

**The Students' Union,
Queen Margaret University**

Report of the trustees and
audited financial statements
Scottish Charity number SC012608

For the year ended
31 July 2019

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Report of the trustees

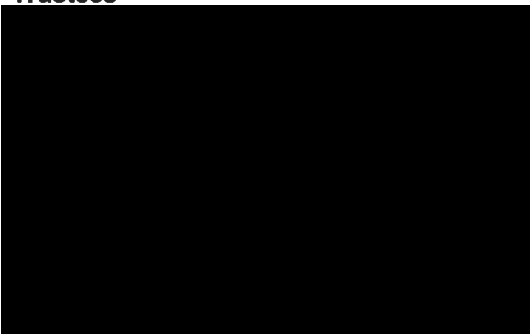
The Trustees present their report with the financial statements of The Students' Union, Queen Margaret University ("SU") for the year ended 31 July 2019.

Reference and administrative details

Registered charity number SC012608

Principal address Queen Margaret University Drive, Musselburgh, EH21 6UU

Trustees



The General Manager for the whole of the year ended 31 July 2019 was Kirsten Baird.

Auditors

MHA Henderson Loggie
11-15 Thistle Street
Edinburgh
EH2 1DF

Bankers

The Royal Bank of Scotland
142-144 Princes Street
Edinburgh
EH2 4EQ

Structure, governance and management

The Students' Union, Queen Margaret University (SU) aims to support and enhance the student experience by providing representation, advice, activities and services to all matriculated students. To achieve this, the vision is to be an effective, sustainable, inclusive, student-led organisation providing relevant services to all QMU students.

The SU is governed by its Constitution (adopted June 2008 and last amended in 2017) and is an unincorporated charity. The governance of Students' Unions tend to be unique to that sector. The SU has a governance structure which is quite complex but which works hard to ensure that students themselves are at the heart of the organisation.

The Trustee Board is chaired by the Student President and is made up of 6 student representatives who work with 3 external Trustees. The Trustee Board deals with the HR, legal and compliance issues and set the strategic direction of the organisation. Trustees are appointed in accordance with the Union's Constitution. New Trustees are issued with an Induction Pack and meet with senior staff, Officers and existing Trustees.

The Officers' Committee is made up of our two Sabbatical Officers and 9 part-time officers. The Officers' Committee works with student representative structures. They are responsible for student focused activities and making decisions and recommendations about student support and experience at QMU.

Report of the trustees *(continued)*

The key management personnel for the SU are the General Manager and the two Sabbatical Officers. The SU staffing structure is minimal due to resource constraints. Remuneration is aligned with the Queen Margaret University salary scale.

Objectives and Activities

The aims of the Students' Union area as follows:

- To be an effective, sustainable and inclusive student-led organisation which provides relevant services to QMU students.
- To support and enhance the overall student experience and encourage engagement with the QMU community.

The objectives of SU as laid out in the Constitution are:

- To enhance the student experience by providing representation, advice, activities and services to all matriculated students;
- To stimulate the expression of student opinion within the University on all matters affecting the life and education of students and to be the recognised body representing the students' views both within the University and to external organisations;
- To promote co-operation amongst the students in order to further their educational, cultural, social, athletic and recreational interests, recognising the diversity of the student population and ensuring equal opportunities are available to all;
- The provision of representation, advice, activities and services to students at all campuses.

Activities, performance and achievements

The SU engages with students in a range of ways. Services offered are as follows:

- Student Representation which supports the recruitment and training of class reps, student reviewers and student trainers. Also, student representation on University Committees is promoted and supported.
- Representation Forums in the areas of Campus Life, Equality and Diversity, Sports & Societies and Academic Council (Class Reps).
- The Help Zone which provides general welfare and specific academic support. C-Card Service operated on behalf of NHS Lothian which provides free contraceptives to students and promotes positive sexual health. In 2018/19 over 280 students visited the Help Zone.
- Sports & Societies funding, administration, training and general support.
- The organisation of annual SU led events and support for student led events.

The elected student officers (2 full time and 9 part-time) ensure that the SU maintains students at the heart of everything we do.

There are currently 42 diverse sports teams and societies which provide a range of activities for all students to get involved in. All student who participate in our sports and societies are invited to attend the annual Sports and Societies Ball where awards are given out. Awards are based on a wide criteria, including performance, work ethic, engagement with the SU and community involvement. Available activities range from men's and women's rugby to an anime society.

