

**UNION OF KINGSTON STUDENTS**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2017**

**Union of Kingston Students  
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**Union of Kingston Students  
Annual Report and Accounts  
for the year ended 31 July 2017**

**Administrative information**

**Charitable Status**

Union of Kingston Students (the Union) is an unincorporated charity established under the Education Act 1994. The Union is registered with the Charity Commission and our charity number is 1144763.

**Principal Address**

Penrhyn Road  
Kingston Upon Thames  
Surrey  
KT1 2EE

**Union Trustees**

Full-time officers and Student Trustees are elected to hold office for a period of one year, by a cross campus ballot of Kingston University students. Officers are elected to represent a campus and then as a team, choose secondary remits. External Trustees are appointed by the Trustee Board to support the effective running of the students' union, and as such, have particular expertise on which the officer and student trustees can draw.

	<b>From July 2017</b>	<b>From July 2016</b>
<b>Full-time Officers*:</b>		
Kingston Hill	Petar Lachev (Student Activities)	Haider Chaudhry (Activities)
Knights Park	Alayna Zangie (Academic Affairs)	Beatrice Carey University Affairs)
Penrhyn Road	Daisy Bow du Toit (Student Welfare)	Daisy Bow du Toit (Union Affairs)
Roehampton Vale	Patrick Tatarian (Union Development)	Patrick Joseph Tatarian (Student Life)
<b>Student Trustees:</b>		
	Feisal Haji	Jens Christian Nielsen de Berard
	Imad Nazir	Aditya Tandon
	Kristina Bajoraite	Laila Yousofi
<b>External Trustees:</b>	Ashley Smith (appointed 5 October 2016) David Miles Dawn Murphy (resigned 23 March 2017) Humah Akram (appointed 5 October 2016)	
<b>Auditors</b>	<b>Bankers</b>	<b>Solicitors</b>
Crowe Clark Whitehill LLP	National Westminster Bank Plc	Ashton Bond Gigg
49 – 51 Blagrove Street	5 Market Place	Pearl Assurance House
Reading	Kingston-upon-Thames	Friars Lane
Berkshire	Kingston	Nottingham
RG1 1PL	Surrey	NG1 6BX
	KT1 1JX	

The Board of Trustees can be contacted by emailing [studentsunion@kingston.ac.uk](mailto:studentsunion@kingston.ac.uk)

The Union employs a Chief Executive Officer (CEO) to work closely with the Student Officers and ensure effective management of the charity as head of a senior management team.

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**Administrative information (continued)**

The Board of Trustees present their Annual Report for the year ended 31 July 2017, which includes the administrative information set out on page 1, together with the audited accounts for that year.

**Key management personnel:**

Chief Executive	Nick Posford (until 16 June 2017)
Management Accountant	Donald Boswell
Marketing and Communications Manager	Victoria Truman
Representation and Democracy Manager	Natalie Forrester
Temporary Head of Operations and Student Activities	Ali Burr
	*Full time officers named above

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**Union of Kingston Students Annual Report - for the year ending 31<sup>st</sup> July 2017**

Union of Kingston Students is a registered charity whose members are all Kingston University students and they elect student representatives to lead the organisation, supported by a team of permanent staff who are responsible for the operation and management of the union.

Students are represented at all levels of decision making within the union and the university, supported by the union's staff team. Elected student representatives sit on various boards and committees to represent the views of Kingston University students.

The past twelve months have continued to be a challenging time for the students' union, but staff and students have remained positive and are now making great strides towards establishing the union as a significant voice for students studying at Kingston University.

2016-17 highlights include:

- The successful move of our annual Freshers' Fayre to the Kingston Hill campus
- Our highest ever recorded turnout for student elections
- Improved financial stability

In order to continue this success it is vital we continue to work in partnership with Kingston University on a range of joint projects in the pursuit of our common goals. Looking forward, we must seek to build on the success that has already been achieved and ensure that we remain firmly engaged with the continually changing needs of our membership.

The academic year 2017-18 offers great opportunities for our organisation to connect more deeply with our student members and give them the services, activities and representation they rightly expect, in a more complex and financially demanding HE context. To this end, the officer team and the union's whole staff team continue to work hard to make the students' union at Kingston the best it can possibly be.

Leadership is at the heart of students' unions and whether elected sports or societies committee members, student staff in the union or student representatives across the university, Union of Kingston Students will continue its mission to be a hub for student leadership within the Kingston University community. It's an honour to chair the Trustee Board and cover the remit of Union development, as we enter an exciting new phase.

