

Charity Number: 1145400
Company Number: 07689815

DURHAM STUDENTS' UNION
(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

DURHAM STUDENTS' UNION

CONTENTS

Index	Page
Legal and administrative information	1
Trustees' report	2
Auditors' report	11
Statement of financial activities	13
Balance sheet	14
Notes to the financial statements	15

DURHAM STUDENTS' UNION

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 JULY 2105

Registered Charity Number 1145400

Company Number 07689815

Trustees

Dianne Sharp (Chair)	appointed 01 July 2013
Daniel Cain-Reed	appointed 01 August 2014
Benjamin Frost	appointed 01 August 2014
Anthony Baker	appointed 13 March 2015
Louise Shillinglaw	appointed 13 March 2015
Esther Green	appointed 01 July 2015
Jake Hooker	appointed 01 July 2015
Kara-Jane Senior	appointed 01 July 2015
Amelia Tanner	appointed 01 July 2015
Harriet Barsham	appointed 01 August 2015
Michael Cannon Jnr	appointed 01 August 2015
Daniel Morgan-Thomas	appointed 01 August 2015
Oliver Colling	appointed 01 September 2015
Martin Parker	appointed 01 September 2015

Former Trustees

Ray Hudson	appointed 01 August 2011, resigned 13 August 2014
Oliver Rollinson	appointed 01 August 2014, resigned 29 October 2014
Laura Carter	appointed 01 July 2014, retired 30 June 2015
Joely Charlton	appointed 01 July 2014, retired 30 June 2015
Harry Inman	appointed 01 July 2014, retired 30 June 2015
Daniel Slavin	appointed 01 July 2014, retired 30 June 2015
Leigh Spanner	appointed 01 July 2014, retired 30 June 2015
Robert George	appointed 01 August 2011, retired 31 July 2015
Rudolph Stewart	appointed 21 October 2011, resigned 31 July 2015
William Barry	appointed 01 August 2014, retired 31 July 2015
Joshua Stocco	appointed 22 January 2015, retired 31 July 2015

Chief Executive Patrick Reilly

Principal Address

Dunelm House
New Elvet
Durham
DH1 3AN

Auditors

Crowe Clark Whitehill
The Lexicon
Mount Street
Manchester
M2 5NT

Bankers

HSBC
1 Saddler Street
Durham
DH1 3NR

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

The Board of Trustees of Durham Students' Union ("the Trustees") present their annual report for the year ended 31 July 2015, which includes the legal and administrative information set out on page 1, together with the audited financial statements for that period.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements.

Legal status

Durham Students' Union ("the Union") is a company limited by guarantee (no. 07689815) and a charity registered in England and Wales (no. 1145400).

Membership

The Union is a membership organisation. When an individual enrolls as a student of Durham University ("the University"), they automatically become a member of the Union. Membership of the Union terminates when a member ceases to be a registered student at Durham University or when a member chooses to 'opt-out' of membership.

Governing document

The Union is governed by the articles of association, and through democratic structures detailed in the articles of association and the standing orders. The articles of association must be reviewed every five years and amendments must be approved by the student membership and the University's Council. A review took place in 2013/14 and the Trustees subsequently sought to amend the articles of association to better reflect the model articles of association for students' unions agreed by the National Union of Students and the Charity Commission. In particular, this resolved an anomaly around the relationship between 'company law' members and 'student' members. Other amendments increased the number of trustees and changed the sub-committee structure. The amendments received the approval of the University's Council in November 2014, before being approved by a referendum of the student membership in December 2014. A special resolution was approved by a general meeting in January 2015.

Board of Trustees

The Board of Trustees consists of the following:

- not more than five Sabbatical Trustees
- not more than four Student Trustees
- not more than five Co-opted Trustees

Trustees are appointed in accordance with the procedures outlined in the articles of association and the standing orders. The current regulations provide for all 14 positions to be filled. Five Sabbatical Trustees ("the Student Officers") and four Student Trustees are elected by and from the student membership on an annual basis and serve an initial one-year term. They may be elected for one further one-year term. As a result of the amendments to the article of association in 2014/15, Co-opted Trustees serve an initial three-year term and may be appointed for one further three-year term.

