

**Liverpool**

**Guild of**

**Students**

# **Liverpool Guild of Students**

Trustees' Report and Accounts

Year ended 31 July 2016

Registered charity number: 1137398

Company number: 07324992

# Liverpool Guild of Students

## TRUSTEES REPORT

For the year ended 31 July 2016

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### 1. REFERENCE AND ADMINISTRATIVE DETAILS

#### Directors and Trustees

All directors of the company are also trustees of the charity, there are no other trustees. The trustees serving during the year and since the year end were:

Sean Turner (Appointed 1st August 2016)  
Oba Akinwale (Appointed 1st August 2016)  
Ananda Mohan (Appointed 1st August 2016)  
Yasmin Gasimova (Appointed 1st August 2016)  
Benjamin Miller  
Pamela Bell-Ashe  
Ciaran Grafton-Clarke (Appointed 5th November 2015)  
Richelle Diaz Tsai (Appointed 5th November 2015)  
Alex Hill (Appointed 5th November 2015)  
Polly Thompson (Appointed 1st August 2016)  
Adam Dawkins (Appointed 1st August 2015)  
Emma Carter-Brown (Appointed 1st August 2016)  
Harry Anderson (Resigned 31<sup>st</sup> July 2016)  
Alex Ferguson (Resigned 31<sup>st</sup> July 2016)  
Emma Sims (Resigned 31<sup>st</sup> July 2016)  
Rosie O'Donnell (Resigned 31<sup>st</sup> July 2016)  
Gareth Evans (Appointed 5<sup>th</sup> November 2015, resigned 31<sup>st</sup> July 2016)  
Gary Walker (Resigned 31<sup>st</sup> July 2016)  
James Coe (Resigned 1<sup>st</sup> August 2015)  
Emma Hart (Resigned 1<sup>st</sup> August 2015)

#### Company Secretary

Tricia O'Neill

#### Key Management Personnel

Chief Executive	Tricia O'Neill
Director of Operations	Andrew Grimshaw
Director of Membership Services	Morven Proctor
Director of Marketing & Communications	Sian McGreary
Director of HR	Hetal Mainwaring

#### Registered office

Liverpool Guild of Students  
160 Mount Pleasant  
Liverpool  
Merseyside  
L3 5TR

#### Auditors

Dains LLP  
Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

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**TRUSTEES REPORT**

**For the year ended 31 July 2016**

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**Bankers**

The Co-operative Bank p.l.c.,  
P.O. Box 101  
1 Balloon Street  
Manchester  
M60 4EP

**Deposit Accounts**

Saffron Building Society  
57 High Street  
Ware  
Hertfordshire  
SG12 9AD

Charities Aid Foundation  
90 Day Notice Account  
Scottish Widows Bank plc  
PO Box 12757  
67 Morrison Street  
Edinburgh  
EH3 8YJ

Lloyds Bank  
PO Box 545  
Faryners House  
25 Monument Street  
London  
EC3R 8BQ

Charities Aid Foundation  
12 Mouth Bond  
Principality Building Society  
Principality Buildings  
Queen Street  
Cardiff  
CF10 1UA

Cambridge Building Society  
PO Box 232  
51 Newmarket Road  
Cambridge  
CB5 8FF

The Hanley Economic Building Society  
Off Forge Lane  
Granville House  
Festival Park  
Hanley  
Stoke-on-Trent  
ST1 5TB

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**For the year ended 31 July 2016**

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**Finance and business advisors**

Counterculture Partnership LLP  
Institute of Contemporary Arts  
The Mall  
London SW1Y 5AH

**Insurance Brokers**

Endsleigh Business Insurance Services  
Hadley House  
Shurdington Road  
Cheltenham Spa  
Gloucestershire  
GL51 4UE

**Solicitors**

Governance, charity and corporate law  
Bates, Wells and Braithwaite London LLP  
2-6 Cannon Street  
London  
EC4M 6YH

Employment and commercial law  
Weightmans LLP  
India Buildings  
Water Street  
Liverpool  
L2 0GA

As allowed under Section 60 of the Companies Act 2006 the company is exempt from the requirement to use "limited".

# Liverpool Guild of Students

## TRUSTEES REPORT

For the year ended 31 July 2016

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## 2. STRUCTURE, GOVERNANCE & MANAGEMENT

### Governing Document

Liverpool Guild of Students is a Students' Union within the meaning of the Education Act 1994. The Guild is devoted to the educational interests and welfare of its members, and is an independent representative body of students at the University of Liverpool. We are an Incorporated Charity and a Company Limited by Guarantee without Share Capital.

We are governed by a Memorandum & Articles of Association effective from 1 August 2010, and a set of Bye Laws, both approved by the membership, the University of Liverpool, and the Charity Commission. We also have a Memorandum of Understanding with the University of Liverpool. The Articles of Association state the Guild's principal objectives as being:

- "B. The Guild will seek at all times to:
- (i) ensure that the diversity of its Membership is recognised and that equal access is available to all Members of whatever origin or orientation;
  - (ii) pursue its aims and objectives independent of any political party or religious group; and
  - (iii) pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.
- C. These Articles have been structured to give the Board of Trustees reasonable authority to manage the affairs of the Guild in a professional manner. The Members enjoy the right, which must be exercised in accordance with charity law, to elect a proportion of the Trustees and to dismiss all of the Trustees. The Board of Trustees will give the utmost consideration to the views of Members.
- D. Under the Education Act 1994, the University of Liverpool has a statutory duty to ensure that the Guild operates in a fair and democratic manner and is held to proper account for its finances. The Guild therefore works alongside the University of Liverpool in ensuring that the affairs of the Guild are properly conducted and that the educational and welfare needs of the Guild's Members are met."

# Liverpool Guild of Students

## TRUSTEES REPORT

For the year ended 31 July 2016

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### Appointment of Trustees

Our Board of Trustees is responsible for ensuring the organisation remains fit for purpose, and for setting the strategy of the organisation in consultation with senior staff. It also approves all policy, our annual budget, and monitors organisational performance against agreed key performance indicators (KPIs).

The membership of the Trustee Board is defined as follows:

- Four Student Representative Officer Trustees
- Four Student Trustees
- Four External (Co-opted) Trustees

The Student Representative Officer (SRO) Trustees are elected by the entire membership during a cross campus election, and hold office for 12 months. As directed by the Education Act 1994, they are able to serve a maximum of two terms. The Student Representative Officers are the major union office holders described in the Education Act (1994).

