

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
(A company limited by guarantee)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2014**

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
**(A company limited by guarantee)**

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**COMPANY INFORMATION**

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**DIRECTORS**

Michael Alcock  
Kayode Damali (appointed 1 July 2013)  
Abigail Jenkins (appointed 1 July 2013)  
Gordon Maloney (appointed 15 July 2013)  
Dianne Nelmes  
Toni Pearce (appointed 1 July 2013)  
Nicholas Pringle (appointed 1 July 2013)  
Kate Reynolds (appointed 1 July 2013)  
Alistair Wilson  
Frances Cowling (appointed 1 July 2014)  
Rebecca Hall (appointed 1 July 2014)  
Kelly Rogers (appointed 1 July 2014)  
Roza Salih (appointed 1 July 2014)  
Peter Smallwood (appointed 1 July 2014)  
John Vinson (appointed 1 July 2014)

**COMPANY SECRETARY**

Shareen Larmour

**REGISTERED NUMBER**

08015198

**REGISTERED OFFICE**

Ian King House  
Snape Road  
Macclesfield  
Cheshire  
SK10 2NZ

**INDEPENDENT AUDITOR**

Crowe Clark Whitehill LLP  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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## **INTRODUCTION**

The directors present their report and the financial statements for the year ended 30 June 2014.

## **BUSINESS REVIEW**

The NUS Group comprises of 7 different entities:

**National Union of Students UK** ("the Union" or "NUS") is a company limited by guarantee, so a member's organisation. It is a confederal association of students' unions, guilds, junior common rooms and representative councils of students involved in post sixteen education and training in the United Kingdom. Its members are those unions affiliated to NUS. Its accounts are consolidated accounts as NUS Group accounts as the ultimate parent entity of the Group.

**NUS Services Limited** ("Services"), a company limited by shares and 96% owned by NUS Holdings, exists to develop and maximise income opportunities for the student movement, and deliver a strong national infrastructure. There are three key areas to the Company's work:

- The Purchasing Consortium – drives better margins for members through negotiating bulk discounts on a vast range of goods and services, handling billing and payments as well as securing promotional offers and providing sales growth support.
- Marketing and Sponsorship – provides NUS Extra, the student discount card, as well as new income opportunities for students' unions, whilst maximising the commercial value from the national brand.
- Financial and Administrative support for the national organisation

Services delivers great benefit to the student movement through its revenue generating activities almost all of which provide significantly greater levels of income to the participating Students' Unions along with providing cash for the rest of the Group.

Services recorded revenues of £4.7m, in the year, growth of 7% over the prior year. The surplus of £601k before tax compared to £173k in the previous year.

**NUS Media Limited** ("Media"), a company limited by shares and wholly owned by NUS Holdings exists to increase impact and income for member students' unions and the NUS through provision of an online platform for the student movement and associated digital & media sales operations. The key areas of work are:

- Digital services – To increase engagement and income by providing a range of digital products and services, delivered through a SaaS (Software as a Service) licensing model.
- Media advertising services – To manage national and regional advertising deals via traditional and digital channels across a potential reach of 7 million students, in addition supporting Students' Unions to develop their own local media sales operations.
- Outsourcing of back office functions – Leveraging the collective power of Students' Unions, we consolidate and manage all online transaction processing centrally, in turn maximising volume efficiency savings.
- Provision of digital & data services for NUS Group – Provision of digital offers for all NUS Group entities, developed and managed through the Company including the ability to exploit digital media channels to reach 7 million students through UnionCloud and other new media.

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**GROUP STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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The range of products and services we provide through NUS Media is diverse, helping unions to increase engagement amongst the student population both commercially and non-commercially.

Media recorded revenues of £268k, in the year, substantial growth compared to the £19k revenues from the previous year. The deficit increased to £330k due to the continued investment in the digital platform.

**NUS Holdings Limited** ("Holdings"), a company limited by shares and wholly owned by NUS, whose principal activities are the ownership of property and provision of property management services.

Holdings recorded revenues of £883k, during the year, providing growth of 166% over the prior year due primarily to the leasing of floor space at Macadam House, London. There was a deficit of £253k in the year, primarily reflecting a partial year of tenant occupation of Macadam House and the initial costs of operating the building following its renovation.

**Epona Limited** ("Epona") continues to be proud of being one of the very few clothing companies to carry the Fairtrade mark on all of its products. A commitment to cotton farmers and ethical production is at the heart of the company's ethos. Epona remains the UK's leading Fairtrade clothing supplier to the student market.

Epona recorded revenues of £1.1m, in the year, a decline of 15% over the prior year due to a combination of sales suffering due to mild weather and strong price reductions from competitors. There was a deficit of £119k in the year due to the shortfall in sales and margin, after having recorded the first profit in the company's history the prior year.

**NUS Students' Union Charitable Services** ('NUS Charitable Services' or 'the Charity') is constituted as a registered charity and a company limited by guarantee. The Charity is responsible for supporting the development of students' unions throughout the country to ensure they adequately serve their student membership. It is governed by its Articles of Association.

The Charity recorded incoming resources of £3.9m in the year and net resources expended of £59k compared to £177k in the previous year. Total funds at 30 June 2014 stand at £734k.

**NUS Scotland Charitable Services** ("the Scottish Charity") is a Scottish Charitable Incorporated Organisation and is governed by a constitution with a membership that is run by the Members and the Board of Trustees.

