

# **EDINBURGH NAPIER STUDENTS' ASSOCIATION**

**Trustees' Report and Financial Statements**  
*For the year ended 30 June 2019*

***Registered Charity Number - SC012506***

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

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For the year ended 30 June 2019

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# **EDINBURGH NAPIER STUDENTS' ASSOCIATION**

## **Trustees' Report**

**For the year ended 30 June 2019**

In accordance with the constitution of the Association, current statutory requirements and the Statement of Recommended Practice (SORP), the Board of Trustees present their report and the financial statements for the year ended 30 June 2019.

### **OBJECTIVES AND ACTIVITIES**

The objectives of the Association are to represent the students of Edinburgh Napier University, and to provide them with a range of services, as follows:

- To represent Edinburgh Napier students to the University and the wider community.
- To provide good quality advice and support to students.
- To maintain communications between Edinburgh Napier students at all sites.
- To provide social facilities for the use of the membership.
- To provide opportunities for the personal and skills development of members.
- To foster a cross-campus Edinburgh Napier University student culture and a sense of identity.

There have been no material changes in the Association's objectives since the previous year.

The principal activities of the Association are promoting the welfare and well-being of its beneficiaries, Edinburgh Napier students, through student representation, the provision of a client-based welfare and education advice service to individual students, promoting and facilitating student participation in activities through sports clubs and student societies. It also aims to promote student take up of personal development opportunities, through the Duke of Edinburgh's Award Scheme and other channels; providing students with meeting and social space, and operating the administrative and financial systems necessary to underpin all these activities. The annual Freshers Project is also a discrete project which is measured by sales, student questionnaire feedback and by the number of events staged. Each area of activity has its own KPIs and measurements of success. In addition to metrics, ENSA also gathers testimonials from students about the quality of their student experience with ENSA.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **ENSA Advice**

ENSA Advice aligns to the ENSA's charitable object to provide advice and support to Edinburgh Napier students. The service, staffed by 4 part time advisers (2 full time equivalent) is offered at all three Edinburgh teaching sites during term time. It provides confidential one-to-one welfare rights and education advice to individual students. Over 2018/19 it dealt with 1103 separate cases, involving 775 individual client appointments. Just over 50% of cases related to education issues, the remainder to welfare rights. Undergraduates made up 73% of clients, and the biggest single year of study for using the service was among 3rd years (29%). The highest use by school of study remained Health and Social Sciences which provided ENSA Advice with 28% of clients.

#### **Sports and Societies**

These are aligned to ENSA's charitable objects under development opportunities and also fostering a greater sense of student community. It is also the biggest community which shares regular social activities off campus, mainly under ENSA's partnership arrangements with a central nightclub and bar, and comes together to celebrate at one of the biggest social events of the calendar, the Annual Sports and Societies Awards Ball to recognise the achievements of well-run and successful clubs and societies as well as elite athletes.

In 2018/19 the number of societies rose significantly, from 32 to 40, with 947 memberships sold to 801 individual students, against 861 and 759 respectively for 2018. The Sports Union lost a club, but retained 25, with a few extending to establishing 2nd team squads. The total number of sports club members was 1112, of whom there were 1016 individual students. This represented a marginal increase on the previous year's figures.

ENSA's sports teams competed through BUCS national leagues against teams from other Scottish universities and colleges. In terms of national performance across all sports, Teamnapier remained in 2nd place among post 1990 Scottish Universities at the end of season 2018/19. Women's Basketball completed the "double" by winning both the league and the Scottish Cup, Men's Rugby (1sts) won the Scottish Cup. Successful individual sportsman were

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Trustees' Report

For the year ended 30 June 2019

### ACHIEVEMENTS AND PERFORMANCE (continued)

Angus Trinder, who won the BUCS Dryslope Championship, and pole-vaulter, Dylan Thomson, who won gold at the Student Sport Scotland Indoor Games.

A prerequisite to running organised and safe sports and societies is the quality of the student volunteers who are club and society office-holders. ENSA brought 48 club and society office-holders together for a weekend residential event aimed at team-building and office-holder induction training. While there was strong engagement among those who attended, there were a few gaps in provision in that not all clubs and societies sent a participant, while a few sent more than one. While this event was popular with participants, ENSA reviewed the office-holder training format with the aim of broadening content and reach. Over the summer of 2019, it developed a new online programme of training, based on modules with follow up tests to check learning. It was intended to have online modules covering most activities including: membership management, budgeting and financial procedures, fund-raisers and socials, training and fixture arrangements, booking transport and venues, safety and risk assessment, data protection and governing body best practice. The aim of training was to provide office holders with the practical tools to build well-run and sustainable clubs and societies for their members. It was believed that this format would be more accessible and cost effective than residential training at a time when ENSA had anticipated some financial straitening.

### Programme Representatives.

Collective representation of students' needs and interests is ENSA's unique capability as well as being a core charitable object. Collective representation of the student body takes the form of supporting representation at programme, campus and senior policy-making and leadership level within the University, and also in the wider community.

ENSA shares ownership of the programme representation system with the University. ENSA's role is to promote the representative positions to students, register those elected on a database for information updates, offer new reps induction training on their role and responsibilities and to provide ongoing support to individual reps at their request. The University has responsibility for ensuring that its teaching staff organise programme rep elections, and convene regular Student Staff Liaison Committees (SSLCs) that enable programme reps to inject ideas and resolve any problems on behalf of their class colleagues at a programme level.

2018/19 saw 369 programme representatives registered with ENSA. This represented a 15% increase on numbers for the previous year, but the number who attended the Programme Rep Induction Training day at Murrayfield remained static at 191. The proportional decline in the take up rate for training, from 59% to 52%, supported by more detailed questionnaire responses from 2018/19 reps, was sufficient to prompt a review of the way ENSA has traditionally delivered basic training to programme reps and to move from former formats of campus based induction over an evening, and the single all-day workshop at an off campus venue, towards rolling out a less time-consuming but more easily accessible online format for 2019/2020.

