

Liverpool Guild of Students
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 July 2018

Charity Number : 1137398

Company Number: 07324992

Liverpool Guild of Students
TRUSTEES REPORT

For the year ended 31 July 2018

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 | (Resigned 31st July 2018) |
| Oba Akinwale | (Resigned 31st July 2018) |
| Ananda Mohan | (Resigned 31st July 2018) |
| Rory Hughes | (Appointed 1st August 2017) |
| Pamela Bell-Ashe | |
| Emma Carter-Brown | |
| Adam Dawkins | |
| Edward Moloney | (Resigned 25 th October 2018) |
| Dominic Calleja | (Appointed 1st August 2017) |
| Ciaran Grafton-Clarke | (Resigned 31 st July 2018) |
| Miles Tidman | (Appointed 1 st August 2017, Resigned 31 st July 2018) |
| Polly Thompson | |
| Jonathan Foster | (Appointed 1 st August 2018) |
| Esther Bukoye | (Appointed 1 st August 2018) |
| Hannah Nguyen | (Appointed 1 st August 2018) |
| Paul Ormesher | (Appointed 1 st August 2018) |
| Marian Jones Evans | (Appointed 1 st August 2018) |

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 (left 31 st August 2018) |

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

**Liverpool Guild of Students
TRUSTEES REPORT**

For the year ended 31 July 2018

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

Liverpool Guild of Students
TRUSTEES REPORT

For the year ended 31 July 2018

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".

For the year ended 31 July 2018

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."

For the year ended 31 July 2018

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 Student Representative Officer Trustees are monitored by the Chief Executive through 1-2-1s and regular catch-up meetings. Student Trustees are allocated and External Trustee to act as a mentor, and to support them in their role.

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 Bye-law 4, the Resources & Audit Committee is responsible for all financial matters of the organisation.

For the year ended 31 July 2018

Governance & Appointments Committee

As laid out in Bye-law 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):

- Make recommendations to the Trustees;
- Discuss and debate issues pertinent to students;
- Make non-binding motions of no-confidence in one or a number of Trustees; and
- 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 Thursday 3rd May 2018

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 £1,520,066.

The Guild President 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.

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.

For the year ended 31 July 2018

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

In 2018, an organisation wide pay-review was carried out to ensure salaries were in keeping with comparable roles within the sector, and more widely.

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; and
 - Ensuring appropriate and timely reporting to the Board.
- Deterioration in the relationship with the University, including contracts
- Loss of key staff
- Failure to maintain financial health of the Guild, including:
 - Poor trading and increase in local competition; and
 - Decrease in student spending power.
- 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.

For the year ended 31 July 2018

2. 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 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.

For the year ended 31 July 2018

Membership Services

The Membership Services Department structure was reviewed in 2017-18, and is now made up of three main teams; Advocacy, Democracy and Campaigns, and Student Activities

The Advocacy Team's work includes supporting and developing course representatives, providing academic advice, and supporting Guild officers in committee activity.

The Democracy and Campaigns Team facilitate student-led campaigning. They also ensure the Guild is a democratic, involving organisation, through delivering elections, administering the Guild's Change It platform and facilitating meetings of the Summit.

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 work closely with the University to develop Hall Students Committees, ensuring that students have the best possible experience living in University accommodation. The team also has a range of activity to support sustainability. Working closely with students, the University and other stakeholders they 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. In 2017-18, a new media sales role was created, building capacity in this area.

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

For the year ended 31 July 2018

3. 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.

- **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 2017/18 academic year, we attended over 90% of these committee meetings. Working in partnership with the institution, the Guild has secured a number of positive changes for students at the University of Liverpool. These have included;

- a. Ensuring that the Guild will be consulted on all proposed changes to student fees
- b. The creation of a Lecture Capture Monitoring policy
- c. The removal of penalties for students submitting work by e-submission alone
- d. The development of an Ethical Investment Policy that better reflects the wishes of students

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

Guild officers have also played an active part in the development of the institution's Curriculum 2021 Strategy.

Following the submission of a student idea to the Guild's "Change It" platform, Guild Summit agreed to support one of the University Staff Trade Unions, the UCU, in their industrial action, which took place over 14 days in Spring 2018. The Guild organised a number of activities, including Teach Out, where lecturers delivered talks on a range of topics.

In 2017/18, a Democracy Task and Finish group was created to review the Guild's democratic structures, and to assess the extent to which they were fit for purpose. This review came up with a number of recommendations that were subsequently received by the Trustee Board. These will be implemented during the 2018/19 Academic Year.

