




**nus**  
**NATIONAL  
CONFERENCE  
2014**

8–10 April 2014 | Liverpool

# Accounts and Estimates CD6

If you need this document in another  
format contact NUS on 0845 5210 262  
or email [events@nus.org.uk](mailto:events@nus.org.uk)



**Estimates 2014**

Key information

**Purpose of this document**

This document reports back on the expenditure and income of NUS over 2012/13 and the proposed areas of expenditure in 2014/15. The Estimates is a financial policy document that guides spending throughout the year. It outlines how much money can be spent on each political area of NUS.

**What you need to do**

You should read through this document and, if you have questions, contact the person noted on each report via [executiveoffice@nus.org.uk](mailto:executiveoffice@nus.org.uk)

For the Estimates you can challenge the allocation of finances that is outlined on page 8

423 Such a motion will only be in order if it is composed of two parts:  
 a) The positive reference back of a specified heading within a budgetary head or heads, indicating that each specified heading should have the sum allocated to it increased by an amount specified for that heading;  
 b) The negative reference back of a specific heading within a budgetary head or heads, indicating that each specified heading should have the sum allocated to it reduced by an amount specified for that heading; the total of the amounts specified in (i) being the same as the total of the amounts specified in (ii).

So you would need to explain

- which heading you want more money to go to
- which heading you want this money to come from
- And the amount of money that you believe should be reallocated.

Challenges to the Estimates must be emailed to [executiveoffice@nus.org.uk](mailto:executiveoffice@nus.org.uk) (faxes or post cannot be accepted) by 12:00pm, 5<sup>th</sup> March 2014.

**At National Conference:** Delegates will be asked to vote on each challenge received following a short debate. These challenges will amend the Estimates. Then, conference will be invited to approve the Estimates by voting on it. If you do not agree with what is in the report you should vote against.

**Accounts Checklist**

I have read through the Audited Accounts and note NUS' financial position

**Estimates Checklist**

I have read the Estimates and considered where NUS will spend its money in 2014/15

Someone has been tasked with submitting amendments to the Estimates before 5<sup>th</sup> March

I know that if I wish to challenge the Estimates I must specify which area(s) must be increased and which area(s) must be decreased

**Read through the document and need more help?**

If you require additional information please contact one of the following people:

- For issues about delegate entitlement, zone committees, reports and policy, amendments to zone policy proposals & Cross Campus Ballots contact [executiveoffice@nus.org.uk](mailto:executiveoffice@nus.org.uk)

All the above can be contacted at:

- NUS, Macadam House, 275 Gray's Inn Road, London, WC1X 8QB, Telephone: 0845 521 0262

## Introduction

### This Document

The 2014/15 Estimates have been constructed to reflect the internal departmental structure of NUS, which comprises core service areas: Zones, Liberation & Sections; Policy & Delivery Units; Communications; Strategic Development and Infrastructure Services. Nations and Governance costs are also shown separately. Donations to support the delivery of SU focussed programmes and services within NUS SU Charitable Services and NUS Scotland Charitable Services are shown as a separate charitable donation.

The figures presented in this document, a summary of estimated income and expenditure, are a transparent and prudent analysis of the financial resources to be committed by NUS to meet its core political priorities for the year ahead. Following Conference more detailed internal budgets are prepared by the NUS Trustee Board to ensure ongoing and robust monitoring of the effective use of these resources. Regular updates on progress against these Estimates are then presented to the National Executive Council and Trustee Board throughout the year.

It should be noted that this document represents the estimated income and expenditure for NUS UK. There are a number of related vehicles within the NUS group (for example, NUS Services Limited) whose budgets are handled within the governance of that body.

### The Financial Context

It should be noted that for over ten years NUS produced a deficit at the end of each year, considerably depleting our reserves. For the past few years we have sought to turn this situation around by posting surpluses, whilst continuing to drive down our reliance on affiliation fees and improve services and campaigns and students' unions.

The Estimates for 2012/13 forecasted a surplus of £25k, with a task on management to improve this to £100,000 during the detailed internal budgeting process.

### The Financial Policy

These estimates reflect wider long term financial policy goals for NUS. These are:

- To reduce the percentage of UK HE block grants taken by NUS in affiliation fees to 4%
- To enable participation in the HE SU quality model (formerly SUEI) to be free for unions
- To not grow NUS' core headcount (any expansion to be funded through external funding)

We continue to work towards these targets, and separate proposals on reducing the affiliation fee methodology further are presented to this conference in the Trustee Board report.

### This year's budget and forecast

Last year Conference approved an Estimate surplus of £37k for the 2013/14 financial year and was challenged with finding further savings. Subsequently the Trustee Board and NEC set a budget of £102k against which we have compared this year's Estimates in the narrative that follows.

Forecasts to date indicate that we are on track to achieve this. Considerable work has gone in to maximising our impact on students' unions and increasing transparency.

For the year ahead (2014/15) these Estimates show a £36k surplus after having funded the two charities: NUS SU Charitable Services and NUS Scotland Charitable Services. Following National Conference the Trustee Board will be tasked with finding, where possible, additional savings or income with a target detailed budgets surplus of £100k to transfer to reserves.

The core assumption is that most NUS Activity Costs are to remain at the 2013/14 budget levels unless otherwise stated below. Expenses are similarly forecast to remain in line with the current year.

### Campaigns and Programmes

- **Priority Campaign:** This area- which funds campaigning priorities inside NUS UK and across nations will be £70k. This is consistent with 2012/2013. An £50k will be then drawn down from the long term campaigning fund built up over prior years in order to have extra resource for general election campaigning
- **Allocation Pot:** Each year National Conference allocates a pot of funding to be distributed between Zones, Liberation & Sections against priorities emerging from Conferences. This pot will £171k a reduction of £19k on the prior year to fund the additional Liberation officer. However, during the

detailed budget process we will seek to find additional money in order to fund this to the same level as the prior year.

- **Local Campaigning Capacity:** Each year National Conference allocates a fund to drive both campaigning effectiveness and activism development programmes within students' unions. This also supports Liberation activism training. This will be retained at £55,000.
- **Joint Special Projects:** A fund of £10,000 has been allocated to assist with supporting specific projects being run jointly across Zones, Liberation & Sections. Note that the work of NEC coordinating committees (such as Anti Racism, Anti Fascism) is included here.
- **Long Term Campaigning Fund:** The funds of £50,000 built up over previous years will be used in the coming year to fund general election campaigning.
- **Immigration Campaigning:** We believe there is an important policy window in this area and a critical opportunity to secure future rights for international students. We await the outcome of the strategic plan, but believe there are strong reasons to assume that international student policy will continue to grow in importance.

#### **Governance**

- **National Conference** - A prudent view on costs and income generation opportunities has been taken to keep the overall net spend in this area to £220k.
- **Democracy & Board-** Affiliations to external bodies have been removed from this area and allocated to their own line for transparency. This area includes costs for the operation of the NUS Trustee Board.
- **Access** - This fund which supports disabled students' democratic participation across NUS has been allocated to the Governance category for 2014-15.
- **Liberation Conferences-** The subsidy of the liberation conferences has been increased by £25k over the last two years to reflect increased costs and participation in the campaigns. This year it has been held at a net £125k.

#### **Income**

- **Affiliation fees-** Our long term aim for non-grant funded unions (the majority of which are in FE) is to raise revenue from other sources; the aim for grant funded unions (majority in HE) is to reduce affiliation fees to an average of 4% of UK Block grants, as compared to around 10% ten years ago. To achieve this aim, whilst continuing to deliver current activity levels, we have to continue the drive to greater efficiency and increase external revenue sources. A comprehensive review of Affiliation fees was undertaken in 2011 with a view to proposing a more effective, simpler, fairer, and appropriate methodology. We implemented the first stage of the 2012/3 Estimates, reducing the estimated income from affiliation on fees by almost £150k on top of the year before, which was a £100k reduction.  
As a result of the greater efficiencies that we will be able to achieve now that the union shareholders of NUS Services have agreed to sell their shares back to NUS we will be able to reduce the overall take from affiliation fees by nearly £200k in the 2014/15 year.
- **NUS Extra-** In the current year NUS Extra card sales are on target to increase by 9% over 2013/14, and the net contribution will be on budget. As a result of the continuing increased marketing activities, the 2014/15 Estimates assume current levels and sales so the income remains consistent with 2013/14.
- **Affinity income-** As the economic situation remains tight we will continue to drive activity in this area whilst holding the anticipated income flat at £150k. Once the digital platform has been launched and is thriving this should enable us to increase business development income much more substantially.
- **Other Income-** this is primarily from Endsleigh investment and affinity income remains unchanged. These sums have not been affected by the recession. Investment income is a financial return on the preference shares which NUS holds in the company; affinity income is effectively a sponsorship deal between NUS and Endsleigh.

