

Liverpool Guild of Students
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 July 2019

Charity Number : 1137398

Company Number: 07324992

Liverpool Guild of Students
TRUSTEES REPORT

For the year ended 31 July 2019

1. REFERENCE AND ADMINISTRATIVE DETAILS

Directors and Trustees

All directors of the company are also trustees of the charity, there are no other trustees. The trustees serving during the year and since the year end were:

Pamela Bell-Ashe	
Esther Bukoye	(Appointed 1st August 2018, Resigned 31 st July 2019)
Dominic Calleja	(Resigned 31 st July 2019)
Emma Carter-Brown	
Christine Costello	(Appointed 24 th October 2019)
Adam Dawkins	
Jonathan Foster	(Appointed 1 st August 2018, Resigned 6 th June 2019)
Rory Hughes	(Resigned 31 st July 2019)
Adnan Hussain	(Appointed 1 st August 2019)
Marian Jones Evans	(Appointed 1 st August 2018, Resigned 31 st July 2019)
Abhilash Kondraganti	(Appointed 1 st August 2019)
Edward Moloney	(Resigned 25 th October 2018)
Hannah Nguyen	(Appointed 1 st August 2018)
Paul Ormesher	(Appointed 1 st August 2018)
Charlotte Theresa Sebastian	(Appointed 24 th October 2019)
Jodie Sylvester	(Appointed 1 st August 2019)
Polly Thompson	(Resigned 31 st July 2019)
Dylan Uren Thomson	(Appointed 1 st August 2019)
Pollie Walker	(Appointed 24 th October 2019)

Company Secretary

Tricia O'Neill

Key Management Personnel

Chief Executive	Tricia O'Neill
Director of Operations	Andrew Grimshaw
Director of Membership Services	Morven Proctor
Director of Marketing & Communications	Sian McGreary
Director of HR	Hetal Mainwaring (left 31 st August 2018)

Registered office

Liverpool Guild of Students
160 Mount Pleasant
Liverpool
Merseyside
L3 5TR

Auditors

Dains LLP
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

**Liverpool Guild of Students
TRUSTEES REPORT**

For the year ended 31 July 2019

Bankers

The Co-operative Bank p.l.c.,
P.O. Box 101
1 Balloon Street
Manchester
M60 4EP

Deposit Accounts

Saffron Building Society
57 High Street
Ware
Hertfordshire
SG12 9AD

Charities Aid Foundation
90 Day Notice Account
Scottish Widows Bank plc
PO Box 12757
67 Morrison Street
Edinburgh
EH3 8YJ

Lloyds Bank
PO Box 545
Faryners House
25 Monument Street
London
EC3R 8BQ

Charities Aid Foundation
12 Mouth Bond
Principality Building Society
Principality Buildings
Queen Street
Cardiff
CF10 1UA

Cambridge Building Society
PO Box 232
51 Newmarket Road
Cambridge
CB5 8FF

The Hanley Economic Building Society
Off Forge Lane
Granville House
Festival Park
Hanley
Stoke-on-Trent
ST1 5TB

**Liverpool Guild of Students
TRUSTEES REPORT**

For the year ended 31 July 2019

	Close Brothers Savings 4 th Floor 10 Crown Place London EC2A 4FT
Finance and business advisors	Counterculture Partnership LLP Unit NH.204 E1 Business Studios 7 Whitechapel Road London E1 1DU
Insurance Brokers	Endsleigh Business Insurance Services Hadley House Shurdington Road Cheltenham Spa Gloucestershire GL51 4UE
Solicitors	Governance, charity and corporate law Bates, Wells and Braithwaite London LLP 10 Queen Street Place London EC4R 1BE Employment and commercial law Weightmans LLP 100 Old Hall Street Liverpool L3 9QJ

As allowed under Section 60 of the Companies Act 2006 the company is exempt from the requirement to use "limited".

For the year ended 31 July 2019

2. STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

Liverpool Guild of Students is a Students' Union within the meaning of the Education Act 1994. The Guild is devoted to the educational interests and welfare of its members, and is an independent representative body of students at the University of Liverpool. We are an Incorporated Charity and a Company Limited by Guarantee without Share Capital.

We are governed by a Memorandum & Articles of Association effective from 1 August 2010, and a set of Bye-laws, both approved by the membership, the University of Liverpool, and the Charity Commission. We also have a Memorandum of Understanding with the University of Liverpool. The Articles of Association state the Guild's principal objectives as being:

"B. The Guild will seek at all times to:

- i. ensure that the diversity of its Membership is recognised and that equal access is available to all Members of whatever origin or orientation;
- ii. pursue its aims and objectives independent of any political party or religious group; and
- iii. pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

C. These Articles have been structured to give the Board of Trustees reasonable authority to manage the affairs of the Guild in a professional manner. The Members enjoy the right, which must be exercised in accordance with charity law, to elect a proportion of the Trustees and to dismiss all of the Trustees. The Board of Trustees will give the utmost consideration to the views of Members.

D. Under the Education Act 1994, the University of Liverpool has a statutory duty to ensure that the Guild operates in a fair and democratic manner and is held to proper account for its finances. The Guild therefore works alongside the University of Liverpool in ensuring that the affairs of the Guild are properly conducted and that the educational and welfare needs of the Guild's Members are met."

For the year ended 31 July 2019

Appointment of Trustees

Our Board of Trustees is responsible for ensuring the organisation remains fit for purpose, and for setting the strategy of the organisation in consultation with senior staff. It also approves all policy, our annual budget, and monitors organisational performance against agreed key performance indicators (KPIs).

The membership of the Trustee Board is defined as follows:

- Four Student Representative Officer (Sabbatical) Trustees
- Four Student Trustees
- Four External (Co-opted) Trustees

The Student Representative Officer (SRO) Trustees are elected by the entire membership during a cross campus election, and hold office for 12 months. As directed by the Education Act 1994, they are able to serve a maximum of two terms. The Student Representative Officers are the major union office holders described in the Education Act (1994).

The four Student Trustees are positions that are advertised and then appointed to by the Board, and serve for a term of two years – although they must be registered students at the University of Liverpool to hold office.

The four External Trustees are also positions that are advertised and then appointed to by the Board. They are recruited for on the basis of their expertise and experience, and hold office for a term of four years. External Trustees can serve for two terms.

Trustee Induction and Training

All new Trustees participate in a comprehensive induction programme, which includes:

- Training- these are both skills and knowledge based;
- Introductions to key staff and other Trustees; and
- Copies of the Union's key policy, governance and financial documents.

On-going training needs for Student Representative Officer Trustees are monitored by the Chief Executive through 1-2-1s and regular catch-up meetings. Student Trustees are allocated an External Trustee to act as a mentor, and to support them in their role.

