

Charity Number: 1145400
Company Number: 07689815

DURHAM STUDENTS' UNION
(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

DURHAM STUDENTS' UNION

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DURHAM STUDENTS' UNION

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 JULY 2016

Registered Charity Number 1145400
Company Number 07689815

Trustees

Dianne Sharp (Chair)	resigned 05 May 2016
Daniel Cain-Reed	until 01 July 2016
Benjamin Frost	until 01 July 2016
Anthony Baker (Chair)	elected 29 April 2016
Louise Shillinglaw	
Esther Green	until 01 June 2016
Jake Hooker	until 01 July 2016
Kara-Jane Senior	
Amelia Tanner	until 01 July 2016
Harriet Barsham	from 1 August 2015 to 1 July 2016
Michael Cannon Jnr	from 01 August 2015 to 05 April 2016
Daniel Morgan-Thomas	from 1 August 2015 to 1 July 2016
Oliver Colling	appointed 01 September 2015
Martin Parker	appointed 01 September 2015
Alice Dee	from 01 July 2016
Lisa Whiting	from 01 July 2016
Joanna Gower	from 01 July 2016
Adam Jarvis	from 01 July 2016
David Evans	from 01 July 2016
Daniel Fox	from 01 July 2016
Holly Foxon	from 01 July 2016
Charles Walker	from 01 July 2016

Company Secretary Christine Stretesky (appointed 1 July 2016)

Chief Executive

Patrick Reilly (left post 18/12/2015)
Victoria Dale, Interim (from 18/12/2015 to 24/03/2016)
Dianne Sharp, Interim (from 24/03/2016 to 13/09/2016)
Gareth Hughes (appointed 30 August 2016)

Senior Management Team

Shelly McCormack, Engagement Director
Victoria Dale, Director of Operations (left post 24/03/2016)
Kirsten Lightfoot, Director of Learning
Kirsty Morrison, Commercial Director
Christine Stretesky, Director of Governance and Compliance

Principal Address and Registered Office

Dunelm House
New Elvet
Durham
DH1 3AN

Auditors

Crowe Clarke Whitehill
The Lexicon
Mount Street
Manchester
M2 5NT

DURHAM STUDENTS' UNION

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 JULY 2016

Bankers

HSBC
1 Saddler Street
Durham
DH1 3NR

STATEMENTS REGARDING DISCLOSURE AND CUSTODIAN TRUSTEE ACTIVITY FOR THE YEAR ENDED 31 JULY 2016

Statement regarding exemption from disclosure

No information has been withheld in this report.

Statement regarding funds held as custodian trustee on behalf of others

Neither Durham Students' Union nor any of its trustees are acting as custodian trustee.

DURHAM STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2016

The Board of Trustees of Durham Students' Union ("the Trustees") present their annual report for the year ended 31 July 2016, which includes the legal and administrative information set out on pages 1 and 2, 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 January 2015 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".

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Trustees are inducted to the role via a combination of training and mentorship. Trustees are invited to the Union for a tour and for a training course offered by NUS on the roles and responsibility of the charity trustee. The course is a day-long course and introduces the trustees to the Union's charitable objects. Those trustees sitting on the Finance Committee are provided with training on the principles of finance and management accounts. This year our trustees, specifically our student trustees, will be mentored by members of senior staff (excluding the Chief Executive).

Pay of key management personnel, including the chief executive and officers is based on the pay grade and scale adopted by the Board. Annual appraisals of all permanent staff inform any raises within the post's pay grade scale. Staff are appraised and pay raises are informed by the performance on the agreed key objectives for their current role, agreed personal development goals and personal performance. Any pay raises for key management personnel are approved by the HR and Remuneration Committee with the full Board approving any pay raise for the Chief Executive. The Chief Executive is subjected to the same system with the Board acting as appraiser. Appraisals are done bi-annually to ensure staff are making progress towards their objectives with fortnightly one-to-one's to provide support.

Sub-committees

The articles of association grant the power to the Trustees and Assembly to create sub-committees of the Board. Recognising the complexity and scale of the Union, four sub-committees are in place:

- 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 use 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. This new committee structure was 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. Over the course of the last year, Paddy Reilly resigned as Chief Executive in December 2015 with Victoria Dale being appointed interim. Ms. Dale resigned as both Interim Chief Executive and Director of Operations in March 2016. At that time, the Trustees approved Dianne Sharp, Chair, to provide professional services to the Union by way of management consultation. Ms. Sharp was not involved in the vote nor the discussion surrounding that vote. At its meeting on 29 April 2016, the Trustees appointed Dianne Sharp as the Interim Chief Executive; on that same date, Ms. Sharp stepped down as Chair and trustee. A permanent Chief Executive has been appointed and been in post since August 2016. 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 four 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. The Union is almost fully staffed under the new structure.