The Scottish Charity's purposes are:

- To advance education;
- To advance health;
- To advance citizenship;
- To promote equality and diversity; and
- To advance environmental protection

The Scottish Charity recorded incoming resources of £853k in the year and net incoming resources of £48k compared to £122k in the previous year. Total funds at 30 June 2014 stand at £171k.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**GROUP STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**PRINCIPAL ACTIVITIES**

The primary aims and objects of the National Union are to:

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

For fuller details of the range of activities we undertake and the breadth of reach of the organisation please take a look at our Impact Report which can be found at [www.nus.org.uk](http://www.nus.org.uk).

**VISION, MISSION AND VALUES**

**Vision**

Our vision is of NUS as a pioneering, innovative and powerful campaigning organisation: the definitive national voice of students. We will fight barriers to education, empower students to shape both a quality learning experience and the world around them, supporting influential, democratic and well-resourced students' unions.

**NUS Mission**

To make this vision a reality, NUS will:

- Promote, defend and extend the rights of students
- Develop and champion strong students' unions.

**NUS Values**

To achieve our vision and mission we believe three core values are crucial:

Equality

We believe there should be equality of opportunity for everyone to participate fully in a society that celebrates diversity.

Democracy

Our policies and priorities must be student led and students' union focused through building open, transparent and accessible democratic structures that increase performance and strengthen accountability.

Collectivism

Students and students' unions are more effective when they organise together locally, nationally and internationally: unity is our strength.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**GROUP STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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## **OVERVIEW**

The biggest areas of work this year has been on forming the new Strategic Plan for 2014 onwards. We launched a wide consultation and this has been detailed below in the report.

### Funding NUS' activity and campaigns

A more efficient NUS requires close work with all the organisations in our structure: NUS UK, NUS Services and NUS Students' Unions Charitable Services. As the controlling body of the group we have ensured that less money is spent on backroom functions so there is more available for campaigning for change and fulfilling the wishes of the NEC and conference

In 2013 we proposed the next step in achieving a coherent NUS Group, by offering to purchase all of the shares in NUS Services that NUS (through NUS Holdings) didn't own. Over the last five years the activity of NUS Services has expanded from primarily being a purchasing consortium to include: the NUS Extra card, research for unions and the development of UnionCloud.

### Extending and communicating our impact

2013-14 was the first year in which the NUS Group has operated under its new brand. The incredibly in-depth work we did on the brand in the eighteen months leading up to launching proved to be invaluable. Not only in ensuring we engaged our members in the right way, but the insights we gained into how our members perceive us has played a huge part in underpinning the development of our next strategic plan.

Last summer we produced an interactive impact report which highlighted the scope and volume of achievements NUS has made alongside its members. We also included a space for students' unions, and individual students, to include their own impacts which we believe highlights our collective power.

As technology progresses, NUS has ensured we have stayed ahead of the curve in the way we communicate with students. [www.nus.org.uk](http://www.nus.org.uk), our student-facing website has been consistently increasing in popularity, achieving 47% more unique visits than the year before. Our social network accounts are also increasing well month-on-month (with around 40,000 subscribers to each of our main Twitter and Facebook accounts). By using the brand power of the NUS Extra card to promote our campaigning and advocacy work, we are reaching more students in both Further and Higher Education than ever before.

### **NUS Digital - Reach, intelligence & Income through new media**

NUS Digital, along with NUS Media, was conceived out of the 2011-2014 Strategic Plan as an answer to the concern from membership that money was leaking out of the movement along with a need to collectively fight for the rights of 7 million students. As a campaigning tool, locally and nationally, this is very much still the mission.

Our digital platform hosts a number of products and initiatives which have developed over the past year, one such product being the 'union in a box', mobile ready UnionCloud service. UnionCloud supports members at a local level to engage with their own students via mobile device or desktop website without requiring any technical development skills in house. It provides web site editor tools, a membership management system, email tools, event and e-ticketing solution, online shop, social media integration, volunteering and evoting solutions that work together to provide a fully integrated suite of tools to provide reach, intelligence and income at a local level.

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**GROUP STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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### **NUS Group Structure**

A year ago we also began a substantial piece of work to harmonise the terms and conditions of employment for all employees across the NUS Group. The primary drivers for this were to help to achieve a fit-for-purpose culture across the Group, ensure that our terms and conditions underpin our People Strategy, remove unnecessary complexity and ensure greater fairness and equity amongst colleagues. We sought to reach agreement with the trade unions on a new set of terms and conditions, but having failed to do so, took the decision in November 2013 to introduce a new set of terms and conditions for future employees, and give all existing staff the opportunity to voluntarily transfer to those new terms and conditions - on an employment contract within NUS Holdings. Over 75% of our employees so far have chosen to transfer onto the new contracts and moved onto new terms and conditions on 1st April. This reflects an important step in our continued progress towards a cohesive, collaborative NUS Group that more effectively serves our members.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

As part of the annual business planning process, the major strategic and operational risks that NUS faces and the ways in which they are being monitored, managed and mitigated, were assessed by the Trustee Board and the Audit, Risk and Remuneration Committee.

The Trustee Board monitors the performance of NUS using a variety of Key Performance Indicators to ensure that the organisation is achieving at least the planned level of income and operating profit whilst maximising cash flow by efficient financial management.

The Union offered membership of the Student Union Superannuation Scheme ("SUSS"), a defined benefit pension scheme, to all employees until 30th September 2011, at which point the scheme closed to future accrual. In the 2010 valuation SUSS had a funding deficit of around £50m shared between 69 employers.

During the period the Union's contribution was £219,480, for the following 12 months it is expected to be £226,503. This is set to increase by 3.2% per annum.

Whilst the closure of the scheme to future accrual goes some way to mitigate the risk it does not eliminate it. NUS is required to make deficit contributions for the next 18 years, which at current rates represents a liability of over £5million. This is subject to fluctuations in fund performance, changes in apportionment methodology and the life expectancy of the individuals within the scheme.