For the year ended 31 July 2018

The Year in Numbers

- i. **5,655** votes in our Student Officer elections. This was down from 6,424 in 2016/17. This was, in part, due to the impact of the UCU strike on the number of students on campus during the voting period.
- ii. **1,066** votes in our NUS Delegate Election
- iii. **Over 100** ideas submitted to Change It, up from 87 in 2016/17

• **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 range of wide range of activities. In summer 2017, the Sphinx Bar was redeveloped to increase capacity, and to aid service delivery from the bar area. This has led to an increase in bar turnover, and increased usage in evenings.

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

We successfully worked alongside the Academy Music Group to host six high profile gigs and events. The Guild also entered into a partnership to host a students-only version of Bongo's Bingo, a popular event, which started locally, but now takes place across the country and abroad.

The Year in Numbers

- **232** societies, (232 in 2016/17): **10,007** society memberships (8,371 in 2016/17), with **6,725** unique members (5,803 in 2016/17)
- **20,606** sandwiches were sold, up from 15,781 in 2016/17
- **17,178** daytime enquiries or visits to the Guild reception
- **326** University bookings hosted within the Guild
- **29,830** hours of room bookings were facilitated, including 15,705 hours of student-led activity. This is down from 22,691 in 2016/17. This is not a result of less activity taking place, but is due to developments in recording practices.
- Online sales increased from £1,900 in 2016/17 to **£5,000** in 2017/18

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

This year we continued to develop our members. We continued to work with the University as they developed their Higher Education Achievement Report (HEAR) offer for students.

The Guild continues to support societies. In 2017/18 changes were made to the Student Activities Team, to create the role of Societies Manager, to build capacity to support student activity.

For the year ended 31 July 2018

The Year in Numbers

- a. **526** volunteering opportunities registered on Volunteering Liverpool
- b. **105** volunteering organisations registered on Volunteering Liverpool. While this is down from 332 in 2016/17, this is because of a review which ensured that all organisations and opportunities on the platform were current, and complied with Guild requirements.
- c. **2,826** registered volunteers on Volunteering Liverpool, up from 2013
- d. **15** schools received training sessions through our Schools Project, engaging **1,020** pupils

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

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.

As part of the Membership Services Review, additional staffing capacity was committed to the Advice Team. This allowed the team to increase the number of cases they dealt with, and to manage their increasing complexity.

The Guild continued to support our Nightline service, staffed by fully trained students.

The Guild continued to work closely with the University on their Safe and Welcoming Campus Project, which was set up in response to Universities UK's Taskforce report on violence against women, harassment and hate crime affecting university students. Particular focus was given to ensuring the Guild was able to support students who had experienced sexual misconduct. A range of training was delivered to Guild staff, on related topics, including dealing with disclosures, and bystander intervention.

The Year in Numbers

- **650** cases and enquiries were dealt with through our Advice Service, which included a variety of academic, housing, mental health, student finance and student issues, up from 606 in 2016/17 and 396 in 2015/16

For the year ended 31 July 2018

4. FINANCIAL REVIEW

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

LGoS produced a surplus for the financial year of £424,538 before the movement on pension scheme liability (2017: £325,251). Net liabilities at 31 July 2018 stood at £781,986 (2017: £1,172,602). The cash and current asset investments balance at the financial year end was £1,879,620 (2017: £1,468,119).

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

Investment policy

The Investment Policy of LGoS 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. LGoS has adopted an Ethical Investment Policy by which financial institutions are assessed against criteria before LGoS 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 2018 this figure was £949,099 (2017: £625,051), with a separate reserve fund established to account for 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 15 years to clear the pension fund deficit. At the year end the value of this fund was £2,471,902 (2017: £2,541,291).

The following designated reserves have been created by the Trustees as at 31 July 2018:

- Fixed assets fund - £192,810, being the net book value of fixed assets purchased with unrestricted funds; and
- Pension Liability Fund - £275,000, being a reserve to contribute towards meeting the pension funds deficits referred to in note 28 to the financial statements which will be payable at a future date.
- Guild Strategic Development Fund – £50,000, being a reserve for Student Representative Officer led initiatives to engage students in LGoS and to provide services to meet membership demand.
- Elizabeth Gidney Legacy - £54,738, being a reserve for the promotion of Representation and Democracy.

For the year ended 31 July 2018

Going Concern

The Union has net liabilities of £781,986, 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 28 to the accounts. This is a long term commitment which ends in 2033 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.

5. 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”

For the year ended 31 July 2018

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.

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 state of affairs 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 2015 (FRS 102);
- 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 in operation.