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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. Presently, two high risks are lack of a strategic plan and a breakdown in the relationship with the University. A strategic plan is being developed with staff creating a one-year plan to take the organisation through this academic year and a three-year plan to be developed and in place by the end of Easter Term. With new staff at both the higher levels of the University and the Union, this year, the Union will be working toward continuing the work from last year to work with the University on key issues facing students and educate new staff on the role of the Union in the University community. Risk management procedures are periodically reviewed by the audit and risk committee 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 agreement which defines the relationship between the Union and the University at no more than five-yearly intervals. The Union is working with Durham University to draw up a new service level agreement. The new agreement will be implemented in 2016/17.

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;
- 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. A new strategic plan is being created and will be published in autumn 2016.

Review of key objectives for 2015/16

1. Review the purpose and efficacy of Assembly and its committees and make recommendations.

The Union undertook a year-long project regarding Assembly and its subcommittees. The project included researching student opinion and preference on representation and representative bodies through the use of surveys and focus groups. From that research, amendments to the standing orders were presented to Assembly and the Trustees. The main amendments include:

- Assembly membership changed to remove Societies Representatives (other than chair of societies committee) and the inclusion of four open places in Assembly. The four open positions must include one fresher
- Replacement of zones with topic-specific forums
- Merging of Governance and Grants Allocations Committees to create 'Governance and Grants Committee'
- Increase in the number of members on Societies Committees

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- Merging of Ethics and Environmental with Community Committee to create 'Environmental and Citizenship Committee'
- Changing Media Committee to Media Forum
- Removal of Facilities and Services Committee
- A minimum number of Assembly meetings per term rather than a set number requirement
- Only student officer candidates required to hush; other candidates will do question and answer time
- Minor changes to the Board of Trustees' committees to identify new staff titles.

Assembly approved the changes by a vote of 21-1 through an electronic meeting held in June 2016; the Board of Trustees voted in favour of the changes by a vote of 9-1 at its meeting on 9 September 2016. The new structure will be implemented in the 2016/2017 academic year.

2. Work with the University to achieve the first year aims in the Alcohol Impact initiative.

During the academic year 2015-2016 the NUS Alcohol Impact Steering Group has been successfully set up in partnership with the University. The Group tasked with implementing the initiative and achieving accreditation includes University colleagues, Union staff and Officers and student representatives. The Group has made good progress in terms of developing interventions and thinking around embedding the social norms of responsible drinking, changing attitudes towards alcohol and starting to build a healthier, safer more productive university community. During the first year the major achievements have been:

- Establishment of the following work streams within the Steering Group: Academic and Research; Student Wellbeing; Engagement and Publicity; and Colleges and Student Experience
- The Alcohol Impact Survey was distributed to students with the analysis of results ongoing
- Partnership work with the Local Authority (including Lifeline and training)
- Work with Lifeline to adapt 'Have a Word' intervention programme so that it is suitable for peer intervention within student communities (currently being piloted in Van Mildert JCR and Team Durham for wider roll out in 2016-2017)
- Continuation and development of the Students' Union Never Have I Ever campaign (including the launch of dry events under the banner of 'Never Miss a Day')

3. Review the purpose of associations and make recommendations which enable students to become part of the groups with which they identify.

After considerable consultation with our associations (Students with Disability, International, Mature Students and LGBT+A) around their needs in terms of engaging students who identify as members of their association and better representing their needs/views/experiences – the Union has developed a new approach. We will enhance our support and funding of associations by providing core funding to each association for use during the upcoming academic year. This money can be used for events, campaigning and publicity with Union Officers and staff will support associations to plan how to use the money to better represent their members.

4. Review the purpose and function of DUCK and make recommendations to improve the outcomes from fundraising activities.

Durham University Charities Kommittee (DUCK) exists to support students and staff in raising money for and awareness of an array of charities throughout the UK and beyond. This past year, the DUCK executive decided to increase focus on the charities they were raising funds for and to increase accessibility to DUCK events. They achieved this by creating a 'charity of the week' which was spotlighted on their website and other social media platforms and by increasing the number of events requiring lower amounts of funds raised to enable all students to participate. DUCK planned and hosted a Charities Job Fair that was well attended and connected students with charities. It raised over £132,000 through fun events and expeditions. The Union worked with DUCK Expedition's Officer in ensuring that the expeditions chosen would provide lasting relationships and big impact. The Union also worked with DUCK to establish handover documents so that focus can be directed toward charity rather than the administration of events. A new process for gathering information from participants and charities on experience and impact was created and will be implemented in 2016/2017. In 2014/2015, the Board of Trustees established a Fundraising Advisory Group with an aim of gathering fundraising experts to advise on best practice, innovation and support to DUCK's fundraising activities. This past year, the Governance and Appointment Committee approved modifications to the groups' remit and recruitment for members will take place in the autumn 2016.

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5. Roll out the pilot of the leadership development programme for student group leaders.

This objective was changed to 'review the leadership development programme ready for launch in October 2016'. As the original planned pilot of this programme did not happen in 2015 it was essential that all training material was reviewed to determine suitability and currency ahead of launch in 2016. The existing content has been developed further to ensure that this programme is professional recognised to give students' a good foundation in the employability and skills arena.