### **FINANCIAL KEY PERFORMANCE INDICATORS**

The year saw continued progress on three core themes of our financial strategy:

- Strengthening our financial performance
- Diversifying our revenue streams
- Reducing the proportion of our revenue from affiliation fees

#### **Strengthening our financial performance**

To provide greater benefits to our members we have worked hard to increase the stability and sustainability of the organisation. In the last three years we have increased our revenues and streamlined our operation. The 9.1% rise in income, over prior year, is largely driven by those diversified revenues.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**GROUP STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**Overall Performance**

The consolidated accounts show a £464,000 loss for the financial year. The change from the prior year being driven by a combination of the costs of developing new revenue streams and timing differences with respect to the charitable income and expenditure.

The overall net asset position, excluding minority interests, remains relatively static at £21million.

**Diversifying our income streams**

We have made great strides over the last six years to diversify our revenue streams. From a zero start, the NUS extra card now accounts for 24% of our revenues. Last year NUS extra generated over £2 million for students' unions, while over 645,000 students benefited from a vast range of exclusive discounts.

We have expanded the work of the organisation by securing external funds, generally grants, to deliver on projects that are focused on enhancing students' lives; from improving the quality of education, greener living, safer campuses through to increasing volunteering.

These accounts include the second year of revenues for NUS Media Ltd. While modest during the first year, sales grew by 1316% during the year.

Our sponsorship arrangements have continued to provide benefits both to the organisation and to students. They include an on going commitment to the movement by Endsleigh and the involvement of suitable partners at our events.

We charge nominal fees for our bespoke training and development programmes that equip student officers and staff with the tailored information and skills that they will need to fulfil their roles in the year ahead.

**Reducing the proportion of our revenue from affiliation fees**

In the year affiliation fees represented 21% of our total income.

In recognition of the changing landscape of education and the increasing financial pressures on many students' unions we remain committed to reducing the proportion of our revenues from affiliation fees.

We have demonstrated through the NUS extra card that we can successfully launch offerings that benefit students, unions and help NUS reduce the proportion of its revenues from affiliation fees.

During the year the Union continued its heavy investment in the development of the online platform for students' unions and has successfully managed to move 42 students' unions onto UnionCloud. It provides a unique opportunity to create a campaigning force of 7 million voices, to transform digital capacity within students' unions and deliver vital new income to the movement.

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**GROUP STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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The new digital platform encompasses a customer relationship management (CRM) system providing state of the art membership data, an e voting package, clubs and societies functionality, e commerce, and is supported by a digital media sales service.

It will:

- Help Students' Unions to provide better digital services to Students, Reduce costs,
- Drive increased engagement, and
- Generate increased income for both Students' Unions and NUS, through online transactions and advertising.

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



**Toni Pearce**  
**Director, President & Chair of Trustee Board**

Date: 02-03-2015

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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The directors present their report and the financial statements for the year ended 30 June 2014.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**RESULTS**

The loss for the year, after taxation and minority interests, amounted to £602,881 (2013 - loss £79,849).

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**DIRECTORS**

The directors who served during the year were:

Michael Alcock  
Edward Bauer (resigned 30 June 2014)  
Tessa Birley (resigned 30 June 2014)  
Kayode Damali (appointed 1 July 2013)  
Abigail Jenkins (appointed 1 July 2013)  
Stephanie Lloyd (resigned 30 June 2014)  
Dianne Nelmes  
Toni Pearce (appointed 1 July 2013)  
Nicholas Pringle (appointed 1 July 2013)  
Kate Reynolds (appointed 1 July 2013)  
Rachel Wenstone (resigned 30 June 2014)  
Alistair Wilson  
Gordon Maloney (appointed 15 July 2013)  
Adrianne Peltz (resigned 31 July 2013)  
Raechel Matthey (appointed 15 July 2013 & resigned 30 June 2014)  
Victoria Baars (resigned 31 July 2013)  
Varinder Bola (resigned 31 July 2013)  
Liam Burns (resigned 31 July 2013)  
Dame Karlene Davis (resigned 31 July 2013)  
Matthew East (resigned 30 June 2014)

**FINANCIAL INSTRUMENTS**

NUS UK does not hold any financial instruments. One of its subsidiaries enters into forward contracts for the purchase of dollars to hedge against unfavourable movements in the dollar between the time of order of the goods and delivery of the same. NUS UK does not, nor do its subsidiaries, undertake any speculative financial positions.

**FUTURE DEVELOPMENTS**

NUS UK will continue to actively campaign to promote and extend student rights. The subsidiaries and entities under NUS' control will play their role in strengthening student's unions through: income development; increasing organisational capacity and infrastructure development.

**EMPLOYEE INVOLVEMENT**

In March 2013, NUS Group launched its annual staff satisfaction survey, as the start of its annual process to giving employees a chance for their voice to be heard. Following the results of this survey, each department participated in group sessions in order to help plan and make changes to make NUS Group a better place to work.