### Elections

Students elect their representatives to sit on the ENSA Executive, including the 3 Full Time Officers (FTOs) who take a year out of their studies or at the end of their degree, to work for students through ENSA. In 2019 election turnout was poor, at under 5%. While 2 of the 3 full time, paid, student officer posts have traditionally been popular and contested, incumbents to these posts re-ran for a 2nd term in 2019, depressing nominations and, as a consequence, electoral turnout. Although FTO positions were filled, 2 of them through electoral contests, only 3 of the remaining 8, unpaid, volunteer positions were filled, prompting by-elections in the autumn. As in 2017/18, electoral turnout was seen as problematically low and needed to be addressed, partly through constitutional change to student democratic and representative structures.

Although low electoral turnout is not unique to ENSA it is a matter of concern to ENSA's Board and the challenge of making students aware of the elections as a campus event in which they should participate, is significant. Responses to student questionnaires suggest that while students believe it important to have an independent students' association and democratically elected student leaders, far fewer claim personally to have voted in student elections. ENSA will endeavour to raise the profile of elections over a split site campus and negotiate some relaxation of restrictions on candidate publicity on University premises to boost the profile of candidates and the electoral process as a "campus event". It will also provide all candidates' with a campaign workshop.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Trustees' Report

For the year ended 30 June 2019

### ACHIEVEMENTS AND PERFORMANCE (continued)

#### Campaigns

Another activity that takes place under representation is campaigning on issues affecting students. In response to the widely reported rise in poor mental health among UK students, ENSA partnered with University's Well-Being Team to collaborate on and develop a new student-facing policy on mental health for the University. In relation to this, ENSA has also been keen to develop an easily accessible "student charter" document of mutual expectations on mental health access and support. To progress its mental health initiative, ENSA led a month of events in a cross campus campaign entitled "Feel Fab February" promoting well-being and better mental health through a range of workshops and information sessions, promoting physical activity, such as yoga, spin cycling and jujitsu, and a range of other therapeutic activities and information sessions. ENSA also trained more elected officers and staff in Mental Health 1st Aid.

ENSA again promoted the "Healthy Body Healthy Mind" campaign and, as part of its diversity initiative, it ran a campus "She Can She Will" campaign to promote women's participation in sport, and "Purple Friday" and "Rainbow Laces" to demonstrate support for the LGBTQ+ community. Initiatives were taken to improve the University's Personal Development Tutor (PDT) system to offer more consistent pastoral and academic support approach to students throughout their academic careers, and ENSA initiated a pregnancy policy for the University. ENSA continued to campaign for the University to systematise the way University staff engaged with programme reps; to make it more consistent across all schools and programmes, enabling programme reps to engage with their class cohorts and their teaching staff on the programme in a more regular and structured way, so that their representations could be genuinely impactful on the quality of programme delivery. ENSA also reinstated its student-nominated "Excellence Awards" for teaching and support staff, and made the award presentations to winners in their workplaces, in front of the students who nominated them.

#### Duke of Edinburgh's Award/Volunteering

It was decided to discontinue ENSA's participation as an accredited centre for the Duke of Edinburgh's Award. Although quite popular with EU and international students, those on short stays did not have sufficient time to complete the sustained level of activity required to attain an award before having to return to their home countries. Among UK students, there was a perception that while the Award supported an application for University, it lacked appeal as a University-level attainment. ENSA had always intended to tailor individual participants' volunteering pathways to specific graduate skills, but the discontinuation of its Vbase volunteering initiative in response to funding cuts previously made this more challenging.

#### Social

ENSA ran a Freshers Week of over 20 events to welcome new students to university. These events included traditional "nightclub" events and a range of activities that were accessible for the under 18s and those who did not wish to socialise around alcohol. ENSA also produced a Freshers Handbook distributed directly to student flats across campus, and it staged one of Scotland's largest Freshers Fairs. It ran the annual "Sports and Societies Awards Ball" and hosted, and won, a Varsity sports match day across a range of sports against Queen Margaret Students' Union, with a celebratory joint social event afterwards. ENSA's clubs and societies ran a number of themed fund-raisers and events off campus throughout the session.

#### Governance

The Blake Stevenson Report on Governance (July 2017) recommended investing in governance as a means of strengthening the Association and its ability to deliver on its charitable objects. ENSA continued to invest in professional help to augment governance in 2018/19, including commissioning a Change Consultant to assist with the constitutional reform and the implementation of the change of status. It also invested in legal advice and support relating to the constitutional review and to trustees' responsibilities vis a vis the University, particularly around areas in which it was perceived that the University questioned the charity's autonomy and the Board's status as ENSA's governing body.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Trustees' Report

For the year ended 30 June 2019

### FINANCIAL REVIEW

Overall net income for the year is £4,708 compared to net expenditure of £75,438 for 2018. It should be noted however, that the 2018 result included a charge of £125,764 relating to an increase in the pension deficit. There was no such charge for 2018/19 as the next update to the contributions schedule is expected in 2020/21.

The balance sheet shows net current assets at 30 June 2019 of £221,872 (2018: £240,648) and unrestricted general funds of £264,268 (2018: £280,995). This excludes the pension deficit liability of £702,844 (2018: £724,279) which is repayable over the coming 14 years, bringing the total funds of the charity to a net liabilities position of £438,576 (2018: £443,284).