The SU representation structure is focused on getting out and talking to students and bringing them together to talk about issues that matter to them. A new on-line Student Voice tool launched in the last academic year to provide another way for students to start a conversation with the SU.

Report of the trustees (continued)

Activities, performance and achievements (continued)

Maggie's Bar & Café is the most student social centred space on campus. The SU works hard to ensure that Maggie's is attractive to students, with student friendly menus and prices and the employment of student staff. Maggie's is a space where students feel safe and welcome, regardless of whether or not they are purchasing food and drinks. In August 2017 the running of Maggie's was contracted out to Baxter Storey as part of the University catering contract. The aim of this was to improve the student experience and reduce the financial risk to the Students' Union. There have been some challenges with this but things have settled into a positive working relationship.

Freshers' Week is the key window to engage with new students as they arrive at QMU. Given the diverse student body at QMU the SU ensures that the Freshers' Week programme of events and activities has something for everyone. This includes a number of events not related to the consumption of alcohol such as bowling, ghost tours and Therapet sessions.

Student welfare is a key concern for the SU and we provide a range of stress busting activities during exam and assessment periods. The SU co-convenes the Student Mental Health Working Group which supports the QMU Student Mental Health and Well Being Policy. A big focus in the last academic year was working to reduce stigma for our LGBT+ students and this included flying the LGBT flag on campus for a month.

This year the SU has been heavily involved in the work to raise awareness of issues around gender based violence. The SU provides Bystander Training to students and is currently planning a Train the Trainer session in order to increase the volume of training that can be delivered to students.

Annual elections are held to elect full and part time student officers. Levels of engagement with elections increased from the previous year with a turnout of 682 students. This represents approximately 16% of students on campus and is higher than the national average but we'd like to increase this again in the coming year.

The Officers Committee held a referendum in March 2019 to ask students whether or not they want to maintain membership of the National Union of Students (NUS). The students voted not to maintain the membership therefore this affiliation ends on 21st December 2019.

All activities undertaken by the SU are in line with the charitable purpose of supporting and enhancing the student experience. Student engagement is improving year on year and this is demonstrated by participation levels in representation events, Help Zone attendance, Sports & Societies membership and event attendance. The SU does not engage in specific fund-raising activities but works with the block grant provided by the University to deliver services. Where events or sponsorship generate additional income this directly supports student activities.

Getting maximum benefit from limited resources is one of the biggest challenges faced by the SU as it tries to meet objectives. The staff team is small with each department only having one staff member. As vacancies arise we take the opportunity to consider the best use of staffing resources and make some changes which strengthen the team.

Levels of engagement from the part-time Officer team in 2018-19 were excellent and this had a positive impact on student engagement. Word of mouth amongst our students is the strongest marketing tool we have and this generally starts with the student officers. The Officers worked well as a team and were able to agree shared priorities which made them much more efficient and productive as a team.

Financial review

The results of the SU are set out in the Statement of Financial Activities, which shows that the SU had net income in the year of £15,529. The block grant from the University was maintained at the same level with no uplift so managing the budget was more of a challenge.

Report of the trustees (continued)

Reserves policy

The current reserves policy specifies that three months' running costs plus an allowance for liabilities such as redundancy payments should be held. As at March 2019 this equated to approximately £90,000. At 31 July 2019, the SU had a deficit on unrestricted reserves after the pension deficit contributions provision of £10,788 (2018: £26,317) and no free reserves. However of the £125,021 pension provision only £6,555 of this is repayable within the next 12 months and this is likely to continue at this level in the foreseeable future. The situation with the pension scheme is being monitored closely. As a result the trustees believe the current level of reserves held are appropriate.

Risk management

The SU Risk Register has recently been fully reviewed and has become a standing item on the agenda for Trustee meetings. The current risks and mitigating actions are currently identified as:

Key risk	Action
Reliance on University support in a climate of reduced income for Universities.	Continue to build relationships and good communication of the Union's activities to ensure the University remains supportive. Develop more ways to demonstrate positive impact.
The uncertainty around Brexit & its unknown impact on all areas of the organisation, its staff, students and the University.	Stay up to date with progress, monitor the situation and be prepared to take appropriate action if and when required
Continuing increases to the SUSS Pension Deficit Fund and the likely extension of timescale for the scheme. The overall fund liability has increased although our share is not impacted by this.	Liability has been accounted for in the annual accounts. Information exchange between the scheme and Trustees is up to date. Trustees monitor the situation and it is a standing agenda item.