**DISABLED EMPLOYEES**

In line with the Equality Act 2010, selection decisions are taken on the basis of an individual's skills, abilities, experience, knowledge and, where appropriate, qualifications and training, irrespective of their sex, race, age, disability, sexual orientation, religion/belief, or any other protected characteristic, social class or previous criminal convictions.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

**AUDITOR**

Under section 487(2) of the Companies Act 2006, Crowe Clark Whitehill LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



**Toni Pearce**  
**Director, President & Chair of Trustee Board**

Date: 02.03.2015

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**

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We have audited the financial statements of National Union of Students (United Kingdom) for the year ended 30 June 2014, set out on pages 13 to 36. 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 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.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2014 and of the group's loss 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Michael Jayson (Senior statutory auditor)

for and on behalf of  
**Crowe Clark Whitehill LLP**

Statutory Auditor

The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date:     **- 5 MAR 2015**

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £	As restated 2013 £
<b>Turnover</b>	1,2		
Continuing operations		19,231,978	16,302,279
Acquisitions		-	1,320,940
		<u>19,231,978</u>	<u>17,623,219</u>
Cost of sales		<u>(9,531,114)</u>	<u>(8,572,974)</u>
<b>Gross profit</b>		<b>9,700,864</b>	<b>9,050,245</b>
Administrative expenses		(10,212,673)	(10,026,006)
Exceptional administrative expenses	7	(601,175)	-
Total administrative expenses		<u>(10,813,848)</u>	<u>(10,026,006)</u>
<b>Operating loss</b>	3		
Continuing operations		(1,112,984)	(1,016,166)
Acquisitions		-	40,405
		<u>(1,112,984)</u>	<u>(975,761)</u>
Income from other fixed asset investments	8	816,676	792,424
Interest receivable and similar income		11,553	15,709
Revaluation income from investments		-	51,893
Interest payable and similar charges	9	(111,897)	(39,977)
		<u>(396,652)</u>	<u>(155,712)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(396,652)</b>	<b>(155,712)</b>
Tax on loss on ordinary activities	10	(67,200)	171,278
		<u>(463,852)</u>	<u>15,566</u>
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(463,852)</b>	<b>15,566</b>
Minority interests		(139,029)	(95,415)
		<u>(602,881)</u>	<u>(79,849)</u>
<b>Loss for the financial year</b>	21	<b>(602,881)</b>	<b>(79,849)</b>

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

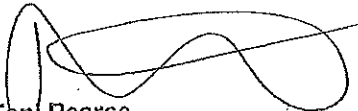
The notes on pages 17 to 36 form part of these financial statements.

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08015198**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Intangible assets	11		(285,083)		892,033
Tangible assets	12		9,952,821		9,837,329
Investments	13		13,628,234		13,628,234
			<u>23,295,972</u>		<u>24,357,596</u>
<b>Current assets</b>					
Stocks	14	371,190		301,937	
Debtors	15	3,411,804		4,155,848	
Investments	16	1,338		101,896	
Cash at bank and in hand		3,616,060		3,398,978	
			<u>7,400,392</u>	<u>7,958,659</u>	
<b>Creditors: amounts falling due within one year</b>	17	(9,622,993)		(7,236,488)	
<b>Net current (liabilities)/assets</b>			<u>(2,222,601)</u>		<u>722,171</u>
<b>Total assets less current liabilities</b>			<u>21,073,371</u>		<u>25,079,767</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(123,646)		(2,126,370)
<b>Net assets</b>			<u>20,949,725</u>		<u>22,953,397</u>
<b>Capital and reserves</b>					
Profit and loss account	21		20,902,841		21,505,722
	22		20,902,841		21,505,722
<b>Minority interests</b>	23		46,884		1,447,675
			<u>20,949,725</u>		<u>22,953,397</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**Tony Pearce**  
**Director, President & Chair of Trustee Board**

Date: **2 MAR 2015**

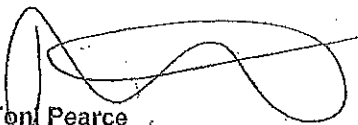
The notes on pages 17 to 36 form part of these financial statements.

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08015198**

**COMPANY BALANCE SHEET**  
**AS AT 30 JUNE 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	12		163,269		279,610
Investments	13		13,327,146		13,327,146
			<u>13,490,415</u>		<u>13,606,756</u>
<b>Current assets</b>					
Debtors	15	1,315,972		1,740,236	
Cash at bank		2,028,779		1,508,766	
		<u>3,344,751</u>		<u>3,249,002</u>	
<b>Creditors: amounts falling due within one year</b>	17	(1,841,105)		(1,504,331)	
<b>Net current assets</b>			<u>1,503,646</u>		<u>1,744,671</u>
<b>Net assets</b>			<u>14,994,061</u>		<u>15,351,427</u>
<b>Capital and Reserves</b>					
Profit and loss account	21		<u>14,994,061</u>		<u>15,351,427</u>
	22		<u>14,994,061</u>		<u>15,351,427</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Toni Pearce**

**Director, President & Chair of Trustee Board**

Date: **- 2 MAR 2015**

The notes on pages 17 to 36 form part of these financial statements.

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	25	714,191	4,459,252
Returns on investments and servicing of finance	26	716,332	768,156
Taxation		55,149	(399,029)
Capital expenditure and financial investment	26	(959,987)	(8,825,128)
Acquisitions and disposals	26	(200,401)	(479,768)
<b>Cash inflow/(outflow) before management of liquid resources and financing</b>		<b>325,284</b>	<b>(4,476,517)</b>
Management of liquid resources	26	101,896	(13,747)
Financing	26	(210,292)	1,977,107
<b>Increase/(Decrease) in cash in the year</b>		<b>216,888</b>	<b>(2,513,157)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	216,888	(2,513,157)
Cash (inflow)/outflow from (increase)/decrease in liquid resources	(101,896)	13,747
Cash outflow from decrease in debt and lease financing	210,292	(1,977,107)
<b>Change in net debt resulting from cash flows</b>	<b>325,284</b>	<b>(4,476,517)</b>
New finance lease	(181,789)	-
<b>Movement in net debt in the year</b>	<b>143,495</b>	<b>(4,476,517)</b>
Net funds at 1 July 2013	896,857	5,373,374
<b>Net funds at 30 June 2014</b>	<b>1,040,352</b>	<b>896,857</b>

The notes on pages 17 to 36 form part of these financial statements.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Basis of consolidation**

The financial statements consolidate the accounts of National Union of Students (United Kingdom) and all of its subsidiary undertakings ('subsidiaries').