Following the review, this programme now offers a qualification as well as progression options (programme will now give delegates the CMI Certificate in Leadership & Management at level 5 and further progression options which can take delegates on a career pathway towards the attainment of chartered manager status). A new training partner has been sourced to enable the delivery of the accredited element and programme qualification. Bordesley Management & Leadership Centre is an accredited management and leadership education centre. They work with managers and leaders who are ambitious and want to be successful in their careers and with companies and organisations who recognise the importance of professional development to the success of their organisation. The Centre is accredited by the Chartered Management Institute (CMI) and their programmes are often delivered to graduates giving a strong link to the needs and wants of students. This programme will launch in October 2016 with a full cohort of students already recruited. These students all hold executive positions in student groups.

6. Develop the processes and documentation necessary to support the integration of other student groups into the Union.

This project was re-evaluated and determined to not be a priority. The Union did undertake a project to review and improve the process for new student group development and ratification. This project is ongoing.

7. Finalise and publish a new multi-year strategic plan.

In light of the strategic review being undertaken by the University following the appointment of the Vice Chancellor, and the Students' Union's own internal reorganisation, this work did not commence until March 2016. A strategic framework has been established as detailed below, with the detail being completed by the end of October 2016, following the appointment of our new Chief Executive, Gareth Hughes.

Our key areas of focus under the 2016-2020 plan are:

Employability & Skills - Our aim is to help students to develop the skills and experiences they will need to succeed in the world after graduation. There are four big ambitions that we will fulfil to meet our aim:

- We will ensure that our students have access to a development pathway to enhance their personal growth at University to enable opportunities beyond graduation
- We will inspire with learning and development opportunities by providing access to a variety of skills and experiences for our students
- We are seen as a credible and effective partner enabling access to a diverse range of employers
- We listen and respond to the student voice and deliver on development requirements in order for our students to become employer-ready

Understanding & Engagement - Our aim is to understand student needs and wants and using this knowledge to engage with them and advise others on how to do so. There are four big ambitions that we will fulfil to meet our aim:

- The Union is a place that provides our students with an inclusive community and safe environment to be their true self
- We inspire our students to connect positively to the wider local and University communities, helping them create ownership of their social impact
- We support, evidence and amplify the student voice to create local and national change
- We are an efficient and effective organisation that achieves what it sets out to do; we are the place to go when help is needed

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Active Citizenship - Our aim is to give students the opportunity to make a meaningful impact on the world by becoming leaders in social impact and active citizenship. There are four big ambitions that we will fulfil to meet our aim:

- Students have accessible opportunities for engaging with charities and charitable aims
- Students have visibility and understanding of issues that will impact their lives and the lives of others both locally and nationally/globally
- Empowered students who campaign, advocate and drive change for themselves and others
- A diverse and student driven suite of opportunities to volunteer, advocate and campaign, which recognises the importance of cultivating 'activist citizenship'

Improving Governance - Our aim is to develop a governance structure that both represents the student body and enables our members to effect change during their time in Durham and beyond. We have three major goals that will achieve this:

- We are understood and recognised as the voice of the student body - with our members actively participating in Union decision-making
- We are a trusted partner of other student governance structures, working together collaboratively and effectively
- The student experience is enhanced through our intuitive systems and processes

Facilities - Our aim is to support the development of a new Student Centre at the heart of the University to meet student member needs during their time in Durham. There are four big ambitions that we will fulfil to meet our aim:

- We will house 'extra-curricular' activities, working together in one space that students are proud of
- We will provide a flexible 'blank space' that can be adapted to student needs for a variety of purposes and that can change daily or yearly depending on that need
- We will be seen as an inviting and welcoming space that meets all of the needs of our student members while being 100% accessible for all
- We will be a space that provides and will provide in the future, services and spaces relevant to students that are not available elsewhere

8. Secure an agreement with the University for a multi-year funding model.

Following the development and publication of the University's strategic plan, and the development of the Union's strategic framework, a four-year funding proposal was submitted and subsequently approved by the University. The Union has therefore secured a block grant of £870k for 2016/17 with a further annual increase of 1% fixed for 3 years. The University also approved that the current £26k restricted Student Group Grant fund be increased 10% year on year during the same period.

Mindful of the potential for a change in the status of Dunelm House within that time period, it has been agreed that a review would take place at the end of the second year. This is a sensible approach given the significant implications of a physical site move to all of the services and commercial activities undertaken by Durham Students' Union.

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

A team of staff undertook a project to understand the skills of our trustee board so that we could ensure we are utilising their expertise effectively. Research was done, looking at structures of other unions (who sits on the Board, what skills they look for etc.) to help us identify all skills needed for the board. A skills audit was created from the research and all trustees completed this. It has been used to identify gaps which will be useful during the recruitment of the new external trustee in September 2016.

The team also set up a development plan to build relationships between staff and trustees with several events have taken place. A training programme has been implemented, and a mentor system set up so the student trustees and student officers have an external trustee to go to with any questions. Hopefully this will help develop relationships and build confidence in the student trustees.

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

This objective was reviewed internally as no longer being a priority objective. It was felt that the return on investment was not met so this has been removed altogether.

