

NAPIER STUDENTS' ASSOCIATION

Board of Trustees Report and Financial Statements

For the year ended 30 June 2013

Registered Charity Number - SC012506

NAPIER STUDENTS' ASSOCIATION

Board of Trustees Report and Financial Statements

For the year ended 30 June 2013

Contents	Pages
Board of Trustees' Report	2 – 6
Independent Auditor's Report to the Trustees and Members	7 – 8
Income and Expenditure Account and Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 – 19

Current period:

Student Trustees

2012/13 (term of office from 1 August 2012 - 17 July 2013 unless otherwise stated)

Thomas Zanelli (from 1 July 2011 – 30 June 2013)
Liseli Sitali (from 1 July 2012 – 30 June 2013)
Daniel Parker (from 1 July 2012 – 30 June 2013)
Ronald Newman (from 1 July 2012 – 30 June 2013)
Laura Jackman (from 6 November 2012 – 30 June 2013)
Lorna Fyfe (from 1 November 2012)
Kamila Kocot-Froge (from 1 November 2012)
David Roberts (from 1 November 2012)
James Hill (from 30 January 2013)
Daniel Smith (from 1 July 2013)
Robyn Love (from 1 July 2013)
Rob Malcolm (from 1 July 2013)
Martin Kotsev (from 1 July 2013)

Association Manager - Ann Whannell

Auditor

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

Solicitors

Balfour + Manson LLP
54-66 Frederick Street
Edinburgh
EH2 1LS

Bankers

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

Principal Office

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

Charity Number: **SC012506**

NAPIER STUDENTS' ASSOCIATION

Trustees' Report

For the year ended 30 June 2013

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 2013.

The Board of Trustees

Napier Students' Association was established under the University charter on 1 April 1993. The management of the Association is the responsibility of the Board of Trustees, elected under the terms of the Constitution. The Board is responsible for the overall governance, setting the strategy and direction of the Association. The Board of Trustees and Student Executive receive an induction into their legal and administrative responsibilities; they are familiar with the work of the Association and the Board received bespoke training on trusteeship and its responsibilities from Scott Moncrieff. The Board meets regularly with the General Manager to review the charity's performance and its administration, and to discuss and decide on the issues arising.

Objectives

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 Napier students to the University and the wider community.
- To provide good quality advice and support to students.
- To maintain communications between 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.

Principal activities

The principal activities of the Association are providing for the welfare and well-being of Napier students through student representation, the provision of a welfare and education advice service (ISAS) to individual student clients, promoting and supporting student participation in activities through sports clubs and student societies; providing students with a meeting and social space, and operating the administrative and financial systems necessary to facilitate all these activities.

Results for the year

The surplus for the year is £31,858 (2012: deficit of £41,035) as stated in the Income and Expenditure Account and the Statement of Financial Activities.

Reserves policy

The Board of Trustees considers it appropriate to maintain a level of reserves of three to six months' costs of charitable activities (approximately £120,000 - £240,000) to enable it to continue activities in the event of a significant loss of income. Reserves of £210,487 are considered sufficient by the Board of Trustees. Reserves are required to cover the cost of capital items, including the purchase of minibuses and other transport. In 2012/13 the Trustees also decided that there was no other funding to be made available to fund NSA's student engagement strategy and to allocate funds from the reserves to finance key strands of this strategy in the short term.

NAPIER STUDENTS' ASSOCIATION

Trustees' Report

For the year ended 30 June 2013

Risk assessment

The Trustee Board has considered the major strategic, business and operational risks faced by the Association. A risk register has been examined and it is under annual review. The Board has taken steps to mitigate the risks and where appropriate, systems or procedures have been established. The internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

2012/13

It should be noted that these audited accounts cover the 12 months from 1 July 2012 to 30 June 2013, in contrast to the 2011/12 audited accounts which covered only an 11 month period. The shift in the accounting period was to re-align NSA's financial year to run parallel with the standard term of elected student office, thereby improving financial accountability. A corollary of the change is that the 2012/13 figures appear to be inflated in comparison with those of 2011/12, but many are pro rata and are fairly stable.