Liverpool Guild of Students
TRUSTEES REPORT

For the year ended 31 July 2018

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 audit information, of which the charitable company's 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.

Approved by the Board of Trustees and signed on its behalf

Rory Hughes
Chair of Trustees
13th December 2018

For the year ended 31 July 2018

Opinion

We have audited the financial statements of Liverpool Guild of Students (the 'charitable company' for the year ended 31 July 2018 set out on pages 21 to 39. The financial reporting framework that has been applied in their preparation is applicable law, 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'.

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 2018 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.

Basis of opinion

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

Conclusions relating to going concern

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

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

For the year ended 31 July 2018

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate 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 Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

For the year ended 31 July 2018

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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.

Jonathan Dudley

(Senior statutory auditor)

for and on behalf of Dains LLP, Chartered Accountants, Statutory Auditor.

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

13 December 2018

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**

For the year ended 31 July 2018

| | Note | Unrestricted Funds | | | 2018 | 2017 |
|------------------------------------|-----------|--------------------|------------------|------------------|--------------------|--------------------|
| | | General Funds | Designated Funds | Restricted Funds | Total | Total |
| | | £ | £ | £ | £ | £ |
| Income from: | | | | | | |
| Donations and legacies | 2 | 1,602,687 | - | - | 1,602,687 | 1,511,761 |
| Charitable Activities | 3 | 1,913,131 | - | 17,881 | 1,931,012 | 1,927,349 |
| Other Trading Activities | 4 | 257,770 | - | - | 257,770 | 317,884 |
| Investments | 5 | 9,505 | - | - | 9,505 | 16,309 |
| Other Income | 6 | 8,491 | - | - | 8,491 | |
| | | 3,791,584 | - | 17,881 | 3,809,465 | 3,773,304 |
| Expenditure on: | | | | | | |
| Raising Funds | | 257,809 | 7,445 | - | 265,253 | 290,496 |
| Charitable Activities | | 3,025,360 | 94,313 | - | 3,119,674 | 3,157,557 |
| Pension Deficit Costs | 28 | 33,922 | - | - | 33,922 | 872,468 |
| Total resources expended | 7 | 3,317,091 | 101,758 | - | 3,418,849 | 4,320,521 |
| Net Income/(expenditure) | 8 | 474,493 | (101,758) | 17,881 | 390,616 | (547,217) |
| Transfers between funds | 22 | (81,056) | 81,056 | - | - | - |
| Net Movement in Funds | | 393,437 | (20,702) | 17,881 | 390,616 | (547,217) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | 30 | (1,916,240) | 593,250 | 150,388 | (1,172,602) | (625,385) |
| Total funds carried forward | 22 | (1,522,803) | 572,548 | 168,269 | (781,986) | (1,172,602) |

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

The notes on pages 24 to 39 form part of the financial statements.

LIVERPOOL GUILD OF STUDENTS
BALANCE SHEET
For the year ended 31 July 2018

| | Note | £ | As at 31-Jul-18 £ | As at 31-Jul-17 £ |
|--|------|-------------|-------------------------|-------------------------|
| FIXED ASSETS | | | | |
| Tangible assets | 13 | | 192,810 | 213,512 |
| CURRENT ASSETS | | | | |
| Stock | 14 | 68,742 | | 68,369 |
| Debtors | 15 | 229,230 | | 346,676 |
| Investments | 16 | 968,052 | | 766,267 |
| Cash at bank and in hand | | 911,568 | | 701,852 |
| | | | | <u>1,883,164</u> |
| CREDITORS | | | | |
| Amounts falling due within one year | 17 | (823,400) | | (831,298) |
| NET CURRENT ASSETS | | | <u>1,354,192</u> | <u>1,051,866</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,547,002 | 1,265,378 |
| CREDITORS | | | | |
| Amounts falling due after more than one year | 18 | | (2,328,988) | (2,437,980) |
| NET LIABILITIES | | | <u>(781,986)</u> | <u>(1,172,602)</u> |
| FUNDS: | | | | |
| Restricted Funds | 22 | 168,269 | | 150,388 |
| Unrestricted Funds | | | | |
| General Fund | 22 | 949,099 | | 625,051 |
| Pension Deficit | 22 | (2,471,902) | | (2,541,291) |
| | | | (1,522,803) | (1,916,240) |
| Designated Funds | 22 | 572,548 | | 593,250 |
| | | | <u>(781,986)</u> | <u>(1,172,602)</u> |

The notes on pages 24 to 39 form part of the financial statements. Approved by the trustees of the University of the Liverpool Guild of Students on 13 December 2018.