The four Student Trustees are positions that are advertised and then appointed to by the Board, and serve for a term of two years – although they must be registered students at the University of Liverpool to hold office.

The four External Trustees are also positions that are advertised and then appointed to by the Board. They are recruited for on the basis of their expertise and experience, and hold office for a term of four years.

### Trustee Induction and Training

All new Trustees participate in a comprehensive induction programme, which includes:

- Training- these are both skills and knowledge based.
- Introductions to key staff and other Trustees; and
- Copies of the Union's key policy, governance and financial documents.

On-going training needs for Trustees are monitored by the Chief Executive through 1-2-1s and regular catch-up meetings.

### Organisation

The Board of Trustees administers the charity. The Board meets six times a year and there are two standing subcommittees convened under Article 45 of the Articles of Association covering operational areas of the Board's remit.

#### Resources & Audit Committee

As laid out in Byelaw 4, the Resources & Audit Committee is responsible for all financial matters of the organisation.

# Liverpool Guild of Students

## TRUSTEES REPORT

For the year ended 31 July 2016

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### Governance & Appointments Committee

As laid out in Byelaw 5, the Governance & Appointments Committee is responsible for appointing new Trustees, monitoring the effectiveness of the Board and acting as a discursive forum for all matters relating to effective governance.

### Guild Summit

The Guild Summit is made up of 50 students, who are selected by sortition to reflect the wider student body, and has the following authority (as set out in the Articles):

- i. Make recommendations to the Trustees
- ii. Discuss and debate issues pertinent to students
- iii. Make non-binding motions of no-confidence in one or a number of Trustees
- iv. Consider any business referred to Guild Summit by the Trustees and other Guild bodies.

### Annual Members Meeting

Under our articles, we are required to hold an Annual Members Meeting each year, presenting our accounts and the Trustees Annual Report to the membership. This took place on 3 May 2016, although the required quorum was not met. The rescheduled meeting successfully took place a week later, on 10 May 2016.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms approved by the Trustees, for operations including finance, employment, Guild operations, governance, membership services, marketing and communications, and other related activity.

## **Related Parties and Co-operation with Other Organisations**

The University of Liverpool is the parent institution of Liverpool Guild of Students. The Guild received a revenue block grant in the year from the University of Liverpool of £1,420,424.

One Student Representative Officer is a member of University Council.

The Guild receives a Block Grant from the University, and occupies a building owned by the University, which also pays for utilities. This non-monetary support is intrinsic to the relationship between the University and the Guild.

Although recommended by the Charities SORP, which has been adopted for this and future financial years for due compliance with the requirements for Students' Unions provided for in the Charities Act 2011, it is not possible to identify an estimated value to the Guild for this free serviced accommodation as the University does not provide separate property values for its buildings to the occupiers. Although the Guild continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the University's support.

For the year ended 31 July 2016

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The Trustees consider it reasonable to anticipate that this or equivalent support from the University will continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body in one form or another. The Trustees therefore consider the Guild to be financially viable for the foreseeable future.

### **Pay Policies for Senior Staff**

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Guild's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other student organisations to ensure that the Guild remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to be rewarded for excellence. Delivery of the Guild's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

### **Risk Management**

The Board through the Resources and Audit Committee, reviews the Guild's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties currently facing the Guild are considered to be:

- Maintaining effective governance of the organisation, including:
  - Ensuring appropriate skills on the board
  - Ensuring appropriate and timely reporting to the Board
- Deterioration in the relationship with the University
- Loss of key staff
- Failure to maintain financial health of the Guild
- Reputational damage in the unlikely event of a high profile activity by a student
- Change in Government policy, in particular in relation to Higher Education, Students' Union and charities

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident-reporting and monitoring systems and insurance cover wherever appropriate.



### **3. OUR PURPOSES AND ACTIVITIES**

#### **Purpose**

The Guild's Strategic Plan 2014-19 outlines how the organisation aims to become one of the leading students' unions in the country. Our students will have the best student experience, be equipped to change the world and be proud of their Guild.

The Guild's Articles identifies its charitable objects as follows:

"The advancement of education of Students at the University of Liverpool for the public benefit by:-

- providing opportunities for the expression of Student opinion and actively representing, supporting and advising Students;
- acting as the recognised representative channel of communication between Students and the University of Liverpool and other external bodies;
- promoting the interests and welfare of Students at the University of Liverpool;
- facilitating social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Students, and providing services and support for its Students; and
- working with other students' unions and affiliated bodies."

#### **Public Benefit**

In pursuit of these aims for the public benefit, the Guild will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University of Liverpool and other organisations on behalf of students. These include membership services, social enterprise, and marketing and communications. The Student Representative Officers sit on key University committees and meet regularly with the Local Authority and other providers of public services affecting students.

The Guild continues to represent the students of the University on relevant local, national and international issues by maintaining a high proportion of student representatives. Student representatives now sit on and contribute to over 60 University committees and academic programme forums which allow the Guild to cater effectively to the needs of the students. Student representatives are present on most policy and strategy making boards.

### **Policies relating to grant making**

Liverpool Guild of Students recognises the importance of student activity, and endeavours to provide adequate support to anyone involved in activities that will benefit the student or wider community.

Whilst the majority of Activity Group funding comes from membership subscription, fundraising activities and events or sponsorship, Liverpool Guild of Students will consider supporting activities that are aligned with the organisations' aims, vision and values.

Activity Groups are invited to apply for funding to support their activity. Applications may range from running one-off events, to the ongoing development of a Group. In September 2014, a new process for considering applications was implemented. Using a model of participatory budgeting, it sought to put decision making in the hands of student societies.

### **Activities**

The Guild undertakes and facilitates a wide range of services and activities.

#### Social Enterprise

Social Enterprise brings together the retail, venues and licensed trade activities of the Guild.

The Guild's venues provide students with a place to meet, a Starbucks Coffee shop and bar space. The Guild works closely with Hospitality Liverpool, who provide a range of food within the Courtyard space.

The Guild houses Liverpool's second largest live music venue, the Mountford Hall. This venue is used for external gigs, as well as awards ceremonies, performances and formal dinners.