**Patrick Joseph Tatarian**

Roehampton Vale Officer  
Lead on Union Development

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**Structure, governance and management**

The Union is constituted under the Education Act 1994 with internal regulations or Rules approved by the governing body of Kingston University. The Union's charitable Objects under the Act, to advance the University's educational purposes by providing representation and support for the students of the University, are supplemented by the further Object of helping members develop their own charitable activities as active participants in civil society.

The Union is administered by student officers elected annually by a cross campus secret ballot of the Union membership. The four posts of Penrhyn Road Officer, Knights Park Officer, Kingston Hill Officer, and Roehampton Vale Officer are full time ('sabbatical') posts remunerated as authorised by the Education Act and cannot exceed two years duration for each holder. The holders also have lead remits related to Union Development, Academic Affairs, Student Welfare and Student Activities and are trustees of the Union.

We are working to develop student networks to represent the diverse needs of all students and raise awareness of issues which impact upon diversity and marginalised groups both within Kingston University as well as in our wider society. Student Networks include but are not limited to: Disabled, BME (Black, Minority, Ethnic), Women, LGBTQIA+, International, Postgraduate, and Mature Students. From these networks, there will be elected representatives, which alongside their studies, will run campaigns and attend meetings to ensure the Union is an effective voice of the students that they represent. These representatives will also support and inform the work of the full time officers

All Union membership are invited annually to the AGM where they are encouraged to hold their Sabbatical team to account, approve general policy, annual budgets and accounts. New policies are also presented during the AGM and voted on.

Additionally the Union's affairs are overseen by a Trustee Board comprising the 4 full time officers, 3 part-time elected student trustees and 4 appointed external trustees. The Board of Trustees is responsible for the management and administration (governance, budget and strategy) of the Union and (subject to the Education Act, the Constitution and the Bye-Laws) may exercise all the powers of the Union. The Trustees confirm that they have complied with their duty in s.4 of the Charities Act 2006 to have due regard to the guidance concerning the operation of public benefit published by the Charity Commission.

The Trustee Board delegates the day-to-day running of the Union to a Chief Executive.

The Union also employs a number of non-student staff for the sake of continuity in the management of its many activities. Those staff are accountable to the Chief Executive for the performance of their duties.

When appointing external trustees, the Board has regard to the requirement for any specialist skills needed, for example an understanding of Kingston University and its senior management structures and strategies, human resources and personnel, finance and accounts and marketing and business development.

**Relationship with Kingston University**

The relationship between Kingston University and the Union is established in the Regulations of the University and detailed in the Union regulations approved by both institutions in a partnership document signed by the President on behalf of the Union and the DVC (education) on behalf of the University. The Code of Practice document sets out the operational partnership and management of the Union and the University and is signed by the Chair of the University Board of Governors and the Chair of the Union Trustee Board. Both documents were last renewed in 2013/2014.

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The Union receives a Block Grant from the University, and part-occupies a building owned by the University, which also pays for utilities and caretaking. This non-monetary support is intrinsic to the relationship between the University and the Union.

There is no reason to believe this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body.

### **Risk Management**

The senior management team has examined the major strategic, business and operational risks faced by the Union. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the Union faces. Budgetary and internal control risks are minimised by the implementation of procedures for the authorisation of all transactions and projects.

Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union.

### **Aims, Objectives and Activities**

The Union membership approved a new strategy at the 2015 AGM in which our mission is:

“To be an effective, relevant, and representative union at the heart of Kingston student life, central to the University’s strategy and future success.”

### **Our Vision**

“We exist to support, empower and enrich the lives of all students at Kingston University.”

### **Our Values**

- To be innovative in providing services that students want and need, in a way that they want.
- To be professional in our management of the Union, therefore ensuring a strong union for future students.
- Treating all students and stakeholders as equals.
- Creating a Union that students aspire to be a part of.

In pursuit of these aims the Union will ensure that its membership is supported within every aspect of university life possible and will continue to work to ensure that it leads on student facing issues, ensuring a student voice at all levels of the University and to provide a wide range of opportunities to participate in a positive student experience. In terms of co-curricular activity, the Union leads on sports (both competitive and recreational), student-led societies, local and international volunteering projects, an initiative on sustainability and the environment, and various social events.

The Union continues to represent the students of this University on relevant local, national and international issues by maintaining a high proportion of student representatives. Student representatives are present on all policy and strategy making boards.