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Other notable achievements

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

The Union, primarily through its President and Officers, worked to develop strong and positive relationships with key University personnel including the new Vice Chancellor and the University Secretary, as well as leads in departments such as Governance, Academic Support, Careers, and Counselling.

With the reorganisation and restructure the Union successfully recruited new staff including a new Chief Executive. The new staff bring a fresh perspective to the Union's mission and students are already seeing benefits.

In cooperation with the Junior Common and Middle Common Rooms Presidents, the Union successfully lobbied for the University to change its approach in decision making and communication around accommodation fees. Common room presidents consulted with over 1000 students through survey and one-on-one meetings, delivered the quantitative and qualitative results to the Union where a report was created for presentation to the University. Three meetings were held with the University resulting in fees set for the 2017/2018 academic year seeing an increase of 1.5% and the communication about the fees in a manner much more useful to students. An additional result is the increased awareness of the University of the need to meaningfully consult with students on decisions affecting their experience.

Assembly reviewed and adopted numerous policy on topics including equality and diversity, sexual violence and reducing the number of exam errors. It reviewed the applications of and ratified over fifteen new societies, including Coffee Society, Indonesian Student Society, Eastern European Society, and Durham University Real Tennis Club, increasing the availability of student groups.

The Union worked in cooperation with the University to develop a new system for electing course representatives that clearly delineates roles and responsibilities. The new procedures will be implemented in autumn 2016 and will include an increase in communications with and amongst and training for course representatives.

In February 2016 the Quality Assurance Agency (QAA) carried out a higher education review of Durham University. The Students Union Officers and staff played a pivotal role in the QAA review process, both through the authoring of a Student Written Submission and the sourcing and preparing of students to contribute to the Review meetings. The Union undertook extensive primary and secondary research in order to explore student views on Assessment and Feedback, Learning Objectives, Learning Environment and Employability. The Union's work formed an integral and authoritative part of the QAA review process making numerous recommendations to the University and to QAA. The QAA supported some of the Union's recommendations. The University has developed an action plan in response to the QAA recommendations and the Union will continue to hold them to account in relation to implementation.

The Union held two successful referendums. The first concerned the EU Referendum and the second concerned the Union's affiliation with the National Union of Students (NUS). The referendum on the EU Referendum was proposed by a student and approved for referendum by the Trustees after careful consideration of the risks involved. Voter turnout was strong and many students not previously engaged with the Union participated in the vote. The referendum on affiliation with the NUS was student driven and student led. A group of students secured the necessary student support requiring the Union to hold the referendum, campaigns were led and staffed entirely by students (the NUS was not allowed to campaign) and voter turnout was strong.

The Union hosted an amazing Student Awards night in Spring 2016. The event was held at Ramside Hall, was free to all attendees and featured a three-course meal, entertainment by different student groups and awards that cut across all student governance structures as well as awards for academic staff. Awards were given for best student group, best college event and outstanding academic support in each of the three faculties. In all sixteen awards were given out along

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with seven annual life memberships. The awards were student-led with students nominating and awarding. The event was attended by 320 including University staff.

Last year's Fresher's Fair was a big success. Over 150 student groups met and recruited new members. The Union sold stalls to commercial vendors offering students opportunities to discuss graduate schemes and local business discounts. The sale of the stalls during the fair along with room rentals throughout the year provided the Union income, meeting budget expectations, which was used to enhance student opportunities and experience.

Financial review

Durham Students' Union's unrestricted income in 2015/16 totalled £1,301,792. The Union continued to benefit from the recognition and support of the University with an annual block grant of £853,000. The income includes a grant of serviced accommodation of £193,090 from the University.

The cost of services provided to the membership including representation, student advice and student activities was £585,353. The cost of providing administrative services, governance and operating the building was £732,451. This includes a cost of £193,090 which relates to serviced accommodation provided by the University which is mirrored in the income above.

The Union generated £287,680 through primary purpose trading with associated costs of £99,204 leaving a surplus of £188,476 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 £38,570 for the period. No donations from the Union's own resources were made to any external organisations during the period.

Reserves

The Trustees reviewed its reserves policy and modified it at its meeting on 06 September 2016. Prior to the meeting it was reviewed by the Finance Committee. The new policy is in-line with Charity Commission guidance on reserves and is derived using a risk identification approach based on an understanding of its income streams, the degree of commitment to expenditure and the overall risk environment in which it operates. It covers the maximum financial exposure in relation to redundancy costs, notice period costs, the maximum financial exposure in relation to any contractual (non-staff related) exit costs, and a contingency fund for legal costs, insurance excesses and any unforeseen emergency expenditure.

At year end the funds held in reserves was £207k against a minimum reserves level of £158k. Whilst this means that actual reserves exceed the minimum level, we have submitted a 4-year budget plan that would reduce reserves by a further £36k. It is noted that this policy relies on continuing financial support being received from the University. Additionally, we know that the minimum necessary to hold in reserves will rise in the next 18 months or so, as more staff accrue 2 years' service and thus would qualify for redundancy payments.

Student groups

The Union manages funds on behalf of 179 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 £389,826 and expenditure was £368,608, leaving a combined surplus of £21,218. Closing funds amounted to £234,511 which is available for use by these groups in 2016/17.