Space is available for Student Activity Groups to book for events and this is a growing area of the work and one of the key areas we now support. Venues staff provide advice and support to groups wishing to book this space and the necessary technical support to deliver their events.

The Guild also operates a shop, selling a range of pasties, confectionary, sandwiches, hot and cold drinks, stationery, clothing and toiletries. In addition the Guild runs an online shop selling a range of University crested clothing.

### Membership Services

The Membership Services Department is made up of three main teams; Policy and Campaigns, Student Activities and the Green Team.

The Policy and Campaigns Team's work includes supporting and developing course representatives, providing academic advice, facilitating student-led campaigning and ensuring the Guild is a democratic, involving organisation.

The Student Activities team support the work of student societies and provide volunteering opportunities, offering students the chance to lead activity, develop new skills and meet other students. They also work closely with University to develop Hall Students Committees, ensuring that students have the best possible experience living in University accommodation.

The Green Team, have a particular emphasis on sustainability, working closely with students, the University and other stakeholders to offer opportunities for students to have a positive impact on the environment around them. Volunteers have worked with local schools, developed innovative approaches to sustainability challenges and worked to green the curriculum.

### Marketing

The Guild's Marketing Team works across the organisations, to provide expert marketing support. This team coordinate the Guild's main communication streams including all-student emails, and social media. They also manage the Guild's website, which is used as a key communication tool, as well as being an outlet for ticket sales and the platform for Guild elections.

The team undertake graphic design work, creating materials including Welcome Handbooks, campaign resources and promotional materials for events.

The team are also responsible for the generation of media sales income.

The team manage relationships with the media, responding to enquiries as well as taking proactive steps to secure positive media coverage.

#### **4. ACHIEVEMENTS AND PERFORMANCE**

In 2014, the Guild launched a new Strategic Plan, outlining ambitions for the next five years. Each year, a work plan is developed to outline the next steps in achieving the goals laid out in the Strategic Plan. Throughout the year, updates on the work plan, along with details of achievements are reported to the Trustee Board.

This year has seen much success. In July 2016, Liverpool Guild of Students was awarded NUS' Higher Education Students' Union of the Year. This success was reiterated in August 2016 when the Guild's National Student Survey Question 23 result was released. 70% of participants agreed that they were satisfied with their experience of the Guild. This was an increase of 4% from the previous year, and moved the Guild into the second quartile in the Question 23 League Tables.

- **Our promise – to fight for the things that matter**

Our core function is to represent the interests of our members. We ensure that the University, the City, and through our partnership with NUS, the national government, takes into account the views of students when they make decisions. This involves a number of different methods: from lobbying influential individuals at conferences, to attending city council meetings, to sitting on key University committees. In the 2016/17 academic year, we attended over 90% of these committee meetings. Working in partnership with the institution, the Guild has and secured a number of positive changes for students at the University of Liverpool. These included:

- creating more opportunities for post graduate researchers to interact with each other, and to have a say on University life.
- a commitment to reviewing the University's approach to responsible and ethical investments.
- lecture capture usage has increased considerably in the year.

We also supported course representatives to carry our Enhancement Projects in their departments. These involved identifying key student concerns, and working closely with academic staff to develop recommendations to address these issues.

One of the other key ways through which we secure positive changes for students is through campaigning. In 2015/16 we ran a number of campaigns including:

- Call it Out- this campaign aimed to raise awareness of sexual harassment and sexual assault.
- Rainbow Laces- this campaign helped take positive steps in tackling homophobia in sport.

# Liverpool Guild of Students

## TRUSTEES REPORT

For the year ended 31 July 2016

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### The Year in Numbers

4891 votes in our Student Officer elections

2141 votes in our NUS Delegate Election and referendum

68 ideas submitted to Change It, up from 64 in 2014/15

61 Change It ideas were dealt with by our staff team or raised with the University by Officers

6 motions were submitted to National Union of Students (NUS) National conference

- **Our promise – to establish the Guild as the heart of campus**

Work has continued on making the Guild a place for students to spend their time, eating, drinking, socialising and taking part in a wide range of activities.

Starbucks continues to be a footfall driver, encouraging people into the building.

We successfully worked alongside the Academy Music Group to host a number of high profile gigs.

### The Year in Numbers

212 societies: 8179 society memberships, consisting of 5702 unique society members

1600 Welcome Week wristbands sold and 1800 individual Welcome Week tickets sold

450 Christmas Guild wishes requested through social media.

700 Give it a Go tickets sold and 92% of attendees would recommend the trips to a friend

- **Our promise - to provide opportunities for student development**

This year we continued to develop our members. We created a number of new student staff roles in our Marketing and Green teams, offering students the opportunity to earn money while developing new skills getting invaluable workplace experience.

We also worked closely with the University as they developed their Higher Education Achievement Report (HEAR) offer for students. July 2016 Graduates were the first to be issued with the new HEARs.

# Liverpool Guild of Students

## TRUSTEES REPORT

For the year ended 31 July 2016

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### The Year in Numbers

**505** volunteering opportunities registered on Volunteering Liverpool

**299** volunteering organisations registered on Volunteering Liverpool

**1302** registered volunteers on Volunteering Liverpool

**16** primary schools and **4** secondary schools received training sessions through our Schools Project

**165** volunteering opportunities were provided over **45** sessions, with **20** societies involved in activities within schools

**406** volunteers had their Guild activity recognised on their Higher Education Achievement Reports

We allocated a pot of funding for societies to bid in order to further enhance the work they do. **4** times a year representatives from all societies come together to review the bids and decide amongst themselves who to allocate the funding to. We received 69 bids, amounting to £54,000. **39** bids were successful and we awarded just over **£20,000**.

- **Our promise - to provide support for students**

*The Guild continues to be there for students as and when they needed us.*

The Guild again ran a Keep Your Cool Week around exam times, reminding students to look after themselves. This included giving out fruit and information on where to get advice if they feel stressed during exams. Rooms in the Guild were also made available for students who were looking for somewhere to study, as part of the Libraries on Tour activity.

Following an idea submitted through Change It, free sanitary products were made available in Guild toilets. The Guild also committed to removing VAT from the cost of sanitary products sold in the Guild Shop.

In February 2016, we launched a Nightline service, staffed by fully trained students.

### The Year in Numbers

**396** cases and enquiries were dealt with through our Advice Service, which included actions against the Police, and a variety of academic, housing, mental health, student finance and student issues.