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## **Achievements and performance**

We believe that by regularly reviewing the effectiveness of all aspects of our organisation, we ensure that we remain relevant and effective in terms of delivering the services our members need and want. Some of our achievements over the academic year 2016/17 include:

- A significant increase in voter turnout in Union Elections.
- Highest ever candidate numbers running for Kingston Hill Officer
- Secured Union office space at Knights Park and Kingston Hill (in addition to existing space at Penrhyn Road and Roehampton Vale).
- Introduction of three History month celebrations: BHM, LGBT and Women's History Month.
- Recorded opinions from 1000+ students to help inform the Union's further development.
- Successfully moved Freshers' to Kingston Hill campus. 2016 Freshers was hailed as the 'best Freshers' ever'.
- Union reception recorded over 90% student satisfaction.
- Over 430 nominations for the Student Led Learning and Teaching Awards.
- Supported over 360 students through our advice service.
- Average student staff numbers have increased from 18 employees to 22 employees in the year.
- Cash and cash equivalents has increased from £166,321 to £253,922 in the year.
- Net income before defined benefit pension's movements has increased to £13,396 (2016: £3,852).

## **Our objectives & future plans**

Union objectives for 2017/18 include:

- Maintain voter turnout in Union elections with more candidates for Officer Trustees
- Continue to lobby the University for enhanced Union presence at all campuses
- Continue to champion liberation activity and campaigns to support students in making all voices heard and respected
- Continue to conduct new research on student opinion and use this to inform the Union's further development.
- Implement advice strategy established last year
- To provide opportunities and support for student-led campaigns through the re-introduction of the Campaigns Fund
- To grow student engagement with the Union and involvement in representation structures and democracy
- Review Freshers' events and their impact on students
- Help build Officer and Union awareness on each campus
- Increase the development of Global Festival
- Establish a societies recognition pathway
- Improve Kingston University position within the BUCS Leagues (70-75th)
- Implement and develop a new performance pathway for student sports clubs
- Provide excellent customer service as the first point of contact for advice, sports, volunteering, societies, campaigns and student networks.
- Establish a new international volunteering strategy for future projects and growth.
- Ensure students have easy and quick access to SU information and services, including a review of digital channels, especially the website
- Grow income from retail and commercial sales such as events, merchandise and NUS Extra cards to reinvest in student engagement
- Develop a culture of high performance and leadership, including training and development for all staff
- Build excellent employer / employee relations with substantial increase in staff satisfaction



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**Financial review**

The Union's gross income was £1,507,782 during the year. This included annual block grant from the University of £760,000, an estimated value of the serviced accommodation provided by the University of £200,000 and restricted club and society income totalling £77,615.

Total expenditure of £1,778,010 on the wide-ranging student benefits we provide, as well as on fundraising and other revenue-generating activities, meant a deficit for the year of £270,228. The net income before defined benefit pension's movements under FRS102 was £13,396 (2016: £3,852).

The Union's expenditure included annual affiliation to the National Union of Students of £33,171.

**Reserves**

The Union should hold reserves to cover unexpected eventualities and also ensure there are sufficient to resource planned capital expenditure. Total unrestricted reserves at 31st July 2017 stood at (£947,006). Additionally, funds of £86,848 were restricted for use by sports and societies. The unrestricted reserves position before pensions liability is £293,236 (2016: £278,988), the trustees consider this to be the most accurate measure of the balance sheet position.

The trustees have determined that reserves to cover costs for a minimum of 3 months would be prudent. However, as a charity where our main funder has more stable income and strategic planning of budgets, we are not dependent on fundraised income to sustain our services. However, funding within the higher education sector is coming under increased pressure and there are competing stakeholders for the university's funds. Three months of reserves to cover usual operating costs is currently £325,000. The charity will continue with prudent financial management to maintain the level of reserves required for three months of operations.

**Custodian Activities: Clubs & Societies' Funds**

The Union acts as custodian for funds raised by the students' many Clubs & Societies themselves, in addition to the grant-support funds it disburses to them as shown in the accounts.