#### **Infrastructure**

- **Staffing Costs-** The total staffing budget provides for a 2% increase cost of living increase on the current year's salaries in pay awards, an allowance for annual increments to qualifying staff, and associated increases in employers' national insurance as well as assumptions around pension take up following auto-enrolment which will happen in May 2014. The Estimates assume no increase in the number of permanent staff employed except where this would be covered by additional external funding. The organisation is currently in the process of consulting with staff about harmonising, across the Group: terms and conditions, benefits and moving to a single pay framework. No incremental costs have been allocated to this in the Estimates.
- **Pensions-** The defined benefit pension scheme, SUSS, closed to new members and future accrual in September 2011. As a result of this we introduced a defined contribution scheme, which has seen more than double the number of employees participating. As a responsible employer we have both encouraged participation in the scheme and provided matching at certain levels. The employer's pension contributions are included in the staffing costs above. However, we are still required to

make deficit contributions to the SUSS scheme. The budget for 2013/14 was £276k, this will increase to £470k in the Estimates, although this also includes payment to the pension protection levy and cost of death in service. The vast increase in the deficit contribution is a direct result of the SUSS pension scheme deficit increasing from c£50m to c£75m, which is mostly driven by the diminution in gilt yields as a result of quantitative easing, so wholly beyond the control of either NUS or the scheme's trustees.

- **Irrecoverable VAT**- This is the cost of the VAT on non-vatable services that we provide and a proportion of the VAT incurred on overheads that is not recoverable. We took steps to reduce in 2012 by NUS UK joining the NUS Services VAT group. We have been able to reduce this further down to £50k this year, albeit some of the increase in contribution to the charities as to offset some their respective increase in irrecoverable VAT.
- **Contingency** – We have not included a contingency in this year's estimates.

### **Activity Reviews**

During the Estimates process a number of areas received detailed attention as follows.

- **Nations**- Over the past year or so reviews took place to centralise many administration and finance tasks previously carried out in Nations to deliver best value for the net grant to each nation, focussing expenditure on mission delivery and campaigns. With that work complete, we are now undertaking a review of Nations funding that seeks to examine the respective roles of NUS UK and each nation; costs; income generation; unrestricted income and the appropriate "share" by nation. The intent will be to clarify responsibilities and finances to provide each Nation with a stable long term financial and resource plan.
- **Liberation Conferences**- Demand for increased participation continues to grow, but there is a danger that increasing the budget here would mean spending more on making decisions than carrying them out. A review of potential income and cost reduction is therefore underway, having had increases of £25k over the previous two years this has been held at £125k this year.

### **Risk Areas**

Senior Managers have been tasked with finding ways of mitigating risk areas by identifying new (and realistic) income or reviewing other budgets before the new financial year begins. Following National Conference detailed internal budgets will be produced and reviewed by the NEC and Trustee Board.

## National Conference | Estimates

### Layout

The main body of the Estimates details areas of income and expenditure and may be challenged by delegates to Conference using the methods detailed within this paper.

The Appendices provide the detailed cost heading analysis of income and expenditure, which support the headline figures reported. The cost headings (cost centres) are revised to reflect restructured services and are presented in a standard format throughout this document. Most cost headings (or "centres") include these three sections:

### Staff/Officer Costs

Salaries, Tax and National Insurance, Training and other staffing or officer costs.

### Activity Costs

These can include:

- **Travel, Accommodation & Expenses** | All travel and accommodation expenses incurred in this cost centre including cars and incidental expenses for staff, officers and volunteers.
- **Property & Equipment Costs** | Any physical costs including annual equipment costs, venues, telephony, and rental.
- **Communications** | Includes publicity, campaign costs, speakers' expenses, photocopying & training material, printing, stationery, postage, subscriptions/publications and software development.
- **Admin** | Includes bank charges, depreciation, and health and safety costs.

### Income

This includes all income in this area and explanations are given in the notes.

### Additional Assumptions and Notes

The figures appearing under the section 'Staff/ Officer Costs' reflect the employer's contribution of NI and Tax and employer contribution to the pension scheme. Pension take up is assumed to increase as a result of auto-enrolment in May 2014.

Any change to the financial information contained within this document will be properly managed to ensure that the National Union continues to deliver quality services expected by our valued membership.

As was the case last year, **externally funded projects** do not appear in the Estimates. In principle this is right because National Conference is not in a position to reduce expenditure or increase income on what are restricted project funds. This approach also ensures accuracy in the phasing of income. A realistic contribution to central costs from externally funded projects has been included in other income.

Where income is gathered for specific purposes (e.g. delegation fees) the Estimates contain the **net contribution** figure rather than Estimates for both income and expenditure. This is to ensure clarity and transparency over what is spent or subsidised from unrestricted funds (or example- many events are shown at £0 because we budget for them to break even (where direct income in delegate fees is the same as direct costs related to delivery of that activity)).

## **NUS Estimates 2014/15**

The '**Estimates Section**' details the Estimates for NUS for 2014/15. This is the summary section but background and detail on the numbers in this section can be found in the appendices of this document.

The '**Estimates Section**' is subject to the following procedures at National Conference.

### **Extract from the Constitution:**

Any students' union wishing to propose changes to the Estimates must do so under the rules set down under clause 420 of the NUS Rules

#### **Estimates**

421 Following agreement between the National Executive Council and the Trustee Board, Estimates of income and expenditure in the year ahead will be presented to the Annual National Conference by the President after being circulated to all Constituent Members and National Committees.

422 Constituent Members may table motions to refer back the Estimates or part of them.

423 Such a motion will only be in order if it is composed of two parts:

a) The positive reference back of a specified heading within a budgetary head or heads, indicating that each specified heading should have the sum allocated to it increased by an amount specified for that heading;

b) The negative reference back of a specific heading within a budgetary head or heads, indicating that each specified heading should have the sum allocated to it reduced by an amount specified for that heading; the total of the amounts specified

in (i) being the same as the total of the amounts specified in (ii).

424 The President will reply in writing to all Constituent Members tabling motions of reference back of the Estimates or part of them, indicating the implications if such a reference back is passed by the National Conference

425 Questions on the Estimates may be asked from the floor of the National Conference. Priority on the asking of such questions will be given to Constituent Members, which have tabled motions on reference back.

426 If 100 delegates wish to discuss a motion of reference back it will be moved. The President will reply and the National Conference will immediately vote on the motion.

427 The guillotine will not apply to discussion of motions of reference back of the Estimates.

**Questions** on the Estimates should be made to the officer Trustee with responsibility for the Estimates, which this year is Rachel Wenstone, by email to [\*\*executiveoffice@nus.org.uk\*\*](mailto:executiveoffice@nus.org.uk)

**Challenges** to the Estimates must be emailed to [executiveoffice@nus.org.uk](mailto:executiveoffice@nus.org.uk) (faxes or post cannot be accepted) by 12:00pm, 5<sup>th</sup> March 2014.

**NUS Estimates 2014/15** \*Note items in (brackets) represent cost areas

Details	Estimates 14/15	Budget 13/14
<b>1. Unrestricted Income</b>		
NUS Extra	1,500,000	1,500,000
Affiliation Fees	3,906,000	3,906,000
Other Core & EFP Income	1,487,000	1,502,000
<b>SUBTOTAL</b>	<b>6,893,000</b>	<b>6,908,000</b>
<b>2. Zones, Liberation &amp; Sections</b>		
Higher Education Zone	(27,805)	(26,781)
Further Education Zone	(27,805)	(26,781)
Welfare Zone	(27,805)	(26,781)
Society & Citizenship Zone	(27,805)	(26,781)
Union Development Zone	(27,805)	(26,781)
Black Students Campaign	(27,805)	(26,781)
LGBT	(55,610)	(26,781)
Disabled Students	(27,805)	(26,781)
Womens Campaign	(27,805)	(26,781)
Mature & Part Time	0	0
Postgraduate	0	0
International Students	(27,805)	(26,781)
Priority Campaign	(108,189)	(70,000)
Other Campaigns	(171,953)	(190,000)
Local Campaigning Capacity	(55,000)	(55,000)
Long Term Campaign	0	(20,000)
Sections Conferences	(10,000)	(10,000)
<b>SUBTOTAL</b>	<b>(650,999)</b>	<b>(612,810)</b>
<b>3. Governance</b>		
Democracy	(42,000)	(42,008)
National Conference	(220,000)	(220,000)
National Executive Council	(35,000)	(35,496)
Liberation Conferences	(125,000)	(125,000)
Zone Conferences	0	0
Affiliations	(20,000)	(20,000)
Access	(30,000)	(30,000)
<b>SUBTOTAL</b>	<b>(472,000)</b>	<b>(472,504)</b>
<b>4. Policy &amp; Delivery Unit</b>		
Social Policy Unit	(219,272)	(176,314)
Membership Development Unit	(201,622)	(199,632)
Higher Education Unit	(255,528)	(262,642)
Further Education Unit	(333,651)	(328,118)
Political Strategy Unit	(405,662)	(425,209)
Management & Overhead	(156,357)	(158,825)
Policy Unit	(154,016)	(148,627)
<b>SUBTOTAL</b>	<b>(1,726,108)</b>	<b>(1,699,367)</b>