Organisation

The Board of Trustees administers the charity. The Board meets five times a year and there are two standing subcommittees convened under Article 45 of the Articles of Association covering operational areas of the Board's remit.

Resources & Audit Committee

As laid out in Bye-law 4, the Resources & Audit Committee is responsible for all financial matters of the organisation.

For the year ended 31 July 2019

Governance & Appointments Committee

As laid out in Bye-law 5, the Governance & Appointments Committee is responsible for appointing new Trustees, monitoring the effectiveness of the Board and acting as a discursive forum for all matters relating to effective governance.

Guild Summit

The Guild Summit is made up of 50 students, who are selected by sortition to reflect the wider student body, and has the following authority (as set out in the Articles):

- Make recommendations to the Trustees;
- Discuss and debate issues pertinent to students;
- Make non-binding motions of no-confidence in one or a number of Trustees; and
- Consider any business referred to Guild Summit by the Trustees and other Guild bodies.

Annual Members Meeting

Under our articles, we are required to hold an Annual Members Meeting each year, presenting our accounts and the Trustees Annual Report to the membership. This took place on Thursday 9th May 2019.

Chief Executive

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms approved by the Trustees, for operations including finance, employment, Guild operations, governance, membership services, marketing and communications, and other related activity.

Related Parties and Co-operation with Other Organisations

The University of Liverpool is the parent institution of Liverpool Guild of Students. The Guild received a revenue block grant in the year from the University of Liverpool of £1,580,056.

The Guild President is a member of University Council.

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

Although recommended by the Charities SORP, which has been adopted for this and future financial years for due compliance with the requirements for Students' Unions provided for in the Charities Act 2011, it is not possible to identify an estimated value to the Guild for this free serviced accommodation as the University does not provide separate property values for its buildings to the occupiers. Although the Guild continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the University's support.

The Trustees consider it reasonable to anticipate that this or equivalent support from the University will continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body in one

For the year ended 31 July 2019

form or another. The Trustees therefore consider the Guild to be financially viable for the foreseeable future.

Pay Policies for Senior Staff

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Guild's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other student organisations to ensure that the Guild remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to be rewarded for excellence. Delivery of the Guild's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

In 2018, an organisation-wide pay review was carried out to ensure salaries were in keeping with comparable roles within the sector, and more widely.

Risk Management

The Board through the Resources and Audit Committee, reviews the Guild's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties currently facing the Guild are considered to be:

- Maintaining effective governance of the organisation, including:
 - Ensuring appropriate skills on the board; and
 - Ensuring appropriate and timely reporting to the Board.
- Deterioration in the relationship with the University, including contracts
- Loss of key staff
- Failure to maintain financial health of the Guild, including:
 - Poor trading and increase in local competition; and
 - Decrease in student spending power.
- Reputational damage in the unlikely event of a high profile activity by a student
- Change in Government policy, in particular in relation to Higher Education, Students' Unions and charities

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident-reporting and monitoring systems and insurance cover wherever appropriate.

For the year ended 31 July 2019

Purpose

The Guild's Strategic Plan 2014-19 outlines how the organisation aims to become one of the leading students' unions in the country. Our students will have the best student experience, be equipped to change the world and be proud of their Guild.

The Guild's Articles identifies its charitable objects as follows:

"The advancement of education of Students at the University of Liverpool for the public benefit by:

- providing opportunities for the expression of Student opinion and actively representing, supporting and advising Students;
- acting as the recognised representative channel of communication between Students and the University of Liverpool and other external bodies;
- promoting the interests and welfare of Students at the University of Liverpool;
- facilitating social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Students, and providing services and support for its Students; and
- working with other students' unions and affiliated bodies."

Public Benefit

In pursuit of these aims for the public benefit, the Guild will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University of Liverpool and other organisations on behalf of students. These include membership services, social enterprise, and marketing and communications.

The Guild continues to represent the students of the University on relevant local, national and international issues. The Student Representative Officers sit on over 60 University committees, covering a wide range of aspects of the student experience. In addition, officers sit on a number of committees within the city, focussing on topics such as student safety, and the night time economy.

The Guild and University jointly run a Course Representative System, which ensures student voices throughout University decision making.

For the year ended 31 July 2019

Policies relating to grant making

Liverpool Guild of Students recognises the importance of student activity, and endeavours to provide meaningful support to students running societies. In addition to logistical support, and the provision of venue spaces, the Guild makes available a pot of money for societies to bid into. While much of Societies funding comes from membership subscription, fundraising activities and events or sponsorship, societies are invited to apply for funding from this pot to support their activity. Applications may range from running one-off events, to the ongoing development of a Group. Since September 2014, a model of participatory budgeting has been used to allocate these funds, putting decision making the hands of student societies. Agreed criteria help ensure that decisions are in line with the Guild's charitable objects, whilst giving participants the flexibility to agree priorities and work collectively.

Activities

The Guild undertakes and facilitates a wide range of services and activities.

Social Enterprise

Social Enterprise brings together the retail, venues and licensed trade activities of the Guild.

The Guild's venues provide students with a place to meet, a Starbucks Coffee shop and bar space. The Guild works closely with Hospitality Liverpool, who provide a range of food within the Courtyard space.

The Guild houses Liverpool's second largest live music venue, the Mountford Hall. This venue is used for external gigs, as well as awards ceremonies, performances and formal dinners.

Space is available for societies to book for events and this is a growing area of the work and one of the key areas we now support. Venues staff provide advice and support to groups wishing to book this space and the necessary technical support to deliver their events.

The Guild also operates a shop, selling a range of pasties, confectionary, sandwiches, hot and cold drinks, stationery, clothing and toiletries. In addition, the Guild runs an online shop selling a range of University crested clothing.

For the year ended 31 July 2019

Membership Services

The Membership Services Department structure was reviewed in 2017-18, and is now made up of three main teams; Advocacy, Democracy and Campaigns, and Student Activities.

The Advocacy Team's work includes supporting and developing course representatives, providing academic advice, and supporting Guild officers in committee activity.

The Democracy and Campaigns Team facilitate student-led campaigning. They also ensure the Guild is a democratic, involving organisation, through delivering elections, administering the Guild's Change It platform and facilitating meetings of the Summit.

The Student Activities team support the work of student societies and provide volunteering opportunities, offering students the chance to lead activity, develop new skills and meet other students. They work closely with the University to develop Hall Students Committees, ensuring that students have the best possible experience living in University accommodation. The team also has a range of activity to support sustainability. Working closely with students, the University and other stakeholders they offer opportunities for students to have a positive impact on the environment around them. Volunteers have worked with local schools, developed innovative approaches to sustainability challenges and worked to embed sustainability in the curriculum.

Marketing

The Guild's Marketing Team works across the organisations, to provide expert marketing support. This team coordinate the Guild's main communication streams including all-student emails, and social media. They also manage the Guild's website, which is used as a key communication tool, as well as being an outlet for ticket sales and the platform for Guild elections.