Rory Hughes, Trustee

Adam Dawkins, Trustee

LIVERPOOL GUILD OF STUDENTS
STATEMENT OF CASH FLOWS
For the year ended 31 July 2018

| | | 2018 | 2017 |
|--|-------------|------------------|-----------|
| | | Total | Total |
| | Note | | |
| | | £ | £ |
| Net cash provided by/(used in) operating activities | 24 | 484,065 | 300,160 |
| Cash flows from investing activities: | | | |
| Proceeds on sale of fixed assets | | 8,491 | - |
| Purchase of fixed assets | | (81,056) | (24,592) |
| Net cash provided by (used in) investing activities | | (72,565) | (24,592) |
| Change in cash and cash equivalents in the year | | 411,500 | 275,568 |
| Cash and cash equivalents at the beginning of the year | | 1,468,119 | 1,192,551 |
| Cash and cash equivalents at the end of the year | 25 | 1,879,619 | 1,468,119 |

The notes on pages 24 to 39 form part of the financial statements.

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

1 Accounting Policies

The Liverpool Guild of Students, which is a charitable company limited by guarantee and limited to £1 per member has adopted the following 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 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 costs, facility costs and supporting marketing costs.

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

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

For the year ended 31 July 2018

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 28 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 £781,986, 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 28 to the accounts. This is a long term commitment which ends in 2033 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**

For the year ended 31 July 2018

| | General Funds £ | Designated Funds £ | Restricted Funds £ | 2018 £ | 2017 £ |
|--|-----------------------|--------------------------|--------------------------|------------------|-----------|
| 2 Donations | | | | | |
| University Block Grant | 1,520,066 | - | - | 1,520,066 | 1,436,058 |
| Other Voluntary Income | 82,621 | - | - | 82,621 | 75,703 |
| | 1,602,687 | - | - | 1,602,687 | 1,511,761 |
| 3 Income from charitable activities | | | | | |
| Bar | 731,268 | - | - | 731,268 | 672,514 |
| Coffee Shop | 589,455 | - | - | 589,455 | 593,848 |
| Student Shops | 349,769 | - | - | 349,769 | 352,013 |
| Entertainments | 31,636 | - | - | 31,636 | 86,999 |
| Catering Facility Fee | 30,000 | - | - | 30,000 | 30,000 |
| NUS Extra, Bus Pass & Graduate Portrait Commissions | 147,215 | - | - | 147,215 | 143,510 |
| Student Services e.g. Give it a Go | 33,788 | - | - | 33,788 | 24,345 |
| Net Clubs & Societies Income | - | - | 17,881 | 17,881 | 21,665 |
| Green Impact Incentive | - | - | - | - | 2,456 |
| | 1,913,131 | - | 17,881 | 1,931,012 | 1,927,349 |
| 4 Income from other trading activities | | | | | |
| Venue Hire and Staff Recharges | 146,440 | - | - | 146,440 | 202,800 |
| Media Sales | 111,330 | - | - | 111,330 | 115,084 |
| | 257,770 | - | - | 257,770 | 317,884 |
| 5 Investments | | | | | |
| Interest received from Bank & Building Society Accounts | 9,505 | - | - | 9,505 | 16,309 |
| | 9,505 | - | - | 9,505 | 16,309 |
| 6 Other Income | | | | | |
| Proceeds of sale of fixed assets | 8,491 | - | - | 8,491 | - |
| | 8,491 | - | - | 8,491 | - |

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

7 Analysis of Expenditure

| | Cost of Sales | Staff Costs | Other Costs | Governance Costs | Support Costs | 2018 Total Cost | 2017 Total Cost |
|---------------------------------------|------------------|------------------|----------------|---------------------|------------------|--------------------------------|-----------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Raising Funds | - | 114,680 | 76,008 | 2,068 | 72,497 | 265,253 | 290,496 |
| Charitable Activities: | | | | | | | |
| Bars | 231,326 | 261,512 | 95,685 | 6,383 | 223,747 | 818,653 | 747,888 |
| Coffee Shop | 188,062 | 217,314 | 97,259 | 5,452 | 191,094 | 699,181 | 712,240 |
| Student Shops | 224,059 | 92,998 | 21,640 | 3,674 | 128,767 | 471,139 | 457,008 |
| Entertainments | - | 32,551 | 66,565 | 1,075 | 37,682 | 137,873 | 218,317 |
| Student Services E.g. Give it a Go | - | 544,124 | 169,611 | 7,742 | 271,351 | 992,827 | 1,014,648 |
| Social Enterprise Challenge Fund | - | - | - | - | - | - | 5,000 |
| Green Impact Incentive | - | - | - | - | - | - | 2,456 |
| | 643,448 | 1,148,498 | 450,761 | 24,326 | 852,641 | 3,119,674 | 3,157,557 |
| Other: Pension deficit costs | - | - | 33,922 | - | - | 33,922 | 872,468 |
| | 643,448 | 1,263,179 | 560,691 | 26,394 | 925,138 | 3,418,849 | 4,320,521 |

Of the total expenditure £3,418,849 was unrestricted (2017: £4,313,065) and £nil was restricted (2017: £7,456).