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The Union disburses grant funding to these student groups to support their activities. A total of £31,978 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 started working with such groups to encourage and support them in better utilising their funds in accordance with the charitable aims of the Union.

Durham University Charities Committee (DUCK)

DUCK directly raised funds of £355,181 through events, activities and sponsorship. Fundraising costs amounted to £142,655. Total donations to charity amounted to £216,192. This resulted in a balance carried forward of £805.

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 2016/17 has been confirmed at £870,000. The Trustees confirm that the Union has additional funds to meet all of its obligations.

Key objectives and activities for 2016/17

The Union's objectives and activities for 2016/17 are:

- Build on research done in the previous year to work through the one year transition plan, to move Durham SU forward against four new strategic themes.
- Develop a three year strategic plan against 4 strategic themes.
- Build people, commercial, information and infrastructure etc to deliver on plans.
- Invest in Officer effectiveness.
- Understand and build positively on relationships with Common Rooms.
- Induct and build confidence of new University senior colleagues (PVC Colleges, PVC Education, DVC, COO, University Secretary).
- Maximise value from affiliation to National Union of Students, following referendum.
- Support students in shaping the delivery of the University strategy, particularly focussing on the transition to a single Durham City base for colleges.
- Refresh and build student and customer use of our Dunelm House base.
- Support new leadership into Durham SU (new Chair, majority of Board, Chief Exec, 2 new Directors, Finance Manager etc).

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)

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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

and signed on its behalf by

.....
Anthony Baker (Chair)

DURHAM STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DURHAM STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2016

We have audited the financial statements of Durham Students' Union (the Union) for the year ended 31 July 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 12, 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 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (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, based on the work undertaken in the course of our audit, 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. In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

DURHAM STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DURHAM STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2016

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 LLP

.....

Statutory Auditors

The Lexicon
Mount Street
Manchester
M2 5NT

DURHAM STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2016

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Notes	Funds			2016	2015
		Unrestricted £	Designated £	Restricted £	£	£
Income from:						
Donations and legacies	4	1,014,112	-	37,628	1,051,740	1,078,461
Charitable activities	5	102,489	-	713,029	815,518	933,699
Other trading	6	185,191	-	-	185,191	140,667
Total income		1,301,792	-	750,657	2,052,449	2,152,827
Expenditure on:						
Raising funds	7	375,497	-	-	375,497	126,737
Charitable activities for students		913,425	-	729,750	1,643,175	2,013,602
Total expenditure		1,288,922	-	729,750	2,018,672	2,140,339
Net income		12,870	-	20,907	33,777	12,488
Transfers between funds		-	-	-	-	-
Net movement in funds		12,870	-	20,907	33,777	12,488
Reconciliation of funds						
Total funds brought forward		237,982	14,855	249,274	502,111	489,623
Total funds carried forward		250,852	14,855	270,181	535,888	502,111

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

The notes on pages 18 to 33 form part of these financial statements

DURHAM STUDENTS' UNION

BALANCE SHEET AS AT 31 JULY 2016

Company number: 07689815

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	11		21,952		28,493
			<u>21,952</u>		<u>28,493</u>
Current assets					
Stocks	12	2,562		2,377	
Debtors	13	76,189		32,435	
Cash and bank balances		623,709		589,972	
		<u>702,460</u>		<u>624,784</u>	
Current liabilities					
Creditors – amounts falling due within one year	14	(188,524)		(151,166)	
		<u>(188,524)</u>		<u>(151,166)</u>	
Net current assets			513,936		473,618
Net assets			<u>535,888</u>		<u>502,111</u>
Funds					
Unrestricted funds	18				
General funds			250,852		237,982
Designated funds			14,855		14,855
Restricted funds	17		270,181		249,274
Total funds			<u>535,888</u>		<u>502,111</u>

Approved by the Board of Trustees on

and signed on its behalf by:

.....
(Chair)

The notes on pages 18 to 33 form part of these financial statements

DURHAM STUDENTS' UNION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2016

	2016		2015
	£	£	£
Cash inflows / (outflows) from operating activities			
Net cash provided by operating activities		41,829	91,631
<i>Cash Flows from investing activities</i>			
Purchase of fixed assets	<u>(8,094)</u>		<u>(8,382)</u>
Net cash applied to investing activities		(8,094)	(8,382)
Change in cash and cash equivalents in the year.		33,735	83,249
Cash and cash equivalents at the beginning of the year		<u>589,972</u>	<u>506,723</u>
Cash and cash equivalents at the end of the year		<u>623,707</u>	<u>589,972</u>
		2016	2015
		£	£
Net movement in funds for the reporting period (as Per the Statement of Financial Activities)		33,777	12,488
Adjustments for:			
Depreciation		13,121	14,018
Loss on disposals of Fixed Assets		1,515	-
Decrease/(Increase) in stocks		(185)	5,266
Decrease/(Increase) in debtors		(43,757)	114,273
(Decrease)/Increase in creditors		<u>37,358</u>	<u>(54,414)</u>
Net cash provided by operating activities		<u>41,829</u>	<u>91,631</u>

The notes on pages 18 to 33 form part of these financial statements

1. GENERAL INFORMATION

Durham Students' Union is a registered charity in England and Wales, with the charitable object of advancing the education of students at Durham University.