**Pay policy for senior staff**

The Chief Executive is supported by four permanent members of staff that form the Senior Management Team. This team is in charge of directing and controlling, running and operating the students' union on a day to day basis. Union of Kingston Students' board of trustees includes four paid trustees (elected sabbatical officers) who receive salaries lower than most non-student staff. As well as having a role as a Trustee of the union, the officers perform a full time role for a year to be the voice of students. They listen to how students want things to be done, work with union staff, the Board of Trustees and partners to make it happen. They represent students to Kingston University, external organisations and the wider community. Details of trustee expenses and related party transactions are disclosed in the accounts. The pay of the senior staff is reviewed annually along with the annual salary review and only increased in line with the annual pay increase for all staff, which is normally in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other students unions of a similar size and location. If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

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**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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires 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 the group and of the incoming resources and application of resources of the group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 20/12/2017 and signed on their behalf, by:



**Patrick Joseph Tatarian**

Roehampton Vale Officer  
Lead on Union Development

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNION OF KINGSTON STUDENTS

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### Opinion

We have audited the financial statements of Union of Kingston Students for the year ended 30 July 2017 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets 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 Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 July 2017 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 Act 2011.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Basis for 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNION OF KINGSTON STUDENTS (CONTINUED)**

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### **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.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNION OF KINGSTON STUDENTS (CONTINUED)

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### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



**Crowe Clark Whitehill LLP**

Statutory Auditor

Reading

3 January 2018

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR**

	Note	Unrestricted Income	Restricted Income	Total £	2016 £
<b>Income</b>					
<b>Voluntary income</b>	<b>4</b>	<b>1,132,000</b>	<b>-</b>	<b>1,132,000</b>	<b>1,073,308</b>
<b>Other trading activities:</b>					
- Advertising and Media		54,430	-	<b>54,430</b>	35,870
- Investment income		62	-	<b>62</b>	183
- Franchise income		6,545	-	<b>6,545</b>	2,038
<b>Income from charitable activities:</b>					
- Bars, catering & vending		-	-	-	19,045
- Merchandising		34,236	-	<b>34,236</b>	775
- Entertainments & security		-	-	-	5,259
- Student activities		179,541	77,615	<b>257,156</b>	241,789
<b>Other income</b>		<b>23,353</b>	<b>-</b>	<b>23,353</b>	<b>11,787</b>
<b>Total income</b>		<b>1,430,167</b>	<b>77,615</b>	<b>1,507,782</b>	<b>1,390,054</b>
<b>Expenditure</b>					
<b>Costs of raising funds:</b>					
- Advertising and Media		170,831	-	<b>170,831</b>	244,136
<b>Expenditure on charitable activities:</b>					
- Advice, welfare and support		234,823	-	<b>234,823</b>	179,958
- Volunteering		77,804	-	<b>77,804</b>	114,541
- Communications		6,483	-	<b>6,483</b>	11,862
- Bars, catering & vending		-	-	-	33,045
- Merchandising		34,422	-	<b>34,422</b>	39,587
- Entertainments & security		121	-	<b>121</b>	14,808
- Student activities		1,175,059	78,467	<b>1,253,526</b>	720,562
<b>Total expenditure</b>	<b>5-7</b>	<b>1,699,543</b>	<b>78,467</b>	<b>1,778,010</b>	<b>1,358,499</b>
<b>Net income/(expenditure)</b>		<b>(269,376)</b>	<b>(852)</b>	<b>(270,228)</b>	<b>31,555</b>
Total funds brought forward		(677,630)	87,700	(589,930)	(621,485)
<b>Total funds carried forward</b>		<b>(947,006)</b>	<b>86,848</b>	<b>(860,158)</b>	<b>(589,930)</b>

The statement of financial activities includes all gains and losses recognised in the year.

All amounts derive from continuing activities.

The notes on pages 15 to 27 form part of these financial statements

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**BALANCE SHEET**

		2017	2016
		£	£
	Notes		
<b>Fixed Assets</b>			
Tangible fixed assets	9	<u>1,280</u>	<u>2,248</u>
			2,248
<b>Current Assets</b>			
Stocks in bars, shops & other outlets		14,206	9,046
Debtors & prepayments	10	189,990	260,681
Cash at bank & in hand		<u>253,922</u>	<u>166,321</u>
		458,118	436,048
<b>Current Liabilities</b>			
Creditors: Amounts due within one year	11	<u>(79,314)</u>	<u>(71,608)</u>
<b>Net Current Assets</b>		<u>378,804</u>	<u>364,440</u>
<b>Total Assets less Current Liabilities</b>		380,084	366,688
<b>Pension Deficit</b>		(1,240,242)	(956,618)
<b>Net Assets</b>		<u>(860,158)</u>	<u>(589,930)</u>
<b>Representing Charitable Funds:-</b>			
<b>Restricted Income Funds</b>			
Students' Societies & Club Funds	12	86,848	87,700
<b>Unrestricted Income Funds</b>			
General fund		293,236	278,988
Pension deficit fund		<u>(1,240,242)</u>	<u>(956,618)</u>
		(947,006)	(677,630)
<b>Total Funds</b>	13	<u>(860,158)</u>	<u>(589,930)</u>

