

Registered number: 07858162

**NUS MEDIA LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**

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**NUS MEDIA LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	M Alcock D Farbrother S Blake (appointed 1 October 2015) R Brooks (appointed 1 July 2015) M Dunn (appointed 1 July 2015)
<b>COMPANY SECRETARY</b>	S Larmour
<b>REGISTERED NUMBER</b>	07858162
<b>REGISTERED OFFICE</b>	Ian King House Snape Road Macclesfield Cheshire SK10 2NZ
<b>INDEPENDENT AUDITOR</b>	Crowe Clark Whitehill LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT
<b>BANKERS</b>	The Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP

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**NUS MEDIA LIMITED**

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**CONTENTS**

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	Page
<b>Directors' report</b>	1 - 3
<b>Independent auditor's report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 12

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## NUS MEDIA LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

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The directors present their report and the financial statements for the year ended 30 June 2015.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### PRINCIPAL ACTIVITIES

##### Review of the Year

During the year the Company has continued to achieve many successes, including: growing its customer base, increasing income streams from license fees and media sales activities as well as adding additional functionality to its flagship digital engagement and data analytics platform UnionCloud. Over 50 Students' Unions are now on board with a strong forward order book.

Continued capital investment into digital platforms has seen the launch of complimentary new products such as the analytics. Over the next twelve months we will continue to develop the platform to provide enhanced data collection capabilities particularly around loyalty and affinity. This will help in the development of our data business and associated media sales activity.

##### Financial review

The Company has continued to invest heavily with £830k (2014 - £705k) in product development in order to reach critical mass of its product suite. Whilst revenues have increased by over 40% to £385k, this is still short of covering operating costs of £1,200k (2014 - £650k) resulting in an overall pre-tax loss of £880k (2014 - £400k). Management are focused on driving increased revenue in the coming and subsequent years and anticipate a lower c£200k product spend next year and a potential decrease in the year after that as the company drives towards achieving profitability and cash generation.

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## NUS MEDIA LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

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#### Company Purpose and Services

The Company exists to increase impact and income for member students' unions and the National Union of Students through provision of an online platform for the student movement and associated digital and media sales operations. The key areas of work are:

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

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

#### UnionCloud

Our suite of digital services offers unions the ability to build their own mobile-compatible website with no technical knowledge. It also provides powerful: membership management, event, ticketing, voting, volunteering, analytics and ecommerce solutions that can be integrated and licensed in a modular way to suit the needs of the union. UnionCloud is powered by NUS Digital, the national digital platform for the student movement designed and developed by NUS Media.

#### NUS Digital Marketplace

Conceived initially as a way to deliver on an objective to allow Students' Unions to contribute to the development of the national digital platform through provision of complimentary features and products, the Marketplace also allows integration of third party applications such as: advice case management, student lettings and job shops.

#### NUS Media Outdoor

Provision of the very latest in on campus advertising media, we provide national advertising across online and digital signage. We are actively developing thought leadership in the area of fully integrated digital advertising and loyalty, all managed centrally which allows the union to generate sponsorship income with minimal effort.

#### NUS Media local advertising

Support of more traditional sponsorship and promotional activities around welcome week fairs and experiential marketing in addition to supporting the development of local and regional union sales capacity.

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**NUS MEDIA LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**

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**DIRECTORS**

The directors who served during the year were:

M Alcock  
D Farbrother  
R Matthey (resigned 30 June 2015)  
T Pearce (resigned 30 June 2015)

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

**AUDITOR**

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



**D Farbrother**  
Director

Date: 1/2/2016

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**NUS MEDIA LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NUS MEDIA LIMITED**

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We have audited the financial statements of NUS Media Limited for the year ended 30 June 2015, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its loss 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**NUS MEDIA LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NUS MEDIA LIMITED**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Michael Jayson (Senior statutory auditor)

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

Statutory Auditor

3rd floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

Date: **24 FEB 2016**



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**NUS MEDIA LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2015**

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	Note	2015 £	2014 £
<b>Turnover</b>	1	<b>385,474</b>	268,420
Cost of sales		<u>(67,746)</u>	<u>(15,752)</u>
<b>Gross profit</b>		<b>317,728</b>	252,668
Administrative expenses		<u>(1,199,246)</u>	<u>(650,589)</u>
<b>Operating loss</b>	2	<b>(881,518)</b>	(397,921)
Interest receivable and similar income		6	-
Interest payable and similar charges		-	<u>(4,224)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(881,512)</b>	(402,145)
Tax on loss on ordinary activities	3	<u>97,419</u>	<u>71,888</u>
<b>Loss for the financial year</b>	9	<b><u>(784,093)</u></b>	<b><u>(330,257)</u></b>

The notes on pages 8 to 12 form part of these financial statements.