Disclosures required by the Education Act 1994

Affiliations

The SU affiliated to the following organisations during 2018/19:

National Union of Students (NUS) – payments of £10,721.

Provides national representation, information, advice, training and other services

Plans for the future

Trustees are delighted that the SU secured an uplift in block grant from the University for 2019/20 which allows work to continue at the current level. The SU will continue to development student awareness of the SU and how it can support and enhance their student experience.

A survey of a sample of students shows that 87% of our students are currently aware that they are a member of the SU and 89% feel that the SU contributes positively to their student experience. While these are positive results there is much more to be done.

There will also be a focus on how to ensure that services offered by the SU continue to be relevant and accessible to our diverse range of students who juggle multiple responsibilities alongside their education.

Report of the trustees *(continued)*

Statement as to disclosure of information to Auditors

The Trustees who were in office on the date of approval of these Financial Statements have confirmed, as far as they are aware, that there is no relevant information of which the Auditors are unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditors.

Approval of the report

The financial statements were approved and authorised for issue on 18 November 2019 and are signed on behalf of the Board of Trustees by:

A large black rectangular box redacting the signature of the Chair of the Trustee Board.A small black rectangular box redacting the signature of the Chair of the Trustee Board.

Chair of Trustee Board

Statement of trustees' responsibilities

The Trustees are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Regulations 2005, Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's Constitution require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 of the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditors to the Trustees of The Students' Union, Queen Margaret University

Opinion

We have audited the financial statements of The Students' Union, Queen Margaret University (the 'charity') for the period ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the trustees 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 charity and its trustees as a body for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Report of the Independent Auditors to the Trustees of The Students' Union, Queen Margaret University (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Charities Accounts (Scotland) Regulations 2006 (as amended)

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

- the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper 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
- we have not received all the information and explanations we require for our audit.

Auditor's responsibilities for the audit of the financial statements

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

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

Report of the Independent Auditors to the Trustees of The Students' Union, Queen Margaret University (continued)

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Andrew Niblock (Senior Statutory Auditor)
For and on behalf of MHA Henderson Loggie
Chartered Accountants
Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
11-15 Thistle Street
Edinburgh
EH2 1DF

18 November 2019

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

Statement of financial activities
for the year ended 31 July 2019

		Unrestricted funds 2019 £	Unrestricted Funds 2018 £
	<i>Notes</i>		
Income and endowments from:			
Donations and legacies	2	241,200	240,000
Other trading activities	3	-	2,448
Charitable activities	4	77,751	54,527
		<hr/>	<hr/>
Total income		318,951	296,975
		<hr/>	<hr/>
Expenditure on:			
Raising funds	5	-	(8,553)
Charitable activities	6	(303,422)	(287,692)
		<hr/>	<hr/>
Total expenditure		(303,422)	(296,245)
		<hr/>	<hr/>
Net income		15,529	730
		<hr/>	<hr/>
Net movement in funds		15,529	730
		<hr/>	<hr/>
Reconciliation of funds:			
Total funds brought forward		(26,317)	(27,047)
		<hr/>	<hr/>
Total funds carried forward		(10,788)	(26,317)
		<hr/>	<hr/>

The notes on pages 13 to 22 form an integral part of these accounts.

**Balance sheet
at 31 July 2019**

	<i>Notes</i>	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		1,362		2,281
Current assets					
Debtors	12	5,802		9,303	
Cash at bank		132,995		104,269	
		<u>138,797</u>		<u>113,572</u>	
Creditors					
Amounts falling due within one year	13	(25,926)		(21,764)	
		<u></u>		<u></u>	
Net current assets			112,871		91,808
			<u></u>		<u></u>
Net assets less current liabilities			114,233		94,089
			<u></u>		<u></u>
Provision for liabilities	18		(125,021)		(120,406)
			<u></u>		<u></u>
Net liabilities			(10,788)		(26,317)
			<u></u>		<u></u>
Funds					
Unrestricted	14, 15		(10,788)		(26,317)
			<u></u>		<u></u>

The financial statements were approved by the Board of Trustees on 18 November 2019 and are signed on its behalf by:





Trustee

Statement of cash flows
for the year ended 31 July 2019

	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities				
Net income/(expenditure)	15,529		730	
Add: depreciation	919		1,086	
Add: bad debt expense	1,844			
Decrease in stock	-		5,510	
Decrease/(increase) in debtors	1,657		25,146	
(Decrease) in creditors	4,162		(6,557)	
(Decrease) in provisions	4,615		(2,403)	
Loss on disposal of fixed assets	-		375	
	<hr/>		<hr/>	
Cash (used in)/provided by operating activities		28,726		23,887
Cash flows from investing activities				
Purchase of fixed assets	-		(832)	
	<hr/>		<hr/>	
Cash used in investing activities		-		(832)
		<hr/>		<hr/>
Increase/(decrease) in cash and cash equivalents in the year		28,726		23,055
Cash and cash equivalents at the beginning of the year		104,269		81,214
		<hr/>		<hr/>
Total cash and cash equivalents at the end of the year		132,995		104,269
		<hr/>		<hr/>
Cash and cash equivalents comprise:				
Cash at bank		132,995		104,269
		<hr/>		<hr/>

Notes to the financial statements

1 Accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is an unincorporated Public Benefit Entity with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" and in accordance with Financial Reporting Standard 102 (FRS 102) (revised 2015).

In common with many other organisations of our size and nature, we use our auditor to assist with the preparation of the financial statements.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Union will continue to operate for the foreseeable future. This assumption is based upon the continued support of Queen Margaret University as, in common with other student unions, the Union relies upon the financial support of the institution with which it is associated. The University has indicated its intention to continue to support the Union, however there can be no certainty that this support will continue to be available.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

In accordance with Charity SORP (FRS 102), services provided by volunteers are not recognised.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the bar and coffee lounge.
- Expenditure on charitable activities includes the costs of the delivery of services to meet the Union's charitable objectives.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts charitable activities. Governance costs are those associated with the constitutional and statutory requirements of the charity. Overheads have also been allocated to governance costs as in the trustees' opinion there exists no consistent, reliable method which would result in a meaningful allocation of such costs.

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Bar and disco equipment	20% on cost
Catering fixtures and fittings	20% on cost
Sports equipment	20% on cost
Computer equipment	20% on cost

Fixed assets are stated at cost less depreciation. Items costing less than £200 are not capitalised but are charged to revenue in the year in which the cost is incurred.

Stocks

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

Debtors

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

Cash and cash equivalents

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

Creditors and provisions

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

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Pension costs

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the Actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. The Scheme was closed to new members and future accrual as at 30 September 2011. None of the Union's current employees are members of the Scheme but the Union continues to make contributions to the current deficit in scheme funding in respect of former employees. As required by FRS 102 a liability is recognised representing the net present value of the deficit reduction contributions payable under the existing funding agreements.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Pension costs (continued)

The Union also operates a defined contribution pension scheme. Contributions payable to the Scheme are charged to the Statement of Financial Activities in the period to which they relate.

Taxation

The charity is exempt from tax on its charitable activities.

Irrecoverable VAT

Any irrecoverable VAT incurred is charged as an expense in the period in which it arises.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

2 Income from donations and legacies

	2019 £	2018 £
Block grant from Queen Margaret University	240,000	240,000
Other grants	1,200	-
	<hr/>	<hr/>
	241,200	240,000
	<hr/>	<hr/>

3 Income from other trading activities

	2019 £	2018 £
Bar	-	866
Catering	-	1,582
	<hr/>	<hr/>
	-	2,448
	<hr/>	<hr/>

Notes to the financial statements (continued)

4 Income from charitable activities

		2019	2018
	Activity	£	£
Advertising income	Other income	8,780	6,798
Sundry income	Other income	16,526	14,211
Freshers' income	Other income	14,287	9,840
Grand ball	Other income	22,961	12,640
Events income	Other income	15,197	11,038
		<hr/>	<hr/>
		77,751	54,527
		<hr/>	<hr/>

5 Expenditure on raising funds

	2019	2018
	£	£
Opening stock	-	5,510
Stock transfer	-	(5,510)
Purchases in year	-	892
Closing stock	-	-
	<hr/>	<hr/>
Purchases	-	892
Staff costs	-	1,510
Licensing	-	3,327
Miscellaneous	-	625
Stocktakers' fees	-	100
Repairs and maintenance	-	37
Security	-	601
Depreciation	-	1,086
Loss on disposal	-	375
	<hr/>	<hr/>
	-	8,553
	<hr/>	<hr/>