## **5. FINANCIAL REVIEW**

The principal income sources for Liverpool Guild of Students are the block grant provided by the University of Liverpool and funds generated through commercial activity.

Liverpool Guild of Students produced a surplus for the financial year of £311,777, (2015: £134,820). Net liabilities at 31 July 2016 stood at £625,385 (2015: £929,895). The cash and current asset investments balance at the financial year end was £1,192,551 (2015: £1,025,681).

In summary Liverpool Guild of Students is in a stable financial position however the Trustees are cognizant of future pension liabilities arising from two final salary schemes – now closed to accrual for Liverpool Guild of Students staff – and the financial strategy of Liverpool Guild of Students reflects this risk while adequately resourcing on-going charitable activities.

### **Investment policy**

The Investment Policy of Liverpool Guild of Students is to hold the majority of its reserves in cash, spreading deposits between financial institutions in order to mitigate counterparty risk. Cash deposits are either instant access or fixed term with the balance being determined by cash flow requirements. Liverpool Guild of Students has adopted an Ethical Investment Policy by which financial institutions are assessed against criteria before Liverpool Guild of Students will make a deposit with them. Within the framework of managing risk, liquidity and ethical standards, the highest interest rates are selected to maximise investment return

### **Reserves policy and going concern**

It is the Trustees' policy to have free unrestricted reserves of over £125,000. At 31 July 2016 this figure was £244,481 (2015: (£99,254)), with a separate reserve fund established to account for the value of the pension deficit. This sits on the balance sheet as a negative reserve set up under FRS 102 to represent the net present value of the future contributions required over 17 years to clear the pension fund deficit. At the year end the value of this fund was (£1,668,823) (2015: (£1,661,556))

The following designated reserves have been created by the Trustees as at 31 July 2016:

- i. Fixed assets fund - £285,497, being the net book value of fixed assets purchased with unrestricted funds; and
- ii. Pension Liability Fund - £275,000, being a reserve to contribute towards meeting the Guild's potential liability to the University of Liverpool Pension Fund referred to in note 20 to the financial statements.
- iii. Guild Strategic Development Fund – £50,000, being a reserve for Student Representative Officer led initiatives to engage students in Liverpool Guild of Students and to provide services to meet membership demand.
- iv. Elizabeth Gidney Legacy - £54,738, being a reserve for the promotion of Representation and Democracy.

After making appropriate enquiries, the trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

## **6. FUTURE PLANS**

In August 2014, Liverpool Guild of Students launched a new Strategic Plan. The plan was created in consultation with members and trustees, and with reference to best practice and developments within the wider sector. It identifies how Liverpool Guild of Students aims to become “one of the leading students’ unions in the country”.

### **Values**

The Guild’s Values are;

- Fun and friendly
- Ambitious
- Innovative and nimble
- Representing and involving
- Professional and responsible
- Sustainable

### **Promises to our members**

The plan outlines the four strategic objectives, or promises, the Guild are seeking to achieve.

- To fight for the things that matter- “The Guild listens to me and fights for the issues that matter.’
- To re-establish the Guild as the heart of campus- “The Guild is fun and vibrant, I can try new things and have a laugh”
- Student development- “The Guild provides valuable opportunities to get new skills and help develop me”
- Supporting students- “The Guild cares about me, and is there when I need them”

### **Enablers**

The plan also outlines the values of the organisation, and identifies the enablers that will support the Guild to achieve this plan.

- Communication
- Governance
- Finance
- Sustainability
- Great people

Each year a detailed organisational work plan is developed which lays out the activities that will be undertaken in the following year to achieve the above promises. These are measured by performance indicators, and supported, where appropriate by detailed project or operational plans.



**For the year ended 31 July 2016**

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## **7. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The charity trustees (who are also the directors of the Guild for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare accounts for each financial year which give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Trustees' statement of disclosure of information to the auditors**

In so far as the trustees are aware at the date of approval of this report:

- there is no relevant information, being information required by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the trustees having made enquires of fellow directors and the charity's auditor that they ought to have individually taken, have each taken all the steps that s/he is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Approved by the Board of Trustees and signed on its behalf**

**Sean Turner**  
**Chair of Trustees**  
**8 December 2016**

# **LIVERPOOL GUILD OF STUDENTS**

## **AUDITORS REPORT**

**For the year ended 31 July 2016**

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### **Independent auditor's report to the members of Liverpool Guild of Students**

We have audited the financial statements of Liverpool Guild of Students for the year ended 31 July 2016 which comprise the statement of financial activities, the balance sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# LIVERPOOL GUILD OF STUDENTS

## AUDITORS REPORT

For the year ended 31 July 2016

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

**Jonathan Dudley** (Senior statutory auditor)  
for and on behalf of Dains LLP, Statutory auditor.

Suite 2  
Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

8 December 2016

Dains LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**LIVERPOOL GUILD OF STUDENTS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 JULY 2016**

		Unrestricted Funds			2016	2015
	Note	General Funds	Designated Funds	Restricted Funds	Total	Total
		£	£	£	£	£
<b>Income and Endowments from:</b>						
Donations and legacies	2	1,500,076	-	-	1,500,076	1,364,696
Charitable Activities	3	1,752,897	-	73,832	1,826,729	1,906,236
Other Trading Activities	4	288,842	-	-	288,842	253,148
Investments	5	18,087	-	-	18,087	13,679
		<b>3,559,902</b>	<b>-</b>	<b>73,832</b>	<b>3,633,734</b>	<b>3,537,760</b>
<b>Expenditure on:</b>						
Raising Funds		284,093	9,361	-	293,454	301,732
Charitable Activities		2,859,034	100,375	36,488	2,995,897	3,101,208
Other		-	32,606	-	32,606	-
<b>Total resources expended</b>	<b>6</b>	<b>3,143,127</b>	<b>142,342</b>	<b>36,488</b>	<b>3,321,957</b>	<b>3,402,940</b>
<b>Net Income/(expenditure)</b>	<b>7</b>	<b>416,775</b>	<b>(142,342)</b>	<b>37,344</b>	<b>311,777</b>	<b>134,820</b>
Transfers between funds	20	(73,040)	73,040	-	-	-
Pension Deficit Costs	26	(7,267)	-	-	(7,267)	2,066
<b>Net Movement in Funds</b>		<b>336,468</b>	<b>(69,302)</b>	<b>37,344</b>	<b>304,510</b>	<b>136,886</b>
<b>Reconciliation of funds:</b>						
<b>Total funds brought forward</b>	<b>29</b>	<b>(1,760,811)</b>	<b>734,537</b>	<b>96,379</b>	<b>(929,895)</b>	<b>(1,066,781)</b>
<b>Total funds carried forward</b>	<b>20</b>	<b>(1,424,343)</b>	<b>665,235</b>	<b>133,723</b>	<b>(625,385)</b>	<b>(929,895)</b>

All amounts relate to continuing operations. All gains and losses recognised in the year are included above.