The team undertake graphic design work, creating materials including Welcome Handbooks, campaign resources and promotional materials for events.

The team are also responsible for the generation of media sales income, offering opportunities to market their services and products to students during Welcome Week, and throughout the year.

The team manage relationships with the media, responding to enquiries as well as taking proactive steps to secure positive media coverage.

For the year ended 31 July 2019

4. ACHIEVEMENTS AND PERFORMANCE

In 2018/19, the Guild completed the last year of its current five-year Strategic Plan. As in each year of the Strategy, a work plan was developed. This outlined the next steps in achieving the goals laid out in the Strategic Plan. Throughout the year, updates on the work plan, along with details of achievements are reported to the Trustee Board.

Our promise – to fight for the things that matter

Our core function is to represent the interests of our members. We ensure that the University, the City, and through our partnership with NUS, the national government, considers the views of students when they make decisions. This involves a number of different methods: from lobbying influential individuals at conferences, to attending city council meetings, to sitting on key University committees. Working in partnership with the institution, the Guild has secured a number of positive changes for students at the University of Liverpool. These have included:

- The University committed to divesting from fossil fuels.
- The University will cease to apply academic sanctions for non-academic debt.
- A change to the University's approach to penalties for late submission of coursework, providing a supportive, fair and clear system for students who experience unforeseen medical or other exceptional circumstances.
- The introduction of an £800.00 rent reduction in University Halls, for all students in receipt of a Liverpool Bursary, or other University Widening Participation Bursary. The Guild also signed a Memorandum of Understanding with the University, agreeing a framework for future discussions about rent levels within University accommodation.

We also supported course representatives to carry out Enhancement Projects in their departments. These involved identifying key student concerns, and working closely with academic staff to develop recommendations to address these issues.

Following a year of negotiations, The Guild President secured an agreement with Arriva buses, giving students access to an exclusive bus pass, reducing the cost of travel.

The Year in Numbers

- **5,733** votes in our Student Officer elections, up from 5,655 in 2017/18.
- **1,275** votes cast in a referendum on whether the Guild should fully adopt a pro-choice position.
- Course Representatives completed **58** Enhancement Projects, bringing the number over the life of the strategic plan to 325.

For the year ended 31 July 2019

Our promise – to establish the Guild as the heart of campus

Work has continued on making the Guild a place for students to spend their time, eating, drinking, socialising and taking part in a wide range of activities. The Sphinx Bar, which was redeveloped in 2017, has continued to prove popular with students, while Starbucks continues to be a footfall driver, encouraging people into the building.

We continued to work successfully alongside the Academy Music Group to host a number of high profile gigs and events. The Guild also maintained our partnership to host a students-only version of Bongo's Bingo, a popular event which started locally, but now takes place across the country and abroad.

The team have also continued to support societies' events, including large-scale, meals, performances, awards and other events, in the Mountford Hall and Stanley Theatre.

The Year in Numbers

- **196** societies, (232 in 2017/18): **8,908** society memberships (10,007 in 2017/18).
- **100%** Best Bar None Score.
- **3,292** bus passes sold to students, saving them **£181,115**.
- Over the lifetime of the Strategic Plan, the Guild reception handled an average of **19,911** enquires a year. In 2018/19, **616** of these enquires related to accessing the Advice Service, up from 307 in 2017/18.
- Overall trading income was **£2,540,766**, up from £2,170,901 in 2017/18.

Our promise - to provide opportunities for student development

This year we continued to develop our members. We continued to work with the University as they developed their Higher Education Achievement Report (HEAR) offer for students.

The Guild rolled out Bystander Intervention Training to student leaders, providing them with the skills and confidence to intervene in a safe, effective way, if they saw incidents of sexual misconduct.

The Year in Numbers

- **611** volunteering opportunities registered on Volunteering Liverpool, up from 526 in 2017/18.
- We worked with **12** community partner organisations on Green Projects.
- **3,721** registered volunteers on Volunteering Liverpool, up from 2,826 in 2017/18
- **329** student staff, up from 277 in 2017/18.
- Student staff worked over 40,000 hours, and received a total of just under **£357,000** in wages.

For the year ended 31 July 2019

Our promise - to provide support for students

The Guild again ran a Keep Your Cool Week around exam times, reminding students to look after themselves. This included giving out fruit and information on where to get advice if they feel stressed during exams.

The Guild ran two Mental Health Forums in conjunction with the University. The initial meeting provided students an opportunity to feedback to the University on their experiences of accessing services, and to give their ideas for future developments. The second meeting included an update from the University on how they had acted on the feedback, and to provide details of the wider service development.

The Guild worked with the local council, and another students' union on a project aimed at understanding student alcohol consumption. This research underpinned a number of developments and new work within the Guild.

The Year in Numbers

- **750** cases and enquiries were dealt with through our Advice Service, which included a variety of academic, housing, mental health, student finance and student issues, an increase from 650 in 2018/19.
- Over **1,750** student leaders completed Bystander Intervention training.

For the year ended 31 July 2019

5. FINANCIAL REVIEW

The principal income sources for the Guild are the block grant provided by the University of Liverpool and funds generated through commercial activity.

The Guild produced a surplus for the financial year of £410,757 before the movement on pension scheme liability (2018: £424,538). Net liabilities at 31 July 2019 stood at £434,181 (2018: £781,986). The cash and current asset investments balance at the financial year end was £1,894,495 (2018: £1,879,620).

In summary the Guild is in a stable financial position however the Trustees are cognizant of future pension liabilities arising from the SUSS pension scheme – now closed to accrual for Guild staff – and the financial strategy of the Guild reflects this risk while adequately resourcing on-going charitable activities.

Investment policy

The Investment Policy of the Guild is to hold the majority of its reserves in cash, spreading deposits between financial institutions in order to mitigate counterparty risk. Cash deposits are either instant access or fixed term with the balance being determined by cash flow requirements. The Guild has adopted an Ethical Investment Policy by which financial institutions are assessed against criteria before the Guild will make a deposit with them. Within the framework of managing risk, liquidity and ethical standards, the highest interest rates are selected to maximise investment return.

Reserves policy and going concern

The trustees have adopted a reserves policy, the objective of which is to protect the Guild and its charitable activities by ensuring adequate liquidity while the organisation adjusts to any short term (three to six months) changes it encounters in its financial and operating environment. Such changes might include:

- Interruptions to the grant funding from the University;
- Provision for unforeseen events;
- Staff notice and redundancy payments and/or legal fees in the event the Union is wound up.

At the same time the trustees want to ensure reserves are not too high in order to maximise the resources applied to the Guild's charitable purpose, the ability to invest in the Guild's fixed assets to maintain the quality and standards of its service provision, and the ability to meet the Guild's contribution obligations to the Students' Union Superannuation Scheme.