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

In addition to the staff costs above, there are a further £698,326 (2017: £640,736) which are included in governance costs and support costs.

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

7 Analysis of Expenditure (continued)

Governance and support costs can be analysed as follows:

| | 2018 | 2017 |
|--|----------------|---------|
| | £ | £ |
| Staff costs | 698,326 | 640,736 |
| Staff Recruitment, training & social costs | 15,830 | 14,370 |
| Facility Costs | 37,057 | 43,713 |
| Office & finance costs | 45,722 | 43,861 |
| Travel, subsistence & conference costs | 4,120 | 9,462 |
| Legal, professional & consultancy | 44,590 | 31,126 |
| Marketing/Website costs | 22,482 | 27,732 |
| Equipment purchase, hire & maintenance | 19,156 | 11,640 |
| Irrecoverable VAT | 34,952 | 37,717 |
| Depreciation | 14,157 | 14,895 |
| Sundry costs | 15,141 | 18,636 |
| | 951,532 | 893,888 |

8 Net income/(expenditure) for the year

This is stated after charging:

| | 2018 | 2017 |
|---|----------------|--------|
| | £ | £ |
| Depreciation | 101,758 | 96,576 |
| (Profit)/Loss on disposal of fixed assets | (8,491) | - |
| Auditors remuneration: | | |
| Audit | 6,000 | 6,000 |
| Other Services | 450 | 600 |

9 Analysis of staff costs and the cost of key management personnel

| | 2018 | 2017 |
|---|------------------|-----------|
| | £ | £ |
| Staff costs were as follows: | | |
| Salaries and wages | 1,785,156 | 1,773,586 |
| Social Security costs | 129,703 | 124,083 |
| Redundancy Costs | 1,852 | - |
| Employer's contribution to a defined contribution pension | 33,428 | 33,965 |
| Operating costs of defined benefit pension schemes | 1,594 | 2,225 |
| Other employee benefits | 9,771 | 7,984 |
| | 1,961,504 | 1,941,843 |

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

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

| | 2018 | 2017 |
|-------------------|-------------|------|
| | No | No |
| £60,000 - £69,999 | - | 1 |
| £70,000 - £79,999 | 1 | - |

The total employee benefits including pension contributions of the key management personnel were £321,758 (2017: £295,704)

10 Trustees' remuneration and expenses

| | 2018 | 2017 |
|--|---------------|--------|
| | £ | £ |
| Trustees' remuneration and employer's NI costs | 83,903 | 82,581 |
| Trustees' expenses | 5,959 | 5,612 |
| | 89,862 | 88,193 |

Each of the sabbatical officers received a salary of £19,305 per annum (2017: £18,940) 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 6 (2017: 6) trustees in respect of travel and subsistence costs in the course of their duties.

No Trustee received remuneration for work undertaken in the delivery of commercial services unrelated to their role as Trustee (2017: nil).

11 Staff Numbers

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

| | 2018 | 2017 |
|------------------|--------------|-------|
| | No | No |
| Raising Funds | 5.7 | 5.9 |
| Bars | 62.5 | 52.3 |
| Coffee Shop | 30.7 | 28.2 |
| Entertainments | 3.8 | 2.1 |
| Student Shops | 21.9 | 22.5 |
| Student Services | 33.8 | 37.2 |
| Governance | 1.0 | 1.0 |
| Support Services | 31.8 | 34.3 |
| | 191.1 | 183.5 |

Of the above staff numbers, 119 (2017: 111) are staff employed under a zero hours contract.