### Key Financial Concerns:

- **Continued Financial Dependence on the University.** ENSA remains dependent on the University for almost 60% of its direct income, in addition to help in kind which includes access to facilities for clubs and societies, its office accommodation and IT on campus. This concern was noted in 2018 and, despite a marginal increase in funding in 2018/19, concerns have been exacerbated in the light of a deterioration in the University -ENSA Board relationship. ENSA has no premises of its own to use as base for generating income, and any expansion of independent income usually takes the form of sponsorship and partnering with 3<sup>rd</sup> parties to deliver freshers' events.
- **Pension Liability.** This is set to be a significant and ongoing cost for the next 14 years, with (upward) revaluations of liability every 3 years. The monthly instalments to offset liability are £3,797 and there is an annual levy of £5,754. The 3 yearly re-valuation is overdue (from autumn 2019) and not expected until September 2020.

Asides from the financial impact of servicing the pension liability, the continued status of ENSA and its Board as unincorporated, is a risk to individual trustees and may be a deterrent to new trustees joining ENSA's Board, making the incorporation of the trustee status and the constitutional change to achieve this imperative for the future good governance of the Association.

### Income

The block grant and ring-fenced funding from the University combined allocation rose by £10,000 net from August 2019. ENSA received £7,446 in the form of direct extra funding due to the fact that ENSA's accounting year does not align with that of the University.

Freshers events income further declined, while the income from the Freshers' Fair and the Publications held steady and were good revenue generators. A decision had been taken after the general downturn in attendance at night-time events, due in part to more classes being scheduled by the University every day during freshers' week, to reduce the outlay on nightclub events, so as to minimise financial risk. There was a trend across the sector for lower cost, lower ticket price events, and ENSA's elected officers proposed more "homespun" themed nights for most of the welcome week events. The Freshers' Fair continued to flourish as one of Scotland's largest, and was popular both with stall-holders and among new and returning students alike. The other main event cost was the annual formal teamnapier Awards Ball the cost of which was offset by sponsorship and ticket sales. ENSA continued to attract sponsorship from its pub and nightclub partners and generated some new business from smaller sponsors and advertisers, including those sponsoring social media posts.

### Expenditure

Charitable expenditure decreased on that of the previous year. There were some restrictions placed on the campus activities ENSA engagement staff by University management which had a negative impact on activity and spending in this area. Elected officer training and development was reduced partly because most investment is on full time officers (FTOs) and 2 incumbents were returned for a second term of office as trained FTOs. Volunteer Executive positions were under-subscribed and less was spent on Executive training and support.

Support costs show as having been reduced primarily due the change in the SUSS pension contribution schedule during 2017/18. There was no change to the schedule of contributions during 2018/19 because of the overdue 3-yearly revaluation by the SUSS trustees and their appointees KPMG. There was an increase in the payroll and increased costs for the Board buying in professional advice.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Trustees' Report

For the year ended 30 June 2019

### FINANCIAL REVIEW (continued)

The overall payroll cost for both charitable and support wages increased by 9.8%. There were some expansion in hours to cover staff absences and there was very little wage-gapping compared to 2017/18. All ENSA employees, including FTOs, are paid on NJC APT&C wage scale points so as to remove annual wage negotiations from the workplace. By accepting the local government scales, ENSA's Board accepts the annual cost of living rise negotiated nationally between employers and trade unions in local government. In April 2018 the salaries of those at the lower end of the scale points had been increased at a significantly higher rate than those who were further up the pay scales, and this was followed in April 2019 by a complete restructure of the scale points nationally, which had the effect of removing and merging scale points, again with the proportionately greater emphasis on significantly larger percentage increases for those nearer the bottom of the scales. This had a disproportionate impact on ENSA's payroll costs.

#### *Principal Funding Sources.*

ENSA receives a block grant from Edinburgh Napier University. It is paid in 12 monthly instalments. In August 2018/19 the monthly instalments rose from £35,250 to £38,333 while the one off ring-fenced payment of £77,000 for session 2018/19 was reduced to £50,000.

The University normally makes a small donation to the Sports and Societies Awards Ball and it donates another to ENSA to publicise the availability of the Discretionary Fund(s) (DLF) and facilitate students being paid emergency advances by ENSA on the DLF's behalf to address students' immediate financial crises. It also has an agreement to refund the cost of staging the Freshers Fair, which was relocated from on-campus marquees to a larger and cheaper off campus venue some years ago.

ENSA attracts sponsorship, principally from its pub and club partners, and generates revenue from the sales of freshers events and commercial stalls for the Fair, membership sales for its clubs and societies to fund their activities, and from Awards Ball ticket sales.

Thus far, in 2019/20, the only financial contribution from the University has been the regular monthly instalments of the block grant at 2018/19 rates.

#### *Reserves Policy*

The Board set a general reserves policy of 6 months expenditure, equivalent to £343,004 at 2018/19 levels. The Board intends to generate net income over the coming years to achieve this fund level and to clear the pension deficit over the coming 14 years in accordance with the schedule of contributions.

#### *Risk Management*

This is included as part of the Board's business. Risks to the charity's autonomy have been flagged up and professional advice sought on how best to address this with ENSA's chief funder.

### PLANS FOR FUTURE PERIODS

It remains the intention of the Board to set up a corporate trustee as a company limited by guarantee as a means of offering some protection from personal liability to its trustees. As part of that Constitutional Review, it aims to introduce new structures and processes aimed at improving the quality of ENSA's democratic engagement with its member-beneficiaries.

The Board aims to enhance the student-facing profile of ENSA, especially through the promotion of campaigns on issues affecting the well-being of its student-beneficiaries. It intends to pilot the key student structures proposed in its constitutional review. Albeit these will not have constitutional authority until the reviewed constitution is ratified by University Court and a student referendum, they are seen as a means to connect more effectively with members and to improve the channels of communication between ENSA and its members to better inform ENSA's input into the University's student-facing policies and activities. Until consent is given for the new structures, the existing constitutional structures will be run in parallel.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Trustees' Report

For the year ended 30 June 2019

### STRUCTURE, GOVERNANCE AND MANAGEMENT

ENSA is a charity registered in Scotland and subject to the Charities and Trustee Investment (Scotland) Act 2005. The strategic and overall management of the charity is the responsibility of the Board of Trustees.