Notes to the financial statements (continued)

6 Expenditure on charitable activities

	2019 £	2018 £
Direct costs		
Trustees' salaries (note 9)	36,218	34,976
Staff salaries	42,537	44,512
Clubs and societies (note 8)	27,301	26,288
Freshers' week and student events	27,281	28,863
Grand Ball	21,895	10,902
NUS affiliation	10,721	7,002
Sporting affiliation and insurance	7,848	5,684
Student support and welfare	11,388	14,631
Interest expense on pension scheme deficit payments	10,876	3,649
Depreciation	919	-
	<hr/>	<hr/>
	186,108	172,858
Support costs (note 7)	117,314	114,834
	<hr/>	<hr/>
	303,422	287,692
	<hr/> <hr/>	<hr/> <hr/>

7 Support costs

	2019 £	2018 £
Staff costs	78,284	79,391
Staff training and development	961	374
Insurance	11,117	10,908
Travel expenses	850	573
Print, post and stationery	1,961	1,882
Telephone	55	1,777
Sundry	1,858	1,153
Professional fees	687	-
Subscriptions	32	-
Bad debt expense	1,844	8,499
Governance costs – auditor's remuneration	7,486	6,628
Licensing	1,303	-
Interest expense on pension scheme deficit payments	10,876	3,649
	<hr/>	<hr/>
	117,314	114,834
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

8 Grants payable

	2019 £	2018 £
Clubs and societies	27,301	26,288
<hr/>		
The total grants paid to institutions during the year was as follows:		
Cheerleading Club	1,488	1,188
Christian Union	241	231
Dance	2,000	2,000
Basketball	3,458	3,577
Football - Men	1,079	1,480
Football - Women	1,200	1,427
Women's rugby	1,183	1,160
Men's rugby	650	494
Men's volleyball	1,000	779
Netball	2,440	2,000
Snow sports	555	477
Tennis	605	920
Women's basketball	2,005	1,967
Women's hockey	1,500	1,500
Badminton	1,250	1,745
Women's Gaelic football	2,000	2,000
Drama Society	75	-
Comedy Society	134	564
Dietetics	36	35
Musical Theatre	959	750
UBT	-	(10)
S&S Rewards and recognition	1,267	755
Psychology Society	-	140
Speech & Language Therapy	-	58
Radiography Society	-	205
Men's Gaelic Football	658	83
Equestrian Society	400	310
Gymnastics	-	300
P.A.W.S.	-	3
American Football	192	-
Systema	186	-
Radiography Society	76	-
Music Society	15	-
Afro Caribbean	150	-
LGBT	150	-
P.C.M.A.	200	-
Sports Team First Aid Kit	149	-
	<hr/>	<hr/>
	27,301	26,288
	<hr/>	<hr/>

Notes to the financial statements (continued)

9 Trustees' remuneration and benefits

	2019 £	2018 £
Trustees' salaries (sabbatical officers)	34,705	31,504
Trustees' social security	593	2,051
Trustees' pension	920	2,040
	<u>36,218</u>	<u>34,976</u>

Trustees' expenses

Trustees may claim reimbursement of such incidental expenses as are necessarily incurred in the performance of their duties. The total of such expenses claimed in the year ended 31 July 2019 was £412 (2018: £1,017). The number of trustees reimbursed for expenses or who had expenses paid by the charity was 4 (2018: 3).

10 Staff costs

	2019 £	2018 £
Wages and salaries	148,649	143,868
Social security costs	2,821	6,060
Other pension costs	5,570	8,469
	<u>157,040</u>	<u>158,397</u>

The key management personnel are the general manager and the two sabbatical officers whose employment benefits during the year totalled £79,830 (2018: £74,384).

The average monthly number of employees during the year was as follows:

	2019 No	2018 No
Sabbatical Officers	2	2
Student support	3	3
Administration and finance	3	3
	<u>8</u>	<u>8</u>

No employees received emoluments in excess of £60,000.