The notes on pages 22 to 37 form part of the financial statements.

**LIVERPOOL GUILD OF STUDENTS**  
**BALANCE SHEET**  
**YEAR ENDED 31 JULY 2016**

	Notes	£	As at 31-Jul-16 £	£	As at 31-Jul-15 £
<b>FIXED ASSETS</b>					
Tangible assets	12		285,497		358,094
<b>CURRENT ASSETS</b>					
Stock	13	89,371		112,825	
Debtors	14	284,383		313,695	
Investments	15	763,441		557,980	
Cash at bank and in hand		<u>429,110</u>		<u>467,701</u>	
		1,566,305		1,452,201	
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>(806,690)</u>		<u>(1,066,996)</u>	
<b>NET CURRENT ASSETS</b>			<u>759,615</u>		<u>385,205</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,045,112		743,299
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(1,670,497)		(1,673,194)
<b>NET LIABILITIES</b>			<u>(625,385)</u>		<u>(929,895)</u>
<b>FUNDS:</b>					
Restricted Funds	20		133,723		96,379
<b>Unrestricted Funds</b>					
General Fund	20	244,480		(99,255)	
Pension Deficit	20	<u>(1,668,823)</u>		<u>(1,661,556)</u>	
			(1,424,343)		(1,760,811)
Designated Funds	20		<u>665,235</u>		<u>734,537</u>
			<u>(625,385)</u>		<u>(929,895)</u>

The notes on pages 22 to 37 form part of the financial statements. Approved by the trustees of the University of the Liverpool Guild of Students on

Sean Turner, Trustee

Adam Dawkins, Trustee

**LIVERPOOL GUILD OF STUDENTS**  
**STATEMENT OF CASH FLOWS FOR THE**  
**YEAR ENDED 31 JULY 2016**

		2016	2015
		Total	Total
	Note	£	£
<b>Net cash provided by/(used in) operating activities</b>	<b>22</b>	<b>239,911</b>	393,862
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		<u>(73,040)</u>	(312,011)
<b>Net cash provided by (used in) investing activities</b>		<b>(73,040)</b>	(312,011)
<b>Change in cash and cash equivalents in the year</b>		<b>166,871</b>	(81,851)
Cash and cash equivalents at the beginning of the year		1,025,681	943,830
<b>Cash and cash equivalents at the end of the year</b>	<b>23</b>	<b><u>1,192,552</u></b>	<u>1,025,681</u>

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**1 Accounting Policies**

**a) Basis of accounting**

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and Generally Accepted Practice as it applies from 1 January 2015.

The date of transition to FRS 102 was 1 August 2014. The reported financial position and financial performance for the previous periods have been affected by the transition to FRS 102 the detail of which can be found in note 29.

The Liverpool Guild of Students meets the definition of a public benefit charity under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

**b) Incoming resources**

Incoming resources are included in the Statement of Financial Activities (SoFA) when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted for when incurred.

Investment income relates to interest earned through holding assets on deposit.

**c) Donated services and facilities**

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, and the receipt of economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) the general volunteer time is not recognised and refer to the Trustees report for more information about their contribution.

Donated services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent benefit on the open market, a corresponding amount is recognised in the expenditure for the period.

**d) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office & admin casts, facility costs and supporting marketing costs.

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**e) Governance costs allocation**

Governance costs are those costs related to the governance of the entity, to allow it to operate, and to generate information for public accountability. Direct costs will include audit and accountancy, legal advice to trustees and costs of trustees meetings.

**f) Funds**

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the objects of the entity and which have not been designated for other purposes.

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

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

**g) Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Assets are not capitalised below £500 cost per item/set.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset as follows

- i. Property Improvements: 5% straight line per annum:
- ii. Office Equipment and Fixtures & Fittings: 10% - 33.3% straight line per annum
- iii. Specialist Equipment: 20% - 33.3% straight line per annum
- iv. IT equipment: 20% -33.33% straight line per annum

**h) Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**i) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**j) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.



**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**k) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

**l) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**m) Pension costs**

The Guild participates in the Students' Union Superannuation Scheme (SUSS) and the University of Liverpool Pension Fund (ULPF). Both schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension. The funds are valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The schemes operate as a pooled arrangement, with contributions paid at a centrally agreed rate.

With effect from 30 September 2011 the SUSS Scheme has been closed to future accrual. Since that date only deficit contributions have been paid to the Scheme. As explained in note 26 the accounts include the net present value of the funding deficit as required by the Charities SORP (FRS 102).

As a consequence of the SUSS scheme closing to future accrual the Guild has set up a group personal pension scheme with Scottish Equitable PLC called the National Union of Students Pension Scheme (NUSPS) which is a money purchase scheme contracted into the State Second Pension. Since the Liverpool Guild of Students' staging date of 1st April 2014, all permanent members of staff who are eligible jobholders are automatically enrolled into the scheme after a postponement period of 3 months.

A National Employment Savings Trust (NEST) has been set up in order to auto enrol any casual members of staff who become eligible jobholders.

**n) Going Concern**

The Union has net liabilities of £625,385, due to the recognition under Charities SORP (FRS 102) of the net present value of the funding deficit on the SUSS pension recovery plan. Further information is detailed in note 26 to the accounts. This is a long term commitment which ends in 2030 and the trustees are confident that annual payments towards this plan will be met out of income for each year.

After making appropriate enquiries, the trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**o) Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include assumptions around the financial assets and liabilities of pension scheme commitments, and the discount rate applied thereto, and the valuation of stock.