The Trustee Board currently has 3 ex officio places for the elected FTOs, and 6 open places, four for lay external trustees recruited on the basis of their skills and experience, and 2 further lay students who speak from their student experience. The Board's constitutional review proposes to expand the membership of the Board to ensure a broader base.

#### *Management and Decision Making*

The key management personnel are the General Manager and the Assistant Manager. Daily decision-making in terms of operations, service delivery and progressing strategy are delegated by the Board to these personnel.

There are 3 elected student full time officers (FTOs) who are remunerated and employed for a 1 year term of office, with possible re-election for a second year (legal maximum). They are trustees and employees of ENSA, but they are also student leaders and representatives of the student body. The FTO team share a workplace with the rest of the ENSA staff team and work in close collaboration with them, coming together on a weekly basis to establish work priorities in the sabbaticals (FTOs) and managers operations group (SMOG), which links both strategy and student-facing policy and activities with operational delivery. SMOG is a sub-committee of the Trustee Board.

The Board is responsible for setting strategy for the organisation, and resourcing those responsible for enacting it in terms of funding, skills and HR. The Board periodically assesses risk and initiates appropriate steps to avoid or mitigate its impact. It is responsible for health and safety at work, and to ensure that student clubs and societies have the skills to risk assess their activities and develop appropriate policies in line with those of sports governing bodies.

The Board has the legal responsibility of being the employer of ENSA's staff and has a duty of care towards them. ENSA staff are all placed on NJC APT&C pay scales and the Board customarily ratifies annual cost of living rises agreed nationally. Staff may progress up incremental service-related scales to a ceiling point. Any significant staff restructure or pay re-grade proposal, or proposals for significant changes to terms and conditions, belongs to the Board, which also assumes responsibility for any succession planning at senior level.

#### *Trustee Recruitment and Training*

Other than the 3 elected FTOs who are ex officio trustees, membership is through open recruitment, and potential candidates are interviewed by a panel of existing Board members. New trustees receive induction training, usually from recognised experts in the sector, principally Shirley Otto or ENSA's auditors. Trustees are also encouraged to source appropriate trustee training for themselves, and some have used training provided by ACOSVO. 2 FTOs are members of the University's governing body, the Court, and they access professional training on their trustee role through university provision, but all 3 FTOs may access training provided through NUS and other bodies. New trustees are provided with an ENSA Trustee Handbook and are encouraged to read OSCR materials, such as "Guidance for Charity Trustees".

#### *Related Parties.*

The Association receives an annual grant from Edinburgh Napier University as described in note 19 to the financial statements. The grant affords ENSA to undertake some of its core activities.

#### *Resources held for a third party*

The Association holds funds on behalf of its clubs and societies. These may be funds raised by clubs to support their activities or the purchase of kit and equipment. These are held in a separate bank account which is not included in financial statements. The balance at the year end was £68,122 (2018: £59,406).



# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Trustees' Report

For the year ended 30 June 2019

### REFERENCE AND ADMINISTRATIVE DETAILS

**Charity Number:** SC012506

#### **External Lay Trustees**

David Roberts	term finished 31 March 2019
Sean Dunn	resigned 8 January 2020
Rob Kemmer	resigned 18 March 2019
Julie Reynolds	appointed 7 May 2018
Lynne McNaughton	appointed 6 July 2019
Navpreet Breeze (treasurer)	appointed 6 July 2019

#### **Student Lay Trustees**

Tom Clark (convener)	appointed July 2018
Beth Wallace	resigned 31 October 2019

#### **Student Sabbatical Trustees**

Jonathan Fraser	term started 1 July 2018
Ashley Mclean	term finished 30 June 2019
Georgia Moran	term started 1 July 2018
Ankit Duggal	term started 1 July 2019

#### **Management team**

**Association Manager** – Ann Whannell

**Assistant Manager** – Paul Mitchell

#### **Principal Office**

Napier Students' Association  
B34 Edinburgh Napier University  
10 Colinton Road  
Edinburgh  
EH10 5DT

#### **Auditor**

Scott-Moncrieff Audit Services  
Chartered Accountants  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

#### **Bankers**

The Royal Bank of Scotland plc  
206 Bruntsfield Place  
Edinburgh  
EH10 4DF

#### **Solicitors**

Turcan Connell  
Princes Exchange  
1 Earl Grey Street  
Edinburgh  
EH3 9EE

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Trustees' Report

For the year ended 30 June 2019

### Statement of Trustees' responsibilities

The Constitution requires the accounts to be authorised by the Board of Trustees which is responsible for the running of the charity. The Board of Trustees is comprised of 3 full time remunerated elected students: the President and the two Vice Presidents, elected annually across campus by the student body for up to 2 years and who are also members of the Student Executive; 4 external trustees appointed on the basis of their skills and knowledge for a 2 or 3 year term, and 2 independent students elected across campus for a one year term and who must not be members of the Student Executive. The financial responsibilities of the Association are exercised through the Board of Trustees with delegated responsibilities to the Finance and Resources Operations Group, which is a sub-committee of the Board, chaired by a non-Executive member of the Board. The financial statements go before Student Council, made up of student representatives and the Executive, which may ask questions and raise concerns it has with the Board of Trustees. Official authorisation of the financial statements rests with the Board of Trustees.