The financial statements were approved and authorised for issue by the Trustees board and were signed on its behalf on 20/12/17 by



Patrick Joseph Tatarian  
Chair of the Trustee Board and Officer Lead on Union Development

The notes on pages 15 to 27 form part of these financial statements

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**STATEMENT OF CASH FLOWS**

	2017	2016
	£	£
<b>Cash flows from operating activities:</b>		
Net income	(270,228)	31,555
Depreciation	968	1,168
Interest received	(62)	(183)
(Increase)/decrease in stock	(5,160)	(3,153)
(Increase)/decrease in debtors	70,691	114,864
Increase/(decrease) in pension deficit	283,624	(27,703)
Increase/(decrease) in creditors	<u>7,706</u>	<u>(121,916)</u>
<b>Net cash provided by operating activities</b>	<u>87,539</u>	<u>(5,368)</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	62	183
<b>Net cash used in investing activities</b>	<u>62</u>	<u>183</u>
Change in cash and cash equivalents in the year	87,601	(5,185)
Cash and cash equivalents at the beginning of the year	<u>166,321</u>	<u>171,506</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>£ 253,922</u>	<u>£ 166,321</u>

The notes on pages 15 to 27 form part of these financial statement



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**NOTES TO THE FINANCIAL STATEMENTS**

**1 Charity information**

Union of Kingston Students is an unincorporated association with charitable status (charity registration no. 1144763). It is unincorporated and domiciled in the UK. The address of the registered office is Penrhyn Road, Kingston Upon Thames, Surrey, KT1 2EE. The Union aims to be an effective, relevant and representative union at the heart of Kingston student life, central to the University's strategy and future success

**2 Accounting Policies**

**(a) Accounting convention**

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland", and the 2015 Charities Statement of Recommended Practice based thereon – the Charities SORP.

The Union meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Information on the impact of first-time adoption of FRS 102 is given in note 16.

**Going concern**

The Trustees have a reasonable expectation that the student union has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties about the charity's ability to continue and they therefore continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

**(b) Incoming resources**

All income and capital resources are recognised in the accounts when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty.

The University grant of free serviced accommodation on the campus is accounted for as income and expenditure of the year at an estimated value to Union of Kingston Students by reference to the alternatives available on the commercial market.

**(c) Resources expended**

Expenditure includes irrecoverable VAT. Charitable expenditure comprises the direct and indirect costs of delivering public benefit. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers. The value of free serviced campus accommodation and other central overhead costs are apportioned to charitable and other projects/activities on a usage basis, pro rata to the total costs of each project or activity undertaken.

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**(d) Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Fixtures and fittings are included at cost. Depreciation is provided at the following annual rates in order to write the cost of assets off over their estimated useful lives:-

Fixtures and Fittings	- 20% - 25% per annum straight line
Other Fixed Assets	- 25% per annum straight line
Freehold Property	- 7% - 33% per annum

Fixed assets costing more than £300 are capitalised at the time of acquisition.

**(e) Financial instruments**

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 9 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to trade debtors, , other debtors and cash equivalents, and financial liabilities referring to all creditor balances excluding deferred income.

**(f) Pension costs**

SUSS

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. The financial statements reflect at fair value the assets and liabilities arising from the Union's retirement benefit obligations and any related funding. The operating costs of providing retirement benefits to employees are recognised in the accounting period(s) in which the benefits are earned by the employees, and the related finance costs and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise.

NUSPS

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme, National Union of Students Pension Scheme (NUSPS). Contributions are at the rate of 6% for the employer and 6% for the employee. Pensions costs are charged in the period in which the salaries to which they relate are payable.

**(g) Leased assets**

Rentals payable under operating leases are charged as expenditure on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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**2 Accounting Policies (continued)**

**(h) Stock**

Stock is valued at the lower of the cost and its net realisable value after making due allowance for obsolete and slow-moving stocks. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

Stock recognised in cost of sales during the year as an expense was £15,776 (2016: £17,580).