Details	Estimates 14/15	Budget 13/14
<b>5. Nations</b>		
Scotland	(411,001)	(402,646)
Wales	(374,398)	(358,206)
NUS-USI	(42,739)	(40,775)
<b>SUBTOTAL</b>	<b>(828,138)</b>	<b>(801,627)</b>
<b>6. Services &amp; Resources</b>		
Events & Conferencing Unit	(34,890)	(72,261)
Finance	(223,054)	(223,054)
NUS Headquarters	0	(70,225)
Executive Office	(149,796)	(104,627)
Corporate Governance	(20,000)	(20,000)
Customer Services	(64,612)	(64,612)
People & Admin	(290,883)	(290,883)
Communications	(333,240)	(337,644)
IT	(227,581)	(227,581)
Strategic Development	(255,111)	(254,641)
<b>SUBTOTAL</b>	<b>(1,599,166)</b>	<b>(1,665,528)</b>
<b>7. Other Operating Expenditure</b>		
Contingency	0	0
Irrecoverable VAT	(50,000)	(60,000)
Pension Deficit Contribution	(409,506)	(276,415)
<b>SUBTOTAL</b>	<b>(459,506)</b>	<b>(336,415)</b>
<b>8. Infrastructure</b>		
Premises (inc Nations)	(409,650)	(723,529)
<b>SUBTOTAL</b>	<b>(409,650)</b>	<b>(723,529)</b>
<b>SUBTOTAL</b>	<b>747,433</b>	<b>596,220</b>
<b>9. Charity (Donations from NUS)</b>		
NUS Charitable Services	(460,000)	(338,000)
NUS Scottish Charity	(251,000)	(155,000)
<b>SUBTOTAL</b>	<b>(711,000)</b>	<b>(493,000)</b>
<b>TOTAL</b>	<b>36,433</b>	<b>103,220</b>

## APPENDICES

### 1 | UNRESTRICTED INCOME

#### Summary of allocation

Unrestricted Income	Salary & NEC Costs	Activity Costs	Group Recharge	Income	Estimates 14/15	Budget 13/14
NUS Extra	0	0	0	1,500,000	<b>1,500,000</b>	<b>1,500,000</b>
Affiliation Fees	0	0	0	3,906,000	<b>3,906,000</b>	<b>3,906,000</b>
Other Core & EFP Income	0	0	0	1,487,000	<b>1,487,000</b>	<b>1,502,000</b>
<b>SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,893,000</b>	<b>6,893,000</b>	<b>6,908,000</b>

**NUS Cards:** NUS Extra represents one of the major sources of income to NUS. The above figures reflect a phased programme to increase the net contribution to NUS of the NUS Extra card over the coming years.

#### Affiliation Fees

**Affiliation Fee Income:** The expected income from affiliation fees is anticipated to remain at similar levels to the current year's estimate but lower than the actual amount received this year given the increases in block grants and no change to the methodology as discussed above. As total block grants have risen this will result in a reduction in the affiliation fee as a proportion of block grants overall.

#### Affinity Income

**Affinity Income:** This is income generated by NUS Services for NUS UK from various marketing initiatives.

#### Other Income

This includes the following:

- contribution to overheads from externally funded projects
- investment income – being preference dividends on the shares Endsleigh granted NUS
- bank interest
- sponsorship income – primarily this is from Endsleigh who continue their invaluable support of the student movement

## 2 | ZONES, LIBERATION & SECTIONS

### Summary of allocation

Zones, Liberation & Sections	Salary & NEC Costs	Activity Costs	Group Recharge	Income	Estimates 14/15	Budget 13/14
Higher Education Zone	(27,805)	0	0	0	(27,805)	(26,781)
Further Education Zone	(27,805)	0	0	0	(27,805)	(26,781)
Welfare Zone	(27,805)	0	0	0	(27,805)	(26,781)
Society & Citizenship Zone	(27,805)	0	0	0	(27,805)	(26,781)
Union Development Zone	(27,805)	0	0	0	(27,805)	(26,781)
Black Students Campaign	(27,805)	0	0	0	(27,805)	(26,781)
LGBT	(55,610)	0	0	0	(55,610)	(26,781)
Disabled Students	(27,805)	0	0	0	(27,805)	(26,781)
Womens Campaign	(27,805)	0	0	0	(27,805)	(26,781)
Mature & Part Time	0	0	0	0	0	0
Postgraduate	0	0	0	0	0	0
International Students	(27,805)	0	0	0	(27,805)	(26,781)
Priority Campaign	(38,189)	(70,000)	0	0	(108,189)	(70,000)
Other Campaigns	0	(171,953)	0	0	(171,953)	(190,000)
Local Campaigning Capacity	0	(55,000)	0	0	(55,000)	(55,000)
Long Term Campaign	0	0	0	0	0	(20,000)
Sections Conferences	0	(10,000)	0	0	(10,000)	(10,000)
<b>SUBTOTAL</b>	<b>(344,046)</b>	<b>(306,953)</b>	<b>0</b>	<b>0</b>	<b>(650,999)</b>	<b>(612,810)</b>

In this section you will find costs relating to NUS' range of campaigns and programmes and some costs relating to the relevant full time officers. A detailed explanation of what each area covers is given below each subsection. Most activity costs in this area 2014/15 are to be allocated **following** National Conference based on an assessment of mandates from Conferences, Election manifestos and a test for membership benefit, hence the "pot" detailed below.

**Zones:** This area includes the salary and associated payroll costs of the Vice Presidents of each of the five Zones (Further Education, Higher Education, Welfare, Union Development and Society & Citizenship). No activity cost is shown as this area, for 14/15, as it is placed in a 'zones, liberation and student sections' 'pot' which will be allocated by the NEC post-Conference based on democratic mandates (see below). Zone Conferences are budgeted to break even. This area does not include the cost of staffing support which is included in HQ Policy & Delivery Units in Section 3.

**Liberation:** NUS runs a range of politically autonomous campaigns centred around tackling discrimination and the rights of particular groups of students. This area includes the salary costs for the Liberation Officers. There is an increase in the LGBT staffing as NEC voted to fund the two LGBT posts on a full salary basis rather than a single salary split between two officers. No activity cost is shown as this area, for 14/15, as it is placed in a 'zones, liberation and student sections' 'pot' which will be allocated by the NEC post-Conference based on democratic mandates (see below). Costs for their committees, programmes or work and campaigns in 2014/15 are allocated from the 'pot' below. Liberation Conferences are covered in the Governance section, and Liberation activism training is within activism below. It does not include the cost of Liberation staffing support which is included in HQ Policy & Delivery Units in Section 3.

**Sections:** NUS runs a range of student sections centred around particular groups of students. This area includes the salary cost for the Full Time International Students Officer. No activity cost is shown as this area, for 14/15, as it is placed in a 'zones, liberation and student sections' 'pot' which will be allocated by the NEC post-Conference based on democratic mandates (see below). Costs for their committees, network days and campaigns in 2014/15 are allocated from the pot below. Their Conferences are budgeted to breakeven. This does not include the cost of staffing support which is included in HQ Policy & Delivery Units in Section 4.

**Zones, Sections and Liberation Pot Allocation:** From this 'pot' the Zones, Liberation Campaigns and Student Sections will bid for an allocation after National Conference, based on democratic mandates, the priorities you set for campaigning and work programmes and a test to ensure these activities benefit students' unions. In addition new fund has been created to facilitate joint projects between Zones, Sections, and Liberation.

**Priority Campaigns:** The "Priority Campaigns Fund" is the key campaign budget for the year and is allocated to the campaign(s) chosen as a priority by the NEC. In 2014/15 the priority campaign fund is likely to be used to fund activity across NUS UK, Scotland, Wales and Northern Ireland to campaign for the benefit of students at the next General Election as per the mandate(s) of National Conference.

**Local Campaigning Capacity:** As well as carrying out National campaigning work, National Conference has repeatedly mandated that NUS invests in local campaigning capacity. In the coming year this will focus on three areas; improving the **campaigning effectiveness** of students' unions; building a new generation of **student activists** through students' unions; and supporting **activism training** inside Liberation campaigns.

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### 3 | GOVERNANCE

#### Summary of allocation

Governance	Salary & NEC Costs	Activity Costs	Group Recharge	Income	Estimates 14/15	Budget 13/14
Democracy	0	(42,000)	0	0	(42,000)	(42,008)
National Conference	0	(260,000)	0	40,000	(220,000)	(220,000)
National Executive Council	0	(35,000)	0	0	(35,000)	(35,496)
Liberation Conferences	0	(185,000)	0	60,000	(125,000)	(125,000)
Zone Conferences	0	(90,000)	0	90,000	0	0
Affiliations	0	(20,000)	0	0	(20,000)	(20,000)
Access	0	(30,000)	0	0	(30,000)	(30,000)
<b>SUBTOTAL</b>	<b>0</b>	<b>(662,000)</b>	<b>0</b>	<b>190,000</b>	<b>(472,000)</b>	<b>(472,504)</b>

Section 2 includes costs relating to NUS' central governance and democratic structures. A detailed explanation of what each area covers is given below each subsection.

**National Conference:** This area contains all of the costs and income associated with NUS' National Conference, along with some costs that relate to the Democratic Procedures Committee and their meetings. It also houses the budget for Elections and the Chief Returning Officer. This is a net contribution figure and thus assumes considerable income from sponsorship and stalls, albeit that this has been reduced following a review.