The law applicable to charities in Scotland requires the Board of Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Association and the incoming resources and application of resources, including income and expenditure for that period. In preparing those financial statements, the Board of Trustees is required to:

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

The Board of Trustees is responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

### Statement of disclosure of information to auditor

To the knowledge and belief of each of the persons who are members of the Board of Trustees at the time the report is approved:

- so far as the member of the Board of Trustees is aware, there is no relevant information of which the Association's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a member of the Board of Trustees in order to make himself/herself aware of any relevant audit information, and to establish that the Association's auditor is aware of the information.

EDINBURGH NAPIER STUDENTS' ASSOCIATION

Trustees' Report

For the year ended 30 June 2019

**Auditor**

A resolution to re-appoint Scott-Moncrieff, Chartered Accountants as auditor will be proposed at the annual general meeting.

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board of Trustees on 12 FEBRUARY 2020 and signed on its behalf by:



Thomas Clark - Convener

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Independent Auditor's Report to the Trustees and Members

For the year ended 30 June 2019

### Opinion

We have audited the financial statements of Edinburgh Napier Students' Association (the charity) for the year ended 30 June 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 June 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 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions applicable for small entities, in the circumstances set out in note 19 to the financial statements, and we have fulfilled our 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 audit opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 we do not express any form of assurance conclusion thereon.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Independent Auditor's Report to the Trustees and Members

For the year ended 30 June 2019

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 Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

**EDINBURGH NAPIER STUDENTS' ASSOCIATION**

**Independent Auditor's Report to the Trustees and Members**

**For the year ended 30 June 2019**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charity's trustees, as a body, 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.



**Scott-Moncrieff Audit Services**

**Statutory Auditor**

**Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006**

**Exchange Place 3**

**Semple Street**

**Edinburgh**

**EH3 8BL**

.....12 February 2020

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Statement of Financial Activities

For the year ended 30 June 2019

	Notes	Unrestricted 2019 Total £	Unrestricted 2018 Total (restated) £
<b>Income and endowments from:</b>			
Donations and legacies	3	535,380	526,009
Other trading activities	4	129,123	130,151
Charitable activities	5	93,417	88,290
Investments		528	99
<b>Total</b>		<b>758,448</b>	<b>744,549</b>
<b>Expenditure on:</b>			
Raising funds – events and entertainment		67,732	69,025
Charitable activities	6	664,567	728,927
Other – pension scheme costs	16	21,441	22,035
<b>Total</b>		<b>753,740</b>	<b>819,987</b>
<b>Net income/(expenditure)</b>		<b>4,708</b>	<b>(75,438)</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		(443,284)	(367,846)
<b>Total funds carried forward</b>	<b>13</b>	<b>(438,576)</b>	<b>(443,284)</b>

All of the results relate to continuing activities.

There were no recognised gains or losses for the period other than those stated in the above statements.

The notes on pages 16 to 27 form part of these financial statements.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Balance Sheet

As at 30 June 2019

	Notes	2019 £	2018 £
<b>Fixed assets</b>	9	18,134	18,910
<b>Current assets</b>			
Debtors	10	4,211	18,104
Cash at bank and in hand		275,440	278,848
<b>Total current assets</b>		279,651	296,952
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	11	(33,517)	(34,867)
Pension liability	16	(24,262)	(21,437)
<b>Net current assets</b>		221,872	240,648
<b>Total assets less current liabilities</b>		240,006	259,558
Pension liability	16	(678,582)	(702,842)
<b>Total net assets</b>	15	(438,576)	(443,284)
<b>Funds</b>			
<b>Unrestricted funds</b>			
General fund	13	264,268	280,995
Pension fund	13	(702,844)	(724,279)
<b>Total charity funds</b>		(438,576)	(443,284)

The financial statements were approved and authorised for issue by the Board of Trustees on 12 FEBRUARY 2020 and signed on their behalf by:

  
Navpreet Breeze - Treasurer

The notes on pages 16 to 27 form part of these financial statements.



# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Statement of Cash Flows

For the year ended 30 June 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash (used in)/provided by operating activities	17	(1,663)	33,042
<b>Cash flows from investing activities:</b>			
Interest		528	99
Purchase of property, plant and equipment		(2,273)	(768)
<b>Net cash used in investing activities</b>		<u>(1,745)</u>	<u>(669)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(3,408)</b>	<b>32,373</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>278,848</u>	<u>246,475</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>275,440</u></u>	<u><u>278,848</u></u>

The notes on pages 16 to 27 form part of these financial statements.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 1. Accounting policies

#### General Information

Edinburgh Napier Students' Association is a charitable trust established under the university charter, and registered in Scotland. The charity's registered number is SC012506, and its registered office is B34 Edinburgh Napier University, 10 Colinton Road, Edinburgh, EH10 5DT.

The continuing activity of the Association is to represent the students of Edinburgh Napier University.

#### Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, as issued by the Financial Reporting Council, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Edinburgh Napier Student's Association 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.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Association's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgements in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### Going concern

The trustees are of the opinion that the charity can continue to meet its obligations as they fall due for the foreseeable future but that more cost-cutting measures may need to be implemented to respond to an environment of greater financial uncertainty and reduced funding from ENSA's principal funder, the University. Without premises of its own through which to stage events and generate income ENSA is dependent on creating and developing working relationships with commercial organisations, and which provide sponsorship or forms of commission in return for promoting events and services to students.

The Board have considered their key financial concerns within the trustee report, at page 4.

#### Income recognition

Income is recognised when the Association has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the Association's control and there is sufficient evidence that they have been met or will be met.

Income from charitable activities and other trading activities includes event and event sponsorship income and is recognised when the Association earns the right to consideration by its performance.

#### Gifts in kind

The value of gifts in kind provided to the Association is recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Association can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 1. Accounting policies (continued)

#### Expenditure

Expenditure is recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged direct to charitable expenditure. Where this is not possible, the expenditure has been allocated on the basis of time spent by staff on each activity.