The Sabbatical Trustees enter into a one-year contract of employment with the Union from 01 July to 30 June of the following year, have a portfolio of duties and are paid an allowance. They are deemed to be "major union office holders" for the purposes of section 22 of the Education Act 1994. Student Trustees serve from 01 August to 31 July of the following year. Co-opted Trustees may be appointed by the Trustees if they are considered suitable to be charity trustees having regard to their skills, knowledge and experience. They are appointed as and when vacancies occur. Student and Co-opted Trustees are not remunerated and are not deemed to be "major union office holders".

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

Sub-committees

The amended articles of association granted the power to the Trustees and the Assembly to create additional sub-committees of the Board. Recognising the increasing complexity and scale of the Union, two sub-committees named in the articles of association were removed and four new sub-committees were created:

- audit and risk, which oversees all systems, controls and processes;
- finance, which oversees all financial affairs;
- governance and appointments, which oversees Board-level governance;
- human resources and remuneration, which oversees all human resources affairs.

The terms of reference and membership of the committees are outlined in the standing orders. The Trustees used the committee to oversee and direct specific areas of the Union's activities. Each committee is chaired by a co-opted trustee and regularly reports on its work to the Board. The new committee structure will be fully implemented during 2015/16.

Management

The Trustees are responsible for protecting the values of the Union and ensuring that the Union is working towards its vision and delivering its mission. The Trustees are also responsible for approving the strategy, major plans (including the annual budget and long-term financial goals) and policies of the Union and for ensuring that these are implemented.

The Union employs a chief executive to work closely with the Trustees and ensure effective management of the charity. The Trustees delegate much of the day-to-day running of the Union to the chief executive and senior leadership team, who oversee the Union's staff. The senior leadership team consists of the chief executive and three directors.

The Union implemented a new staffing structure in summer 2015 to ensure that the Union's resources continued to be used most effectively to support the achievement of the charitable objectives.

Risk management

The Trustees have identified the major risks facing the Union and have established controls and actions to manage them. The risk register is reviewed by the Board on a quarterly basis. Risk management procedures are periodically reviewed to ensure that they continue to meet the needs of the Union.

Relationship with Durham University

The University is the Union's primary funder and the organisations have worked closely on a wide range of issues affecting the student membership.

Under the Education Act 1994, the Union is required to review the memorandum of agreement which defines the relationship between the Union and the University at no more than five-yearly intervals. The Union worked with Durham University during the year to draw up a new memorandum of agreement and a supporting service level agreement. The new agreement will be implemented in 2015/16.

Charitable objects

The Union's charitable objects are the advancement of education of students at Durham University for the public benefit by:

- providing opportunities for the expression of Student opinion and actively representing the interest of Students;
- acting as a channel of communication in dealing with Durham University and other external bodies;
- promoting the interests and welfare of Students at Durham University during their course of study, and representation, supporting and advising students;
- facilitating the social, recreational and educational interests of its Membership, through providing services and support for its Members;
- supporting the development of and cooperation between the Common Rooms;

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

- working with other Students' Unions and affiliated bodies; and
- raising funds for such purposes as are charitable according to the laws of England and Wales and to make grants and donations of such funds to other exclusively charitable bodies or to apply such funds directly for such charitable purposes.

The Trustees undertook a strategic review of the organisation in the latter part of 2014/15. The Union's vision, mission and values have also been considered. It is expected that new strategic objectives and a new strategic plan will be agreed and published in autumn 2015.

Review of key objectives for 2014/15

1. Develop a leadership development programme for student group leaders.

The Union worked with a social enterprise collective, Magnetic Ideals, to create a new leadership development programme for students. It is the Trustees' belief that the Union should provide more and better development opportunities for students. Such opportunities will enhance students' knowledge and skills and, in time, improve the overall student experience and the communities in which our students live.

We have recruited 30 participants to the initial pilot of the programme. Most participants hold positions of authority in the Union, common rooms or student groups. The pilot will take place in 2015/16 with a view to complete and review it by Easter term 2016. If the pilot is successful, it is the Trustees' intention to expand the programme in 2016/17.

2. Provide guidance and training to student groups to help them include more under-represented students in their activities, including University departments where relevant.

The Union offered training and support to all student groups in autumn 2014 and summer 2015 to assist in broadening their membership. This training and support sought to assist student group committee members to better understand the varied needs, interests and motivations of all students in the University.

There was a particular focus on increasing the number of student groups which provide activities in Queen's Campus, Stockton-on-Tees. The Union devised a competition, sponsored by a third-party recruitment company, which incentivised student groups to develop new ideas to increase engagement by Queen's Campus students. A small number of student groups participated. It is intended to expand this competition in future years.