**Democracy & Trustee Board:** This area contains a range of functions essential to the operation of NUS' Democratic Structures- safeguarding, trustee board costs, committees training, affiliations campaigns, external affairs and groups and networks. Allocations are made here to cover out of pocket expenses for volunteers.

**Affiliations:** This area houses any of NUS' affiliations to external organisations in the coming year. The two most significant affiliations are London Citizens, an organisation which NUS is carrying out considerable partnership work with, and the European Students' Union.

**Access:** This area houses central subsidy costs for participation across NUS structures by Disabled Students.

**National Executive Council (NEC):** Inside this area are all of the costs relating meetings of the NEC, its committees, and travel and expenses for the "Block" members.

**Liberation Conferences:** This area includes all costs and income relating to the conferences of Liberation campaigns. This is a net contribution figure.

## 4 | POLICY & DELIVERY

### Summary of allocation

Policy & Delivery Unit	Salary & NEC Costs	Activity Costs	Group Recharge	Income	Estimates 14/15	Budget 13/14
Social Policy Unit	(199,272)	(20,000)	0	0	(219,272)	(176,314)
Membership Development Unit	(161,622)	(40,000)	0	0	(201,622)	(199,632)
Higher Education Unit	(206,528)	(49,000)	0	0	(255,528)	(262,642)
Further Education Unit	(280,651)	(53,000)	0	0	(333,651)	(328,118)
Political Strategy Unit	(350,662)	(55,000)	0	0	(405,662)	(425,209)
Management & Overhead	(136,357)	(20,000)	0	0	(156,357)	(158,825)
Policy Unit	(134,016)	(20,000)	0	0	(154,016)	(148,627)
<b>SUBTOTAL</b>	<b>(1,469,108)</b>	<b>(257,000)</b>	<b>0</b>	<b>0</b>	<b>(1,726,108)</b>	<b>(1,699,367)</b>

This area includes all of the central units that develop and deliver the campaigns determined by Conference and NEC. Each area combines both capacity building and voice support activity.

**Political Strategy Unit:** This area houses our campaigns and political strategy staff, as well as the Press Office and Public Affairs unit. The area here includes staffing on the campaigns effectiveness programme and activist development programmes, as well as support for Zones, Sections & Liberation Campaigns. Also included here are a range of central fixed costs including subscriptions and publications related to press and public affairs. Costs relating to Parliamentary lobbying and receptions are also included here. The significant change in these Estimates is the movement of the campaigns officer from here to the Priority Campaign as it is anticipated that their work will be almost entirely focused around the general election.

**Higher Education Unit:** This unit includes staff support for research and policy in all areas of Higher Education, as well as regional support staff that specialise in HE issues. Not included but run from this area include a range of HE projects funded by HEFCE, the QAA and the Higher Education Academy.

**Further Education Unit:** This unit includes staff support for research and policy in all areas of Further Education (including both union development and education issues), as well as regional development staff who specialise in FE support. This year an additional subsidy for FE training has been allocated.

**Social Policy Unit:** The Social Policy Unit houses research and policy staff support for Welfare, including areas like Accommodation, Student Funding and Student Health, the externally Home Office funded Faith project, as well as research support for all four of NUS' liberation campaigns.

**Membership Unit:** This unit includes staff support for the Union Development Zone, as well as support for key areas of SU membership benefit such as the provision of Returning Officers. Some areas of work such as Union Governance, Officer Development, and regional support staff who specialise in Democracy & Governance issues were moved into the English charity last year.

**Policy Unit:** This policy unit houses Policy support for the National President and NEC; special projects; Chief Executive areas and long term policy analysis and support, as well as staff carrying out one off and special projects on behalf of the Nations.

**Management & Overhead:** This includes management and support costs across the Policy & Delivery Units, including professional fees and staff meetings and central management support for the NUS Nations.

## 5 | NATIONS

### Summary of allocation

Nations	Salary & NEC Costs	Activity Costs	Group Recharge	Income	Estimates 14/15	Budget 13/14
Scotland	(309,591)	(123,910)	0	22,500	(411,001)	(402,646)
Wales	(291,898)	(95,000)	0	12,500	(374,398)	(358,206)
NUS-USI	(132,739)	(20,000)	0	110,000	(42,739)	(40,775)
<b>SUBTOTAL</b>	<b>(734,228)</b>	<b>(238,910)</b>	<b>0</b>	<b>145,000</b>	<b>(828,138)</b>	<b>(801,627)</b>

NUS' Nations work is devolved and autonomous. This section reflects the costs of running each operation's support, management, administration and activity costs in the coming year. They do not include any central Nations management costs, nor any contribution to overheads or infrastructure at NUS UK.

**Scotland:** This includes all management, support, campaign, conference and activity costs in Scotland. Scotland goes on to produce its own detailed budgets scrutinised and approved at its own conference.

**Wales:** This includes all management, support, campaign, conference and activity costs in Wales. Wales goes on to produce its own detailed budgets scrutinised and approved at its own conference. The main change this year is to add the costs and income of the nascent Welsh translation service.

Not included but run from this area are a range of projects.

**NUS-USI:** NUS-USI is a partnership arrangement between NUS UK and the Union of Students in Ireland. Unlike for Wales and Scotland, income from unions in Northern Ireland is allocated directly here (hence the apparently much smaller contribution) and funds from external sources cover management, support campaign and activity costs in NUS-USI in the coming year.

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## 6 | SERVICES & RESOURCES

### Summary of allocation

Services & Resources	Salary & NEC Costs	Activity Costs	Group Recharge	Income	Estimates 14/15	Budget 13/14
Events & Conferencing Unit	0	0	(34,890)	0	(34,890)	(72,261)
Finance	0	0	(223,054)	0	(223,054)	(223,054)
NUS Headquarters	0	0	0	0	0	(70,225)
Executive Office	(144,996)	(4,800)	0	0	(149,796)	(104,627)
Corporate Governance	0	(20,000)	0	0	(20,000)	(20,000)
Customer Services	0	0	(64,612)	0	(64,612)	(64,612)
People & Admin	0	0	(290,883)	0	(290,883)	(290,883)
Communications	(304,524)	(25,000)	(3,716)	0	(333,240)	(337,644)
IT	0	0	(227,581)	0	(227,581)	(227,581)
Strategic Development	(155,111)	(100,000)	0	0	(255,111)	(204,641)
<b>SUBTOTAL</b>	<b>(604,630)</b>	<b>(149,800)</b>	<b>(844,736)</b>	<b>0</b>	<b>(1,599,166)</b>	<b>(1,615,528)</b>

Services & Resources includes the Events team, Chief Executive and National President, as well as NUS's share of the cost of running the Group's People/ Admin, Finance Events and IT functions.

**Events & Conferencing:** This area houses the events & conferencing department, provided by NUS Services, delivering central events organisation and support, and events support costs.

**Finance:** This area includes the shared service cost of finance being provided by NUS Services. This includes all staffing and financial administration costs.

**NUS Headquarters:** This area has now moved to NUS Holdings.

**Executive Office:** This is a new area formed to provide better support to the President, Chief Executive and the various Trustee Boards. It does not represent incremental cost, rather a redistribution of roles that were formerly in different places.

**Corporate Governance:** This area includes costs of the Board meetings and the governance of NUS.

**Customer Services:** This area includes the shared service cost of customer services being provided by NUS Services. We are anticipating some savings as a result of driving efficiencies in this area.

**People & Admin:** This area includes the shared service cost of Human Resources being provided by NUS Services.

**Communications & Marketing Unit:** This area includes costs relating to NUS' corporate communications functions, including communications strategy, web and print staff, and support for key marketing projects inside NUS such as the NUS Awards and Friends of NUS Schemes. Much of the cost is shared with NUSSL to achieve maximum efficiencies.

**IT:** This area includes the NUS contribution to the shared service cost of IT and Web being provided by NUS Services, as well as all external costs relating to our web hosting companies that provide the infrastructure for nus.org.uk and NUS Connect. The increase in this area is reflective of the generally increasing costs of meeting a more diversified working practices with respect to IT and electronic equipment.

**Strategic Development:** This area includes Chief Executive and National President's costs as well as costs relating to the Senior Management Group and their meetings and a range of legal / strategic development costs.



## 7 | PREMISES, PENSION AND VAT

### Summary of allocation

Other Operating Expenditure	Salary & NEC Costs	Activity Costs	Group Recharge	Income	Estimates 14/15	Budget 13/14
Contingency	0	0	0	0	0	0
Irrecoverable VAT	0	(50,000)	0	0	(50,000)	(60,000)
Premises (inc Nations)	0	(475,650)	0	0	(475,650)	(723,529)
Pension Deficit Contribution	0	(409,506)	0	0	(409,506)	(276,415)
<b>SUBTOTAL</b>	<b>0</b>	<b>(935,156)</b>	<b>0</b>	<b>0</b>	<b>(935,156)</b>	<b>(1,059,944)</b>

In this section you will find costs relating to infrastructure, SUSS pension deficit and irrecoverable VAT.

**Premises:** This area includes costs those costs of running each of our buildings in London, Cardiff, Edinburgh, & Belfast.

**Irrecoverable VAT:** This is an estimate of the amount of VAT we will be able to recover on the provision of non-vatable services to our members. We have been able to achieve some savings in this area.