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

12 Taxation

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

13 Tangible Fixed Assets

| | Office Equipment and Fixtures & Fittings £ | Specialist Equipment £ | Computer Equipment £ | Total £ |
|-----------------------|---|---------------------------------------|-------------------------------------|--------------------|
| Cost | | | | |
| At 1 August 2017 | 474,835 | 45,908 | 55,766 | 576,510 |
| Additions | 75,427 | 3,102 | 2,527 | 81,056 |
| Disposals | - | (11,860) | - | (11,860) |
| At 31 July 2018 | 550,263 | 37,150 | 58,293 | 645,706 |
| Depreciation | | | | |
| At 1 August 2017 | 276,055 | 39,146 | 47,797 | 362,998 |
| Charge for the year | 91,652 | 3,649 | 6,457 | 101,758 |
| Disposals | - | (11,860) | - | (11,860) |
| At 31 July 2018 | 367,707 | 30,935 | 54,254 | 452,896 |
| Net Book Value | | | | |
| At 31 July 2018 | 182,556 | 6,215 | 4,039 | 192,810 |
| At 31 July 2017 | 198,780 | 6,762 | 7,969 | 213,512 |

14 Stock

| | 2018 £ | 2017 £ |
|-------------|-------------------|-------------------|
| Bars | 20,873 | 20,903 |
| Coffee Shop | 6,107 | 7,833 |
| Shops | 41,762 | 39,633 |
| | 68,742 | 68,369 |

15 Debtors

| | 2018 £ | 2017 £ |
|------------------------------|-------------------|-------------------|
| Trade debtors | 64,156 | 120,240 |
| Other debtors | 12,289 | 47,203 |
| Prepayments & accrued income | 152,785 | 179,233 |
| | 229,230 | 346,676 |

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

16 Current Investments

| | 2018 | 2017 |
|--|----------------|---------|
| | £ | £ |
| Carrying value and market value at beginning of year | 766,267 | 763,441 |
| Additions to investments at cost | 201,785 | 2,826 |
| Disposals at carrying value | - | - |
| Carrying value and market value at end of year | 968,052 | 766,267 |

17 Creditors: amounts falling due within one year

| | 2018 | 2017 |
|---------------------------------|----------------|---------|
| | £ | £ |
| Trade creditors | 167,558 | 113,129 |
| Social Security and other taxes | 36,315 | 28,697 |
| University creditor | 178,630 | 311,358 |
| Other creditors | 172,402 | 176,440 |
| Pension liability | 142,914 | 103,311 |
| Accruals & deferred income | 125,581 | 98,363 |
| | 823,400 | 831,298 |

18 Creditors: amounts falling due after more than one year

| | 2018 | 2017 |
|-------------------|------------------|-----------|
| | £ | £ |
| Pension Liability | 2,328,988 | 2,437,980 |
| | 2,328,988 | 2,437,980 |

19 Deferred Income

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

| | 2018 | 2017 |
|-------------------------------------|----------------|----------|
| | £ | £ |
| Balance brought forward | 8,765 | 24,815 |
| Amounts released from previous year | (4,616) | (23,137) |
| Amounts deferred during the year | 57,815 | 7,087 |
| Balance carried forward | 61,964 | 8,765 |

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

20 Financial Instruments

| | 2018 | 2017 |
|--|--------------------|-------------|
| | £ | £ |
| Financial assets measured at amortised cost | 195,602 | 286,522 |
| Financial assets measured at fair value | 1,879,620 | 1,468,119 |
| Financial liabilities measured at amortised cost | (609,285) | (719,224) |
| Financial liabilities measured at fair value through the Statement of Financial Activities | (2,471,902) | (2,541,291) |

Financial assets held at amortised cost comprise trade debtors and other debtors excluding prepaid costs. Financial assets measured at fair value comprise short term investments and cash at bank and in hand. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals. Financial liabilities measured at fair value through the Statement of Financial Activities comprise the pension deficit contribution liability.

The charity's income, expense, gains and losses in respect of financial instruments are:

| | 2018 | 2017 |
|---|--------------|--------|
| | £ | £ |
| Total interest income for financial assets held at amortised cost | 9,505 | 16,309 |
| Total interest expense for financial liabilities held at amortised cost | 5,996 | 7,230 |

21 Capital Commitments

At 31 July 2018 there were no capital commitments. The capital commitment as at 31 July 2017 relating to the renovations of the Sphinx bar area has now been capitalised.