**NUS MEDIA LIMITED**  
**REGISTERED NUMBER: 07858162**

**BALANCE SHEET**  
**AS AT 30 JUNE 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	4		1,744,393		1,490,909
<b>Current assets</b>					
Debtors	5	182,536		222,576	
Cash at bank		18,960		150,423	
			<u>201,496</u>	<u>372,999</u>	
<b>Creditors: amounts falling due within one year</b>	6	<b>(314,209)</b>		<b>(678,280)</b>	
<b>Net current liabilities</b>			<b>(112,713)</b>		<b>(305,281)</b>
<b>Total assets less current liabilities</b>			<b>1,631,680</b>		<b>1,185,628</b>
<b>Creditors: amounts falling due after more than one year</b>	7		<b>(2,930,000)</b>		<b>(1,699,855)</b>
<b>Net liabilities</b>			<b>(1,298,320)</b>		<b>(514,227)</b>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss account	9		<b>(1,298,321)</b>		<b>(514,228)</b>
<b>Shareholders' deficit</b>	10		<b>(1,298,320)</b>		<b>(514,227)</b>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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



**D Farbrother**  
 Director

Date: 1/2/2016

The notes on pages 8 to 12 form part of these financial statements.

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**NUS MEDIA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.2 Going concern**

The company is reliant on the ongoing support of NUS Services Limited. NUS Services Limited has provided assurances that it will continue to provide financial support to the company for the foreseeable future. For this reason the directors have prepared the financial statements on the going concern basis.

**1.3 Cash flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1.4 Turnover**

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

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Application development                      -     20% straight line

**1.6 Deferred taxation**

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

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

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

Deferred tax assets and liabilities are not discounted.

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NUS MEDIA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015

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1. ACCOUNTING POLICIES (continued)

1.7 Research and development

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

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

2. OPERATING LOSS

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the company	384,488	232,773
Auditor's remuneration	2,550	2,750
Pension costs	7,447	-
Research and development expenditure written off	-	5,350
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2014 - £NIL).

3. TAXATION

	2015 £	2014 £
Group taxation relief	(97,419)	(71,888)
	<u>          </u>	<u>          </u>
Tax on loss on ordinary activities	<u>(97,419)</u>	<u>(71,888)</u>

Factors that may affect future tax charges

The company has tax losses to carry forward against future trading profits of £1,160,000 (2014 - £417,000). A deferred tax asset has not been recognised due to the uncertainty over the timing of taxable profits in the future.

**NUS MEDIA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**4. TANGIBLE FIXED ASSETS**

	<b>Application development £</b>
<b>Cost</b>	
At 1 July 2014	1,785,827
Additions	832,796
Disposals	(194,824)
At 30 June 2015	2,423,799
<b>Depreciation</b>	
At 1 July 2014	294,918
Charge for the year	384,488
At 30 June 2015	679,406
<b>Net book value</b>	
At 30 June 2015	1,744,393
At 30 June 2014	1,490,909

**5. DEBTORS**

	<b>2015 £</b>	<b>2014 £</b>
Trade debtors	49,796	33,442
Amounts owed by group undertakings	98,933	74,636
Other debtors	33,807	114,498
	182,536	222,576

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

	<b>2015 £</b>	<b>2014 £</b>
Trade creditors	169,495	610,883
Other creditors	144,714	67,397
	314,209	678,280

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**NUS MEDIA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**7. CREDITORS:**

**Amounts falling due after more than one year**

	2015 £	2014 £
Amounts owed to group undertakings	<u>2,930,000</u>	<u>1,699,855</u>

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

	2015 £	2014 £
Repayable other than by instalments	<u>2,930,000</u>	<u>1,699,855</u>

**8. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

**9. RESERVES**

	Profit and loss account £
At 1 July 2014	(514,228)
Loss for the financial year	(784,093)
At 30 June 2015	<u>(1,298,321)</u>

**10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2015 £	2014 £
Opening shareholders' deficit	(514,227)	(183,970)
Loss for the financial year	(784,093)	(330,257)
Closing shareholders' deficit	<u>(1,298,320)</u>	<u>(514,227)</u>

**11. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption under FRS 8 from disclosing transactions on the grounds that it is a wholly owned subsidiary.

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**NUS MEDIA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a wholly owned subsidiary of NUS Holdings Limited. NUS Holdings Limited is a wholly owned subsidiary of, and controlled by The National Union of Students (United Kingdom), the ultimate parent company.

The National Union of Students (United Kingdom) is the smallest and largest organisation producing consolidated accounts including the financial statements of the company. The organisation produces consolidated financial statements that are publicly available and can be obtained by writing to the Finance Director, The National Union of Students, Snape Road, Macclesfield, Cheshire, SK10 2NZ.