**Pension Deficit Contribution:** This is the cost of our share of the SUSS pension deficit. As detailed above it has increased significantly this year. Also included are the costs of the pension fund levy and life assurance for staff and FTOs.

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## 8 | THE CHARITIES

### Summary of allocation

	Estimate 2014/15	Budget 2013/14
NUS Charitable Services	(460,000)	(338,000)
NUS Scottish Charity	(251,000)	(155,000)
<b>Total Zones Liberation &amp; Sections</b>	<b>(711,000)</b>	<b>(493,000)</b>

#### NUS Charitable Services Limited

is registered with the Charity Commission.

The charity is responsible for ensuring students' union excellence and has five main roles.

- Students' Union Quality Assurance
- Strategic Support
- Student Opportunities
- Students' Union Officer and Staff Development
- Ethical and Environmental

This section does detail anticipated core costs. Over the next year, as we win new externally funded projects or renew existing ones our intention is for them to move into the Charity.

- **Students' Union Quality Assurance:** This unit includes the implementation and continued development of the Student Union Quality Mark.
- **Strategic Support Unit:** This unit is focused on supporting Unions' development, including HR support, and is not restricted to those in difficulty or crisis. They perform diagnostics and the source appropriate professional and cross-Union assistance for those Unions that require it.
- **Student Opportunities:** This unit focuses on supporting Students' Unions in their work to involve students in non-academic work, such as sports, activities, volunteering, student media, RAG.
- **Student Union Officer and Staff Development Unit:** This area houses all of our work to support officer development, including the officer development programme, FE Leadership, and SU's event in the summer, as well as staff development support including job advertising revenue, costs for NCVO membership for all unions and support for professional groups, as well as the new Talent Management Programme.
- **Ethical and Environmental (E&E):** The E&E team provide ethical procurement support to the purchasing consortium as well as running environmental behavioural change programmes within over 100 Unions and nearly 50 universities. The team won £5m of funding for unions to accelerate their green initiatives in the 2013/14 year.

NUS UK will make a donation of £460k in 2014/15 towards the operating costs of the Charity. This is a £122k increase on the prior year reflecting:

- a) A number of activities that have been transferred to the Charity from NUS UK
- b) Partially offset by increased income in the Charity

#### NUS Scotland Charitable Services

is a Scottish Charitable Incorporated Organisation registered with the Office of the Scottish Charity Regulator (SC043361).

Working with students' association in Scotland the charity delivers a programme of work promoting excellence in student leadership and staff development, supporting students' associations to enhance their governance and democratic effectiveness. The charity also hosts externally funded projects which fit with our charitable purposes and reflect the needs of students' associations and students in Scotland.

- **Think Positive** promotes good mental health and tackles the negative attitudes that exist about mental ill health. The campaign researches the experiences that students have and whether they may cause mental health concerns and gives students and student support services in institutions a better understanding of the best way to support students.
- **Investing in Scotland's Global Citizens** works with students, young people and employers to increase the number of Scottish students taking study abroad opportunities and raise the profile of studying abroad to students and the wider community.
- **Partnerships for Change** works with college students' associations affected by mergers enabling them to develop as sustainable, autonomous and well-funded student representative bodies.
- NUS Scotland Charitable Services is proud to work with **Sparqs**, an agency which puts students at the heart of decisions being made about quality and governance of the learning experience.

NUS UK will make a donation of £250k in 2014/15 towards the operating costs of the NUS Scotland Charitable Services.

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

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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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 (appointed July 1, 2012)  
Edward Bauer (appointed July 1, 2012)  
Tessa Birley (appointed July 1, 2012)  
Kayode Damali (appointed July 1, 2013)  
Matthew East (appointed July 1, 2012)  
Abigail Jenkins (appointed July 1, 2013)  
Stephanie Lloyd (appointed July 1, 2012)  
Dianne Nelmes (appointed July 1, 2012)  
Toni Pearce (appointed July 1, 2013)  
Nicholas Pringle (appointed July 1, 2013)  
Kate Reynolds (appointed July 1, 2013)  
Rachel Wenstone (appointed July 1, 2012)  
Alistair Wilson (appointed July 1, 2012)  
Nicholas Smith (appointed April 2, 2012 & resigned August 24, 2012)  
Victoria Baars (appointed July 1, 2012 & resigned July 31, 2013)  
Varinder Bola (appointed July 1, 2012 & resigned July 31, 2013)  
Liam Burns (appointed April 2, 2012 & resigned July 31, 2013)  
Dame Karlene Davis (appointed July 1, 2012 & resigned July 31, 2013)  
Ilana Fenster (appointed July 1, 2012 & resigned May 31, 2013)  
Matt Hyde (appointed April 2, 2012 & resigned June 30, 2012)  
Adrienne Peltz (appointed July 1, 2012 & resigned July 31, 2013)

**REGISTERED NUMBER**

08015198

**REGISTERED OFFICE**

Macadam House  
275 Gray's Inn Road  
London  
WC1X 8QB

**INDEPENDENT AUDITORS**

Crowe Clark Whitehill LLP  
Chartered Accountants  
Arkwright House  
Parsonage Gardens  
Manchester  
M3 2HP

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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The directors present their report and the financial statements for the year ended June 30, 2013.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing 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.

**PRINCIPAL ACTIVITIES**

The National Union of Students ("the Union" or "NUS") is a company limited by guarantee and 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.

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

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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a look at our Impact Report which can be found at [www.nus.org.uk](http://www.nus.org.uk).

## **BUSINESS REVIEW**

### 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.

### FINANCIAL PROGRESS

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 in order to start to redress the deficit situation of prior years. The 4.9% rise in income, over prior year, is largely driven by those diversified revenues.

#### *Overall Performance*

The consolidated accounts show a small, £115k, 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.



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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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The overall net asset position increased slightly to £23million with the large shift from debtors into fixed assets, being the purchase and refurbishment of freehold properties in both London and Edinburgh. The addition of permanent fit for purpose offices with income generation capabilities has been a key element of our infrastructure strategy and will lead to a lower cost of occupancy.

*Diversifying our income streams*

We have made great strides over the last five years to diversify our revenue streams. From a zero start, the NUS extra card now accounts for 22% of our revenues. Last year NUS extra generated over £2.0 million for students' unions, while over 550,000 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.

During the financial year NUS Services Ltd acquired a Fairtrade clothing company, Epona Limited, in order to advance ethical clothing in the UK. Epona use only Fairtrade cotton and supply mainly to the student market. As a result of the acquisition they were able to increase turnover by over 30%.

These accounts also include the first revenues for NUS Media Ltd. While modest during the year we expect them to grow significantly over the coming years. They will be from license fees, transaction fees and advertising revenues as increasing numbers of students' unions use the web platform, including UnionCloud.

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 22% 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 students' unions and successfully completed the pilot with the initial 7 students' unions. UnionCloud is 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.

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.

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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#### 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 £211,494, for the following 12 months it will be £220,054. 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.

#### TRUSTEE BOARD

The following were members of the Trustee Board in 2011/2012:

Members:	Name
President & Chair	Liam Burns
Officer Trustees	Steph Lloyd, Vicki Baars, Adrienne Peltz
Student Trustees	Ilana Fenster, Edward Bauer, Tessa Birley, Matthew East, Varinder Bola, Nicholas Smith
Lay Trustees	Mike Alcock, Diana Elmes, Dame Karlene Davis, Alistair Wilson

In so far as the trustees, individually, are aware:

There is no relevant audit information of which the auditor is unaware; and  
The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Responsibilities of the Trustee Board

The Trustee Board is responsible for preparing the Trustee Board Report and the financial statements in accordance with applicable law and regulation. The Trustee Board have agreed to comply with the Companies Act 2006, as if it applied.

Company law requires the Trustee Board to prepare financial statements for each financial year. The Trustee Board 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 Trustee Board 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 Union and the group and of the surplus or deficit of the group for that period. In preparing those financial statements, the Trustee Board has agreed to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;

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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in business.

The Trustee Board is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the Union's transactions and disclose with reasonable accuracy at any time the financial position of the Union and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 as if they applied. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee Board is responsible for the maintenance and integrity of the corporate and financial information included on the Union's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Auditors

A resolution to reappoint Crow Clarke Whitehill Limited as auditors for the ensuing year will be proposed at the forthcoming Annual General Meeting.

#### RESULTS

The loss for the year, after taxation and minority interests, amounted to £79,849 (2012 - profit £267,609).

#### DIRECTORS

The directors who served during the year were:

Michael Alcock (appointed July 1, 2012)  
Edward Bauer (appointed July 1, 2012)  
Tessa Birley (appointed July 1, 2012)  
Matthew East (appointed July 1, 2012)  
Stephanie Lloyd (appointed July 1, 2012)  
Dianne Nelmes (appointed July 1, 2012)  
Rachel Wenstone (appointed July 1, 2012)  
Alistair Wilson (appointed July 1, 2012)  
Nicholas Smith (appointed April 2, 2012 & resigned August 24, 2012)  
Victoria Baars (appointed July 1, 2012 & resigned July 31, 2013)  
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**NATIONAL UNION OF STUDENTS (UNITED KINGDOM)**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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**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.