22 Statement of funds movement

| | 01-Aug 2017 | Movement in Funds | | Transfer Between Funds | Balance 31-Jul 2018 |
|----------------------------------|------------------------|--------------------------|--------------------|---------------------------------------|------------------------------------|
| | £ | Income £ | Expenditure £ | £ | £ |
| Unrestricted funds: | | | | | |
| General Fund | 625,051 | 3,791,584 | (3,283,169) | (184,367) | 949,099 |
| Pension Deficit | (2,541,291) | - | (33,922) | 103,311 | (2,471,902) |
| | (1,916,240) | 3,791,584 | (3,317,091) | (81,056) | (1,522,803) |
| Designated funds: | | | | | |
| Fixed Asset Fund | 213,512 | - | (101,758) | 81,056 | 192,810 |
| Pension Liability Fund | 275,000 | - | - | - | 275,000 |
| Guild Strategic Development Fund | 50,000 | - | - | - | 50,000 |
| Elizabeth Gidney Fund | 54,738 | - | - | - | 54,738 |
| | 593,250 | - | (101,758) | 81,056 | 572,548 |
| Restricted Funds: | | | | | |
| Societies own income | 145,369 | 17,881 | - | - | 163,250 |
| NUS General Election Fund | 5,019 | - | - | - | 5,019 |
| | 150,388 | 17,881 | - | - | 168,269 |
| TOTAL FUNDS | (1,172,602) | 3,809,465 | (3,418,849) | - | (781,986) |

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

22 Statement of funds movement continued

| | 01-Aug 2016 | Movement in Funds | | Transfer Between Funds | Balance 31-Jul 2017 |
|----------------------------------|------------------------|--------------------------|--------------------|---------------------------------------|------------------------------------|
| | £ | Income £ | Expenditure £ | £ | £ |
| Unrestricted funds: | | | | | |
| General Fund | 244,480 | 3,749,183 | (3,344,021) | (24,591) | 625,051 |
| Pension Deficit | (1,668,823) | - | (872,468) | - | (2,541,291) |
| | (1,424,343) | 3,749,183 | (4,216,489) | (24,591) | (1,916,240) |
| Designated funds: | | | | | |
| Fixed Asset Fund | 285,497 | - | (96,576) | 24,591 | 213,512 |
| Pension Liability Fund | 275,000 | - | - | - | 275,000 |
| Guild Strategic Development Fund | 50,000 | - | - | - | 50,000 |
| Elizabeth Gidney Fund | 54,738 | - | - | - | 54,738 |
| | 665,235 | - | (96,576) | 24,591 | 593,250 |
| Restricted Funds: | | | | | |
| Green Impact Funding | - | 2,456 | (2,456) | - | - |
| Societies own income | 123,704 | 21,665 | - | - | 145,369 |
| NUS General Election Fund | 5,019 | - | - | - | 5,019 |
| Social Enterprise Challenge Fund | 5,000 | - | (5,000) | - | - |
| | 133,723 | 24,121 | (7,456) | - | 150,388 |
| TOTAL FUNDS | (625,385) | 3,773,304 | (4,320,521) | - | (1,172,602) |

Unrestricted funds

- i. The pension deficit has been disclosed as a separate unrestricted negative fund to represent the net present value of the future contributions required over 15 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 reflect the Guild's historic 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**

For the year ended 31 July 2018

Restricted funds

The restricted funds comprise:

- 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.

23 Analysis of net Assets between funds – current year

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|--|--------------------------------|-----------------------------------|-----------------------------------|--------------------|
| Tangible Fixed Assets | - | 192,810 | - | 192,810 |
| Cash & short term investments | 1,656,613 | 54,738 | 168,269 | 1,879,620 |
| Other net current assets/(liabilities) | (707,514) | 325,000 | - | (382,514) |
| Defined benefit pension liability | (2,471,902) | - | - | (2,471,902) |
| | <u>(1,522,803)</u> | <u>572,548</u> | <u>168,269</u> | <u>(781,986)</u> |

Analysis of net Assets between funds – prior year

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Total £ |
|--|--------------------------------|-----------------------------------|-----------------------------------|--------------------|
| Tangible Fixed Assets | - | 213,512 | - | 213,512 |
| Cash & short term investments | 1,262,993 | 54,738 | 150,388 | 1,468,119 |
| Other net current assets/(liabilities) | (637,942) | 325,000 | - | (312,942) |
| Defined benefit pension liability | (2,541,291) | - | - | (2,541,291) |
| | <u>(1,916,240)</u> | <u>593,250</u> | <u>150,388</u> | <u>(1,172,602)</u> |

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

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

| | 2018 | 2017 |
|---|-----------------|-----------|
| | £ | £ |
| Net movement in funds | 390,616 | (547,217) |
| Add back depreciation charge | 101,758 | 96,577 |
| (Profit)/loss on disposal of fixed assets | (8,491) | - |
| (Increase)/decrease in stocks | (373) | 21,002 |
| (Increase)/decrease in debtors | 117,445 | (62,293) |
| Increase/(decrease) in creditors | (47,501) | (80,377) |
| Increase/(decrease) in deferred benefit pension liability | (69,389) | 872,468 |
| | 484,065 | 300,160 |