The charity is a company limited by guarantee, with the registered office and principal address at Dunelm House, New Elvet, Durham, DH1 3AN.

2. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Companies Act 2006, Charities Act 2011, Statement of Recommended Practice 'Accounting and Reporting by Charities' 2015 ('SORP'), and the Financial Reporting Standard 102.

The Trustees consider the charity to be a public benefit entity.

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.

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 income is taken to income when the conditions of entitlement, probability and measurement are met.

Donated facilities are recognised as income when the charity has control over the item, any conditions associated with the item have been met, the receipt of economic benefit from use by the charity of the item is probable and economic benefit can be measured reliably.

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.

2. ACCOUNTING POLICIES (continued)

Resources Expended

Resources expended are accounted for on an accruals basis.

Cost of raising funds comprise the costs of marketing and venue rental and their associated support costs.

Expenditure on charitable activities includes the cost of bars, events, membership services, DUCK and Student Societies undertaken to further the purposes of the charity and their associated cost.

Support costs are those cost incurred indirectly by the charity and are allocated to charitable activities on the basis of usage.

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 FRS102.

An explanation of the pension scheme run by the Union and details on payments in the period can be found on note 16 to the accounts.

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%

2. ACCOUNTING POLICIES (Continued)

Stock

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

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.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity.

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Judgements in applying accounting policies and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 2.4 for the useful economic lives for each class of assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors.

When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

3. STATEMENT OF FINANCIAL ACTIVITIES FOR THE PRIOR YEAR

	Previously Stated £	Adjustment 1	Restated 2015 £
Income from:			
Donations and legacies	1,078,461	-	1,078,461
Charitable activities	933,699	-	933,699
Other trading	140,667	-	140,667
Total income	<u>2,152,827</u>	<u>-</u>	<u>2,152,827</u>
Expenditure on:			
Raising funds	88,818	-	88,818
Charitable activities for students	2,023,805	27,716	2,051,521
Governance costs	27,716	(27,716)	-
Total expenditure	<u>2,140,339</u>	<u>-</u>	<u>2,140,339</u>
Net income	<u>12,488</u>	<u>-</u>	<u>12,488</u>
Transfers between funds	-	-	-
Net movement in funds	<u>12,488</u>	<u>-</u>	<u>12,488</u>
Reconciliation of funds			
Total funds brought forward	489,623	-	489,623
Total funds carried forward	<u><u>502,111</u></u>	<u><u>-</u></u>	<u><u>502,111</u></u>

1.Reallocation of governance costs to support costs (Included within charitable activities for students)

4. DONATIONS AND LEGACIES

	Unrestricted	Restricted	2016 £	2015 £
University grant	821,022	31,978	853,000	829,000
Grant of serviced accommodation	193,090	-	193,090	192,337
Other grant	-	5,650	5,650	57,124
	<u>1,014,112</u>	<u>37,628</u>	<u>1,051,740</u>	<u>1,078,461</u>

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2016	2015
	£	£	£	£
Events	21,565	-	21,565	57,650
Bars	49,291	-	49,291	33,065
Membership services	31,633	-	31,633	19,005
DUCK	-	355,181	355,181	448,538
Student groups	-	357,848	357,848	375,441
	<u>102,489</u>	<u>713,029</u>	<u>815,518</u>	<u>933,699</u>
	<u><u>102,489</u></u>	<u><u>713,029</u></u>	<u><u>815,518</u></u>	<u><u>933,699</u></u>

6. OTHER TRADING INCOME

	Unrestricted	Restricted	2016	2015
	£	£	£	£
Venue rental	25,028	-	25,028	12,420
Marketing	160,163	-	160,163	128,247
	<u>185,191</u>	<u>-</u>	<u>185,191</u>	<u>140,667</u>
	<u><u>185,191</u></u>	<u><u>-</u></u>	<u><u>185,191</u></u>	<u><u>140,667</u></u>

7. RESOURCES EXPENDED

	Activities undertaken directly	Support costs	Total 2016	Total 2015
	£	£	£	£
Raising funds	239,817	135,680	375,497	126,737
Charitable activities for students				
Events	43,421	24,566	67,988	84,503
Bars	55,783	31,560	87,343	57,488
Membership services	219,745	124,323	344,068	677,229
DUCK	358,847	203,021	561,868	629,998
Student groups	368,608	213,301	581,909	564,382
	<u>1,046,404</u>	<u>596,771</u>	<u>1,643,175</u>	<u>2,013,602</u>
	<u><u>1,286,221</u></u>	<u><u>732,451</u></u>	<u><u>2,018,672</u></u>	<u><u>2,140,339</u></u>