There was an overall surplus of £31,858 for the period and although the overall spend was very close to that of the previous 11 months, income rose, principally from increased sponsorship for the Sports Union, improved receipts from Freshers' 2012, principally the Freshers' Fair, and income from the Wednesday Club Night and "Union Bar" partnerships with a commercial provider. Overall, NSA raised 31% of its income through non-grant sources.

Sports Union spending significantly increased over the audited period. Steps have been taken to improve controls in this area and membership fees rose to reflect the costs of higher cost sports. However this led to increases in student expectations in terms of the resources to support club activities.

The Association moved premises in December 2012 to an office suite on the University campus. This greatly increased everyday engagement with students. Overall floor space was reduced and fixed assets were written off in the move, but the high maintenance costs of the old building, such as insurance, security and utilities, were reduced. NSA was also aided by a "service-charge-free" period granted by the University for the first 7 months of the calendar year.

In spring 2013, the Finance and Resources Operations Group (FROG) was set up under the Board of Trustees and the Association's Constitution to monitor financial performance and procedures. The Convenor of the Group was a qualified accountant. In an effort to achieve better control over Sports Union spending, which has grown significantly beyond spending its 10% share of the university grant allocation in recent years, FROG authorised a move to commitment accounting for sports and centralised ordering as a function of the NSA office. The aim was to promote a more controlled and targeted expansion of sports, greater transparency and more rigorous process for club spending, preventing club office holders from making unauthorised purchases and submitting late receipts when club budgets were depleted and unable to cover expenses already incurred. It also enabled better forward budget-planning for the Vice President Sports and Societies and the office holders of the various sports clubs. FROG was also responsible for authorising spending on capital items, requiring a more considered business case for purchases that supported the work of the charity.

Following on from a very successful Freshers 2011, Freshers 2012 and Re-Freshers in January 2013 were larger events than in the past, but although largely well-received by the students, higher spending on events did not generate a proportionate increase in revenue and it was agreed to place tighter constraints on spending on similar events for session 2013/14.

NAPIER STUDENTS' ASSOCIATION

Trustees' Report

For the year ended 30 June 2013

Plans for 2013/14

The main focus for the session agreed by the Board was the "Student Engagement Strategy" and the implementation of a range of activities across the Association's objectives to engage students in the whole "student experience" and the range of academic and non-academic activities on offer. Some of the initiatives of the strategy were internal, but many involved partnership approaches, with the university and other parties. In line with this it was agreed to restructure the staff team and expand the staff complement, creating new posts to assist with

the delivery of the strategy. It was also agreed to apply for strategic funding to help cover associated costs. While this application was being considered however, the Trustees agreed to release funding from reserves as "start up" funds to allow appointments to be made and build momentum for the strategy.

Future funding

The Board of Trustees confirms that the Association has sufficient funds to meet all of its obligations. In addition to the University Grant the Association expects its commercial activities to continue to generate additional funds.

Related parties

The Association receives an annual grant from Edinburgh Napier University as described in note 17 to the financial statements. This grant allows the Association to undertake its core activities.

Napier Students' Association was established under the University charter as noted above.

Resources held for a third party

The Association holds money on behalf of its clubs in a separate bank account. These bank accounts are not included in the financial statements, and the balance at the year end was £6,419 (2012: £9,659).

NAPIER STUDENTS' ASSOCIATION

Trustees' Report

For the year ended 30 June 2013

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 constitution 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 the net income or 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 company will continue in business.

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 Charity Law. 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.

NAPIER STUDENTS' ASSOCIATION

Trustees' Report

For the year ended 30 June 2013

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.