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

	General Funds	Designated Funds	Restricted Funds	2016	2015
	£	£	£	£	£
<b>2 Donations and legacies</b>					
University Block Grant	1,420,424	-	-	1,420,424	1,130,436
Other Voluntary Income	79,652	-	-	79,652	234,260
	<b>1,500,076</b>	<b>-</b>	<b>-</b>	<b>1,500,076</b>	<b>1,364,696</b>
<b>3 Income from charitable activities</b>					
Bar	467,990	-	-	467,990	385,409
Coffee Shop	608,178	-	-	608,178	514,326
Student Shops	376,202	-	-	376,202	491,614
Entertainments	118,760	-	-	118,760	172,915
Catering Facility Fee	30,000	-	-	30,000	30,000
NUS Extra, Bus Pass & Graduate Portrait Commissions	137,224	-	-	137,224	136,266
Student Services e.g. Give it a Go	14,543	-	-	14,543	29,819
Net Clubs & Societies Income	-	-	38,688	38,688	12,627
Green Impact Incentive	-	-	30,144	30,144	123,260
Social Enterprise Challenge Fund	-	-	5,000	5,000	-
NUS General Election Grant	-	-	-	-	10,000
	<b>1,752,897</b>	<b>-</b>	<b>73,832</b>	<b>1,826,729</b>	<b>1,906,236</b>
<b>4 Income from other trading activities</b>					
Venue Hire and Staff Recharges	199,722	-	-	199,722	199,104
Media Sales	89,120	-	-	89,120	54,044
	<b>288,842</b>	<b>-</b>	<b>-</b>	<b>288,842</b>	<b>253,148</b>
<b>5 Investments</b>					
Interest received from Bank & Building Society Accounts	18,087	-	-	18,087	13,679
	<b>18,087</b>	<b>-</b>	<b>-</b>	<b>18,087</b>	<b>13,679</b>

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**6 Analysis of Expenditure**

	Cost of Sales	Staff Costs	Other Costs	Governance Costs	Support Costs	2016 Total Cost	2015 Total Cost
	£	£	£	£	£	£	£
Raising Funds	-	100,096	114,143	2,584	76,631	<b>293,454</b>	301,732
Charitable Activities:							
Bars	157,713	188,952	69,342	5,018	148,798	<b>569,823</b>	501,840
Coffee Shop	176,426	203,375	105,764	5,858	173,677	<b>665,100</b>	549,578
Student Shops	252,741	96,678	44,276	4,749	140,817	<b>539,261</b>	720,998
Entertainments	-	41,328	116,298	1,901	56,379	<b>215,906</b>	348,118
Student Services E.g. Give it a Go	-	570,601	140,359	8,537	253,118	<b>972,615</b>	797,706
Green Impact Incentive	-	-	33,193	-	-	<b>33,193</b>	182,967
	<b>586,880</b>	<b>1,100,934</b>	<b>509,232</b>	<b>26,063</b>	<b>772,788</b>	<b>2,995,897</b>	<b>3,101,208</b>
Other:							
Fixed Assets write off	-	-	32,606	-	-	<b>32,606</b>	-
	<b>586,880</b>	<b>1,201,030</b>	<b>655,981</b>	<b>28,647</b>	<b>849,419</b>	<b>3,321,957</b>	<b>3,402,940</b>

The fixed assets written off related to the net book value of a shop refurbishment project undertaken during the year ended 31 July 2008.

Of the total expenditure £3,285,469 was unrestricted (2015: £3,206,415) and £36,488 was restricted (2015: £196,525).

The support costs and governance costs are allocated to activity based on the proportion of that activity's direct costs to total costs.

**7 Net income/(expenditure) for the year**

This is stated after charging:

	2016 £	2015 £
Depreciation	<b>113,032</b>	83,536
Loss on fixed assets write off	<b>32,606</b>	-
Bad debts	-	522
Auditors remuneration:		
Audit	<b>5,500</b>	5,500
Other Services	<b>400</b>	250

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**8 Analysis of staff costs and the cost of key management personnel**

	2016 £	2015 £
Staff costs were as follows:		
Salaries and wages	1,630,567	1,491,530
Social Security costs	117,526	115,803
Employer's contribution to a defined contribution pension scheme	34,224	31,628
Operating costs of defined benefit pension schemes	3,940	4,009
Other employee benefits	11,203	8,009
	<u>1,797,459</u>	<u>1,651,068</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2016 No	2015 No
£60,000 - £69,999	<u>1</u>	<u>1</u>

The total employee benefits including pension contributions of the key management personnel were £315,112 (2015: £267,095)

**9 Trustees' remuneration and expenses**

	2016 £	2015 £
Trustees' remuneration and employer's NI	82,046	81,833
Trustees' expenses	4,719	2,298
	<u>86,765</u>	<u>84,131</u>

Each of the sabbatical officers received a salary of £18,734 per annum as authorized in the Articles of Association of the Liverpool Guild of Students for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. The work includes voicing student opinion with the University and local community, defending and extending the rights of students through petitions, and discussions with local MP's.

The trustees expenses were incurred by 5 (2015: 5) trustees in respect of travel and subsistence costs in the course of their duties.

No Trustees received remuneration for work undertaken in the delivery of commercial services unrelated to their role as Trustee (2015: 1 Trustee received £430).

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**10 Staff Numbers**

The average number of employees (head count based on number of staff employed) during the year was made up as follows:

	2016 No	2015 No
Raising Funds	4.7	3.8
Bars	47.4	70.7
Coffee Shop	29.1	18.7
Entertainments	4.3	8.2
Student Shops	24.0	44.9
Student Services	39.1	34.4
Governance	1.0	0.8
Support Services	36.5	33.2
	<b>186.1</b>	<b>214.6</b>

Of the above staff numbers, 119 (2015: 155) are staff employed under a zero hours contract.