Following this policy the trustees have set a target of the Guild holding a minimum of six months' unrestricted operating costs in unrestricted funds (not including the pension deficit reserve). Based on the 2018/19 financial year this target figure would equate to £1,860,712.

At 31 July 2019 the Guild held unrestricted funds of £1,518,239 (2018: £949,099) equating to 81.5% of the target level, with a separate reserve fund established to account for the pension deficit. The pension deficit fund sits on the balance sheet as a negative reserve set up under FRS 102 to represent the net present value of the future contributions required over 15 years to clear the pension fund deficit. At the year end the value of this deficit was £2,391,940 (2017: -£2,471,902).

For the year ended 31 July 2019

The trustees intend the Guild to reach the target level of reserves through continued investment in the quality of the activities and services on offer to members, in order to generate sufficient financial surpluses to both reinvest in those services, and to support the reserves position. Ongoing monitoring of the reserves is carried out by the Resources and Audit Committee on a quarterly basis. The reserves policy itself is reviewed every three years to coincide with the funding cycle of the Students' Union Superannuation Scheme.

The following designated reserves have been created by the Trustees as at 31 July 2019:

- Fixed assets fund - £144,307, being the net book value of fixed assets purchased with unrestricted funds; and
- Guild Strategic Development Fund – £50,000, being a reserve for Student Representative Officer led initiatives to engage students in LGoS and to provide services to meet membership demand.
- Elizabeth Gidney Legacy - £54,738, being a reserve for the promotion of Representation and Democracy.

Going Concern

The Guild has net liabilities of £434,181, due to the recognition under Charities SORP (FRS 102) of the net present value of the funding deficit on the SUSS pension recovery plan. Further information is detailed in note 28 to the accounts. This is a long term commitment which ends in 2033 and the trustees are confident that annual payments towards this plan will be met out of income for each year.

After making appropriate enquiries, the trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

6. FUTURE PLANS

Over the past year, the Guild has worked with an external company to develop a new Strategic Plan, which will run from 2019 to 2022. The plan was created in consultation with members and trustees, and with reference to best practice and developments within the wider sector. As part of the research process, 1,626 students completed a perceptions survey, and 6 student focus groups were held, providing an opportunity to more completely understand students' views. In addition, 14 stakeholder interviews were carried out, including with a range of University staff.

Values

The Guild's Values are to be:

- Fun and friendly
- Ambitious
- Innovative and agile
- Representing and involving
- Professional and responsible
- Sustainable

For the year ended 31 July 2019

Promises to our members

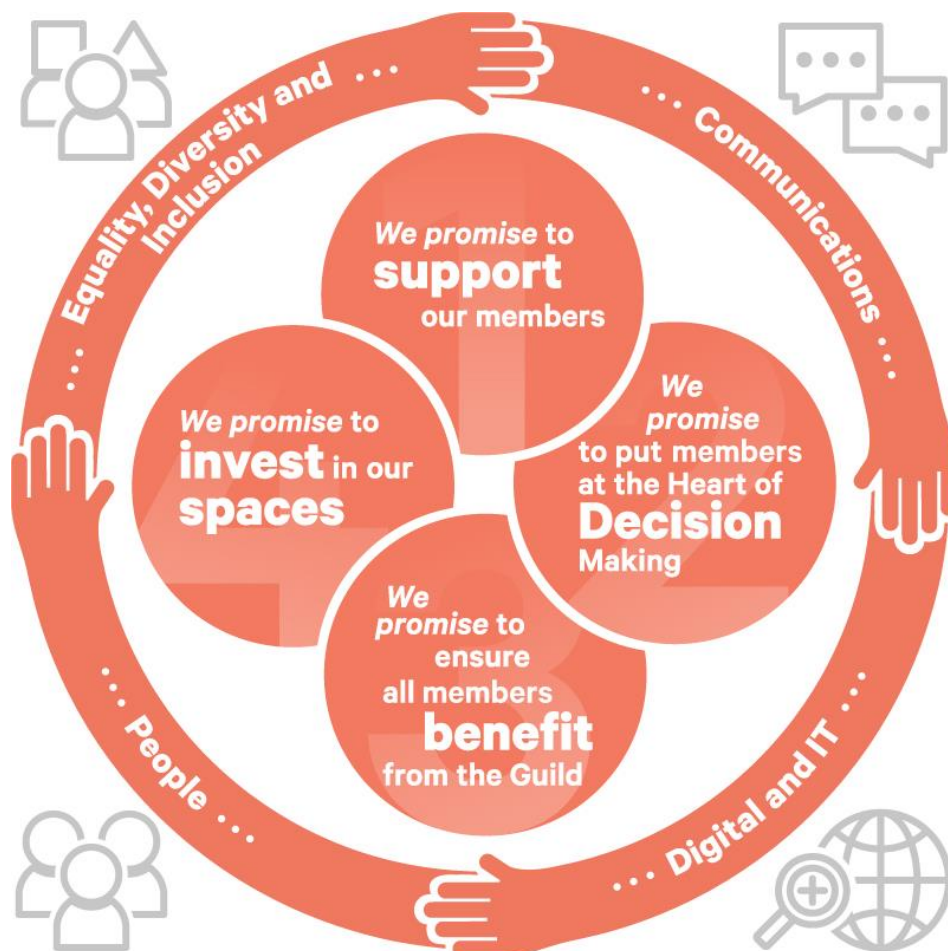
The plan outlines the four strategic objectives, or promises, the Guild are seeking to achieve. We promise to:

- Support our members
- To put members at the heart of decision making
- Invest in our spaces
- Ensure all members benefit from the Guild

Excellence Plans

The four promises are underpinned by a commitment to developing the organisation in four key areas. The following Excellence Plans will be created to outline how this will be achieved:

- Communications
- People
- IT and Digital
- Equality, Diversity and Inclusion



Enablers

The plan also outlines the values of the organisation, and identifies the enablers that will support the Guild to achieve this plan:

- Communication
- Governance
- Finance
- Sustainability
- Great people

Each year a detailed organisational work plan is developed which lays out the activities that will be undertaken in the following year to achieve the above promises. These are measured by performance indicators, and supported, where appropriate by detailed project or operational plans.

For the year ended 31 July 2019

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The charity trustees (who are also the directors of the Guild for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

Trustees' statement of disclosure of information to the auditors

In so far as the trustees are aware at the date of approval of this report:

- there is no relevant audit information, of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees and signed on its behalf

Adnan Hussain
Chair of Trustees
12th December 2019

For the year ended 31 July 2019

Opinion

We have audited the financial statements of Liverpool Guild of Students (the 'charitable company' for the year ended 31 July 2019 set out on pages 21 to 41. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

For the year ended 31 July 2019

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

For the year ended 31 July 2019

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Dudley

(Senior statutory auditor)

for and on behalf of Dains LLP, Chartered Accountants, Statutory Auditor.

