

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2019

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Edinburgh University Students' Association is a charity (SC015800)
and a company limited by guarantee (SC429897) registered in Scotland.
Registered Office: Potterrow, 5/2 Bristo Square, Edinburgh, EH8 9AL

Edinburgh
University
Students'
Association



Edinburgh University Students' Association Contents of the Annual Report

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Annual Report on Behalf of the Board of Trustees incorporating the Strategic Report

Edinburgh University Students' Association

Report of the Trustees for the for the Year Ended 31 March 2019

Reference and Administrative details:

Company Number:	SC429897
Registered Charity Number :	SC015800
Registered Office:	5/2 Bristo Square, Edinburgh, EH8 9AL
Auditors:	RSM UK Audit LLP, Third Floor, Centenary House, 69 Wellington Street, Glasgow G2 6HG
Bankers:	Santander UK Bootle, Merseyside L30 4GB
Solicitors:	Lindsays, Caledonian Exchange, 19a Canning Street, Edinburgh EH3 8HE
	For licensing matters: TLT LLP, 1 Redcliff Street, Bristol BS1 6TP

Trustees

The Trustees who served during the year to 31 March 2019 and up to the date of signing of these financial statements were as follows:

Trustees at 1 April 2018:

Bobi Archer (appointed 12 June 2017, resigned 08 June 2018)
Douglas Blackstock (resigned 12 July 2019)
Nathaniel Brimmer-Beller (resigned 29 May 2019)
Bharat Chaturvedi (resigned 01 December 2018)
Esther Dominy (resigned 09 June 2018)
Oliver Glick (appointed 12 June 2017, resigned 08 June 2018)
Stewart Goldberg
Chak Ip (resigned 29 May 2019)
Patrick Kilduff (Chair, resigned 08 June 2018)
Adam Noach (resigned 18 June 2018)
Kai O'Doherty (resigned 07 June 2019)
Yvonne Stewart (resigned 25 June 2018)

Trustees subsequently appointed:

Eleri Connick (Chair, appointed 11 June 2018, resigned 07 June 2019)
Shenan Davis-Williams (appointed 11 June 2018, resigned 07 June 2019)
Beth Fellows (appointed 10 June 2019)
Tanya Gaxiola (appointed 26 September 2018)
Georgie Harris (appointed 11 June 2018, resigned 07 June 2019)
Oona Miller (appointed 10 June 2019)
Bilal Mohamed (appointed 23 November 2018, resigned 29 May 2019)
Diva Mukherji (appointed 11 June 2018, resigned 07 June 2019)
Levi Pay (appointed 27 May 2019)
Adam Turner (appointed 23 November 2018)
Stephanie Vallancey (appointed 10 June 2019)
Rosheen Wallace (appointed 10 June 2019)
Andrew Wilson (Chair, appointed 10 June 2019)

Edinburgh University Students' Association Trustee Report for the Year Ended 31 March 2019

Management Structure

The Senior Management Team, who are also the Key Management Personnel and attend Trustee meetings, comprises:

Chief Executive:	Stephen Hubbard
Director of Membership Support and Development:	Sarah Purves
Finance Director:	Euan Maclean
Commercial Services Director:	Michelle Berry
Director of Marketing & Communications	Emma Robertson-Werner (Ross Wilson from August 2019)

Structure, Governance and Management

Edinburgh University Students' Association ('the Association' / 'the Students' Association') is a charity registered with the Office of the Scottish Charity Regulator. The Association is a Company Limited by Guarantee which became active on the transfer, on 1 April 2014, of the entire assets, liabilities and undertakings of the former, unincorporated Edinburgh University Students' Association. The 'old' Association was itself formed in July 1973 from the amalgamation of Edinburgh University Union, the Edinburgh Women's Union and the Students Representative Council of the University of Edinburgh.

The Association's incorporation was agreed by its members in 2011 and a new constitution became the company's Articles of Association on 7 August 2012. At the point of incorporation, the former Association ceased to exist and its work was taken over by the new company, to which these financial statements relate. All subsequent references to the Association relate to the new incorporated Association.

The Students' Association has one wholly-owned subsidiary undertaking, EUSACO Ltd (Company No. SC084199) the results of which are consolidated with those of the Association, and together they are referred to as 'the Group'. EUSACO Ltd has a wholly-owned subsidiary, EUSACO Premises Ltd (Company No. SC341993) which has remained dormant throughout the reporting period.

Appointment of Trustees

Unless they have requested to opt out, all full time and part time students enrolled at the University of Edinburgh, and postgraduate students within their prescribed period of study are regarded as ordinary student members of the Association, and are therefore eligible for election (in the case of sabbatical trustees) or appointment (in the case of student trustees) to the Board of Trustees. The Board of Trustees is made up of five elected sabbatical officer trustees, four appointed student trustees and three appointed external trustees. Vacancies for appointed trustees are advertised, and interviews conducted in accordance with processes agreed by our People and Culture subcommittee, with senior staff assisting. We aim to appoint a representative and diverse board of trustees with relevant skills through identifying and targeting student groups who may not otherwise participate, and by recruiting external trustees with relevant experience.

The Association's subcommittee structure ensures the work of the Board can be dealt with efficiently yet robustly, and our Delegation of Authority articulates the responsibilities of the governing body, its subcommittees, key management personnel and staff. Membership of each subcommittee is drawn from the Board, with staff and external advisors attending as appropriate. Our subcommittees since January 2018 have been: Finance, Risk & Audit; People & Culture; Governance; and Strategic Development. The membership of each has been designed to facilitate more substantive discussion at that level. Each subcommittee also benefits from an external lay member to provide specific expertise, in addition to the external Trustees and the insight provided by student Trustees.