**11 Taxation**

The charity is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

**12 Tangible Fixed Assets**

	Office Equipment and Fixtures & Fittings £	Specialist Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 August 2015	552,019	38,819	45,934	636,772
Additions	61,258	4,810	6,972	73,040
Asset write offs	(157,894)	-	-	(157,894)
At 31 July 2016	<b>455,383</b>	<b>43,629</b>	<b>52,906</b>	<b>551,918</b>
<b>Depreciation</b>				
At 1 August 2015	229,248	27,550	21,880	278,678
Charge for the year	92,576	7,055	13,401	113,032
Asset write offs	(125,289)	-	-	(125,289)
At 31 July 2016	<b>196,535</b>	<b>34,605</b>	<b>35,281</b>	<b>266,421</b>
<b>Net Book Value</b>				
At 31 July 2016	<b>258,848</b>	<b>9,024</b>	<b>17,625</b>	<b>285,497</b>
At 31 July 2015	<b>322,771</b>	<b>11,269</b>	<b>24,054</b>	<b>358,094</b>

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**13 Stock**

	2016 £	2015 £
Bars	32,282	22,448
Coffee Shop	3,292	2,375
Shops	53,797	88,002
	<u>89,371</u>	<u>112,825</u>

**14 Debtors**

	2016 £	2015 £
Trade debtors	126,917	137,747
Other debtors	17,144	11,493
Prepayments & accrued income	140,322	164,455
	<u>284,383</u>	<u>313,695</u>

**15 Current Investments**

	2016 £	2015 £
Carrying value at beginning of year	557,980	805,462
Additions to investments at cost	205,461	3,551
Disposals at carrying value	-	(251,033)
	<u>763,441</u>	<u>557,980</u>

**16 Creditors: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	118,214	142,387
Social Security and other taxes	18,963	18,486
University creditor	440,805	713,644
Other creditors	158,323	125,981
Accruals & deferred income	70,385	66,498
	<u>806,690</u>	<u>1,066,996</u>

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**17 Creditors: amounts falling due after more than one year**

	2016 £	2015 £
Pension Liability	1,668,823	1,661,556
Accruals & Deferred Income	1,674	11,638
	<u>1,670,497</u>	<u>1,673,194</u>

**18 Deferred Income**

Deferred income comprises of media sales invoiced in advance, event tickets sold in advance, bike deposits held and the discount relating to future periods from pension deficit contributions paid in advance.

	2016 £	2015 £
Carrying value at beginning of the year	22,693	-
Amounts released from previous year	(9,488)	-
Amounts deferred during the year	11,610	22,693
	<u>24,815</u>	<u>22,693</u>

**19 Capital Commitments**

There were no capital commitments as at 31 July 2016 (2015: £nil)

**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**20 Statement of funds movement**

	01-Aug 2015 £	Movement in Funds		Transfer Between Funds £	Balance 31-Jul 2016 £
		Income £	Expenditure £		
<b>Unrestricted funds:</b>					
General Fund	(99,255)	3,559,902	(3,143,127)	(73,040)	244,480
Pension Deficit	(1,661,556)	-	(7,267)	-	(1,668,823)
	<u>(1,760,811)</u>	<u>3,559,902</u>	<u>3,150,394</u>	<u>(73,040)</u>	<u>(1,424,343)</u>
<b>Designated funds:</b>					
Fixed Asset Fund	354,799	-	(142,342)	73,040	285,497
Pension Liability Fund	275,000	-	-	--	275,000
Guild Strategic Development	50,000	-	-	-	50,000
Elizabeth Gidney Fund	54,738	-	-	-	54,738
	<u>734,537</u>	<u>-</u>	<u>(142,342)</u>	<u>73,040</u>	<u>665,235</u>
<b>Restricted Funds:</b>					
Alumni Funding	3,294	-	(3,294)	-	-
Green Impact Funding	3,050	30,144	(33,194)	-	-
Societies own income	85,016	38,688	-	-	123,704
NUS General Election Fund	5,019	-	-	-	5,019
Social Enterprise Challenge Fund	-	5,000	-	-	5,000
	<u>96,379</u>	<u>73,832</u>	<u>(36,488)</u>	<u>-</u>	<u>133,723</u>
<b>TOTAL FUNDS</b>	<u>(929,895)</u>	<u>3,633,734</u>	<u>(3,329,224)</u>	<u>-</u>	<u>(625,385)</u>

**Unrestricted funds**

- The pension deficit has been disclosed as a separate unrestricted negative fund to represent the net present value of the future contributions required over 17 years to clear the pension fund deficit

**Designated funds**

The designated funds are unrestricted funds that are created by the trustees for specific purposes.

- The fixed asset fund is the net book value of assets purchased with unrestricted funds.
- The pension liability fund is a reserve to meet pension deficits payable in the future related to the Guild's liabilities in the University of Liverpool Pension Fund.
- The Guild Strategic Development Fund is a fund set up for the support of trustee-led development projects to engage with the Guild's membership.
- The Elizabeth Gidney Fund relates to a legacy received during 2012/13 which is to be allocated to projects that are appropriate to the memory of the bequeathed.



**LIVERPOOL GUILD OF STUDENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2016**

**Restricted funds**

The restricted funds comprise:

- The Alumni Fund represents the net book value of any fixed assets purchased from the restricted funds.
- The Green Impact Fund represents funding from NUS to be expended on green impact projects.
- The Societies own income balance represents the accumulated funds raised by individual societies.
- The NUS General Election Fund represents funds received to be expended on general election campaigns.
- The Social Enterprise Challenge Fund represents funds to be expended on green impact initiatives.

**Reserve transfers**

Transfers are made from general reserves to other reserves in order to ensure that adequate funds are available in order to fulfill the purpose of each fund.

**21 Analysis of net Assets between funds**

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible Fixed Assets	-	285,497	-	285,497
Cash & short term investments	1,004,090	54,738	133,723	1,192,551
Other net current assets/(liabilities)	(757,936)	325,000	-	(432,936)
Long term liabilities	(1,674)			(1,674)
Defined benefit pension liability	(1,668,823)	-	-	(1,668,823)
	<u>(1,424,343)</u>	665,235	133,723	<u>(625,385)</u>

**22 Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2016 £	2015 £
Net movement in funds	304,510	136,886
Add back depreciation charge	113,032	92,112
(Profit)/loss on disposal of fixed assets	32,606	-
(Increase)/decrease in stocks	23,454	(45,617)
(Increase)/decrease in debtors	29,312	(84,873)
Increase/(decrease) in creditors	(270,270)	636,358
Increase/(decrease) in deferred benefit pension liability	7,267	(341,004)
	<u>239,911</u>	<u>393,862</u>

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**23 Analysis of cash and cash equivalents**

	2016 £	2015 £
Cash in hand	33,610	29,092
Current accounts	395,500	438,609
Deposit accounts	763,441	557,980
	<u>1,192,551</u>	<u>1,025,681</u>

**24 Operating Lease Commitments**

At 31 July 2016 the charity had future minimum lease payments under non- cancellable operating leases as set out below:

	2016 £	2015 £
Within one year	244	978
Within two to five years	-	244
After more than five years	-	-
	<u>244</u>	<u>1,222</u>

**25 Related Party Transactions**

The following have been identified as related party transactions per the requirements of FRS 102.