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

8. SUPPORT COSTS

	2016	2015
	£	£
Accommodation	193,090	192,337
Supplies	2,451	867
Salaries and wages	340,546	333,052
Staff related costs	63,986	11,645
Facilities	29,102	31,159
Equipment and licences	23,339	11,417
Administration charges	14,543	6,228
Travel and conferences	10,959	6,467
Finance expenses	9,002	4,910
Professional expenses	26,111	5,899
Debt Provision	62	79
Depreciation	9,731	8,610
	<hr/>	<hr/>
	722,922	612,670
Governance costs		
Auditor's remuneration	6,330	7,483
Trustee costs	3,199	20,233
Support costs	-	16,330
	<hr/>	<hr/>
	9,529	44,046
	<hr/>	<hr/>
	732,451	656,716
	<hr/>	<hr/>

9. NET INCOME/EXPENDITURE FOR THE YEAR

Net income for the year is stated after charging:

	2016	2015
	£	£
Depreciation	13,121	14,018
Auditors' remuneration	6,300	7,483
Defined contribution pension costs	<u>8,841</u>	<u>690</u>

10. WAGES AND SALARIES

	2016	2015
	£	£
Wages and salaries	598,377	649,895
Social security costs	45,573	49,635
Pension costs	8,841	690
Other staff related costs	74,738	30,715
	<u>727,529</u>	<u>730,935</u>

There were no employees whose emoluments exceeded £60,000 in the period (2015: £nil).

Travel expenses of £nil (2015: £1,301) were reimbursed to nil (2015: 2) Trustees during the year.

The total remuneration of the senior management team was £133,369 (2015: £128,850).

The average number of employees based on head count during the period was:

	2016	2015
	No	No
Full-time	23	24
Casual	10	4
	<u>33</u>	<u>28</u>

Trustees, who are employed as sabbatical officers, are remunerated in their roles as sabbatical officers. Remuneration and employer pension contributions were as follows:

	2016		2015	
	Remuneration	Pension	Remuneration	Pension
D Slavin	-	-	16,528	-
L Spanner	-	-	16,528	-
L Carter	-	-	16,528	-
H Inman	-	-	16,528	-
J Charlton	-	-	16,528	-
K Senior	16,583	506	-	-
A Tanner	16,652	508	-	-
E Green	16,859	-	-	-
J Hooker	16,651	509	-	-
B Frost	16,930	-	-	-
	<u>83,675</u>	<u>1,523</u>	<u>82,640</u>	<u>-</u>

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

11. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Plant & Machinery £	Computer Equipment £	Furniture & Fittings £	Total £
Costs					
As at 01 August 2015	95,226	5,218	24,963	36,448	161,855
Additions	-	-	5,372	2,723	8,095
Disposals	(95,226)	(1,718)	-	-	(96,944)
As at 31 July 2016	-	3,500	30,335	39,171	73,006
Depreciation					
As at 01 August 2015	91,806	4,055	18,755	18,746	133,362
Charge for the year	1,905	839	4,904	5,473	13,121
Disposals	(93,711)	(1,718)	-	-	(95,429)
As at 31 July 2016	-	3,176	23,659	24,219	51,054
Net Book Value					
As at 01 August 2015	3,420	1,163	6,208	17,702	28,493
As at 31 July 2016	-	324	6,676	14,952	21,952

At the 31 July 2016 Durham Students' Union had no capital commitments.

12. STOCKS

	2016 £	2015 £
Goods for resale	2,562	2,377

Stock recognised as expenditure was £20,085 (2015: £18,888).

An impairment loss of £2,017 (2015:£2,881) was recognised as expenditure in the year.

DURHAM STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016**

13. DEBTORS

	2016	2015
	£	£
Trade debtors	25,301	15,740
Other debtors	41,714	16,695
VAT Recoverable	9,174	-
	<u>76,189</u>	<u>32,435</u>

An impairment loss of £7,464 (2015: £1,010) was recognised as expenditure in the year.

14. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	65,709	26,259
Accruals and deferred income	110,575	82,316
Other creditors	-	21,809
Social Security and other taxes	12,240	20,782
	<u>188,524</u>	<u>151,166</u>

Deferred income comprises of advance ticket sales for the post grad ball which took place on 01 August 2016 and advanced sales for Freshers Fair stands which took place in October 2016.

	£
Balance at 01 August 2015	10,222
Amount released to income	(10,222)
Amount deferred in Year	10,696
	<u>10,696</u>

15. FINANCIAL INSTRUMENTS

Financial assets that are debt instruments measured at amortised cost:

	2016	2015
	£	£
Trade debtors	25,301	15,740
Other receivables	41,714	16,695
VAT recoverable	9,174	-
	<u>76,189</u>	<u>32,435</u>

Financial liabilities measured at amortised cost:

	2016	2015
	£	£
Trade creditors	65,709	26,259
Accruals	99,779	61,301
Other creditors	-	21,809
Social Security and other taxes	12,240	20,782
	<u>177,728</u>	<u>130,151</u>

Cash and bank balances:

	2016	2015
	£	£
Cash and bank	<u>623,707</u>	<u>589,972</u>
Interest received on bank balances	<u>399</u>	<u>411</u>

16. 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.