Suite 2 Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

12 December 2019

**LIVERPOOL GUILD OF STUDENTS
STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended 31 July 2019

	Note	Unrestricted Funds			2019	2018
		General Funds	Designated Funds	Restricted Funds	Total	Total
		£	£	£	£	£
Income from:						
Donations and legacies	2	1,661,804	-	-	1,661,804	1,602,687
Charitable Activities	3	2,139,806	-	22,206	2,162,012	1,931,012
Other Trading Activities	4	400,960	-	-	400,960	257,770
Investments	5	11,143	-	-	11,143	9,505
Other Income	6	-	-	-	-	8,491
		4,213,713	-	22,206	4,235,919	3,809,465
Expenditure on:						
Raising Funds		313,670	6,456	-	320,127	265,253
Charitable Activities		3,407,754	97,281	-	3,505,035	3,119,674
Pension Deficit Costs	28	62,952	-	-	62,952	33,922
Total resources expended	7	3,784,376	103,738	-	3,888,114	3,418,849
Net Income/(expenditure)	8	429,337	(103,738)	22,206	347,805	390,616
Transfers between funds	22	219,765	(219,765)	-	-	-
Net Movement in Funds		649,102	(323,503)	22,206	347,805	390,616
Reconciliation of funds:						
Total funds brought forward	32	(1,522,803)	572,548	168,269	(781,986)	(1,172,602)
Total funds carried forward	22	(873,701)	249,045	190,475	(434,181)	(781,986)

All amounts relate to continuing operations. All gains and losses recognised in the year are included above.

The notes on pages 24 to 41 form part of the financial statements.

LIVERPOOL GUILD OF STUDENTS
BALANCE SHEET
As at 31 July 2019

	Note	£	As at 31-Jul-19 £	£	As at 31-Jul-18 £
FIXED ASSETS					
Tangible assets	13		144,307		192,810
CURRENT ASSETS					
Stock	14	79,820		68,742	
Debtors	15	232,367		229,230	
Investments	16	1,172,366		968,052	
Cash at bank and in hand		<u>722,129</u>		<u>911,568</u>	
		2,206,682		2,177,592	
CREDITORS					
Amounts falling due within one year	17	<u>(543,293)</u>		<u>(823,400)</u>	
NET CURRENT ASSETS			<u>1,663,389</u>		<u>1,354,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,807,696		1,547,002
CREDITORS					
Amounts falling due after more than one year	18		<u>(2,241,877)</u>		<u>(2,328,988)</u>
NET LIABILITIES			<u>(434,181)</u>		<u>(781,986)</u>
FUNDS:					
Restricted Funds	22		190,475		168,269
General Fund	22	1,518,239		949,099	
Pension Deficit	22	<u>(2,391,940)</u>		<u>(2,471,902)</u>	
			(873,701)		(1,522,803)
Designated Funds	22		<u>249,045</u>		<u>572,548</u>
			<u>(434,181)</u>		<u>(781,986)</u>

The notes on pages 24 to 41 form part of the financial statements. Approved by the trustees of the Liverpool Guild of Students on 12 December 2019.

Adnan Hussain, Trustee

Christine Costello, Trustee

LIVERPOOL GUILD OF STUDENTS
STATEMENT OF CASH FLOWS
For the year ended 31 July 2019

		2019	2018
		Total	Total
	Note		
		£	£
Net cash provided by/(used in) operating activities	24	70,111	484,065
Cash flows from investing activities:			
Proceeds on sale of fixed assets		-	8,491
Purchase of fixed assets		(55,235)	(81,056)
Net cash provided by (used in) investing activities		(55,235)	(72,565)
Change in cash and cash equivalents in the year		14,876	411,500
Cash and cash equivalents at the beginning of the year		1,879,619	1,468,119
Cash and cash equivalents at the end of the year	25	1,894,495	1,879,619

The notes on pages 24 to 41 form part of the financial statements.

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

1 Accounting Policies

The Liverpool Guild of Students, which is a charitable company limited by guarantee and limited to £1 per member has adopted the following accounting policies:

a) Basis of accounting

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and Generally Accepted Practice as it applies from 1 January 2015.

The Liverpool Guild of Students meets the definition of a public benefit charity under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

b) Incoming resources

Incoming resources are included in the Statement of Financial Activities (SoFA) when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted for when incurred.

Investment income relates to interest earned through holding assets on deposit.

c) Donated services and facilities

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, and the receipt of economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) the general volunteer time is not recognised and refer to the Trustees report for more information about their contribution.

Donated services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent benefit on the open market, a corresponding amount is recognised in the expenditure for the period.

d) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office & admin costs, facility costs and supporting marketing costs.

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

e) Governance costs allocation

Governance costs are those costs related to the governance of the entity, to allow it to operate, and to generate information for public accountability. Direct costs will include audit and accountancy, legal advice to trustees and costs of trustees meetings.

f) Funds

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the objects of the entity and which have not been designated for other purposes.

Designated funds are unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds that are used in accordance with specific restrictions imposed by donors or that have been raised by the entity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

g) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Assets are not capitalised below £500 cost per item/set.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset as follows:

- i. Property Improvements: 5% straight line per annum
- ii. Office Equipment and Fixtures & Fittings: 10% - 33.3% straight line per annum
- iii. Specialist Equipment: 20% - 33.3% straight line per annum
- iv. IT equipment: 20% -33.33% straight line per annum

h) Stocks

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

i) Debtors

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

j) Current asset investments

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of up to 3 years.

k) Cash at bank and in hand

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

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

l) Creditors and provisions

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

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

n) Pension costs

The Guild participates in the Students' Union Superannuation Scheme (SUSS) and the University of Liverpool Pension Fund (ULPF). Both schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension. The funds are 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 schemes operate as a pooled arrangement, with contributions paid at a centrally agreed rate.

With effect from 30 September 2011 the SUSS Scheme has been closed to future accrual. Since that date only deficit contributions have been paid to the Scheme. As explained in note 28 the accounts include the net present value of the funding deficit as required by the Charities SORP (FRS 102).

As a consequence of the SUSS scheme closing to future accrual the Guild has set up a group personal pension scheme with Scottish Equitable PLC called the National Union of Students Pension Scheme (NUSPS) which is a money purchase scheme contracted into the State Second Pension. Since the Liverpool Guild of Students' staging date of 1st April 2014, all permanent members of staff who are eligible jobholders are automatically enrolled into the scheme after a postponement period of 3 months.