NUS is the sole member and able to control the board of NUS Students' Union Charitable Services ("NUS CS") and therefore the results of the charity are consolidated into the financial statements. NUS and NUS CS are the only members and able to control the board of NUS Scotland Charitable Services and therefore the results of this charity are consolidated into the financial statements.

In addition, NUS is also able to control the board of NUS Services Limited and therefore the results of NUS Services Limited are also consolidated into the financial statements (note 20). The results from its acquired subsidiaries are consolidated in from date of acquisition.

**1.3 Turnover**

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Membership income is recognised rateably over the period to which it relates.

Income from the sale of NUS Extra cards is recognised at the point of sale, not over the time of the card, as there are no subsequent direct costs to the Union of providing the card.

Commission income is recognised on a monthly basis once they have been confirmed as being due.

Contract income and revenue grants are recognised as income in the period in which the performance criteria are met. Deferred income is classified as "Creditors amounts falling due within one year" and includes contract and grant income received in advance. These contracts and grants represent funds that have been received for specific purposes and are potentially refundable if the conditions of the contract or grant are not satisfied. Contract and grant income received in the year but which remains unspent at the year end is, with the agreement of the funder, carried over into the following year.

**1.4 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life. Any negative goodwill in excess of the values of the non-monetary assets will be written back in the Profit and loss account over the period expected to benefit from that negative goodwill.

Amortisation is provided at the following rates:

Goodwill	-	20% straight line
Negative goodwill	-	1 - 3.5 years apportioned between relevant assets

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 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:

Freehold property	-	2% straight line
Leasehold property improvements	-	33% straight line or period of lease
Computer equipment & furniture	-	20%-33% straight line
Application development	-	20% straight line

**1.6 Investments**

- (i) **Subsidiary undertakings**  
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**  
Investments held as fixed assets are shown at cost less provision for impairment.

**1.7 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.8 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first-in-first-out basis and is based on purchase invoice price. Net realisable value is based on estimated selling price less any further costs of realisation.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.11 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

**1.12 Research and development**

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

**1.13 Liquid resources**

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The Union participated in the Student Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings Pension Scheme. The scheme closed to future accrual on 30 September 2011. After which time the only contributions the Union makes are towards the scheme deficit.

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. In the intervening years, the actuary reviews the progress of the scheme. 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 FRS 17, in these circumstances, contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions throughout the year.

The pension charge includes payments for both the defined benefit and defined contribution schemes.

**2. TURNOVER**

All turnover arose within the United Kingdom.

The group's turnover and net surplus before taxation were all derived from its principal activity of providing a national voice for and provision of services to affiliated students' unions throughout the United Kingdom.

**Income was received in the following manner:**

	2014 £	2013 £
NUS Membership income	4,093,385	3,947,632
NUS extra card sales	4,624,858	4,022,492
NUS Other income	696,408	286,412
NUS USI other income	750	949,624
Commissions receivable	650,000	600,000
NUS Services Ltd	3,913,163	3,854,290
NUS Charitable Services	3,095,483	1,951,323
Epona Ltd	1,140,465	1,320,940
NUS Scotland Charitable Services	587,469	659,931
NUS Media Ltd	268,419	18,959
NUS Holdings Ltd	161,578	11,616
	<u>19,231,978</u>	<u>17,623,219</u>

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**3. OPERATING LOSS**

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

	2014 £	2013 £
Amortisation - intangible fixed assets	(125,422)	223,258
Depreciation of tangible fixed assets:		
- owned by the group	939,467	560,734
- held under finance leases	22,229	-
Operating lease rentals:		
- plant and machinery	15,553	38,623
- other operating leases	156,578	85,084
Difference on foreign exchange	394	117
	<u>                    </u>	<u>                    </u>

**4. AUDITORS' REMUNERATION**

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	8,000	8,000
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of associates of the company	23,750	23,000
Taxation compliance services	5,070	4,000
Internal audit services	2,550	2,500
All other non-audit services not included above	5,250	1,470
	<u>                    </u>	<u>                    </u>

**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	7,258,641	7,171,220
Social security costs	655,225	578,930
Other pension costs	536,081	509,682
	<u>                    </u>	<u>                    </u>
	<u>8,449,947</u>	<u>8,259,832</u>

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

	2014 No.	2013 No.
Office and management	<u>229</u>	<u>242</u>

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**STAFF COSTS (continued)**

During the year the number of employees, including the directors, were paid in the following salary ranges:

	2014 No.
£0 - £10,000	22
£10,001 - £20,000	33
£20,001 - £30,000	110
£30,001 - £40,000	43
£40,001 - £50,000	14
£50,001 - £60,000	2
£60,001 - £70,000	2
£70,001 - £80,000	2
£80,001 - £90,000	1

Our remuneration policy is based on the principles of aligning remuneration outcomes with our strategy, and of encouraging employees to adhere to our Group's values, while achieving simplicity and transparency in the design and communication of remuneration arrangements.

**6. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	<u>105,439</u>	<u>102,820</u>

The salary of the highest paid director during the year was £24,711 inclusive of inner London weighting. There were no pension payments made on behalf of the directors during the year and none of the directors were members of the SUSS. The directors of NUS are not the executives of NUS.