Grant funding was allocated to student groups to support their activities, with higher priority given to groups which sought to broaden the diversity of their membership.

3. Roll out the new Give it a Go programme which seeks to increase participation by under-represented and disengaged students.

The new Give It a Go programme was rolled out in the year. For the first time, activities were organised in colleges and on days and times which differed from the participating groups' regular schedule. The Union provided financial support to these groups to ensure they were not out-of-pocket by running the additional events.

There was a notable increase in the number of international students who participated on a one-off basis. This suggests there is demand for more such events, free of the regular time commitment required by many student groups, which the Union will seek to meet in future.

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

4. Review the purpose of the Associations and make appropriate changes to ensure they provide necessary representation, support and social activities for their members.

An initial review was undertaken and some changes were proposed which sought to clarify the role and purpose of the associations. Further work will be undertaken on this objective in 2015/16.

5. Increase participation by members in all aspects of the Union's democratic processes, particularly in elections.

The Union achieved a 15% increase in the number of students who voted in the Student Officer elections in February 2015, although the number of candidates remained static. After reaching agreement with the University, course representative elections were conducted online for the first time in autumn 2014; more than 2000 students voted.

The number of voters and candidates in the Student Trustee elections remained static, and attendance at Assembly continued at previous levels. The Trustees have identified this area as needing more work in 2015/16 to increase participation.

6. Implement the new DUCK fundraising and participation plan

Union staff supported the DUCK executive committee to implement improvements to how they operate their events. This included using the fundraising and participation plan to support prioritisation and review of activities to ensure achievement of and compliance with DUCK's objectives.

The Union made changes to the processes underpinning DUCK's activities in order to simplify them, thereby making it easier for students to engage, and to improve reporting.

7. Develop and launch a new strategic plan to replace the current plan.

The Union commenced work on a new strategic plan in spring 2015. A wide range of stakeholders have been consulted, including students, staff, student groups, common rooms and the University. We also sought input from a national industry body and from one of the largest graduate recruiters in the United Kingdom. The senior leadership team and student officers proposed some draft objectives which the Trustees have considered.

The Trustees decided to pause work on the strategic plan pending further consultation with the newly-appointed University vice-chancellor, as the primary funder of the organisation. It is anticipated that the new strategic plan will be launched in autumn 2015.

8. Finalise a multi-year funding model with the University.

The development of a new funding model requires the new strategic plan to be in place. As a result, this objective was deferred until after that plan is agreed.

9. Secure the agreement of the members for the proposed changes to the articles of association, and implement those changes.

The Union sought and achieved the required quorum (5%) and level of support (75%) in a referendum of the membership in December 2014. An annual members' meeting approved the amendments in January 2015. The amendments to the articles of association were implemented immediately and notified to the Charity Commission and Companies House.

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

A standing order detailing the functions and membership of the new sub-committees was approved by the Board and Assembly in January 2015. The new structure will be embedded in 2015/16.

10. Achieve the bronze standard in the NUS Green Impact programme and commence work on achieving Investors in People accreditation.

While the objective was not fully achieved, the Union has made progress on many elements of the Green Impact workbook which relate to physical changes. However, there is still a considerable amount of work to be undertaken on campaigning and behavioural change within the Union and the membership.

An initial meeting was held with Investors in People in spring 2015. liP advised that they were launching a new model in September 2015 and the most appropriate course of action for the Union was to wait for that model to be launched before seeking to participate.

11. Introduce an appropriate framework to enable student organisations within the University to become part of the Union.

As part of the research for the new strategic plan, common rooms were consulted about the circumstances and structures under which they would become part of the Union. This objective is likely to be part of the new strategic plan and the knowledge gained through the research exercise will be used to support this.

12. Conduct a skills audit Board of Trustees and implement a Board development plan.

The Trustees considered the skills and experience requirements of the Board in advance of conducting a recruitment exercise for new Co-opted Trustees. A new Board development plan will be introduced in 2015/16.

Other notable achievements

In addition to the objectives outlined above, the Union had many other achievements during the period.

After a successful campaign where the Union engaged almost 2,000 students in a petition, the University agreed to fix the level of tuition fees for international students for the duration of their course of study. This will end the practice of large unexpected rises in tuition fees being introduced after international students have commenced a course of study.