25 Analysis of cash and cash equivalents

| | 2018 | 2017 |
|------------------|------------------|-----------|
| | £ | £ |
| Cash in hand | 34,027 | 32,137 |
| Current accounts | 877,541 | 669,715 |
| Deposit accounts | 968,052 | 766,267 |
| | 1,879,620 | 1,468,119 |

26 Operating Lease Commitments

At 31 July 2018 the charity had future minimum lease payments under non- cancellable operating leases as set out below:

| | 2018 | 2017 |
|----------------------------|--------------|------|
| | £ | £ |
| Within one year | 675 | - |
| Within two to five years | 2,024 | - |
| After more than five years | - | - |
| | 2,699 | - |

27 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 £1,560k (2017: £1,476k) from the University of Liverpool, there was £2,006k (2017: £1,972k) of purchase recharges (including payroll and building repairs) and £184k (2017: £156k) of sales recharges (including room hires and staff recharges). The Liverpool Guild of Students' net year end creditor with the University of Liverpool was £234k as at 31 July 2018 (2017: £298k).
- Trustees of the Liverpool Guild of Students: see note 10 – 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.

LIVERPOOL GUILD OF STUDENTS NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

28 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 2016 and showed that the market value of the scheme's assets was £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m.

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

The following assumptions applied at 30 June 2016:-

- The investment return would be 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 2016 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 increased by 20% in October 2017 and at least 5% each year thereafter. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme. These rates will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the 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 accordance with FRS 102, the net present value of the future contributions required over 15 years to clear the funding deficit is £2,471,902 (2017 - £2,541,291). In calculating this net present value, annual increases of 5% have been made and a discount rate of 2.58% representing the typical yield of high quality corporate bonds has then been applied. This net present value is subject to a contingent liability as explained in note 29.

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 2018 amounted to £72,495 (2017 - £77,623).

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

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.

ULPF

Prior to the introduction of the SUSS in 1990, certain employees were eligible to join the ULPF, operated by the University of Liverpool. The most recent valuation of the Scheme was carried out as at 31st July 2016 and showed that the market value of the scheme assets was £378m with those assets representing 108% 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 | 2.40% |
| Rate of increase in pensions in payments | 3.16% |
| Revaluation rate for deferred pensioners | 3.26% |
| Rate of inflation (RPI) | 3.26% |

The total pension contribution paid into the scheme, in respect of eligible employees for the year ended 31st July 2018 amounted to £2,342 (2017: £3,268).

As a result of the final active member of the scheme leaving the employment of the Company, a deed of amendment, apportionment and cessation of participation in respect of the ULPF has been drawn up between the Company, the University of Liverpool and the ULPF Trustees Ltd., which will ensure that the Company will not be subject to any additional liabilities under section 75 or 75A of the Pensions Act 1995.

The Company ceased to participate in the scheme from 1st May 2018.

29 Contingent Liability

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

30 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.

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2018

31 Comparative statement of financial activity

| | Note | Unrestricted Funds | | | 2017 |
|------------------------------------|------|--------------------|------------------|------------------|--------------------|
| | | General Funds | Designated Funds | Restricted Funds | Total |
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations and legacies | 2 | 1,511,761 | - | - | 1,511,761 |
| Charitable Activities | 3 | 1,903,229 | - | 24,121 | 1,927,349 |
| Other Trading Activities | 4 | 317,884 | - | - | 317,884 |
| Investments | 5 | 16,309 | - | - | 16,309 |
| | | <u>3,749,183</u> | <u>-</u> | <u>24,121</u> | <u>3,773,304</u> |
| Expenditure on: | | | | | |
| Raising Funds | | 280,427 | 10,069 | - | 290,496 |
| Charitable Activities | | 3,063,594 | 86,507 | 7,456 | 3,157,557 |
| Pension deficit costs | 27 | 872,468 | - | - | 872,468 |
| Total resources expended | 6 | <u>4,216,489</u> | <u>96,576</u> | <u>7,456</u> | <u>4,320,521</u> |
| Net Income/(expenditure) | 7 | (467,306) | (96,576) | 16,665 | (547,217) |
| Transfers between funds | 21 | (24,591) | 24,591 | - | - |
| Net Movement in Funds | | <u>(491,897)</u> | <u>(71,985)</u> | <u>16,665</u> | <u>(547,217)</u> |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | (1,424,343) | 665,235 | 133,723 | (625,385) |
| Total funds carried forward | 21 | <u>(1,916,240)</u> | <u>593,250</u> | <u>150,388</u> | <u>(1,172,602)</u> |