**7. EXCEPTIONAL ITEMS**

	2014 £	2013 £
Adjustment to historic estimates of project income recognition	533,909	-
Initial recognition of holiday pay accrual	67,266	-
	<u>601,175</u>	<u>-</u>

An adjustment of £533,909 of historic income estimates of project income arising upon the creation of the Charity and the transfer of those projects from NUS to the Charity.

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**8. INCOME FROM OTHER FIXED ASSET INVESTMENTS**

	2014 £	2013 £
Preference share dividend from Endsleigh Limited	792,428	792,424
Other dividend income	24,248	-
	<u>816,676</u>	<u>792,424</u>

**9. INTEREST PAYABLE**

	2014 £	2013 £
On bank loans and overdrafts	27,435	36,601
On finance leases and hire purchase contracts	5,358	-
Mortgage interest payable	79,104	3,376
	<u>111,897</u>	<u>39,977</u>

**10. TAXATION**

	2014 £	2013 £
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge/(credit) on loss for the year	66,948	(100,856)
Adjustments in respect of prior periods	(50)	(46,355)
<b>Total current tax</b>	<u>66,898</u>	<u>(147,211)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(26,811)	(24,067)
Effect of increased tax rate on opening liability	27,113	-
<b>Total deferred tax</b> (see note 19)	<u>302</u>	<u>(24,067)</u>
<b>Tax on loss on ordinary activities</b>	<u>67,200</u>	<u>(171,278)</u>

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**10. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 22.5% (2013 - 23.75%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(396,652)</u>	<u>(155,712)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.5% (2013 - 23.75%)	(89,247)	(37,010)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	(28,220)	48,554
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	76,072	3,595
Capital allowances for year in excess of depreciation	(13,779)	(45,482)
Adjustments to tax charge in respect of prior periods	(50)	(194,479)
Short term timing difference leading to an increase (decrease) in taxation	(16,689)	3,469
Other permanent differences leading to an increase (decrease) in taxation	-	105,765
Non-taxable income	-	(142,372)
Unrelieved tax losses carried forward	-	112,726
Unrelieved tax losses and other deductions arising in the period	103,135	36,013
Marginal relief	-	(4,970)
Utilisation of tax losses and other deductions	-	(2,953)
Fixed asset differences	35,676	(30,067)
<b>Current tax charge/(credit) for the year (see note above)</b>	<u><u>66,898</u></u>	<u><u>(147,211)</u></u>

**Factors that may affect future tax charges**

There are no known factors that are expected to affect the company's future tax charge.

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**11. INTANGIBLE FIXED ASSETS**

Group	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 July 2013	1,115,291	-	1,115,291
Additions	56,881	-	56,881
Transfer of Epona goodwill	(1,003,404)	1,003,404	-
On acquisition of subsidiaries	-	(1,339,419)	(1,339,419)
Impairment charge	(20,000)	-	(20,000)
At 30 June 2014	<u>148,768</u>	<u>(336,015)</u>	<u>(187,247)</u>
<b>Amortisation</b>			
At 1 July 2013	223,258	-	223,258
Charge for the year	223,058	(348,480)	(125,422)
Transfer of Epona goodwill	(409,362)	409,362	-
At 30 June 2014	<u>36,954</u>	<u>60,882</u>	<u>97,836</u>
<b>Net book value</b>			
At 30 June 2014	<u>111,814</u>	<u>(396,897)</u>	<u>(285,083)</u>
At 30 June 2013	<u>892,033</u>	<u>-</u>	<u>892,033</u>

The opening balance of £1.1m relating to the purchase of Epona in 2012 is offset against the negative goodwill on the acquisition of NUS Services shares. The negative goodwill arose on acquisition of NUS Services as the net asset value was greater than the cost of the shares acquired. There was no difference between the fair value and book value of net assets acquired.

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**12. TANGIBLE FIXED ASSETS**

Group	Freehold property £	Leasehold Property Improve- ments £	Computer equipment & Furniture £	Application Develop- ment £	Total £
<b>Cost</b>					
At 1 July 2013	7,516,961	108,620	2,519,765	1,080,150	11,225,496
Additions	2,100	-	408,339	706,610	1,117,049
Disposals	-	-	(179,740)	-	(179,740)
Transfer between classes	31,275	-	(31,275)	-	-
At 30 June 2014	<u>7,550,336</u>	<u>108,620</u>	<u>2,717,089</u>	<u>1,786,760</u>	<u>12,162,805</u>
<b>Depreciation</b>					
At 1 July 2013	11,851	88,510	1,225,661	62,145	1,388,167
Charge for the year	150,743	19,508	577,184	233,080	980,515
On disposals	-	-	(158,698)	-	(158,698)
Transfer between classes	3,649	-	(3,649)	-	-
At 30 June 2014	<u>166,243</u>	<u>108,018</u>	<u>1,640,498</u>	<u>295,225</u>	<u>2,209,984</u>
<b>Net book value</b>					
At 30 June 2014	<u>7,384,093</u>	<u>602</u>	<u>1,076,591</u>	<u>1,491,535</u>	<u>9,952,821</u>
At 30 June 2013	<u>7,505,110</u>	<u>20,110</u>	<u>1,294,104</u>	<u>1,018,005</u>	<u>9,837,329</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2014 £	2013 £
Computer equipment	<u>159,560</u>	<u>-</u>

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**12. TANGIBLE FIXED ASSETS (continued)**

<b>Company</b>	<b>Computer equipment £</b>
<b>Cost</b>	
At 1 July 2013	533,491
Additions	63,500
Disposals	(14,054)
At 30 June 2014	<u>582,937</u>
<b>Depreciation</b>	
At 1 July 2013	253,881
Charge for the year	175,975
On disposals	(10,188)
At 30 June 2014	<u>419,668</u>
<b>Net book value</b>	
At 30 June 2014	<u><u>163,269</u></u>
<i>At 30 June 2013</i>	<u><u>279,610</u></u>