**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.

**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.

**DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditors are 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 auditors are aware of that information.

**AUDITORS**

Under section 487(2) of the Companies Act 2006, Crowe Clark Whitehill LLP will be deemed to have been reappointed as auditors 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 on

and signed on its behalf.

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

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

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**INDEPENDENT AUDITORS' 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 June 30, 2013, set out on pages 9 to 34. 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 Auditors' 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 AUDITORS**

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 Directors' report to identify material inconsistencies with the audited financial statements. 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 June 30, 2013 and of the group's profit 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 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)**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' 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, FCA (Senior statutory auditor)

for and on behalf of

**Crowe Clark Whitehill LLP**

Chartered Accountants

Arkwright House  
Parsonage Gardens  
Manchester  
M3 2HP

Date:

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Note	2013 £	2012 £
<b>Turnover</b>	1,2		
Continuing operations		<b>16,302,279</b>	15,542,725
Acquisitions		<b>1,320,940</b>	-
		<u><b>17,623,219</b></u>	<u>15,542,725</u>
Cost of sales	3	<u><b>(18,598,980)</b></u>	<u>(15,576,905)</u>
<b>Gross loss</b>	4	<u><b>(975,761)</b></u>	<u>(34,180)</u>
<b>Operating loss</b>	4		
Continuing operations		<b>(1,016,166)</b>	(34,180)
Acquisitions		<b>40,405</b>	-
		<u><b>(975,761)</b></u>	<u>(34,180)</u>
Income from other fixed asset investments		<b>792,424</b>	865,236
Interest receivable and similar income		<b>15,709</b>	112,131
Revaluation income from investments		<b>51,893</b>	-
Interest payable and similar charges	7	<u><b>(39,977)</b></u>	<u>(6,300)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<u><b>(155,712)</b></u>	936,887
Tax on (loss)/profit on ordinary activities	8	<u><b>171,278</b></u>	<u>(473,614)</u>
<b>Profit on ordinary activities after taxation</b>		<u><b>15,566</b></u>	463,273
Minority interests		<u><b>(95,415)</b></u>	<u>(195,664)</u>
<b>Loss for the financial year</b>	20	<u><u><b>(79,849)</b></u></u>	<u><u>267,609</u></u>

The notes on pages 15 to 34 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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**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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	Note	2013 £	2012 £
<b>(Loss)/profit for the financial year</b>		<u>(79,849)</u>	<u>267,609</u>
<b>Total recognised gains and losses relating to the year</b>		<u><u>(79,849)</u></u>	<u><u>267,609</u></u>

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**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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	2013 £	2012 £
<b>Reported (loss)/profit on ordinary activities before taxation</b>	<b>(155,712)</b>	936,887
Realisation of property revaluation gains of previous years	-	4,618,541
<b>Historical cost (loss)/profit on ordinary activities before taxation</b>	<u><b>(155,712)</b></u>	<u>5,555,428</u>
<b>Historical (loss)/profit for the year after taxation</b>	<u><b>(79,849)</b></u>	<u>4,886,150</u>

The notes on pages 15 to 34 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 JUNE 30, 2013**

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Intangible assets	9		892,033		-
Tangible assets	10		9,837,329		1,511,424
Investments	11		13,628,234		13,547,906
			<u>24,357,596</u>		<u>15,059,330</u>
<b>Current assets</b>					
Stocks	12	301,937		-	
Debtors	13	4,155,848		9,482,652	
Investments	14	101,896		88,149	
Cash at bank and in hand		3,398,978		5,913,133	
			<u>7,958,659</u>	<u>15,483,934</u>	
<b>Creditors:</b> amounts falling due within one year	15	(7,236,487)		(7,495,870)	
<b>Net current assets</b>			<u>722,172</u>		<u>7,988,064</u>
<b>Total assets less current liabilities</b>			<u>25,079,768</u>		<u>23,047,394</u>
<b>Creditors:</b> amounts falling due after more than one year	16	(2,126,370)			-
<b>Provisions for liabilities</b>					
Other provisions	18		-		(109,563)
<b>Net assets</b>			<u>22,953,398</u>		<u>22,937,831</u>
<b>Capital and reserves</b>					
Profit and loss account	20		21,505,723		21,585,572
	21		21,505,723		21,585,572
<b>Minority interests</b>	22		1,447,675		1,352,259
			<u>22,953,398</u>		<u>22,937,831</u>

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

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**CONSOLIDATED BALANCE SHEET (continued)**  
**AS AT JUNE 30, 2013**

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

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

The notes on pages 15 to 34 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 JUNE 30, 2013**

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	10		279,610		181,618
Investments	11		13,327,146		13,327,146
			<u>13,606,756</u>		<u>13,508,764</u>
<b>Current assets</b>					
Debtors	13	1,740,236		2,081,965	
Cash at bank		1,508,766		2,059,156	
		<u>3,249,002</u>		<u>4,141,121</u>	
<b>Creditors:</b> amounts falling due within one year	15	<u>(1,504,331)</u>		<u>(2,428,778)</u>	
<b>Net current assets</b>			<u>1,744,671</u>		<u>1,712,343</u>
<b>Net assets</b>			<u>15,351,427</u>		<u>15,221,107</u>
<b>Capital and Reserves</b>					
Profit and loss account	20		15,351,427		15,221,107
	21		<u>15,351,427</u>		<u>15,221,107</u>

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

**Toni Pearce**  
President and Chair of Trustee Board

The notes on pages 15 to 34 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 JUNE 30, 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	24	4,459,252	157,155
Returns on investments and servicing of finance	25	768,156	971,067
Taxation		(399,029)	(249,253)
Capital expenditure and financial investment	25	(8,825,128)	(1,447,803)
Acquisitions and disposals	25	(479,768)	-
<b>Cash outflow before management of liquid resources and financing</b>		<b>(4,476,517)</b>	<b>(568,834)</b>
Management of liquid resources	25	(13,747)	(1,371)
Financing	25	1,977,107	-
<b>Decrease in cash in the year</b>		<b>(2,513,157)</b>	<b>(570,205)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	2013 £	2012 £
Decrease in cash in the year	(2,513,157)	(570,205)
Cash outflow from decrease in liquid resources	13,747	1,371
Cash inflow from increase in debt and lease financing	(1,977,107)	-
<b>Change in net debt resulting from cash flows</b>	<b>(4,476,517)</b>	<b>(568,834)</b>
Other non-cash changes	(627,061)	-
<b>Movement in net debt in the year</b>	<b>(5,103,578)</b>	<b>(568,834)</b>
Net funds at July 1, 2012	6,000,435	6,569,269
<b>Net funds at June 30, 2013</b>	<b>896,857</b>	<b>6,000,435</b>

The notes on pages 15 to 34 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 JUNE 30, 2013**

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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 company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Membership income is charged in advance at the beginning of the year and recognised immediately.

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.

**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.

Amortisation is provided at the following rates:

Goodwill	-	Amortised over 5 years
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**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% per annum on cost
Leasehold Property improvements	-	20% per annum on written down amount
Computer equipment & Furniture	-	20%-33% per annum on cost
Application development	-	20% Straight line

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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 JUNE 30, 2013**

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**1. ACCOUNTING POLICIES (continued)**

**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 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.

**1.8 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.

**1.9 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.

**1.10 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.

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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 JUNE 30, 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 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 Union operates a defined contribution scheme making contributions on a monthly basis for those employees who have joined the scheme. It has no other liabilities under this scheme.

**1.12 Comparatives**

During the Annual General Meeting of the Union, its members elected to incorporate. This took place on 1st July 2012 at which point all of the assets, liabilities and employees of the unincorporated body were transferred to National Union of Students (United Kingdom). The accounts of the unincorporated NUS have been used for comparative purposes.

**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.

**2. TURNOVER**

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.