Auditor

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

Approved by the Board of Trustees on 2014 and signed on its behalf by:

Chair of Board of Trustees

NAPIER STUDENTS' ASSOCIATION

Independent Auditor's Report to the Trustees and Members

For the year ended 30 June 2013

We have audited the financial statements of Napier Students' Association for the year ended 30 June 2013 which comprise the Income and Expenditure Account and Statement of Financial Activities, Balance Sheet and related notes. 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).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities on page 5, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

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 regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Smaller Entities (Revised)", in the circumstances set out in note 18 to the financial statements.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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).

NAPIER STUDENTS' ASSOCIATION

Independent Auditor's Report to the Trustees and Members - continued

For the year ended 30 June 2013

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- proper 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.

**Scott-Moncrieff
Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL**

2014

NAPIER STUDENTS' ASSOCIATION

Income and Expenditure Account and Statement of Financial Activities

For the year ended 30 June 2013

	Notes	Unrestricted Funds £	Designated Funds £	2013 Total £	2012 Total £
Incoming resources					
Incoming resources from generated funds:					
- Voluntary income	2	421,950	-	421,950	376,643
- Activities for generating funds	3	86,435	-	86,435	78,298
Incoming resources from charitable activities	4	61,683	-	61,683	31,597
Other incoming resources	5	40,110	-	40,110	33,363
Total incoming resources		610,178	-	610,178	519,901
Resources expended					
Costs of generating funds	3	64,335	-	64,335	48,971
Charitable activities	7	509,685	-	509,685	506,940
Governance costs	6	4,300	-	4,300	5,025
Total resources expended		578,320	-	578,320	560,936
Net movement in funds		31,858	-	31,858	(41,035)
Total funds brought forward		177,262	1,367	178,629	219,664
Total funds carried forward	13	209,120	1,367	210,487	178,629

All of the results relate to continuing activities.

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

The notes on pages 11 to 19 form part of these financial statements

NAPIER STUDENTS' ASSOCIATION

Balance Sheet

As at 30 June 2013

	Notes	2013		2012	
		£	£	£	£
Fixed assets	9		11,161		14,340
Current assets					
Stocks	10	-		8,435	
Debtors	11	4,924		13,409	
Cash at bank and in hand		211,316		159,981	
				<u> </u>	
		216,240		181,825	
Creditors: Amounts falling due within one year	12	(16,914)		(17,536)	
				<u> </u>	
Net current assets			199,326		164,289
			<u> </u>		<u> </u>
Net assets			210,487		178,629
			<u> </u>		<u> </u>
Unrestricted funds	13				
General fund			209,120		177,262
Designated fund			1,367		1,367
			<u> </u>		<u> </u>
Total funds			210,487		178,629
			<u> </u>		<u> </u>

The financial statements were approved and authorised for issue by the Board of Trustees on 2014

Treasurer

The notes on pages 11 to 19 form part of these financial statements

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements

For the year ended 30 June 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

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. As a consequence the trustees have prepared the financial statements under the going concern assumption.

Fixed assets

Fixed assets are included in the balance sheet at cost, less accumulated depreciation.

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:

Building alterations	5% straight line
Furniture & fittings	20% reducing balance
Motor vehicles	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value.

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 FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid in the year.

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.

Grant income

Grant income is credited in the period to which it relates.

Income

All receipts are taken direct to the Statement of Financial Activities in the period in which they are receivable.

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.

VAT

The Association is registered for VAT. Income and expenditure is stated net of VAT. Irrecoverable VAT is treated

as an expense in the period in which it occurs.

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements – continued

For the year ended 30 June 2013

1. Accounting policies - continued

Resources expended

Where possible, expenditure has been charged direct to charitable expenditure or governance costs. Where this is not possible, the expenditure has been allocated on the basis of time spent by staff on each activity.

- Costs of generating 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.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Association and include costs linked to the strategic management of the Association.

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.

Restricted funds

Restricted funds are to be used in accordance with specific restrictions imposed by donors or sponsors.