**13. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Unlisted investments £</b>
<b>Cost or valuation</b>	
At 1 July 2013 and 30 June 2014	<u>13,628,234</u>
<b>Net book value</b>	
At 30 June 2014	<u><u>13,628,234</u></u>
<i>At 30 June 2013</i>	<u><u>13,628,234</u></u>

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**13. FIXED ASSET INVESTMENTS (continued)**

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 July 2013 and 30 June 2014	120,002	13,207,144	13,327,146
<b>Net book value</b>			
At 30 June 2014	120,002	13,207,144	13,327,146
At 30 June 2013	120,002	13,207,144	13,327,146

Details of the principal subsidiaries can be found under note number 32.

**14. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2014 £	2013 £	2014 £	2013 £
Finished goods	371,190	301,937	-	-

**15. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	1,844,941	1,366,943	9,744	136,904
Amounts owed by group undertakings	-	-	679,367	305,577
VAT recoverable	-	101,262	-	43,291
Other debtors	515,682	188,644	125,615	60,747
Prepayments and accrued income	843,616	2,291,132	501,246	1,193,717
Deferred tax asset (see note 19)	207,565	207,867	-	-
	3,411,804	4,155,848	1,315,972	1,740,236

**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**16. CURRENT ASSET INVESTMENTS**

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Listed investments	-	101,896
Unlisted investments	1,338	-
	<b>1,338</b>	<b>101,896</b>

**Group listed investments**

The market value of the listed investments at 30 June 2014 was £NIL.

**17. CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	2,409,690	463,798	-	-
Other loans	-	14,000	-	-
Payments received on account	1,519,605	1,741,410	-	-
Net obligations under finance leases and hire purchase contracts	42,373	-	-	-
Trade creditors	2,668,850	2,233,949	148,289	226,163
Amounts owed to group undertakings	-	-	570,625	410,074
Corporation tax	66,948	47,279	-	-
Other taxation and social security	465,464	267,538	134,820	100,981
Proceeds of factored debts	-	(151)	-	-
Other creditors	146,815	266,477	8,197	31,985
Accruals and deferred income	2,303,248	2,202,188	979,174	735,128
	<b>9,622,993</b>	<b>7,236,488</b>	<b>1,841,105</b>	<b>1,504,331</b>

Net obligations under finance leases and hire purchase contracts are secured against the assets concerned.

Included within the balance of bank loans and overdrafts due within one year is a mortgage for £2,333,261 with repayment terms spread over 7 years to May 2020. In the 2013 accounts this was classified as a creditor due after more than one year and has been reclassified in the 2014 accounts due to the mortgage holder retaining the right to withdraw the loan at any time and require the balance to be repayable immediately.

Bank loans are secured by a floating charge over the property and assets at Gray's Inn Road, London.

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

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**17. CREDITORS:**  
Amounts falling due within one year (continued)

**18. CREDITORS:**  
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	-	2,121,624	-	-
Other loans	3,840	4,746	-	-
Net obligations under finance leases and hire purchase contracts	119,806	-	-	-
	<u>123,646</u>	<u>2,126,370</u>	<u>-</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Repayable by instalments	-	2,121,624	-	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Between one and five years	<u>119,806</u>	<u>-</u>	<u>-</u>	<u>-</u>

**19. DEFERRED TAXATION**

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	207,867	183,800	-	-
(Charge for)/released during the year (P&L)	(302)	24,067	-	-
At end of year	<u>207,565</u>	<u>207,867</u>	<u>-</u>	<u>-</u>

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**19. DEFERRED TAXATION (continued)**

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	£	£	£	£
Accelerated capital allowances	(24,342)	-	-	-
Tax losses carried forward	(183,223)	(207,867)	-	-
	<u>(207,565)</u>	<u>(207,867)</u>	<u>-</u>	<u>-</u>

The above deferred tax asset relating to trade losses carried forward relates to Epona Limited. Across the rest of the group no provision has been made in the consolidated financial statements for the potential deferred tax asset of £427,000 (2013 - £799,965) due to the uncertainty over the timescale in which it can be utilised.

**20. COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

**21. RESERVES**

	<u>Profit and loss account £</u>
<b>Group</b>	
At 1 July 2013	21,505,722
Loss for the financial year	(602,881)
	<u>20,902,841</u>
At 30 June 2014	
	<u>20,902,841</u>
<b>Company</b>	
At 1 July 2013	15,351,427
Loss for the financial year	(357,366)
	<u>14,994,061</u>
At 30 June 2014	
	<u>14,994,061</u>

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**22. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS**

	2014 £	2013 £
<b>Group</b>		
Opening members' funds	21,505,722	21,585,571
(Loss)/profit for the financial year	(602,881)	(79,849)
Closing members' funds	<u>20,902,841</u>	<u>21,505,722</u>
 <b>Company</b>	 2014 £	 2013 £
Opening members' funds	15,351,427	15,221,107
(Loss)/profit for the financial year	(357,366)	130,320
Closing members' funds	<u>14,994,061</u>	<u>15,351,427</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The (loss)/profit for the year dealt with in the accounts of the company was £357,366 (2013 - £130,320).

**23. MINORITY INTERESTS**

<b>Equity</b>	£
At 1 July 2013	1,447,675
Proportion of profit/(loss) after taxation for the year	139,029
Purchase of minority interests	(1,539,820)
At 30 June 2014	<u>46,884</u>

The minority interests represent 3.6% (2013 - 75%) of the shareholders of NUS Services Limited, a company under the effective control of NUS.