**(i) Fund accounting**

The Union administers and accounts for a number of charitable funds, as follows:-

**(i) Unrestricted Funds** representing unspent income which may be used for any activity/purpose at the Executive Committee's own discretion;

**(ii) Restricted funds** raised and administered by the Union for specific purposes as determined by students, such as Club and Societies Accounts, as well as revenue received for purposes specified by the donor and also (if not material enough to require a separate column in the SoFA) any small capital grants received from the College.

**(j) Taxation**

No provision is made in these accounts for corporation tax as the Union is exempt from such taxes as a result of having derived its charitable status from its parent governing body, Kingston University.

**3 Critical areas of judgement**

Preparation of the financial statements requires management to make judgements and estimates.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the SUSS pension scheme deficit. A discount rate of 2.5% has been used in line with industry standards.

**4 College Grant**

	2017 £	2016 £
Block Grant	760,000	738,535
Other elements	172,000	76,773
Grant for rent	200,000	200,000
	<u>1,132,000</u>	<u>1,015,308</u>

The University provides rent-free accommodation to the Union under the Charities SORP the 'donations in kind' must be valued and included within the accounts. The value to the Union is considered to be £200,000 and is included as 'Grant for Rent' above.

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**5 Charitable and other Activity costs**

	<b>Staff costs £</b>	<b>Rent £</b>	<b>Other costs £</b>	<b>Total £</b>
<b>Activities of raising funds</b>				
Advertising and Media	116,220	25,129	29,482	<b>170,831</b>
<b>Charitable activities</b>				
Advice, Welfare and Support	184,402	34,542	15,879	<b>234,823</b>
Volunteering	53,745	11,445	12,614	<b>77,804</b>
Communications	2,110	954	3,419	<b>6,483</b>
Merchandising	11,202	5,063	18,157	<b>34,422</b>
Entertainments	40	18	64	<b>122</b>
Student Activities	585,552	172,849	495,125	<b>1,253,526</b>
<b>Total costs</b>	<b>953,271</b>	<b>250,000</b>	<b>574,740</b>	<b>1,778,011</b>

Included above are governance costs for the annual audit fee of £11,850 (2016: £11,500).

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**6 Central Overhead Costs included in Note 5**

	<b>Usage</b>	<b>Staff £</b>	<b>Rent £</b>	<b>Other £</b>	<b>Total £</b>
<b>Activities for generating funds</b>					
Advertising and Media	10.0%	55,592	25,129	11,816	<b>92,537</b>
<b>Charitable activities</b>					
Advice and Welfare	13.8%	76,416	34,542	16,243	<b>127,201</b>
Volunteering	4.6%	25,319	11,445	5,382	<b>42,146</b>
Communications	0.4%	2,110	954	448	<b>3,512</b>
Merchandising	2.0%	11,202	5,063	2,381	<b>18,646</b>
Entertainments & Security:	0.1%	40	18	8	<b>66</b>
Student Activities	69.1%	382,387	172,849	81,279	<b>636,515</b>
<b>Totals</b>	<b>100%</b>	<b>553,066</b>	<b>250,000</b>	<b>117,557</b>	<b>920,623</b>

All central overheads costs have been apportioned on a usage basis, pro rata to the total costs of each project or activity undertaken.

Included in 'Rent' above is £200,000 in relation to the cleared "Donation in Kind" costs for accommodation provided by the University.

	<b>2017 £</b>	<b>2016 £</b>
Insurance	<b>16,056</b>	18,297
IT support	<b>14,710</b>	15,257
Bank charges	<b>6,089</b>	3,052
Affiliations	<b>44,419</b>	42,979

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**7 Staff Costs**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>550,250</b>	<b>500,919</b>
Social security	<b>44,694</b>	<b>42,217</b>
Pension costs	<b>346,259</b>	<b>26,975</b>
Other	<b>12,068</b>	<b>23,279</b>
	<b>953,271</b>	<b>593,390</b>

No employee earned over £60,000 per annum.

The total employment benefits including employers pension contributions of the key management personnel were £269,572 (2016: £141,829).

The average staffing was as follows:

Full time	<b>18</b>	<b>19</b>
Students – term time only	<b>22</b>	<b>18</b>

**8 Trustees' Remuneration and Expenses**

4 sabbatical officers received remuneration for the year, as authorised in the Union's governing document, for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. The total salary including pension and NI costs for the sabbatical officers amounted to £97,163 (2016: £68,110). There were no other trustee-benefits for the year.