Facing a new direction and ongoing funding challenges, the Trustees approved a new organisational structure in June 2015. The new structure includes three directorates: engagement, learning and operations. The new structure seeks to achieve a number of substantial changes including creating a more student-focused organisation, simplifying the structures, increasing knowledge and corporate memory among the staff, engaging more students directly in the running of the Union and facilitating new ways of working. The new structure resulted in several posts becoming redundant: five employees successfully applied for new positions with the organisation, while nine other employees left the organisation. It is anticipated the significant benefits of the new structure will be realised over the next three years.

Three Co-opted Trustees with periods of service of between four and seven years left the Board of Trustees. A new Co-opted Trustee position was created when the articles of association was amended. The Trustees undertook two comprehensive recruitment exercises and, with the consent of Assembly, appointed four new Trustees with backgrounds in finance, law, the arts and human resources. Their initial term of office is for three years, which may be renewed once.

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

For the first time, the Union secured several grants from sources other than the University. This included £50,000 from Durham County Council to develop and run a three-year campaign on student safety and wellbeing, using the social norms approach as the basis for the campaign. To date, we have undertaken initial research, agreed the key campaign messages after consultation with students and launched the first round of marketing materials seeking to dispel common myths about student behaviours in relation to alcohol. The campaign will run until 2017.

The Union also secured a grant of £5,000 from the Cabinet Office and the National Union of Students to organise a voter registration campaign ahead of the general election. The project included working with three neighbouring further education colleges – Stockton Riverside College, Durham New College and East Durham College – and also registering students in Durham city and Queen's Campus. Almost 2,000 students were registered on the day and we hosted two well-attended husting events for candidates in the Durham City and Stockton South constituencies.

The Union participated in the recruitment process for the University's vice-chancellor (chief executive) who is an important figurehead in the University community. Student officers and staff conducted several exercises to gather students' views on the key attributes they wished to see in the new vice-chancellor, while the president and president-elect were directly involved in the latter stages of the appointment process.

The internal University Challenge event continued in the expanded format introduced in 2013. There was a small increase in participation by female and postgraduate students, although the number of such participants is still very low. The Union will work to continue to improve this and also to increase the number of international students.

The Union worked with the University to organise for the first time a number of events around international women's day. Women's week included a number of debates about women in leadership and also sought to encourage female participation in academic careers. Student groups also hosted debates and other events.

Assembly considered motions on a wide range of matters including free education, student safety, sexual consent, the marking boycott proposed by academics, the new strategic plan, the recruitment process for the new vice-chancellor, academic attainment by international students, the Prevent duty and embedding employability in the curriculum, divestment from fossil fuels, advertising and faith spaces on campus. Health debates were held on all topics but participation from students who were not members of Assembly was low. Further work is required in the coming year to engage more students in discussion on policy.

The number of student groups continued to grow, with more cause-based groups seeking to register with the Union. The two-day Union fair grew to such an extent that a complementary event – the community fair – was planned to run simultaneously in October 2015.

The training programmes for student groups and common rooms were reviewed to introduce a greater focus on engaging more students and delivering outcomes which are of benefit to the Union's stakeholders.

The annual awards were hosted in Dunelm House and recognised the successes and efforts of many volunteers within the organisation. The student-led teaching awards were presented to University staff who were nominated by students and who were regarded as having provided inspiration or exceptional motivation or support to students. This was the largest event of its kind which the Union has organised for many years and it is hoped that the model can be replicated to reduce costs and risk for students groups who may wish to run similar events in Dunelm House in the future.

The Union continued to increase its role in the National Union of Students (NUS) continued, with student officers being elected to a number of committees, including the national executive committee, zone committees and direction and oversight boards. Staff also increased their attendance at NUS events with many frontline staff attending their first NUS events.

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

The Union re-launched the night/safety bus service using its own bus in January 2015. Prior to this, the service had been operated by a third party and had been inactive for some time. The bus is available for use by student groups outside of the night bus operating times, which reduced costs for those groups and their members.

Financial review

Durham Students' Union's unrestricted income in 2014/15 totalled £1,244,224. The Union continued to benefit from the recognition and support of the University with an annual block grant of £829,000. The income includes a grant of serviced accommodation of £192,337 from the University which has not previously been included in the financial statements.

For the first time, the Union secured multiple grants from sources other than the University: £50,000 from Durham County Council for a three-year student wellbeing campaign; £5,000 from the Cabinet Office and the National Union of Students for a voter registration campaign; and £2,124 from the Department of Work and Pensions for employee support.