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the Association in the delivery of its activities and services.
- Support costs are allocated directly to charitable activities where applicable. Other support costs are allocated to charitable activities based on the proportion of income generated by each activity:

Representation	62%
Engagement	26%
Clubs, Societies & Sports Unions	12%

- Governance costs, included within support costs, are those costs associated with meeting the constitutional and statutory requirements of the Association and include costs linked to the strategic management of the Association.

The classifications of expenditure were reviewed for 2018/19 to better reflect the nature of activities between raising funds and charitable activities. The comparative figures were therefore restated accordingly. There was no impact on the financial statements other than reallocations between expenditure classifications.

#### VAT

The Association is registered for VAT and is partially exempt. Income and expenditure is stated net of VAT. Irrecoverable VAT is charged as an expense to the Statement of Financial Activities in the year in which it occurs.

#### Fixed assets

Fixed assets are included in the Balance Sheet at cost, less accumulated depreciation and any impairment.

#### Depreciation

Depreciation is provided in the period in which the fixed assets are purchased. The rates of depreciation are calculated so as to write off the cost less residual value of each asset over its expected useful life as follows:

Furniture & fittings	20% reducing balance
Motor vehicles	25% reducing balance
Volunteer base	10% reducing balance

#### Debtors

Short term debtors are measured at the undiscounted amount of cash receivable, which is normally the invoiced amount, less any allowance for doubtful debts.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and investment managers which are readily convertible, being those with maturities of three months or fewer from inception.

Cash and cash equivalents are measured at amortised cost, based on the relevant exchange rates at the reporting date.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 1. Accounting policies (continued)

#### Creditors

Short term creditors are obligations to pay for goods or services that have been acquired. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less, and are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

#### Financial Instruments

Financial instruments are recognised in the Statement of Financial Activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition they are accounted for as set out below.

The charity only enters into basic financial instruments. At the end of each reporting period basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial assets are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

#### Pension costs

During the period the Association participated 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 underlying assets and liabilities can be directly attributed to the Association. Under the terms of FRS 102, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme. The contractual liability to repay past funding deficits has been recognised on the balance sheet at the net present value of future cash flows, as required by FRS 102. An effective interest cost is charged to the Statement of Financial Activities as the discounting to present value unwinds over time.

The Association also operated a defined contribution scheme in respect of its employees. The assets of the scheme are held separately from those of the charity. The pension costs charge represents the amount of contributions payable to the scheme in the period.

#### Unrestricted and designated funds

General funds are to be used to carry out the core activities of the Association. Designated funds are to be used for specific purposes as laid down by the Association.

### 2. Critical judgements and estimates

In preparing the financial statements trustees make estimates and assumptions which affect reporting results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgments are made in the timing of the recognition of income in accordance with the Charities SORP (FRS 102) and in the present value discount rate applied to the long term pension deficit liability.

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 3. Donations and legacies

2019	Representation Engagement		Clubs, Societies & Sports Unions	Total 2019
	£	£	£	£
Edinburgh Napier University Block Grant	456,917	-	-	456,917
Ring-fenced Funding	-	50,000	-	50,000
Gifts and services in kind	-	-	15,663	15,663
Other funding	1,000	5,000	6,800	12,800
	<u>457,917</u>	<u>55,000</u>	<u>22,463</u>	<u>535,380</u>

2018	Representation Engagement		Clubs, Societies & Sports Unions	Total 2018
	£	£	£	£
Edinburgh Napier University Block Grant	423,000	-	-	423,000
Ring-fenced Funding	-	82,000	-	82,000
Gifts and services in kind	-	-	13,738	13,738
Other funding	271	-	7,000	7,271
	<u>423,271</u>	<u>82,000</u>	<u>20,738</u>	<u>526,009</u>

### 4. Other trading activities

	Total (Engagement) 2019	Total (Engagement) 2018 (restated)
	£	£
Freshers events	34,601	41,927
Partnership income	22,000	21,417
Event income	29,915	29,620
Sports & Societies Awards Ball	37,757	35,415
Social Media advertising	4,850	1,772
	<u>129,123</u>	<u>130,151</u>

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 5. Income from charitable activities

	Representation	Engagement	Clubs, Societies & Sports Unions	Total
2019	£	£	£	2019 £
Sports Unions	-	-	23,710	23,710
Sundry income	3,323	-	3,771	7,094
Freshers'	-	58,593	-	58,593
Clubs and societies	-	-	4,020	4,020
	<u>3,323</u>	<u>58,593</u>	<u>31,501</u>	<u>93,417</u>
	<u><u>3,323</u></u>	<u><u>58,593</u></u>	<u><u>31,501</u></u>	<u><u>93,417</u></u>

  

	Representation	Engagement	Clubs, Societies & Sports Unions	Total
2018	£	£	£	2018 (restated) £
Sports Unions	-	-	24,262	24,262
Sundry income	1,992	-	-	1,992
Freshers'	-	58,256	-	58,256
Clubs and societies	-	-	3,780	3,780
	<u>1,992</u>	<u>58,256</u>	<u>28,042</u>	<u>88,290</u>
	<u><u>1,992</u></u>	<u><u>58,256</u></u>	<u><u>28,042</u></u>	<u><u>88,290</u></u>

### 6. Charitable activities

	Representation	Engagement	Clubs, Societies & Sports Unions	Total
2019	£	£	£	2019 £
Staff wages	195,407	117,981	74,351	387,739
Student training and development	23,841	1,942	4,714	30,497
Executive expenses	2,929	-	-	2,929
NUS Affiliation Fees	22,626	-	-	22,626
Other costs	-	5,576	-	5,576
Strategic Development	-	90	-	90
Sports Union	-	-	27,914	27,914
Support costs (note 7)	110,487	51,309	20,681	182,477
Bad debt	-	1,670	-	1,670
Depreciation	1,790	1,259	-	3,049
	<u>357,080</u>	<u>179,827</u>	<u>127,660</u>	<u>664,567</u>
	<u><u>357,080</u></u>	<u><u>179,827</u></u>	<u><u>127,660</u></u>	<u><u>664,567</u></u>