Three members of the Executive Committee were reimbursed a total of £247 (2016: £1,734) for the year in respect of travel and subsistence expenses.

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**9 Tangible Fixed Assets**

	<b>Fixtures, Fittings &amp; Equipment £</b>	<b>Other £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 August 2016	19,052	21,702	40,754
Additions	-	-	-
Disposals	-	-	-
<b>At 31 July 2017</b>	<b>19,052</b>	<b>21,702</b>	<b>40,754</b>
<b>Depreciation</b>			
At 1 August 2016	16,804	21,702	38,506
Charge for the year	968	-	968
On disposals	-	-	-
<b>At 31 July 2017</b>	<b>17,772</b>	<b>21,702</b>	<b>39,474</b>
<b>Net Book Value</b>			
<b>At 31 July 2017</b>	<b>1,280</b>	<b>-</b>	<b>1,280</b>
At 31 July 2016	2,248	-	2,248

**10 Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	<b>146,731</b>	212,600
Other debtors	<b>17,096</b>	10,162
Prepayments & accrued income	<b>26,163</b>	37,919
	<b>189,990</b>	260,681

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<b>11</b>	<b>Creditors: Amounts due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade creditors	<b>4,322</b>	-
	Social security & other taxes	<b>9,258</b>	13,391
	Other creditors	-	1,058
	Accruals and deferred income	<b>65,734</b>	57,159
		<hr/> <b>79,314</b>	<hr/> <b>71,608</b>
	<b>Deferred income</b>		
	Balance as at 1 August 2016	<b>25,990</b>	20,890
	Amount released to income	<b>(25,990)</b>	(20,890)
	Amount deferred in the year	-	25,990
	Balance as at 31 July 2017	<hr/> <b>-</b>	<hr/> <b>25,990</b>

Deferred income relates to monies received in advance of the 2016/17 Freshers' Fayre which takes place in September 2017.

**Financial instruments**

Financial assets held at amortised value include cash, trade debtors, accrued income and other debtors. Financial Liabilities held at amortised value include trade creditors, other creditors and accruals.

Financial assets held at amortised cost are £412,447 (2016: £319,252).

Financial liabilities held at amortised cost are £79,314 (2016: £45,618).

Financial assets give rise to interest received of £62 (2015: £183) and financial liabilities give rise to interest cost of £nil (2016: £nil).



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12	<b>Restricted Funds held for Student Societies &amp; Clubs</b>	<b>As at 1 August 2016 £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>Transfers £</b>	<b>As at 31 July 2017 £</b>
	Societies & Clubs	87,700	77,615	78,467	-	<b>86,848</b>
		<u>87,700</u>	<u>77,615</u>	<u>78,467</u>	<u>-</u>	<u><b>86,848</b></u>

Clubs and Society restricted funding are the portion of membership fees from Clubs and Societies which are used as directed by clubs and society members in line with the aims and objectives of their constitutions. It also includes sports cards income to be used as directed by sports club members to advance the sports offer at Kingston.

**13 Analysis of Net Assets between Funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Income Funds £</b>	<b>Total £</b>
Fixed Assets	1,280	-	<b>1,280</b>
Pensions liability	(1,240,242)	-	<b>(1,240,242)</b>
Net current assets	291,956	86,848	<b>378,804</b>
	<u>(947,006)</u>	<u>86,848</u>	<u><b>(860,158)</b></u>

**14 Leasing Commitments**

At 31 July 2017 the Union had annual commitments under non-cancellable operating leases as detailed below:

	<b>2017 £</b>	<b>2016 £</b>
<b>Plant and machinery</b>		
Operating lease existing within 1 year	-	5,620
Operating leases expiring within two to five years	-	-
	<u>-</u>	<u>5,620</u>

The amount of lease payments recognised as an expense during the year in respect of operating leases for equipment was £5,620 (2016: £6,131).

**15 Control Relationship**

The Union is controlled by the Trustee Board which is subject to democratic election by the voting membership of the Union. The ultimate control of the Union is vested under the constitution in the membership in General meeting. As such no single person or entity controls the Union as defined by FRS 102.

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**16 Related Party Transactions**

The Union is in receipt of a recurrent grant from the parent body Kingston University of £760,000 (2016: £738,535).

The Union also received a further £172,000 of grants from the parent body Kingston University for a series of adhoc costs incurred by the Union but not covered by the block grant.