2. Voluntary income

	2013 £	2012 £
The following grant was receivable during the period:		
- Edinburgh Napier University	421,950	376,643

3. Activities for generating funds

	2013 £	2012 £
Trading activities		
Sales	86,435	78,298
Cost of sales	-	678
Other costs and entertainment	64,335	48,293
	<u>64,335</u>	<u>48,971</u>
Trading surplus	<u>22,100</u>	<u>29,327</u>

4. Incoming resources from charitable activities

	2013 £	2012 £
Sports Union	61,683	31,597

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements – continued

For the year ended 30 June 2013

5. Other incoming resources	2013	2012
	£	£
Interest receivable	290	141
Garage rents	1,047	3,115
Sundry income	4,484	6,172
Freshers	28,331	23,202
Clubs and societies	3,109	733
Campaigns	2,849	-
	<u>40,110</u>	<u>33,363</u>
	<u><u>40,110</u></u>	<u><u>33,363</u></u>
6. Governance costs	2013	2012
	£	£
Auditor's remuneration	4,300	5,025
	<u>4,300</u>	<u>5,025</u>
	<u><u>4,300</u></u>	<u><u>5,025</u></u>

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements – continued

For the year ended 30 June 2013

7. Charitable activities	2013 £	2012 £
Salaries and employer national insurance	266,513	241,654
Employer pension contributions	31,261	27,881
Freshers	5,265	5,807
Sports union	105,802	79,722
NUS affiliation	24,319	23,604
General expenses	5,492	591
Heat and light	2,438	4,348
Insurance	6,448	7,776
Depreciation	3,687	14,334
Stationery	2,734	1,696
Telephone	3,192	2,676
Transport	2,193	1,560
Travelling expenses	735	495
Irrecoverable VAT	3,084	4,736
Finance	1,682	1,351
Cleaning	1,617	2,702
General maintenance	1,316	2,204
Staff training	1,428	439
Postage	652	122
Computer costs	184	46
Photocopy	993	1,117
Security	190	3,348
Health and Safety	-	512
Bank charges	28	-
Course representative	956	1,547
Campaigns	5,532	726
Conferences and training	3,652	1,559
Welfare	1,344	1,124
Elections	2,322	1,205
Executive expenses	491	191
Officers travelling expenses	3,629	1,245
Professional fees	1,375	417
Clubs and societies	6,598	7,146
Advertising	100	-
Teaching and Learning awards	1,767	1,433
Stock write off	7,498	60
Bad debt write off	1,010	4,872
Exceptional fixed asset write off	-	56,694
Trustee recruitment	500	-
Trustee expenses	1,183	-
Relocation costs	475	-
	<u>509,685</u>	<u>506,940</u>

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements – continued

For the year ended 30 June 2013

8. Staff costs and numbers	2013	2012
	£	£
Wages and salaries	245,907	222,998
Social security costs	20,606	18,656
Pensions	31,261	27,881
	<u>297,774</u>	<u>269,535</u>
	<u><u>297,774</u></u>	<u><u>269,535</u></u>
	2013	2012
	Number	Number
Staff numbers		
Management and administration	13	13
	<u>13</u>	<u>13</u>
	<u><u>13</u></u>	<u><u>13</u></u>

There were no employees with emoluments above £60,000 (2012: none).

Executive remuneration

During the course of their employment, eight (2012: three) members of the Executive received sabbatical remuneration, as outlined in the Constitution.

	2013	2012
	£	£
Thomas Zanelli	13,666	14,180
Katie Dudgeon	415	14,180
Justyna Paslawska	1,285	14,180
Dan Parker	15,465	-
Dan Smith	593	-
Robyn Love	593	-
Rob Malcolm	593	-
Liseli Sitali	14,536	-
	<u>47,416</u>	<u>42,540</u>
	<u><u>47,416</u></u>	<u><u>42,540</u></u>

12 members (2012: 13) of the Executive were reimbursed a total of £4,339 for travelling expenses incurred during the period (2012: £3,381).