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 6. Charitable activities (continued)

2018	Representation	Engagement	Clubs, Societies & Sports Unions	Total 2018 (restated)
	£	£	£	£
Staff wages	177,113	86,415	82,789	346,317
Student training and development	28,154	2,035	6,821	37,010
Executive expenses	2,068	-	-	2,068
Depreciation	1,701	1,399	-	3,100
NUS Affiliation Fees	21,548	-	-	21,548
Other costs	1,285	-	-	1,285
Strategic Development	-	1,717	-	1,717
Sports Union	-	-	30,739	30,739
Support costs (note 7)	150,686	86,501	36,583	273,770
Bad debt	-	11,373	-	11,373
	<u>382,555</u>	<u>189,440</u>	<u>156,932</u>	<u>728,927</u>

### 7. Support costs

2019	Representation	Engagement	Clubs, Societies & Sports Unions	Total 2019
	£	£	£	£
Staff wages	55,486	23,631	10,386	89,502
Pension deficit revaluation	-	-	-	-
Irrecoverable VAT	11,758	5,008	2,201	18,967
Office costs	6,007	2,558	1,124	9,690
Other costs	27,917	11,890	5,226	45,033
MSL Database costs	-	4,255	-	4,255
<i>Governance costs</i>				
Audit fee	3,410	1,452	638	5,500
Governance review and HR	5,909	2,515	1,106	9,530
	<u>110,487</u>	<u>51,309</u>	<u>20,681</u>	<u>182,477</u>

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 7. Support costs (continued)

2018	Representation	Engagement	Clubs, Societies & Sports Unions	Total 2018 (restated)
	£	£	£	£
Staff wages	49,404	26,991	11,994	88,389
Pension deficit revaluation	70,294	38,407	17,066	125,767
Irrecoverable VAT	9,339	5,103	2,267	16,709
Office costs	5,754	3,143	1,397	10,294
Other costs	6,367	3,479	1,546	11,392
MSL Database costs	-	4,173	-	4,173
<i>Governance costs</i>				
Audit fee	2,348	1,282	570	4,200
Governance review and HR	7,180	3,923	1,743	12,846
	<u>150,686</u>	<u>86,501</u>	<u>36,583</u>	<u>273,770</u>

### 8. Staff costs and numbers

	2019 £	2018 £
Wages and salaries	423,238	383,723
Social security costs	31,953	29,030
Pensions	19,376	19,222
Death in service	2,675	2,731
	<u>477,242</u>	<u>434,706</u>
	2019 Number	2018 Number
Staff numbers		
Management and administration	20	19
	<u>20</u>	<u>19</u>

There were no employees with emoluments above £60,000 (2018: none).



# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 8. Staff costs and numbers (continued)

#### Executive remuneration

They key management personnel of the charity comprise of the executive members:

During the course of their employment, 3 members (2018: 3) of the Executive received sabbatical remuneration, as outlined in the Constitution.

	2019 £				2018 £			
	Salary	Pension	Er NI	Total	Salary	Pension	Er NI	Total
Manish Khatri	-	-	-	-	17,369	521	1,260	19,150
Hannah Macleod	-	-	-	-	17,369	435	1,260	19,064
Hannah Markley	-	-	-	-	17,369	435	1,260	19,064
Georgia Moran	18,228	410	1,332	19,970	-	-	-	-
Jonathan Fraser	18,148	408	1,320	19,876	-	-	-	-
Ashley McLean	18,158	267	1,321	19,746	-	-	-	-
	<u>54,534</u>	<u>1,085</u>	<u>3,973</u>	<u>59,592</u>	<u>52,107</u>	<u>1,391</u>	<u>3,780</u>	<u>57,278</u>

3 members (2018: 3) of the Executive were reimbursed a total of £1,786 for travel and expenses incurred during the period (2018: £1,353). 4 members (2018: nil) of the Trustees were reimbursed a total of £227 for travel and expenses incurred during the period (2018: £nil).

### 9. Fixed assets

	Volunteer Base £	Furniture & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 July 2018	17,348	9,602	6,000	32,950
Additions	-	2,273	-	2,273
At 30 June 2019	<u>17,348</u>	<u>11,875</u>	<u>6,000</u>	<u>35,223</u>
<b>Depreciation</b>				
At 1 July 2018	4,760	4,703	4,577	14,040
Charge for year	1,259	1,434	356	3,049
At 30 June 2019	<u>6,019</u>	<u>6,137</u>	<u>4,933</u>	<u>17,089</u>
<b>Net book value</b>				
At 30 June 2019	<u>11,329</u>	<u>5,738</u>	<u>1,067</u>	<u>18,134</u>
At 1 July 2018	<u>12,588</u>	<u>4,899</u>	<u>1,423</u>	<u>18,910</u>

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 10. Debtors

	2019	2018
	£	£
Trade debtors	763	8,122
Prepayments and accrued income	3,448	8,542
Other debtors	-	1,440
	<u>4,211</u>	<u>18,104</u>

### 11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	2,524	5,897
Social security and other taxes	376	10,667
Other creditors and accruals	25,321	8,028
Deferred income	5,296	10,275
	<u>33,517</u>	<u>34,867</u>

Deferred income arises as follows:

	2019	2018
	£	£
Opening balance	10,275	14,613
Received in the year	5,296	10,275
Released in the year	(10,275)	(14,613)
	<u>5,296</u>	<u>10,275</u>

### 12. Financial assets and liabilities

	2019	2018
	£	£
Financial assets held at amortised cost	276,203	288,410
Financial liabilities held at amortised cost	(730,689)	(738,204)

Financial assets held at amortised cost comprise of cash at bank, and debtors excluding prepayments.