A National Employment Savings Trust (NEST) has been set up in order to auto enrol any casual members of staff who become eligible jobholders.

o) Going Concern

The Union has net liabilities of £434,181, due to the recognition under Charities SORP (FRS 102) of the net present value of the funding deficit on the SUSS pension recovery plan. Further information is detailed in note 28 to the accounts. This is a long term commitment which ends in 2033 and the trustees are confident that annual payments towards this plan will be met out of income for each year.

After making appropriate enquiries, the trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

p) Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include assumptions around the financial assets and liabilities of pension scheme commitments, and the discount rate applied thereto, and the valuation of stock.

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

	General Funds	Designated Funds	Restricted Funds	2019	2018
	£	£	£	£	£
2 Donations					
University Block Grant	1,580,056	-	-	1,580,056	1,520,066
Other Voluntary Income	81,748	-	-	81,748	82,621
	1,661,804	-	-	1,661,804	1,602,687
3 Income from charitable activities					
Bar	927,265	-	-	927,265	731,268
Coffee Shop	598,442	-	-	598,442	589,455
Student Shops	393,037	-	-	393,037	349,769
Entertainments	18,937	-	-	18,937	31,636
Catering Facility Fee	30,000	-	-	30,000	30,000
NUS Extra, Bus Pass & Graduate Portrait Commissions	168,478	-	-	168,478	147,215
Student Services e.g. Give it a Go	3,648	-	-	3,648	33,788
Net Clubs & Societies Income	-	-	22,206	22,206	17,881
	2,139,806	-	22,206	2,162,012	1,931,012
4 Income from other trading activities					
Venue Hire and Staff Recharges	269,919	-	-	269,919	146,440
Media Sales	131,041	-	-	131,041	111,330
	400,960	-	-	400,960	257,770
5 Investments					
Interest received from Bank & Building Society Accounts	11,143	-	-	11,143	9,505
	11,143	-	-	11,143	9,505
6 Other Income					
Proceeds of sale of fixed assets	-	-	-	-	8,491
	-	-	-	-	8,491

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

7 Analysis of Expenditure

	Cost of Sales	Staff Costs	Other Costs	Governance Costs	Support Costs	2019 Total Cost	2018 Total Cost
	£	£	£	£	£	£	£
Raising Funds	-	130,487	103,171	2,743	83,726	320,127	265,253
Charitable Activities:							
Bars	287,585	312,757	157,389	8,895	271,514	1,038,141	818,653
Coffee Shop	179,605	235,898	112,394	6,197	189,159	723,252	699,181
Student Shops	258,669	105,829	27,834	4,606	140,582	537,520	471,139
Entertainments	-	38,116	79,223	1,378	42,046	160,762	137,873
Student Services E.g. Give it a Go	-	620,996	142,005	8,957	273,402	1,045,360	992,827
	725,860	1,313,594	518,845	30,033	916,703	3,505,035	3,119,674
Other:							
Pension deficit costs	-	-	62,652	-	-	62,952	33,922
	725,860	1,444,081	684,968	32,776	1,000,429	3,888,114	3,418,849

Of the total expenditure £3,888,114 was unrestricted (2018: £3,418,849) and £nil was restricted (2018: £nil).

The support costs and governance costs are allocated to activity based on the proportion of that activity's direct costs to total costs.

In addition to the staff costs above, there are a further £717,240 (2018: £698,326) which are included in governance costs and support costs.

7 Analysis of Expenditure (continued)

Governance and support costs can be analysed as follows:

	2019	2018
	£	£
Staff costs	717,240	698,326
Staff Recruitment, training & social costs	25,115	15,830
Facility Costs	45,733	37,057
Office & finance costs	43,368	45,722
Travel, subsistence & conference costs	5,992	4,120
Legal, professional & consultancy	71,066	44,590
Marketing/Website costs	31,643	22,482
Equipment purchase, hire & maintenance	20,367	19,156
Irrecoverable VAT	40,115	34,952
Depreciation	12,009	14,157
Sundry costs	20,558	15,141
	1,033,205	951,532

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2019

8 Net income/(expenditure) for the year

This is stated after charging:	2019	2018
	£	£
Depreciation	103,738	101,758
(Profit)/Loss on disposal of fixed assets	-	(8,491)
Auditors remuneration:		
Audit	6,000	6,000
Other Services	350	450
	350	450

9 Analysis of staff costs and the cost of key management personnel

	2019	2018
	£	£
Staff costs were as follows:		
Salaries and wages	1,976,798	1,785,156
Social Security costs	140,091	129,703
Redundancy Costs	-	1,852
Employer's contribution to a defined contribution pension	34,766	33,428
Operating costs of defined benefit pension schemes	-	1,594
Other employee benefits	9,666	9,771
	2,161,321	1,961,504

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2019	2018
	No	No
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-

The total employee benefits including pension contributions of the key management personnel were £348,285 (2018: £321,758).

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2019

10 Trustees' remuneration and expenses

	2019	2018
	£	£
Trustees' remuneration and employer's NI costs	81,992	83,903
Trustees' expenses	4,650	5,959
	86,642	89,862

Each of the sabbatical officers received a salary of £19,689 per annum (2018: £19,305) as authorized in the Articles of Association of the Liverpool Guild of Students for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. The work includes voicing student opinion with the University and local community, defending and extending the rights of students through petitions, and discussions with local MP's.

The trustees expenses were incurred by 6 (2018: 6) trustees in respect of travel and subsistence costs in the course of their duties.

No Trustee received remuneration for work undertaken in the delivery of commercial services unrelated to their role as Trustee (2018: nil).

11 Staff Numbers

The average number of employees (head count based on number of staff employed) during the year was made up as follows:

	2019	2018
	No	No
Raising Funds	12.3	5.7
Bars	79.6	62.5
Coffee Shop	36.3	30.7
Entertainments	3.1	3.8
Student Shops	20.9	21.9
Student Services	28.8	33.8
Governance	1.0	1.0
Support Services	40.6	31.8
	222.5	191.1

Of the above staff numbers, 149 (2018: 119) are staff employed under a zero hours contract.

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2019

12 Taxation

The charity is exempt from corporation tax as all of its income is charitable and is applied for charitable purposes.