The cost of services provided to the membership including representation, student advice and student activities was £410,315. The cost of providing administrative services, governance and operating the building was £640,386. This includes a cost of £192,337 which relates to serviced accommodation provided by the University which is mirrored in the income above.

The Union generated £140,667 through primary purpose trading with associated costs of £88,818 leaving a surplus of £51,849 to support the Union's core activities.

The Union is currently affiliated only to the National Union of Students, for which our total subscription costs amounted to £35,713 for the period. No donations from the Union's own resources were made to any external organisations during the period.

Reserves

The Trustees' policy on reserves is to maintain funds to cover core operating costs for three months plus any contractual exit costs, which equates to approximately £215,000. The Union's reserves were more than those required during the year so £31,852 of excess reserves were used to fund the budgeted deficit in the year. The current level of reserves is in line with the required level and is projected to continue to be so throughout the financial year.

It is noted that this policy relies on continuing financial support being received from the University. As a result of forthcoming changes to the financial standards for charities, this policy will be reviewed in 2015/16.

Student groups

The Union manages funds on behalf of 260 student groups which are part of the Union. The funding is restricted for the use of these student groups. Total income for these groups was £395,500 and expenditure was £395,520, leaving a combined deficit of £20. Closing funds amounted to £213,293 which is available for use by these groups in 2015/16.

The Union disburses grant funding to these student groups to support their activities. A total of £20,059 was allocated to student groups in 2015/16, which is noted in the student groups' income and expenditure. This sum includes funds of £3,801 from designated funds which were not expended in the previous financial year.

The Trustees have recognised that the funds held by some student groups are greater than those required on a day-to-day basis. The Union has starting working with such groups to encourage and support them in better utilising their funds in accordance with the charitable aims of the Union.

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

A small number of student music groups decided to leave the Union to become part of the University as a 'Durham Student Organisation'. Balances held by the Union for these groups were transferred to the University in July 2015.

Durham University Charities Committee (DUCK)

DUCK directly raised funds of £448,538 through events, activities and sponsorship. The group carried over a deficit of £2,568 from the previous year. Fundraising costs amounted to £164,499. Total donations to charity amounted to £277,005. This resulted in a surplus for the financial year of £4,466.

DUCK also supports a range of student fundraising activities where the funding is received directly by other charities. Such funds are not included within the figures above or in the financial statements.

Future funding

The block grant from the University for 2015/2016 has been confirmed at £853,000. The Trustees confirm that the Union has additional funds to meet all of its obligations.

Key objectives for 2015/16

The Union's key objectives for 2015/16 are:

1. Review the purpose and efficacy of Assembly and its committees and make recommendations.
2. Work with the University to achieve the first year aims in the Alcohol Impact initiative.
3. Review the purpose of associations and make recommendations which enable students to become part of the groups with which they identify.
4. Review the purpose and function of DUCK and make recommendations to improve the outcomes from fundraising activities.
5. Roll out the pilot of the leadership development programme for student group leaders.
6. Develop the processes and documentation necessary to support the integration of other student groups into the Union.
7. Finalise and publish a new multi-year strategic plan.
8. Secure an agreement with the University for a multi-year funding model.
9. Conduct a skills audit Board of Trustees and implement a Board development plan.
10. Achieve the bronze standard in the NUS Green Impact programme and commence work on achieving Investors in People accreditation.

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015

Statement of Trustees' Responsibilities

The Trustees, who are the directors of Durham Students' Union for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial period, 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 charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- 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.

Auditors

Crowe Clark Whitehill were appointed auditors of Durham Students' Union for a three-year period commencing in 2015.

Approved by the Board of Trustees on 30 October 2015 and signed on its behalf by

.....
Dianne Sharp (Chair)

DURHAM STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DURHAM STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2015

We have audited the financial statements of Durham Students' Union (the Union) for the year ended 31 July 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with the 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees (who are also 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 [APB'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 Trustees' 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 of 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 2014, 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 (applicable to smaller entities); 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 period for which the financial statements are prepared is consistent with the financial statements.

DURHAM STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DURHAM STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2015

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' report.

Michael Jayson (Senior Statutory Auditor)
For and on behalf of Crowe Clark Whitehill

.....