**24. ACQUISITIONS AND DISPOSALS**

Youth Communications Limited was acquired on 1 June 2014. The figures are not separately disclosed on grounds of materiality.

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**25. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating loss	(1,112,984)	(975,761)
Amortisation of intangible fixed assets	(125,422)	223,258
Depreciation of tangible fixed assets	980,515	560,003
Profit on disposal of tangible fixed assets	(12,450)	(72,003)
Increase in stocks	(69,253)	(155,867)
Decrease in debtors	641,364	5,734,674
Increase/(decrease) in creditors	412,421	(745,489)
Decrease in provisions	-	(109,563)
<b>Net cash inflow from operating activities</b>	<b>714,191</b>	<b>4,459,252</b>

**26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	11,553	11,261
Interest paid	(106,539)	(35,529)
Hire purchase interest	(5,358)	-
Dividends received	816,676	792,424
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>716,332</b>	<b>768,156</b>

	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(56,881)	-
Purchase of tangible fixed assets	(935,260)	(9,287,175)
Sale of tangible fixed assets	33,492	490,482
Purchase of listed investments	-	(28,435)
Purchase of short term unlisted investments	(1,338)	-
<b>Net cash outflow from capital expenditure</b>	<b>(959,987)</b>	<b>(8,825,128)</b>

	2014 £	2013 £
<b>Acquisitions and disposals</b>		
Purchase of fixed asset investments	-	(479,768)
Purchase of shares from minority interest	(200,401)	-
<b>Net cash outflow from acquisitions and disposals</b>	<b>(200,401)</b>	<b>(479,768)</b>

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**26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2014 £	2013 £
<b>Management of liquid resources</b>		
Purchase of short term listed investments	-	(13,747)
Sale of short term listed investments	101,896	-
	<u>101,896</u>	<u>(13,747)</u>
<b>Net cash inflow/(outflow) from management of liquid resources</b>	<u>101,896</u>	<u>(13,747)</u>
	2014 £	2013 £
<b>Financing</b>		
New secured loans	-	1,958,361
Repayment of loans	(175,775)	-
Other new loans	-	18,746
Repayment of other loans	(14,906)	-
Repayment of finance leases	(19,611)	-
	<u>(210,292)</u>	<u>1,977,107</u>
<b>Net cash (outflow)/inflow from financing</b>	<u>(210,292)</u>	<u>1,977,107</u>

**27. ANALYSIS OF CHANGES IN NET FUNDS**

	1 July 2013 £	Cash flow £	Other non-cash changes £	30 June 2014 £
Cash at bank and in hand	3,398,978	217,082	-	3,616,060
Bank overdraft	-	(43)	-	(43)
Proceeds of factored debts	151	(151)	-	-
	<u>3,399,129</u>	<u>216,888</u>	<u>-</u>	<u>3,616,017</u>
<b>Liquid resources:</b>				
Current asset investments	101,896	(101,896)	-	-
<b>Debt:</b>				
Debts due within one year	(477,798)	210,292	(2,184,513)	(2,452,019)
Debts falling due after more than one year	(2,126,370)	-	2,002,724	(123,646)
	<u>896,857</u>	<u>325,284</u>	<u>(181,789)</u>	<u>1,040,352</u>
<b>Net funds</b>	<u>896,857</u>	<u>325,284</u>	<u>(181,789)</u>	<u>1,040,352</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. RECLASSIFICATION OF COSTS**

The directors have reclassified certain costs in the 2013 profit and loss account between cost of sales and administrative expenses to more accurately represent the activities of the group. The operating loss as previously reported in the 2013 financial statements remains unchanged.

**29. PENSION COMMITMENTS**

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 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 FRS 17, 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 most recent Valuation of the Scheme was carried out as at 30 June 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £73,849,000.

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

The following assumptions applied at 30 June 2013:

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

The 2013 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on the 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 contributions paid into the Scheme in respect of eligible employees for the year ended 30 June 2014 amounted to £219,480 (2013 - £211,494).

Since 1 October 2011 the Company has operated a defined contribution scheme where the Union contributes either 3% or 6% of salary depending upon each member's level of contribution.

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**30. OPERATING LEASE COMMITMENTS**

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2014	Other
	2014	2013		
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	11,667	61,500	14,140	-
Between 2 and 5 years	23,584	41,084	49,693	72,664

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

Company	Land and buildings		2014	Other
	2014	2013		
	£	£	£	£
<b>Expiry date:</b>				
Between 2 and 5 years	-	17,500	-	-

**31. RELATED PARTY TRANSACTIONS**

During the year the group earned commission amounting to £650,000 (2013 - £600,000) from Endsleigh Limited, in whose parent company the group holds an investment. The amounts outstanding at the balance sheet date were £396,000 (2013 - 396,210), disclosed as accrued income.

The Union has taken advantage of the exemptions conferred by FRS No 8 from the requirement to make disclosures concerning transactions with other group entities which are wholly owned subsidiaries.

**32. PRINCIPAL SUBSIDIARIES**

Company name	Country	Percentage Shareholding	Description
NUS Services Limited	England	96.4	Provision of services to the student sector
NUS Holdings Limited	England	100	Provision of services to the student sector
NUS Media Limited	England	100	Provision of services to the student sector
NUS Students' Union Charitable Services	England	100	Supporting the development of student unions
Epona Limited	England	100	Fairtrade clothing company
NUS Scotland Charitable Services	Scotland	100	Supporting the development of student unions
Youth Communication Limited	England	100	Provision of services to the student sector



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