limited for the free serviced accommodation has been included in the accounts. This has been valued at £80,000 (2014: £80,000) based on market prices within Leicester. This income can be seen in note of the financial statements under accommodation costs.

Student Union Lettings Limited (trading as Sulets)

On 1 August 2012 the trade and assets of the lettings operation (previously known as DSU Lettings) were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly controlled by DSU and The University of Leicester Students Union (ULSU). This collaboration with ULSU offers many commercial advantages within student lettings including contracts with external Halls Providers. In the opinion of the Trustees, the Charity and its subsidiary undertaking comprise a small group. The Charity has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts. However at the year end (30 June 2015) Sulets had profits of £159,824 and net assets of £479,317.

During the year the Union received £10,000 from Student Union Lettings for sponsorship for Club and Society events. In addition Student Union Lettings paid £17,000 for Finance and HR support and rent. In addition Sulets paid the Union £60,000 for some one off Finance project work.

During the year the Union paid £2,814 to Signum Corporate Communications Ltd for IT consultancy work. An external trustee of DSU is the founder and a director of this company.

19. CONTROLLING PARTY

The trustees consider that the ultimate control of DSU rests with its membership.