Statutory Auditors

The Lexicon
Mount Street
Manchester
M2 5NT

DURHAM STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2015

	Funds			2015 £	2014 £
	Unrestricted £	Designated £	Restricted £		
Notes					
<u>Incoming resources</u>					
Voluntary Income					
University grant	801,500	27,500		829,000	807,000
Grant of serviced accommodation	192,337			192,337	-
Other grant			57,124	57,124	19,479
Activities to generate funds					
Venue rental	12,420			12,420	16,030
Marketing	128,247			128,247	79,598
Charitable activities for students					
Events	57,650			57,650	45,720
Bars	33,065			33,065	16,871
Membership services	19,005			19,005	11,785
DUCK			448,538	448,538	474,208
Student groups			375,441	375,441	452,928
Total incoming resources	1,244,224	27,500	881,103	2,152,827	1,923,619
<u>Resources expended</u>					
Costs of generating funds					
Commercial activities	88,818			88,818	93,009
Charitable activities for students					
Events	59,220			59,220	43,025
Bars	40,288			40,288	39,358
Membership Services	446,380	2,614	25,609	474,603	398,996
DUCK			441,504	441,504	579,893
Student groups			395,520	395,520	472,959
Support costs	612,670			612,670	332,198
Governance costs	27,716			27,716	12,477
Total resources expended	1,275,092	2,614	862,633	2,140,339	1,971,915
Net incoming resources before transfers	(30,868)	24,886	18,470	12,488	(48,296)
Transfers	(984)	(19,075)	20,059		
Net movement in funds	(31,852)	5,811	38,529	12,488	(48,296)
Reconciliation of funds					
Total funds brought forward at 1 August 2014	269,834	9,044	210,745	489,623	
Total funds carried forward at 31 July 2015	237,982	14,855	249,274	502,111	

All amounts derive from continuing activities. All gains and losses recognised in the period are included in the Statement of Financial Activities.

DURHAM STUDENTS' UNION**BALANCE SHEET AS AT 31 JULY 2105**

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		28,493		34,129
Investments			0		0
			<u>28,493</u>		<u>34,129</u>
Current assets					
Stocks	8	2,377		7,643	
Debtors	9	32,435		146,709	
Cash and bank balances		589,972		506,723	
		<u>624,784</u>		<u>661,075</u>	
Current liabilities					
Creditors – amounts falling due within one year	10	(151,166)		(205,581)	
		<u></u>		<u></u>	
Net current assets			473,618		455,494
Net assets			<u>502,111</u>		<u>489,623</u>
Funds					
Unrestricted funds					
General funds			237,982		269,834
Designated funds			14,855		9,044
Restricted funds	12		249,274		210,745
Total funds			<u>502,111</u>		<u>489,623</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime (effective April 2008).

Approved by the Board of Trustees on 30 October 2015 and signed on its behalf by:

.....
Dianne Sharp (Chair)

Company number: 07689815

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued March 2005 ('SORP'), and with applicable UK accounting standards. These financial statements are drawn up on the historical cost accounting basis.

Going Concern

The Union is dependant, in the absence of other funding, on the continued financial support of Durham University. The Trustees believe, on the basis of discussions held, that further support will continue to be made available from the University.

On this basis the Trustees consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be necessary if the University were not to provide further support.

Fund Accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Union.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds – these are unrestricted funds earmarked by the board of trustees for particular purposes.

All income and expenditure is shown in the Statement of Financial Activities. Incoming resources and resources expended have been presented differently this year to better reflect a true and fair view of the union's activities.

Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Assets costing more than £500 are capitalised and carried in the balance sheet at historic cost.

Depreciation is provided at rates calculated to write down the assets to their estimated residual values over the course of their anticipated working lives.

The annual rates of depreciation used on the straight line basis are as follows:-

Building	2%
Computer equipment	33.33%
Plant and machinery	20%
Furniture and fittings	20%

1. ACCOUNTING POLICIES (Continued)

Stock

Items of bar and vending stock are stated at the lower of historical cost and net realisable value.

Incoming Resources

Block grant received is taken to income on receipt, with the exception of amounts received relating to future periods which are taken to deferred income and recognised in those accounting periods.

Incoming resources subject to donor imposed conditions that specify the time period in which the expenditure of resources can take place are recognised over the time period imposed.

The amount of block grant is agreed year on year and the Union has no contractual entitlement to this.

Other revenue grants are taken to income when the conditions of entitlement, certainty and measurement are met.

The Union receives donated resources from Durham University in the form of accommodation on the campus but as the value of these services cannot be quantified the income and expenditure has not been recognised in the statement of financial activities.

Resources Expended

Resources expended are accounted for on an accruals basis.