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements - continued

For the year ended 30 June 2013

9. Fixed assets

	Furniture & Fittings £	Motor Vehicles £	Total £
Cost			
At 1 July 2012	-	36,037	36,037
Additions	508	-	508
	<hr/>	<hr/>	<hr/>
At 30 June 2013	508	36,037	36,545
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2012	-	21,697	21,697
Charge for period	102	3,585	3,687
	<hr/>	<hr/>	<hr/>
At 30 June 2013	102	25,282	25,384
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2013	406	10,755	11,161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 July 2012	-	14,340	14,340
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10. Stock

	2013 £	2012 £
Goods for resale	-	8,229
Consumable stores	-	206
	<hr/>	<hr/>
	-	8,435
	<hr/> <hr/>	<hr/> <hr/>

11. Debtors

	2013 £	2012 £
Other debtors	1,280	1,600
Prepayments and accrued income	3,644	11,809
	<hr/>	<hr/>
	4,924	13,409
	<hr/> <hr/>	<hr/> <hr/>

12. Creditors: Amounts falling due within one year

	2013 £	2012 £
Bank overdraft	2,608	1,642
Trade creditors	136	93
Social security and other taxes	5,780	9,136
Other creditors and accruals	6,697	5,239
Hardship fund	1,693	1,426
	<hr/>	<hr/>
	16,914	17,536
	<hr/> <hr/>	<hr/> <hr/>

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements - continued

For the year ended 30 June 2013

13. Funds	Balance at 1 July 2012 £	Incoming resources £	Resources expended £	Balance at 30 June 2013 £
Unrestricted funds				
General fund	177,262	610,178	(578,320)	209,120
Designated fund – Capital	1,367	-	-	1,367
	<u>178,629</u>	<u>610,178</u>	<u>(578,320)</u>	<u>210,487</u>

In 2011 the Board of Trustees voted to allocate funds to a Capital Fund which will be used for future purchases of capital assets such as new vehicles.

14. Commitments	2013 £	2012 £
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The Association has pledged the following resources for the year to 30 June 2014:

- Sports Union	42,300	42,195
- Clubs and societies	8,460	8,439
- Crisis loans	3,000	3,000
	<u>53,760</u>	<u>53,634</u>

15. Analysis of net assets between funds

	Unrestricted general fund £	Designated fund £	2013 Total £	2012 Total £
Balances at 30 June 2013 represented by:				
- Tangible assets	11,161	-	11,161	14,340
- Net current assets	197,959	1,367	199,326	164,289
	<u>214,067</u>	<u>1,367</u>	<u>210,487</u>	<u>178,629</u>

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements - continued

For the year ended 30 June 2013

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 1 October 2010 and showed that the market value of the scheme's assets was £67,141,000 with these assets representing 58% 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 £47,869,000.

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 1 October 2010:-

- The investment return would be 6.6% per annum before retirement and 4.6% 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 2.7% per annum.
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The 2010 valuation set out recommended monthly contributions expressed in monetary terms intended to clear the on-going funding deficit over a period of 20 years. These amounts are applied with effect from 1 October 2011 and will increase each year by 3.2%. They will be formally reviewed following completion of the next valuation due with an effective date of 1 October 2013. In addition to these contributions, the Association also pays its share of the scheme's levy to the Pension Protection Fund.

The funding deficit contributions paid into the scheme by the Association for the year ended 30 June 2013 amounted to £19,431 (2012 - £19,120).

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 £10,461 (2012: £8,761).

NAPIER STUDENTS' ASSOCIATION

Notes to the Financial Statements - continued

For the year ended 30 June 2013

17. Related parties

Napier Students' Association received £421,950 (2012: £376,643) in core grant income.

Napier Students' Association also has use of an office suite on the Edinburgh Napier University campus. Napier Students' Association received a charge-free period for use of this accommodation during the year ended 30 June 2013.

Napier Students' Association paid £4,217 as course representation fees (2012: £1,020) and paid £329 as teaching and learning award costs (2012: £1,500) on behalf of Edinburgh Napier University. These amounts are refundable from Edinburgh Napier University and a total of £nil (2012: £2,520) remains outstanding at the year end.

18. 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.