Financial liabilities held at amortised cost comprise of trade and other creditors falling due within one year, excluding deferred income, and the pension deficit provision. £678,582 of the pension deficit liability falls due after more than one year (2018: £702,842).

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 13. Funds

2019	Balance at 1 July 2018 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2019 £
<b>Unrestricted funds</b>					
General fund	280,995	758,448	(732,299)	(42,876)	264,268
Pension fund	(724,279)	-	(21,441)	42,876	(702,844)
	<u>(443,284)</u>	<u>758,448</u>	<u>(753,740)</u>	<u>-</u>	<u>(438,576)</u>
2018	Balance at 1 July 2017 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2018 £
<b>Unrestricted funds</b>					
General fund	248,238	744,549	(797,952)	86,160	280,995
Pension fund	(616,084)	-	(22,035)	(86,160)	(724,279)
	<u>(367,846)</u>	<u>744,549</u>	<u>(819,987)</u>	<u>-</u>	<u>(443,284)</u>

The transfer between funds relates to the pension deficit payments.

### 14. Commitments

	2019 £	2018 £
The Association has pledged the following resources for the year to 30 June		
- Sports Union	46,000	42,300
- Clubs and societies	9,200	8,460
- Crisis loans	3,000	3,000
	<u>58,200</u>	<u>53,760</u>

### 15. Analysis of net assets between unrestricted funds

2019	General funds £	Pension fund £	2019 Total £
Balances at 30 June 2019 represented by:			
- Tangible assets	18,134	-	18,134
- Current assets	279,651	-	279,651
- Amounts falling due within one year	(33,517)	(24,262)	(57,779)
- Amounts falling due after more than one year	-	(678,582)	(678,582)
	<u>264,268</u>	<u>(702,844)</u>	<u>(438,576)</u>

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 15. Analysis of net assets between unrestricted funds (continued)

2018	General funds £	Pension fund £	2018 Total £
Balances at 30 June 2018 represented by:			
- Tangible assets	18,910	-	18,910
- Current assets	296,952	-	296,952
- Amounts falling due within one year	(34,867)	(21,437)	(56,304)
- Amounts falling due after more than one year	-	(702,842)	(702,842)
	<u>280,995</u>	<u>(724,279)</u>	<u>(443,284)</u>

### 16. Pension costs

The Association 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 to 30 September 2011 accruing on a Career Average Revalued Earnings (CARE) basis. The Scheme closed to future accrual on 30 September 2011.

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 £101,313,000 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 on-going funding basis amounted to £119,700,000.

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 pensions over the period up to retirement and once in payment.

The following assumptions applied at 30 June 2019:

- The investment return would be 4.3% per annum before retirement and 2.3% per annum after retirement.
- Pensions accrued on the CARE basis would revalue in line with RPI at 3.2% per annum and pensions accrued on the final salary basis would revalue in line with CPI at 2.2% 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 set out recommended monthly contributions expressed in monetary terms intended to clear the on-going funding deficit over a period of 15 years and 9 months. These amounts are applied with effect from 1 October 2017 and will increase each year by 5%. They will be formally reviewed following completion of the next valuation due with an effective date no later than 30 June 2019. In addition to these contributions, the Association also pays its share of the scheme's levy to the Pension Protection Fund. This cost of £5,576 (2018: £1,357) is also included in the accounts.

The funding deficit contributions paid into the scheme by the Association for the year ended 30 June 2019 amounted to £48,452 (2018: £40,963). The Association will be obligated to pay deficit contributions of £45,022 for the year ended 30 June 2020. As it is not possible to identify individual employers' share of the assets and liabilities in the scheme, the contributions are recognised as if it were a defined contribution scheme. The total commitment for funding deficit contributions at 30 June 2019 was the net present value of £702,844 (2018: £724,279).

# EDINBURGH NAPIER STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 30 June 2019

### 16. Pension costs (continued)

The Association also operated a defined contribution scheme in respect of its employees during the period. The assets of the scheme are held separately from those of the Association. The pension cost charge represents the amount of contributions payable to the scheme in the year and amounted to £19,376 (2018: £21,953).

### 17. Notes to the cash flow statement

#### Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Surplus/(Deficit) for the year	4,708	(75,438)
Depreciation	3,049	3,100
Interest	(528)	(99)
Decrease in debtors	13,893	9,213
Decrease in creditors	(1,350)	(11,929)
(Decrease)/Increase in provisions	(21,435)	108,195
Cash (used in)/provided by operating activities	(1,663)	33,042

### 18. Related parties

Napier Students' Association received £456,917 (2018: £423,000) in core grant income from Edinburgh Napier University. Income of £55,000 (2018: £82,000) was also received from Edinburgh Napier University to support the delivery of strategic priorities.

Napier Students' Association has use of an office suite on the Edinburgh Napier University campus. Napier Students' Association paid £Nil for use of this accommodation during the year ended 30 June 2019 (2018: £Nil).

During the year, Napier Students' Association received £15,663 (2018: £13,738) worth of gifts and services in kind from Edinburgh Napier University. These related to sports related training and event costs.

Napier Students' Association received £11,572 (2018: £15,000) from Edinburgh Napier University for the organisation of a Freshers' Fayre.

### 19. Non-audit services

In common with many other organisations of its size, the Association uses its auditor to assist with the preparation of the financial statements and to provide general VAT advice.

### 20. Contingent liabilities

There exists a contingent liability, attributable to the potential settlement of ongoing litigation at year-end. Any additional liability will be confirmed once the ongoing discussions between the parties have concluded.