In addition the Union pays a service charge for its building from the University. The total amount of rent charged payable during the year was £50,000 (2016: £50,000). As at 31 July 2017 the amount due from Kingston University amounted to £103,514 (2016: £177,265).

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**17 Pension Costs**

**SUSS**

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

Since the institution cannot identify its share of scheme assets and liabilities, the defined benefit plan is accounted for as a defined contribution plan and the following disclosures reflect those relevant for the scheme as a whole

The most recent Valuation of the Scheme was carried out as at 30 June 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% 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 £73,849,000.

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 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2013 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. 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.

The total contributions paid into the Scheme by the Union in respect of eligible employees for the year ended 31 July 2017 amounted to £59,382 (2016: £51,684) which have been recognised in unrestricted funds.

In accordance with FRS102, the net present value of the future contributions required over 16 years to clear the funding deficit is £77,515pa (2016: £63,775). In calculating this net present value, annual increases of 5% have been made and a discount rate of 2.5% representing the typical yield of high quality corporate bonds has then been applied.

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**17 Pension Costs (continued)**

For the period 1 August 2016 to 31 July 2017, the Union of Kingston Students made monthly payments as part of the deficit reduction plan. This is expecting to clear the Union's deficit over the coming 20 years. The cost to the Union of payments in this period was £54,924 (2016: £52,309), the amount in 2015 includes deficit payments for the years ending 31 July 2016 and 31 July 2017.

**NUSPS**

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme, National Union of Students Pension Scheme (NUSPS). Contributions are at the rate of 6% for the employer and 6% for the employee. The Union's cost of contribution in the year amounted to £nil (2016: £374). The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2017 amounted to £nil (2016: £599) which have been recognised in unrestricted funds.

**NEST**

The Union also participates in a pension scheme with NEST, contributions by the employer in the year totalled £3,195.

**18 Transition to FRS 102**

These financial statements for the year ended 31 July 2017 are the first accounts of Union of Kingston Students that comply with the Charities SORP (FRS 102). The date of transition to the Charities SORP (FRS 102) is 1 August 2015.

**Reconciliation of funds:**

	Note	At 1 August 2015 £	At 31 July 2016 £
Funds as previously stated		362,836	366,688
Pension liability	i	<u>(984,321)</u>	<u>(956,618)</u>
<b>Funds as restated</b>		<b><u>(621,485)</u></b>	<b><u>(589,930)</u></b>

**Reconciliation of 2016 surplus for the year:**

	Note	2016 £
2016 surplus as previously stated		3,852
Movement on pension liability	i	<u>27,703</u>
<b>2016 surplus as restated</b>		<b><u>31,555</u></b>

i. At the date of transition in applying the requirement to recognise liabilities arising from the SUSS pension scheme, a liability was recognised for the contractual deficit funding contributions agreed up until the year 2031. The initial liability recognised at the date of transition was for the net present value of the deficit reduction plan payments, as required by the scheme actuary. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

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**NOTES TO THE FINANCIAL STATEMENTS**

**19 Statement of Financial Activities comparatives**

The 2016 statement of financial activities split between restricted and unrestricted are:

	Unrestricted Income	Restricted Income	Total £
<b>Income</b>			
<b>Donations and legacies</b>	1,015,308	58,000	1,073,308
<b>Income from other trading activities:</b>			
- Advertising and Media	35,870	-	35,870
- Investment income	183	-	183
- Franchise income	2,038	-	2,038
<b>Income from charitable activities:</b>			
- Bars, catering & vending	19,045	-	19,045
- Shops	775	-	775
- Entertainments & security	5,259	-	5,259
- Student activities	152,716	89,073	241,789
<b>Other income</b>	11,787	-	11,787
<b>Total income</b>	1,242,981	147,073	1,390,054
<b>Expenditure</b>			
<b>Costs of raising funds:</b>			
- Advertising and Media	244,136	-	244,136
<b>Expenditure on charitable activities:</b>			
- Advice, welfare and support	179,958	-	179,958
- Volunteering	56,541	58,000	114,541
- Communications	11,862	-	11,862
- Bars, catering & vending	33,045	-	33,045
- Shops	39,587	-	39,587
- Entertainments & security	14,808	-	14,808
- Student activities	627,435	93,127	720,562
<b>Total expenditure</b>	1,207,372	151,127	1,358,499
<b>Net income/(expenditure)</b>	35,609	(4,054)	31,555
Total funds brought forward	(713,239)	91,754	(621,485)
<b>Total funds carried forward</b>	(677,630)	87,700	(589,930)