Governance costs are those incurred in compliance with constitutional statutory requirements, such as the annual audit.

The Union is partially exempt for VAT purposes and expenditure is shown gross of the irrecoverable proportion of VAT where applicable.

Pensions

The pension costs charged in the financial statements represents the contributions payable by the Union during the period in accordance with FRS17.

An explanation of the pension scheme run by the Union and details on payments in the period can be found on note 11 to the accounts.

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

2. RESOURCES EXPENDED

	Supplies	Staff costs	Support costs	Other	2015	2014
	£	£	£	£	£	£
Costs of generating funds						
Commercial activities	30,009	46,340	7,347	12,468	96,164	93,009
Charitable activities for students						
Events	51,577	-	4,503	7,643	63,723	43,025
Bars	14,298	16,738	5,451	9,252	45,739	39,358
Membership services	5,717	323,160	85,863	145,727	560,465	398,996
DUCK	-	-	260,135	441,504	701,639	579,893
Student groups	-	-	233,041	395,520	628,562	472,959
Governance costs	-	-	16,330	27,716	44,046	12,477
	<u>101,601</u>	<u>386,238</u>	<u>612,670</u>	<u>1,039,830</u>	<u>2,140,339</u>	<u>1,971,915</u>

Support costs are costs that cannot be directly allocated to the charitable activities. These costs are allocated across activities based on each department's use of resource.

3. GOVERNANCE COSTS

	2015	2014
	£	£
Auditor's remuneration	7,483	6,000
Trustee costs	20,233	6,477
Support costs	16,330	-
	<u>44,046</u>	<u>12,477</u>

4. SUPPORT COSTS

	2015	2014
	£	£
Accommodation	192,337	-
Supplies	867	237
Salaries and wages	333,052	246,389
Staff related costs	11,645	16,286
Facilities	31,159	26,153
Equipment and licences	11,417	11,496
Administration charges	6,228	13,039
Travel and conferences	6,467	3,039
Finance expenses	4,910	1,000
Professional expenses	5,899	6,632
Debt Provision	79	850
Depreciation	8,610	7,077
	<u>612,670</u>	<u>332,198</u>

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

5. NET INCOME/EXPENDITURE FOR THE YEAR

Net income for the year is stated after charging depreciation of £14,018 (2014: £11,691)

6. WAGES AND SALARIES

	2015	2014
	£	£
Wages and salaries	649,895	530,599
Social security costs	49,635	49,505
Pension costs	690	11,190
Other staff related costs	30,715	43,975
	<u>730,935</u>	<u>635,269</u>

There were no employees whose emoluments exceeded £60,000 in the period (2014: £nil).

Each of the five sabbatical trustees received £18,031 for the year, as authorised in the Union's governing document. The total salary and NI costs amounted to £101,924 (2014: £98,265).

Travel expenses of £1,301 (2014: £1,327) were reimbursed to trustees during the year.

The average number of employees during the period was:

	2015	2014
	No	No
Full-time Equivalent	22.6	24
Casual	10	4
	<u>32.6</u>	<u>28</u>

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

7. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Plant & Machinery £	Computer Equipment £	Furniture & Fittings £	Total £
Costs					
As at 1 August 2014	95,226	5,218	21,050	31,979	153,473
Additions			3,913	4,469	8,382
Disposals					
As at 31 July 2015	<u>95,226</u>	<u>5,218</u>	<u>24,963</u>	<u>36,448</u>	<u>161,855</u>
Depreciation					
As at 1 August 2014	89,902	3,012	13,510	12,920	119,344
Charge for the year	1,904	1,043	5,245	5,826	14,018
Disposals					
As at 31 July 2015	<u>91,806</u>	<u>4,055</u>	<u>18,755</u>	<u>18,746</u>	<u>133,362</u>
Net Book Value					
As at 1 August 2014	5,324	2,206	7,540	19,059	34,129
As at 31 July 2015	<u>3,420</u>	<u>1,163</u>	<u>6,208</u>	<u>17,702</u>	<u>28,493</u>

At the 31 July 2015 Durham Students' Union had no capital commitments.