Pension costs for the year ended 31 July 2016 amounted to £8,841 (2015: £690). Pension costs are funded from unrestricted income.

A new defined contribution scheme commenced 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 2016

17. RESTRICTED FUNDS

	Balance at 01 August 2015 £	Income £	Expenditure £	Transfer £	Balance at 31 July 2016 £
DUCK	4,466	355,181	(358,846)	-	801
Student groups	213,293	389,826	(368,608)	-	234,511
Other grant	31,515	5,650	(2,296)	-	34,869
	<u>249,274</u>	<u>750,657</u>	<u>(729,750)</u>	<u>-</u>	<u>270,181</u>

Student groups	Balance at 01 August 2015 £	Income £	Expenditure £	Transfer £	Balance at 31 July 2016 £
Law	34,368	44,343	(40,876)	-	37,835
Instep	10,077	9,929	(12,828)	-	7,178
Hill Walking	7,970	19,366	(21,524)	-	5,812
Women in Business	6,755	9,415	(5,442)	-	10,728
Pro Bono	4,940	1,792	(974)	-	5,758
Freefall	4,917	10,265	(7,833)	-	7,349
Yoga	4,172	7,731	(7,656)	-	4,247
Arthur Holmes Geological	874	7,580	(6,158)	-	2,296
Consulting	3,567	5,118	(5,368)	-	3,317
Aerobics	3,377	4,610	(4,785)	-	3,202
Ballet	3,145	1,778	(733)	-	4,190
Theology	323	3,128	(1,290)	-	2,161
Post Grad	1,433	7,738	(1,137)	-	8,034
Folk	2,700	358	(997)	-	2,061
English	2,619	1,898	(2,344)	-	2,173
Electric Motorsport	-	5,034	(2,909)	-	2,125
Caledonian	2,316	21,550	(21,846)	-	2,020
Swing	1,256	10,149	(7,728)	-	3,677
Duke of Edinburgh	1,679	3,292	(2,457)	-	2,514
Mathematical	2,213	1,013	(1,063)	-	2,163
LINK	1,023	3,694	(1,993)	-	2,724
Geographical	2,044	8,480	(8,238)	-	2,286
Politics & Int Relations	885	2,803	(1,159)	-	2,529
Other Societies - (Societies with balances <£2,000 & Core)	110,640	198,762	(201,270)	-	108,132
	<u>213,293</u>	<u>389,826</u>	<u>(368,608)</u>	<u>-</u>	<u>234,511</u>

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

Restricted student group funds represent balances held by individual societies and are spent at their discretion subject to the union rules.

DUCK funds represent balances raised by Students for charitable purposes. These are paid to charitable organisations subject to the unions rules.

Other grant represents funds held for the operation of the nightbus originating from a grant from Durham University.

18. UNRESTRICTED FUNDS

	Balance at 01 August 2015 £	Income £	Expenditure £	Transfer £	Balance at 31 July 2016 £
General fund	237,982	1,301,792	(1,288,922)	-	250,852
Designated fund	14,855	-	-	-	14,855
	<u>252,837</u>	<u>1,301,792</u>	<u>(1,288,922)</u>	<u>-</u>	<u>265,707</u>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

	Fixed Assets	Current Assets	Current Liabilities	Fund Balances
	£	£	£	£
Unrestricted Funds				
- General fund	21,952	386,709	(157,809)	250,852
- Designated funds	-	14,855	-	14,855
Restricted funds	-	300,896	(30,715)	270,181
	<u>21,952</u>	<u>702,460</u>	<u>(188,524)</u>	<u>535,888</u>
	<u><u>21,952</u></u>	<u><u>702,460</u></u>	<u><u>(188,524)</u></u>	<u><u>535,888</u></u>

20. OPERATING LEASING COMMITMENTS

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

	2016	2015
	£	£
Not later than 1 year	4,321	4,321
Later than 1 year and not later than 5 years	1,800	6,121
	<u>6,121</u>	<u>10,442</u>
Total	6,121	10,442

During the year the total amount expensed in relation to operating leases was £5,316 (2015:£5,006).

21. RELATED PARTY TRANSACTIONS

Durham University owns the building occupied by Durham Students' Union; a peppercorn rent is charged on this lease.

During the year, Ms Diane Sharp has provided support by management consultation in the absence of a Chief Executive Officer. Ms Sharp was Chair of Trustees up to the date of her appointment and was not involved in the vote or discussions surrounding her appointment. Ms Sharpe left the Union on 13 September 2016.

DURHAM STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

22. CONTROLLING PARTY

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

23. FIRST TIME ADOPTION OF FRS 102

There was one transitional adjustment on the first time adoption of FRS 102. The date of transition was 01 August 2014. Governance costs were previously presented on the face of the Statement of Financial Activities (SOFA). Upon transition these costs have been reclassified to be a line within support costs. This has led to a reallocation of expenditure across charitable activities. Please see note 3.

Income recognition is now based on probability of receipt rather than certainty of receipt. No adjustments have arisen as a result of this change in accounting policy.

The last financial statements prepared under the previous accounting framework was for the year ended 31 July 2015.