13 Tangible Fixed Assets

	Office Equipment and Fixtures & Fittings £	Specialist Equipment £	Computer Equipment £	Total £
Cost				
At 1 August 2018	550,263	37,150	58,293	645,706
Additions	23,956	21,713	9,566	55,235
Disposals	-	-	-	-
At 31 July 2019	574,219	58,863	67,859	700,941
Depreciation				
At 1 August 2018	367,707	30,935	54,254	452,896
Charge for the year	93,822	5,838	4,078	103,738
Disposals	-	-	-	-
At 31 July 2019	461,529	36,773	58,332	556,634
Net Book Value				
At 31 July 2019	112,690	22,090	9,527	144,307
At 31 July 2018	182,556	6,215	4,039	192,810

14 Stock

	2019 £	2018 £
Bars	17,836	20,873
Coffee Shop	9,595	6,107
Shops	52,389	41,762
	79,820	68,742

15 Debtors

	2019 £	2018 £
Trade debtors	59,771	64,156
Other debtors	11,723	12,289
Prepayments & accrued income	160,873	152,785
	232,367	229,230

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

16 Current Investments

	2019	2018
	£	£
Carrying value and market value at beginning of year	968,052	766,267
Additions to investments at cost	204,314	201,785
Disposals at carrying value	-	-
	<hr/>	<hr/>
Carrying value and market value at end of year	1,172,366	968,052
	<hr/>	<hr/>

17 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	66,520	167,558
Social Security and other taxes	24,968	36,315
University creditor	68,804	178,630
Other creditors	150,787	172,402
Pension liability	150,063	142,914
Accruals & deferred income	82,151	125,581
	<hr/>	<hr/>
	543,293	823,400
	<hr/>	<hr/>

18 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Pension Liability	2,241,877	2,328,988
	<hr/>	<hr/>
	2,241,877	2,328,988
	<hr/>	<hr/>

19 Deferred Income

Deferred income comprises of venue hire sales invoiced in advance, event tickets sold in advance and the discount relating to future periods from pension deficit contributions paid in advance.

	2019	2018
	£	£
Balance brought forward	61,964	8,765
Amounts released from previous year	(61,964)	(4,616)
Amounts deferred during the year	11,487	57,815
	<hr/>	<hr/>
Balance carried forward	11,487	61,964
	<hr/>	<hr/>

LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

20 Financial Instruments

	2019	2018
	£	£
Financial assets measured at amortised cost	181,264	195,602
Financial assets measured at fair value	1,894,495	1,879,620
Financial liabilities measured at amortised cost	(355,587)	(609,285)
Financial liabilities measured at fair value through the Statement of Financial Activities	(2,391,940)	(2,471,902)

Financial assets held at amortised cost comprise trade debtors and other debtors excluding prepaid costs. Financial assets measured at fair value comprise short term investments and cash at bank and in hand. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals. Financial liabilities measured at fair value through the Statement of Financial Activities comprise the pension deficit contribution liability.

The charity's income, expense, gains and losses in respect of financial instruments are:

	2019	2018
	£	£
Total interest income for financial assets held at amortised cost	11,143	9,505
Total interest expense for financial liabilities held at amortised cost	5,593	5,996

21 Capital Commitments

At 31 July 2019 there were capital commitments relating to a £140k refurbishment to the Starbucks outlet and £150k in relation to the Sphinx outside seating area. Since the year end, the Starbucks refurbishment has been completed and the Sphinx outside area is work in progress. There were no capital commitments as at 31 July 2018.

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2019

22 Statement of funds movement

	01-Aug 2018	Movement in Funds		Transfer Between Funds	Balance 31-Jul 2019
	£	Income	Expenditure	£	£
Unrestricted funds:					
General Fund	949,099	4,213,713	(3,721,424)	76,851	1,518,239
Pension Deficit	(2,471,902)	-	(62,952)	142,914	(2,391,940)
	(1,522,803)	4,213,713	(3,784,376)	219,765	(873,701)
Designated funds:					
Fixed Asset Fund	192,810	-	(103,738)	55,235	144,307
Pension Liability Fund	275,000	-	-	(275,000)	-
Guild Strategic Development Fund	50,000	-	-	-	50,000
Elizabeth Gidney Fund	54,738	-	-	-	54,738
	572,548	-	(103,738)	(219,765)	249,045
Restricted Funds:					
Societies own income	163,250	22,206	-	-	185,456
NUS General Election Fund	5,019	-	-	-	5,019
	168,269	22,206	-	-	190,475
TOTAL FUNDS	(781,986)	4,235,919	(3,888,114)	-	(434,181)

**LIVERPOOL GUILD OF STUDENTS
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 July 2019

22 Statement of funds movement continued

	01-Aug 2017 £	Movement in Funds		Transfer Between Funds £	Balance 31-Jul 2018 £
		Income £	Expenditure £		
Unrestricted funds:					
General Fund	625,051	3,791,584	(3,283,169)	(184,367)	949,099
Pension Deficit	(1,541,291)	-	(33,922)	103,311	(2,471,902)
	(1,916,240)	3,791,584	(3,317,091)	(81,056)	(1,522,803)
Designated funds:					
Fixed Asset Fund	213,512	-	(101,758)	81,056	192,810
Pension Liability Fund	275,000	-	-	-	275,000
Guild Strategic Development Fund	50,000	-	-	-	50,000
Elizabeth Gidney Fund	54,738	-	-	-	54,738
	593,250	-	(101,758)	81,056	572,548
Restricted Funds:					
Societies own income	145,369	17,881	-	-	163,250
NUS General Election Fund	5,019	-	-	-	5,019
	150,388	17,881	-	-	168,269
TOTAL FUNDS	(1,172,602)	3,809,465	(3,418,849)	-	(781,986)

Unrestricted funds

- i. The pension deficit has been disclosed as a separate unrestricted negative fund to represent the net present value of the future contributions required over 15 years to clear the pension fund deficit

Designated funds

The designated funds are unrestricted funds that are created by the trustees for specific purposes.

- The fixed asset fund is the net book value of assets purchased with unrestricted funds.
- The pension liability fund is a reserve to reflect the Guild's historic liabilities in the University of Liverpool Pension Fund.
- The Guild Strategic Development Fund is a fund set up for the support of trustee-led development projects to engage with the Guild's membership.
- The Elizabeth Gidney Fund relates to a legacy received during 2012/13 which is to be allocated to projects that are appropriate to the memory of the bequeathed.

Restricted funds

The restricted funds comprise:

- The Societies' own income balance represents the accumulated funds raised by individual societies.
- The NUS General Election Fund represents funds received to be expended on general election campaigns.

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For the year ended 31 July 2019

Reserve transfers

Transfers are made from general reserves to other reserves in order to ensure that adequate funds are available in order to fulfill the purpose of each fund.