All turnover arose within the United Kingdom.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Income was received in the following manner:

	2013 £	2012 £
Membership income	3,947,632	3,837,654
NUS extra card sales	4,022,492	2,812,427
Other income	1,078,412	2,201,447
NUS USI other income	157,624	376,519
Commissions receivable	600,000	401,655
NUS Services Ltd	3,854,290	4,933,237
NUS Charitable Services	1,951,323	979,786
Epona Ltd	1,320,940	-
NUS Scotland Charitable Services	659,931	-
NUS Media Ltd	18,959	-
NUS Holdings Ltd	11,616	-
Total	<u>17,623,219</u>	<u>15,542,725</u>

**3. ANALYSIS OF OPERATING LOSS**

	2013 Continuing £	2012 Continuing £
Turnover	17,623,219	15,542,725
Cost of sales	(18,598,980)	(15,576,905)
Gross profit	<u>(975,761)</u>	<u>(34,180)</u>
	<u>(975,761)</u>	<u>(34,180)</u>

The following amounts were included within continuing activities in relation to acquisitions during the year:

	2013 £
Turnover	1,320,940
Cost of sales	(894,499)
Gross profit	<u>426,441</u>
Distribution costs	(32,256)
Administrative expenses	(353,780)
Operating profit	<u>40,405</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**4. OPERATING LOSS**

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

	2013	2012
	£	£
Amortisation - intangible fixed assets	223,258	-
Depreciation of tangible fixed assets:		
- owned by the group	783,261	432,566
Operating lease rentals: Plant & Machinery	38,623	11,482
Land & buildings	85,084	134,075
Profit on disposal of fixed assets	(72,002)	(425)
	223,258	-

**5. AUDITORS' REMUNERATION**

	2013	2012
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	8,000	11,650
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of associates of the company	28,000	8,970
Taxation compliance services	4,000	-
Internal audit services	2,500	-
All other non-audit services not included above	1,000	-
	8,000	11,650

**6. STAFF COSTS**

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

	2013	2012
	£	£
Wages and salaries	7,171,220	5,844,791
Social security costs	578,930	440,577
Other pension costs	509,682	401,977
	8,259,832	6,687,345

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

	2013	2012
	No.	No.
Office and management	242	227
	242	227

The salary of the highest paid director during the year was £22,688. There were no pension payments made on behalf of the directors during the year and none of the directors were members of the SUSS.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Union Executives' Remuneration**

	2013 £	2012 £
Salaries and allowances	597,711	367,584
Social security costs	61,841	31,093
Total	<u>659,552</u>	<u>398,677</u>

**7. INTEREST PAYABLE**

	2013 £	2012 £
On bank loans and overdrafts	<u>39,977</u>	<u>6,300</u>

**8. TAXATION**

	2013 £	2012 £
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(100,856)	473,614
Adjustments in respect of prior periods	(46,355)	-
<b>Total current tax</b>	<u>(147,211)</u>	<u>473,614</u>
<b>Deferred tax</b> (see note 17)		
Current year charge	(24,067)	-
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(171,278)</u>	<u>473,614</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**8. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.75% (2012 - 26%). The differences are explained below:

	<b>2013</b>	2012
	£	£
(Loss)/profit on ordinary activities before tax	<b>(155,712)</b>	936,887
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 - 26%)	<b>(37,010)</b>	243,557
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	<b>48,554</b>	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>3,595</b>	63,527
Capital allowances for year in excess of depreciation	<b>(45,482)</b>	(32,354)
Adjustments to tax charge in respect of prior periods	<b>(194,479)</b>	-
Short term timing difference leading to an increase (decrease) in taxation	<b>3,469</b>	-
Other permanent differences leading to an increase (decrease) in taxation	<b>105,765</b>	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(414,552)
Non-taxable income	<b>(142,372)</b>	-
Capital gains	-	527,822
Changes in provisions leading to an increase (decrease) in the tax charge	-	(4,690)
Unrelieved tax losses carried forward	<b>112,726</b>	116,341
Unrelieved tax losses and other deductions arising in the period	<b>36,013</b>	-
Marginal relief	<b>(4,970)</b>	-
Effect of change in tax rate	-	(8,165)
Small companies relief	-	(17,872)
Utilisation of tax losses and other deductions	<b>(2,953)</b>	-
Fixed asset differences	<b>(30,067)</b>	-
<b>Current tax (credit)/charge for the year</b> (see note above)	<b>(147,211)</b>	473,614

**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)**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**9. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b> <b>£</b>
<b>Group</b>	
<b>Cost</b>	
At July 1, 2012	-
Additions	1,115,291
At June 30, 2013	1,115,291
<b>Amortisation</b>	
At July 1, 2012	-
Charge for the year	223,258
At June 30, 2013	223,258
<b>Net book value</b>	
At June 30, 2013	892,033
At June 30, 2012	-

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold Property Improve- ments £	Computer equipment & Furniture £	Application Develop- ment £	Total £
<b>Group</b>					
<b>Cost</b>					
At July 1, 2012	392,159	172,617	3,099,946	480,764	4,145,486
Additions	7,516,961	-	1,170,828	599,386	9,287,175
Disposals	(392,159)	(63,997)	(1,768,951)	-	(2,225,107)
On acquisition of subsidiaries	-	-	17,942	-	17,942
At June 30, 2013	7,516,961	108,620	2,519,765	1,080,150	11,225,496
<b>Depreciation</b>					
At July 1, 2012	61,630	115,530	2,456,902	-	2,634,062
Charge for the year	15,887	35,560	447,142	62,145	560,734
On disposals	(65,666)	(62,580)	(1,678,383)	-	(1,806,629)
At June 30, 2013	11,851	88,510	1,225,661	62,145	1,388,167
<b>Net book value</b>					
At June 30, 2013	7,505,110	20,110	1,294,104	1,018,005	9,837,329
At June 30, 2012	330,529	57,087	643,044	480,764	1,511,424

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<b>Company</b>	<b>Leasehold Property Improvements £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At July 1, 2012	3,892	1,205,925	1,209,817
Additions	-	259,637	259,637
Disposals	(3,892)	(932,071)	(935,963)
At June 30, 2013	-	533,491	533,491
<b>Depreciation</b>			
At July 1, 2012	2,475	1,025,724	1,028,199
Charge for the year	-	160,619	160,619
On disposals	(2,475)	(932,462)	(934,937)
At June 30, 2013	-	253,881	253,881
<b>Net book value</b>			
At June 30, 2013	-	279,610	279,610
At June 30, 2012	1,417	180,201	181,618

**11. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At July 1, 2012	13,547,906
Additions	28,435
Revaluations	51,893
At June 30, 2013	13,628,234
<b>Net book value</b>	
At June 30, 2013	13,628,234
At June 30, 2012	13,547,906
<b>Listed investments</b>	

The market value of the listed investments at June 30, 2013 was £13,628,234 (2012 - £13,547,906).

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

<b>Company</b>	<b>Investments in subsidiary companies £</b>	<b>Listed investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At July 1, 2012 and June 30, 2013	<b>120,002</b>	<b>13,207,144</b>	<b>13,327,146</b>
<b>Net book value</b>			
At June 30, 2013	<b>120,002</b>	<b>13,207,144</b>	<b>13,327,146</b>
At June 30, 2012	120,002	13,207,144	13,327,146

**Listed investments**

The market value of the listed investments at June 30, 2013 was £13,207,144 (2012 - £13,207,144).

**12. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2013 £</b>	<b>2012 £</b>	<b>2013 £</b>	<b>2012 £</b>
Finished Goods	<b>301,937</b>	-	-	-

**13. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2013 £</b>	<b>2012 £</b>	<b>2013 £</b>	<b>2012 £</b>
Trade debtors	<b>1,366,943</b>	1,038,914	<b>136,904</b>	243,474
Amounts owed by group undertakings	-	-	<b>305,577</b>	229,250
VAT	<b>101,262</b>	246,022	<b>43,291</b>	101,968
Other debtors	<b>188,644</b>	5,203,629	<b>60,747</b>	35,214
Prepayments and accrued income	<b>2,291,132</b>	2,994,087	<b>1,193,717</b>	1,472,059
Deferred tax asset (see note 17)	<b>207,867</b>	-	-	-
	<b>4,155,848</b>	9,482,652	<b>1,740,236</b>	2,081,965

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**14. CURRENT ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Listed investments	<b>101,896</b>	88,149	-	-

**Group listed investments**

The market value of the listed investments at June 30, 2013 was £101,896).

**Company listed investments**

The market value of the listed investments at June 30, 2013 was £NILNIL).

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

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>463,798</b>	847	-	163
Other loans	<b>14,000</b>	-	-	-
Payments received on account	<b>1,741,410</b>	1,869,396	-	-
Trade creditors	<b>2,233,949</b>	2,097,088	<b>226,163</b>	458,859
Amounts owed to group undertakings	-	-	<b>410,074</b>	47,225
Corporation tax	<b>47,279</b>	468,136	-	-
Other taxation and social security	<b>267,538</b>	304,934	<b>100,981</b>	98,604
Proceeds of factored debts	<b>(151)</b>	-	-	-
Other creditors	<b>266,477</b>	295,279	<b>31,985</b>	18,126
Accruals and deferred income	<b>2,202,187</b>	2,460,190	<b>735,128</b>	1,805,801
	<b>7,236,487</b>	7,495,870	<b>1,504,331</b>	2,428,778

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

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>2,121,624</b>	-	-	-
Other loans	<b>4,746</b>	-	-	-
	<b>2,126,370</b>	-	-	-

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**16. CREDITORS:**  
**Amounts falling due after more than one year (continued)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	2012	<b>2013</b>	2012
	£	£	£	£
Repayable by instalments	<b>2,121,624</b>	-	-	-

Bank loans are secured by a floating charge due to Co-operative Bank plc over the property and assets at Gray's Inn Road, London. The loan period is for 7 years at an interest rate of 2.5% per annum over the Bank's published base rate (currently 0.5% per annum).

**17. DEFERRED TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	2012	<b>2013</b>	2012
	£	£	£	£
At beginning of year	-	-	-	-
Released during the year (P&L)	<b>24,067</b>	-	-	-
Other movement (P&L)	<b>183,800</b>	-	-	-
At end of year	<b>207,867</b>	-	-	-

The deferred taxation balance is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	2012	<b>2013</b>	2012
	£	£	£	£
Tax losses carried forward	<b>207,867</b>	-	-	-

The above provision relates to Epona Ltd. Across the rest of the group no provision has been made in the financial statements for the deferred tax asset, 2013 £799,965 (2012: £1,180,913) due to the uncertainty over the timescale in which it can be utilised.