8. STOCKS

	2015 £	2014 £
Balance as at 1 August 2014	7,643	7,535
Movement within year	(5,109)	108
Write offs	(157)	-
Balance as at 31 July 2015	<u>2,377</u>	<u>7,643</u>

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

9. DEBTORS

	2015	2014
	£	£
Trade debtors	15,740	130,638
Other debtors	16,695	16,070
	<u>32,435</u>	<u>146,709</u>

10. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	26,259	47,577
Accruals and deferred income	82,316	121,562
Other creditors	42,591	2,912
Durham Student Theatre	0	33,529
	<u>151,166</u>	<u>205,581</u>

Durham Student Theatre voted to become a University Durham Student Organisation and left the Union on 01 August 2014. Its funds which were being held on the Union's balance sheet transferred to Durham University at the start of the financial year.

11. PENSION

Durham Students' Union participated in a defined contribution group personal pension scheme which was opened to the members during the financial period to 31 July 2000. Under the scheme the Union and employees each contributed 3% of earnings. The last employee in this scheme left the Union on 31 July 2015.

The income and expenditure account charge for the period under FRS17 represents employer contributions payable.

Pension costs for the year ended 31 July 2015 amounted to £690.00 (2014: £11,190).

A new defined contribution scheme will commence on the Union's auto-enrolment staging date, i.e. 01 January 2016.

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

12. RESTRICTED FUNDS

	Balance at 1 August 2014 £	Income £	Expenditure £	Transfer £	Balance at 31 July 2015 £
DUCK	(2,568)	448,538	(441,504)	0	4,466
Student groups	213,313	375,441	(395,520)	20,059	213,293
Other grant	0	57,124	(25,609)	0	31,515
	<u>210,745</u>	<u>881,103</u>	<u>(862,633)</u>	<u>20,059</u>	<u>249,274</u>

Student groups	Balance at 1 August 2014 £	Income £	Expenditure £	Balance at 31 July 2015 £
Law	43,655	36,768	(46,055)	34,368
Instep	9,475	11,398	(10,796)	10,077
Hill Walking	7,744	19,770	(19,545)	7,970
Women in Business	5,702	6,834	(5,781)	6,755
Pro Bono	2,372	3,404	(836)	4,940
Freefall	3,170	5,737	(3,990)	4,917
Yoga	2,715	7,666	(6,209)	4,172
Economics	2,630	3,141	(2,078)	3,694
Consulting	1,920	5,791	(4,145)	3,567
Aerobics	4,646	1,215	(2,484)	3,377
Ballet	2,408	1,313	(575)	3,145
Hill Orchestra	2,838	1,260	(1,172)	2,926
Christian Union	2,882	17,219	(17,248)	2,853
Folk	3,612	878	(1,789)	2,700
English	2,802	1,635	(1,818)	2,619
Choral	835	6,759	(5,085)	2,509
Caledonian	1,110	22,247	(21,042)	2,316
Quidditch	0	3,800	(1,497)	2,304
International Development	2,807	0	(566)	2,242
Mathematical	1,604	1,591	(982)	2,213
History	1,834	10,387	(10,018)	2,202
Geographical	121	5,743	(3,820)	2,044
Other Societies - (Societies with balances < £2,000)	106,431	220,942	(227,990)	99,383
	<u>213,313</u>	<u>395,500</u>	<u>(395,520)</u>	<u>213,293</u>

The income figure above of £395,500 includes the transfer of funds of £20,059.

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

13. UNRESTRICTED FUNDS

	Balance at 1 August 2014 £	Income £	Expenditure £	Transfer £	Balance at 31 July 2015 £
General fund	269,834	1,244,224	(1,275,092)	(984)	237,982
Designated fund	9,044	27,500	(2,614)	(19,075)	14,855
	<u>278,878</u>	<u>1,271,724</u>	<u>(1,277,706)</u>	<u>(20,059)</u>	<u>252,837</u>

The designated fund relates to monies that have been earmarked for the use of student groups in the new financial year.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Union's net assets belong to various funds as follows:

	Fixed Assets £	Net Current Assets £	Fund Balances £
Unrestricted funds			
- General fund	28,493	209,489	237,982
- Designated fund		14,855	14,855
Restricted funds		249,274	249,274
	<u>28,493</u>	<u>473,620</u>	<u>502,111</u>

15. LEASING COMMITMENTS

As at 31 July 2015 the Union had commitments under a non-cancellable operating lease of £12,345. This lease agreement expires in January 2018. The amount due for payment within the next 12 months is £3,899.

16. RELATED PARTY TRANSACTIONS

Durham University owns the building occupied by Durham Students' Union.

17. CONTROLLING PARTY

Control of Durham Students' Union is considered to be in the hands of its membership, and consequently there is no controlling party.