23 Analysis of net Assets between funds – current year

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible Fixed Assets	-	144,307	-	144,307
Cash & short term investments	1,649,282	54,738	190,475	1,894,495
Other net current assets/(liabilities)	(131,043)	50,000	-	(81,043)
Defined benefit pension liability	(2,391,940)	-	-	(2,391,940)
	<u>(873,701)</u>	<u>249,045</u>	<u>190,475</u>	<u>(434,181)</u>

Analysis of net Assets between funds – prior year

	General Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible Fixed Assets	-	192,810	-	192,810
Cash & short term investments	1,656,613	54,738	168,269	1,879,620
Other net current assets/(liabilities)	(707,514)	325,000	-	(382,514)
Defined benefit pension liability	(2,471,902)	-	-	(2,471,902)
	<u>(1,522,803)</u>	<u>572,548</u>	<u>168,269</u>	<u>(781,986)</u>

24 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net movement in funds	347,805	390,616
Add back depreciation charge	103,738	101,758
(Profit)/loss on disposal of fixed assets	-	(8,491)
(Increase)/decrease in stocks	(11,078)	(373)
(Increase)/decrease in debtors	(3,137)	117,445
Increase/(decrease) in creditors	(287,255)	(47,501)
Increase/(decrease) in deferred benefit pension liability	(79,962)	(69,389)
	<u>70,111</u>	<u>484,065</u>

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For the year ended 31 July 2019

25 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	22,876	34,027
Current accounts	699,253	877,541
Deposit accounts	1,172,366	968,052
	1,894,495	1,879,620

26 Operating Lease Commitments

	2019	2018
	£	£
Within one year	1,046	675
Within two to five years	1,907	2,024
After more than five years	-	-
	2,953	2,699

27 Related Party Transactions

The following have been identified as related party transactions per the requirements of FRS 102.

- The University of Liverpool: In the year the Liverpool Guild of Students received total grants of £1,620k (2018: £1,560k) from the University of Liverpool, there was £2,164k (2018: £2,006k) of purchase recharges (including payroll and building repairs) and £147k (2018: £184k) of sales recharges (including room hires and staff recharges). The Liverpool Guild of Students' net year end creditor with the University of Liverpool was £62k as at 31 July 2019 (2018: £234k).
- Trustees of the Liverpool Guild of Students: see note 10 – Trustees remuneration and expenses.
- National Union of Students Services Ltd (NUSSL): Liverpool Guild of Students is an affiliated member of NUSSL who operate a purchasing consortium within the student union movement.

LIVERPOOL GUILD OF STUDENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

28 Pensions

The Guild participates in four pension schemes: the Students' Union Superannuation Scheme (SUSS), the National Union of Students Pension Scheme (NUSPS), National Employment Savings Trust NEST and the University of Liverpool Pension Fund (ULPF).

SUSS

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

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 £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m.

The assumptions which have the most significant effect upon the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2016:-

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

The 2016 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and increased by 20% in October 2017 and at least 5% each year thereafter. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme. These rates will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Guild also pays its share of the scheme's levy to the Pension Protection Fund.

In accordance with FRS 102, the net present value of the future contributions required over 15 years to clear the funding deficit is £2,391,940 (2018 - £2,471,902). In calculating this net present value, annual increases of 5% have been made and a discount rate of 2.58% representing the typical yield of high quality corporate bonds has then been applied. This net present value is subject to a contingent liability as explained in note 29.

NUSPS

As a consequence of the SUSS scheme closing to future accrual on the 30 September 2011 the Guild has made available to permanent staff the National Union of Students Pension Scheme (NUSPS) with Scottish Equitable PLC which is a money purchase scheme. Eligible jobholders are automatically enrolled into the scheme after a postponement period of 3 months and can choose their level of contributions between 4% and 6%. The employer contribution was 3% and 6% for former members of the SUSS scheme to March 2019 and 4% and 6% thereafter. The total contributions paid into the scheme by the Guild for the year to 31 July 2019 amounted to £74,341 (2018 - £72,495).

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For the year ended 31 July 2019

NEST

As a consequence of auto enrolment a National Employment Savings Trust has been set up in order to auto enrol any applicable Casual staff.

To date no payments have been made to the scheme.

ULPF

Prior to the introduction of the SUSS in 1990, certain employees were eligible to join the ULPF, operated by the University of Liverpool. The most recent valuation of the Scheme was carried out as at 31st July 2016 and showed that the market value of the scheme assets was £378m with those assets representing 108% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The major assumptions and other data that have the most significant effect on the determination of the contribution rates are as follows:

Rate of increase in salaries	2.40%
Rate of increase in pensions in payments	3.16%
Revaluation rate for deferred pensioners	3.26%
Rate of inflation (RPI)	3.26%

The total pension contribution paid into the scheme, in respect of eligible employees for the year ended 31st July 2019 amounted to £nil (2018: £2,342).

As a result of the final active member of the scheme leaving the employment of the Company, a deed of amendment, apportionment and cessation of participation in respect of the ULPF has been drawn up between the Company, the University of Liverpool and the ULPF Trustees Ltd., which will ensure that the Company will not be subject to any additional liabilities under section 75 or 75A of the Pensions Act 1995.

The Company ceased to participate in the scheme from 1st May 2018.

29 Contingent Liability

During the preceding year the Trustees were made aware of a possible increase in the liability for the pension deficit. The outcome of this contingent liability is not yet known and it cannot be quantified at this stage. As a result the Trustees do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2019.

30 Contingent Gain

As a result of a water supply contamination, the Liverpool Guild of Students was closed from 10th July 2019 until 21st July 2019 inclusive. As a result, an insurance claim has been made for the loss of profits during the period. No provision has been made in the accounts for the insurance proceeds but the best estimate of the likely amount to be received is £15,000.

31 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of winding up the liability of each member is limited to £1.

**LIVERPOOL GUILD OF STUDENTS
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For the year ended 31 July 2019

32 Comparative statement of financial activity

	Note	Unrestricted Funds			2018
		General Funds	Designated Funds	Restricted Funds	Total
		£	£	£	£
Income from:					
Donations and legacies	2	1,602,687	-	-	1,602,687
Charitable Activities	3	1,913,131	-	17,881	1,931,012
Other Trading Activities	4	257,770	-	-	257,770
Investments	5	9,505	-	-	9,505
Other Income	6	8,491	-	-	8,491
		<u>3,791,584</u>	<u>-</u>	<u>17,881</u>	<u>3,809,465</u>
Expenditure on:					
Raising Funds		257,809	7,445	-	265,253
Charitable Activities		3,025,360	94,313	-	3,119,674
Pension deficit costs	27	<u>33,922</u>	<u>-</u>	<u>-</u>	<u>33,922</u>
Total resources expended	6	<u>3,317,091</u>	<u>101,758</u>	<u>-</u>	<u>3,418,849</u>
Net Income/(expenditure)	7	474,493	(101,758)	17,881	390,616
Transfers between funds	21	(81,056)	81,056	-	-
Net Movement in Funds		<u>393,437</u>	<u>(20,702)</u>	<u>17,881</u>	<u>390,616</u>
Reconciliation of funds:					
Total funds brought forward		<u>(1,916,240)</u>	<u>593,250</u>	<u>150,388</u>	<u>(1,172,602)</u>
Total funds carried forward	21	<u>(1,522,803)</u>	<u>572,548</u>	<u>168,269</u>	<u>(781,986)</u>