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**18. PROVISIONS**

	<b>Other provisions- Insurance Claim £</b>
<b>Group</b>	
At July 1, 2012	109,563
Amounts reversed	(109,563)
	-
At June 30, 2013	-

**Other provisions- Insurance Claim**

The provision was for a Death in Service claim which was paid during the year by the company's insurers.

The Company has no provisions

**19. 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.

**20. RESERVES**

	<b>Profit and loss account £</b>
<b>Group</b>	
At July 1, 2012	21,585,572
Loss for the financial year	(79,849)
	21,505,723
At June 30, 2013	21,505,723
 <b>Company</b>	 <b>Profit and loss account £</b>
At July 1, 2012	15,221,107
Profit for the financial year	130,320
	15,351,427
At June 30, 2013	15,351,427

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

<b>Group</b>	<b>2013</b>	2012
	<b>£</b>	<b>£</b>
Opening members' funds	<b>21,585,572</b>	16,335,213
Profit for the financial year	<b>(79,849)</b>	267,609
Other movements in profit and loss reserve	-	4,982,750
	<hr/>	<hr/>
Closing members' funds	<b>21,505,723</b>	21,585,572
	<hr/> <hr/>	<hr/> <hr/>
	<b>2013</b>	2012
	<b>£</b>	<b>£</b>
<b>Company</b>		
Opening members' funds	<b>15,221,107</b>	15,120,588
Profit for the financial year	<b>130,320</b>	100,519
	<hr/>	<hr/>
Closing members' funds	<b>15,351,427</b>	15,221,107
	<hr/> <hr/>	<hr/> <hr/>

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 profit for the year dealt with in the accounts of the company was £130,320 (2012 - £100,519).

**22. MINORITY INTERESTS**

**Non equity**

At July 1, 2012	<b>1,352,260</b>
Proportion of profit/(loss) after taxation for the year	<b>95,415</b>
	<hr/>
At June 30, 2013	<b>1,447,675</b>
	<hr/> <hr/>

The minority interests are 75% of the shareholders of NUS Services Limited, a company under the effective control of NUS.

**23. ACQUISITIONS AND DISPOSALS**

Epona Limited and Neil Jennings Associates Community Interest Company, known as Student Switch Off were both acquired on 1st July 2012.

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**Acquisitions**

	<b>Vendors' book value</b>	<b>Fair value to the group</b>
	<b>£</b>	<b>£</b>
<b>Assets and liabilities acquired</b>		
Tangible fixed assets	17,941	17,941
Stocks	146,070	146,070
Debtors	257,688	257,688
Cash at bank	237,049	237,049
Bank overdrafts	(286,723)	(286,723)
Loans and finance leases	(298,805)	(298,805)
Other creditors and provisions	(471,694)	(471,694)
	<b>(398,474)</b>	<b>(398,474)</b>
Net assets acquired	<b>(398,474)</b>	<b>(398,474)</b>
<b>Satisfied by</b>		
Consideration:		
Cash		502,728
Contingent consideration		156,000
Acquisition costs		58,088
		<b>716,816</b>
		<b>1,115,290</b>
Goodwill arising on consolidation (see note 9)		
Turnover		<b>1,136,335</b>
Operating loss		<b>(243,570)</b>
Loss before tax		<b>(293,900)</b>
Taxation		<b>58,700</b>
Loss after tax		<b>(235,200)</b>

The Profit and Loss account above relates to the period 1/4/11-30/6/12 for Epona Limited. Disclosure of Student Switch Off has not been made on the grounds of materiality.

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

	Continuing	Discontinued	2013 Total	2012
	£	£	£	£
Operating loss	(975,761)	-	(975,761)	(34,180)
Depreciation of tangible fixed assets	783,261	-	783,261	432,566
Profit on disposal of tangible fixed assets	(72,003)	-	(72,003)	-
Increase in stocks	(155,867)	-	(155,867)	-
Decrease/(increase) in debtors	5,734,674	-	5,734,674	(1,845,498)
(Decrease)/increase in creditors	(745,489)	-	(745,489)	1,494,704
(Decrease)/increase in provisions	(109,563)	-	(109,563)	109,563
<b>Net cash inflow from continuing operating activities</b>	<b>4,459,252</b>			
<b>Net cash inflow from operating activities</b>			<b>4,459,252</b>	<b>157,155</b>

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

	2013 £	2012 £
<b>Returns on investments and servicing of finance</b>		
Interest received	11,261	112,310
Interest paid	(35,529)	(6,479)
Income from investments	-	72,812
Dividends received	792,424	792,424
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>768,156</b>	<b>971,067</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(9,287,175)	(1,051,491)
Sale of tangible fixed assets	490,482	1,700
Purchase of investment properties	-	(5,040,000)
Sale of investment properties	-	4,982,750
Purchase of listed investments	(28,435)	(340,762)
<b>Net cash outflow from capital expenditure</b>	<b>(8,825,128)</b>	<b>(1,447,803)</b>

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

	2013 £	2012 £
<b>Acquisitions and disposals</b>		
Purchase of fixed asset investments	<u>(479,768)</u>	<u>-</u>
	2013 £	2012 £
<b>Management of liquid resources</b>		
Purchase of short term listed investments	<u>(13,747)</u>	<u>(1,371)</u>
	2013 £	2012 £
<b>Financing</b>		
New secured loans	1,958,361	-
Other new loans	18,746	-
<b>Net cash inflow from financing</b>	<u><u>1,977,107</u></u>	<u><u>-</u></u>

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

	1 July 2012 £	Cash flow £	Other non-cash changes £	30 June 2013 £
Cash at bank and in hand	5,913,133	(2,514,155)	-	3,398,978
Bank overdraft	(847)	847	-	-
Proceeds of factored debts	-	151	-	151
	<u>5,912,286</u>	<u>(2,513,157)</u>	<u>-</u>	<u>3,399,129</u>
<b>Liquid resources:</b>				
Current asset investments	88,149	13,747	-	101,896
<b>Debt:</b>				
Debts due within one year	-	(1,977,107)	1,499,309	(477,798)
Debts falling due after more than one year	-	-	(2,126,370)	(2,126,370)
<b>Net funds</b>	<u><u>6,000,435</u></u>	<u><u>(4,476,517)</u></u>	<u><u>(627,061)</u></u>	<u><u>896,857</u></u>

**27. PENSION COMMITMENTS**

The Union participated 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.

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**27. PENSION COMMITMENTS (continued)**

The scheme closed to future accrual in September 2011. 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 1 October 2010 and showed that the market value of the scheme's assets was £67,141,000 with these assets representing 58% of the benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an on-going fund basis amounted to £47,869,000.

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:

- The investment return would be 6.6% per annum before retirement and 4.6% per annum after retirement.
- Salaries would increase at 3.2% per annum, equivalent to 0.5% per annum above inflation (CPI).
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The contributions paid into the scheme in respect of eligible employees for the period ended 30 June 2013 amounted to £211,494 (2012: £226,090) the benefit of which is spread across all members. The estimated contribution for the following 12 months to the end of June 2014 are £220,054.

Surpluses or deficits which arise at future valuations may impact on the Union's Limited's future contribution commitment. With effect from 30 September 2011 the scheme closed to future accrual. The next formal actuarial valuation is due as at 1 July 2013 when the above rates will be reviewed.

On 1 October 2011 the Company moved to a defined contribution scheme where the Company contributes either 3% or 6% of salary depending upon each member's level of contribution.

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**28. OPERATING LEASE COMMITMENTS**

At June 30, 2013 the group had annual commitments under non-cancellable operating leases as follows:

<b>Group</b>	<b>Land and buildings</b>		<b>2013</b>	<b>Other</b>
	<b>2013</b>	<b>2012</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	<b>61,500</b>	168,227	-	-
Between 2 and 5 years	<b>41,084</b>	-	<b>72,664</b>	70,936
After more than 5 years	-	89,084	-	-

At June 30, 2013 the company had annual commitments under non-cancellable operating leases as follows:

<b>Company</b>	<b>Land and buildings</b>		<b>2013</b>	<b>Other</b>
	<b>2013</b>	<b>2012</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	-	4,200	-	-
Between 2 and 5 years	<b>17,500</b>	-	-	70,936

**29. RELATED PARTY TRANSACTIONS**

During the year the group earned commission amounting to £600,000 (2012: £401,655) from Endsleigh Limited, in whose parent company the group held an investment. The amounts outstanding at the balance sheet date were £396,210, shown in 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.

**30. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Percentage Shareholding</b>	<b>Description</b>
NUS Services Limited	25	Provision of services in the student sector
NUS Holdings Limited	100	Provision of services in the student sector
NUS Media Limited	100	Provision of services in the student sector
Epona Limited	100	Fairtrade clothing company

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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**31. CASH AT BANK**

Included within the group cash balance and creditors: payments on account, is an amount of £1,708,877 (2012: £1,869,396) of payments received on account, being amounts held for redistribution to members of the purchasing consortium for retrospective volume related payments.




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