Notes to the financial statements (continued)

11 Tangible fixed assets

	Bar and and disco equipment £	Catering fixtures and fittings £	Sports equipment £	Computer equipment £	Totals £
Cost					
At 1 August 2018	4,296	1,409	1,434	1,412	8,551
Additions	-	-	-	-	-
Disposals	-	-	(817)	-	(817)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2019	4,296	1,409	617	1,412	7,734
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 August 2018	2,773	1,409	1,434	654	6,270
Charge for year	664	-	-	255	919
Eliminated on disposal	-	-	(817)	-	(817)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2019	3,437	1,409	617	909	6,372
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 July 2019	859	-	-	503	1,362
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2018	1,523	-	-	758	2,281
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

12 Debtors: Amounts falling due within one year

	2019 £	2018 £
Trade debtors	94	2,682
Other debtors and prepayments	5,708	6,621
	<hr/>	<hr/>
	5,802	9,303
	<hr/>	<hr/>

13 Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	91	1,166
Taxation and social security	1,659	2,023
Other creditors and accruals	24,176	18,575
	<hr/>	<hr/>
	25,926	21,764
	<hr/>	<hr/>

Notes to the financial statements (continued)

14 Analysis of net assets between funds

	2019	2018
	Unrestricted	Unrestricted
	Funds	Funds
	£	£
Fixed assets	1,362	2,281
Current assets	138,797	113,572
Current liabilities	(25,926)	(21,764)
Pension deficit provision	(125,021)	(120,406)
	<u>(10,788)</u>	<u>(26,317)</u>

15 Movement in funds

2019	At			At
	1 August	Income	Expenditure	31 July
	2018			2019
	£		£	£
Unrestricted funds				
General fund	(26,317)	318,951	(303,422)	(10,788)
	<u>(26,317)</u>	<u>318,951</u>	<u>(303,422)</u>	<u>(10,788)</u>
2018	Restated			At
	At			31 July
	1 August	Income	Expenditure	2018
	2017			£
	£		£	
Unrestricted funds				
General fund	(27,047)	296,975	(296,245)	(26,317)
	<u>(27,047)</u>	<u>296,975</u>	<u>(296,245)</u>	<u>(26,317)</u>

16 Related party disclosures

The Union is in receipt of a recurrent grant from Queen Margaret University of £240,000 (2018: £240,000).

Other sales invoices issued to Queen Margaret University in the year totalled £600 (2018: £Nil). Purchase invoices received were £13,664 (2018: £19,880). £nil (2018: £941) was outstanding at year end. There were no outstanding balances due from Queen Margaret University at year end.

The Union occupies its premises on a rent free basis under an informal licence subject to the Union maintaining the building in a good state of repair.

The trustees of the Union are the members of the Executive Committee. The Sabbatical Members of the Executive Committee receive remuneration for their services in accordance with the Constitution. Refer to note 9 for further detail.

Notes to the financial statements (continued)

17 Provisions for liabilities and charges

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

The most recent Valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £120m.

The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The following assumptions applied at 30 June 2016:-

- The investment return would be 4.3% per annum before retirement and 2.3% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 1.8% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 16 years and will increase by at least 5% each year after a 20% increase on 1 October 2017. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates will be formally reviewed following completion of the next Valuation due with an effect date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

In compliance with FRS 102, the liability has been calculated to represent the net present value of the future contributions over 16 years to clear the funding deficit.

Key assumptions for the pension liability recognition:

	2019	2018
	%	%
Discount rate	0.49	1.44
Expected rate of increase in employer contribution	5.0	5.0
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)

18 Provisions for liabilities and charges (continued)

Amounts recognised in the Statement of Financial Activities:	2019	2018
	£	£
Net interest on defined benefit liability/(asset)	10,876	3,649
	<u> </u>	<u> </u>

The amounts included in the balance sheet arising from the Union's obligations in respect of defined benefit plans are as follows:

	2019	2018
	£	£
Net present value of defined benefit deficit contribution obligations	125,021	120,406
	<u> </u>	<u> </u>

The total contributions paid into the Scheme by the Union in respect of eligible employees for the year ended 31 July 2019 amounted to £6,261 including deficit contributions (2018: £6,052).

	2019	2018
	£	£
Opening provision	120,406	122,809
Deficit contribution	(6,261)	(6,052)
Interest expense	10,876	3,649
	<u> </u>	<u> </u>
	125,021	120,406
	<u> </u>	<u> </u>

19. Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,094	4,976
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	24,267	19,741
	<u> </u>	<u> </u>

Debt instruments measured at amortised cost comprises trade debtors and other debtors.

Liabilities measured at amortised cost comprises trade debtors, accruals and other creditors.