- The University of Liverpool: In the year the Liverpool Guild of Students received total grants of £1,460k (2015: £1,325k) from the University of Liverpool, there was £1,713k (2015: £1,733k) of purchase recharges (including payroll and building repairs) and £173k (2015: £225k) of sales recharges (including room hires and staff recharges). The Liverpool Guild of Students' net year end creditor with the University of Liverpool was £428k as at 31 July 2016 (2015: £642k).
- Trustees of the Liverpool Guild of Students: see note 9 – Trustees remuneration and expenses.
- National Union of Students Services Ltd (NUSSL): Liverpool Guild of Students is an affiliated member of NUSSL who operate a purchasing consortium within the student union movement.

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**26 Pensions**

The Guild participates in four pension schemes: the Students' Union Superannuation Scheme (SUSS), the National Union of Students Pension Scheme (NUSPS), National Employment Savings Trust NEST and the University of Liverpool Pension Fund (ULPF)

**SUSS**

The Guild participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

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

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

The following assumptions applied at 30 June 2013:-

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

The 2013 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Guild also pays its share of the scheme's levy to the Pension Protection Fund.

In order to take advantage of an 8.75% discount the Guild paid a lump sum of £299,504 on 3<sup>rd</sup> October 2014 covering 3 years upfront deficit contributions.

In accordance with FRS 102, the net present value of the future contributions required over 17 years to clear the funding deficit is £1,668,823 (2015 - £1,661,556). In calculating this net present value, annual increases of 5% have been made and a discount rate of 3.2% representing the typical yield of high quality corporate bonds has then been applied.

**NUSPS**

As a consequence of the SUSS scheme closing to future accrual on the 30 September 2011 the Guild has made available to permanent staff the National Union of Students Pension Scheme (NUSPS) with Scottish Equitable PLC which is a money purchase scheme. Eligible jobholders are automatically enrolled into the scheme after a postponement period of 3 months and can choose their level of contributions between 4% and 6%. The employer contribution is 3% and 6% for former members of the SUSS scheme.

The total contributions paid into the scheme by the Guild for the year to 31 July 2016 amounted to £76,211 (2015 - £68,237).

**NEST**

As a consequence of auto enrolment a National Employment Savings Trust has been set up in order to auto enrol any applicable Casual staff.

To date no payments have been made to the scheme.

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**ULPF**

Prior to the introduction of the SUSS in 1990, certain employees were eligible to join the ULPF, operated by the University of Liverpool. Currently there are 2 members of staff in the ULPF. The most recent valuation of the Scheme was carried out as at 31st July 2015 and showed that the market value of the scheme assets was £342,627,000 with those assets representing 112% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The major assumptions and other data that have the most significant effect on the determination of the contribution rates are as follows:

Rate of increase in salaries	2.55%
Rate of increase in pensions in payments	1.75%
Revaluation rate for deferred pensioners	2.50%
Rate of inflation (RPI)	3.25%

The total pension contribution paid into the scheme, in respect of eligible employees for the year ended 31<sup>st</sup> July 2016 amounted to £6,240 (2015: £6,253).

**27 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. In the event of winding up the liability of each member is limited to £1.

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**28 Comparative statement of financial activity**

	Note	Unrestricted Funds			2015
		General Funds	Designated Funds	Restricted Funds	Total
		£	£	£	£
<b>Income and Endowments from:</b>					
Voluntary income	2	1,364,696	-	-	1,364,696
Charitable Activities	3	1,760,349	-	145,887	1,906,236
Other Trading Activities	4	253,148	-	-	253,148
Investments	5	13,679	-	-	13,679
		<u>3,391,873</u>	<u>-</u>	<u>145,887</u>	<u>3,537,760</u>
<b>Expenditure on:</b>					
Raising Funds		298,569	3,163	-	301,732
Charitable Activities		<u>2,824,310</u>	<u>80,373</u>	<u>196,525</u>	<u>3,101,208</u>
<b>Total resources expended</b>	6	<u>3,122,879</u>	<u>83,536</u>	<u>196,525</u>	<u>3,402,940</u>
<b>Net Income/(expenditure)</b>	7	268,994	(83,536)	(50,638)	134,820
Transfers between funds	20	(212,011)	212,011	-	-
Pension deficit costs	26	2,066	-	-	2,066
<b>Net Movement in Funds</b>		<u>59,049</u>	<u>128,475</u>	<u>(50,638)</u>	<u>136,886</u>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>	29	(1,819,860)	606,062	147,017	(1,066,781)
<b>Total funds carried forward</b>	20	<u>(1,760,811)</u>	<u>734,537</u>	<u>96,379</u>	<u>(929,895)</u>

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**29 First time adoption of SORP (FRS 102)**

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 July 2016. The effect of the transition from SORP (2005) to SORP (FRS 102) is outlined below:

**Changes in accounting policies**

Consequential changes in accounting policies resulting from adoption of SORP (FRS 102) were as follows:

- A liability must be recognised for the present value of additional contributions relating to a recovery plan in connection to the defined benefit scheme.
- A liability must be recognised for any holidays not taken by staff which they were entitled to at the end of the financial year.

**Reconciliation of total charity funds**

Adjustments to previously reported charity funds at the end of the comparative period were as follows:

	1 August 2014 £	31 July 2015 £
Total charity funds under SORP (2005)	942,961	981,590
Adjustments arising from transition to FRS 102:		
Recognition of pension liability	(2,002,600)	(1,903,020)
Accrual for holiday pay	(7,182)	(8,465)
Total charity funds 31 July 2015 under SORP (FRS 102)	<u>(1,066,781)</u>	<u>(929,895)</u>

**Reconciliation of comparative period net income**

Adjustments to previously reported net income in the comparative period were as follows

	2015 £
Net income as reported under SORP (2005)	38,629
Movement in pension liability	99,540
Accrual for holiday pay	(1,283)
Net income for the year ended 31 July 2015 under SORP (FRS 102)	<u>136,886</u>