Trustee Induction and Training

The Association holds training for all Trustees, and this covers principles of good governance, organisational and financial information, guidance on key processes and the responsibilities of the Trustees. The student Sabbatical Officers are given an intense four-day induction with senior staff and external advisors to give, amongst other things, a detailed introduction to the Association and their responsibilities as Trustees. This is complemented by further in-house and external training early in the summer each year. In addition, a new framework of Trustee induction; development and review, both for individual trustees and the board as a whole and based on NUS / charitable good governance practice, has been developed and implemented.

Statement of Trustee Responsibilities

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements which give a true and fair view of the state of affairs of the group and parent charity for each financial year, and of the incoming resources and application of resources of the group and parent charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities' SORP FRS102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the group and parent charity 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that, as far as they are aware, there is no relevant audit information of which the auditors are unaware.

Related Parties

The Association has a close working relationship with the University of Edinburgh, by virtue of the shared purpose of advancement of education and representation of students at the University and because of the University's responsibilities in relation to student union oversight as part of the 1994 Education Act. The University is the Association's major funder. The Association applies to the University as part of its Planning Round for a block grant each year, which is used to support the range of services and facilities that it delivers.

In addition, the University holds endowment funds on behalf of the Students' Association. The annual income from these funds is used for the general purposes of the Association.

The properties used by the Association are owned by the University of Edinburgh and are occupied in accordance with the terms of Buildings Agreements between the two parties.

As noted on page three, Edinburgh University Students' Association wholly owns EUSACO Ltd (and indirectly, EUSACO Premises Ltd), which operates the Association's activities in the Edinburgh Festival Fringe and other non-student facing catering and conference operations. EUSACO Ltd transfers via Gift Aid its taxable profits to the charity as required in its Articles of Association.

Employment of disabled persons

The Association gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Employee involvement

Consultation with employees has continued during the year with the aim of:

- a) providing employees systematically with information on matters of concern to them as employees
- b) consulting employees on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests.

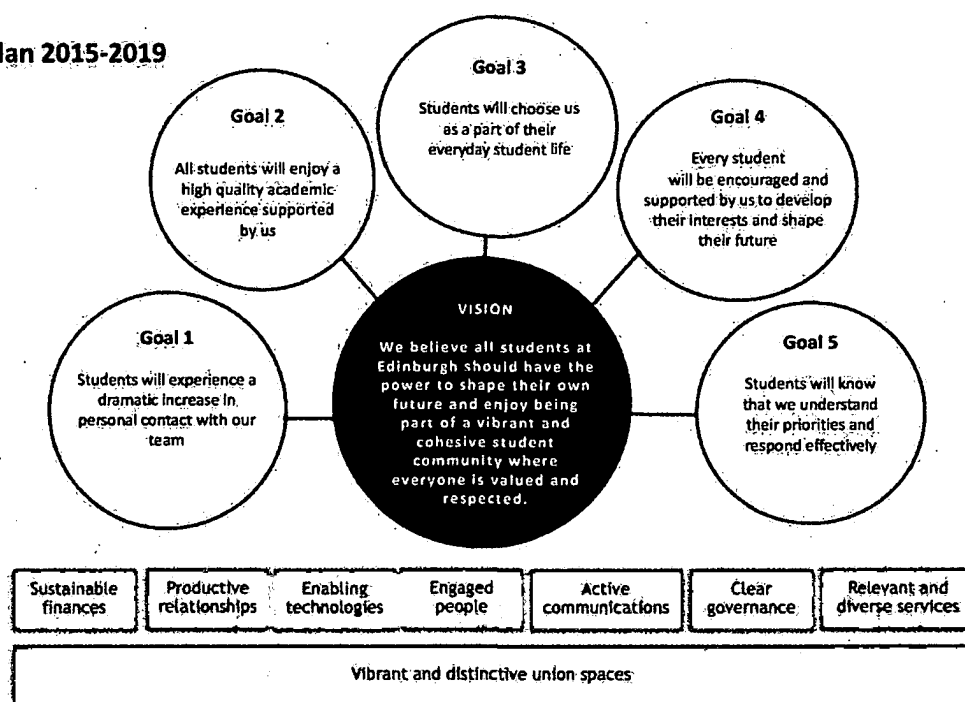
Objectives and Activities

The charitable objectives of Edinburgh University Students' Association are:

- The advancement of education of students at the University of Edinburgh by representing, supporting and promoting the interests, health and welfare of students within the University and the wider community, and by promoting student participation in facilitating, co-ordinating and developing the services, projects and activities of the Association.
- The advancement of the arts, culture and science and the organisation of recreational activities through the services, projects and activities of the Association.
- The advancement of community development within the University and within the wider community through student participation in the Association and its services, projects and activities, and by facilitating the involvement of students in the wider community.
- To promote and support such similar and other charitable purposes, objects or institutions and in such proportions and manner as the Trustees shall think fit.

The Students' Association completed, at 31 March 2019, its 2015-19 Strategic Plan. The Plan was complemented by annual operational plans developed on a departmental basis and set out five clear goals in relation to our members, as well as a number of key supporting activity areas which aim to facilitate organisational development, as can be seen below.

Strategic Plan 2015-2019



In addition, there were key cross-organisational strategic change projects that aimed to be transformational in their impact:

1. Financial Strategy
2. Staff Culture, Recognition and Reward
3. Democratic structure, student representative roles and Governance
4. Branding and Visual Identity
5. Communications – internal, member and external
6. Buildings and Spaces review
7. Use of Technology

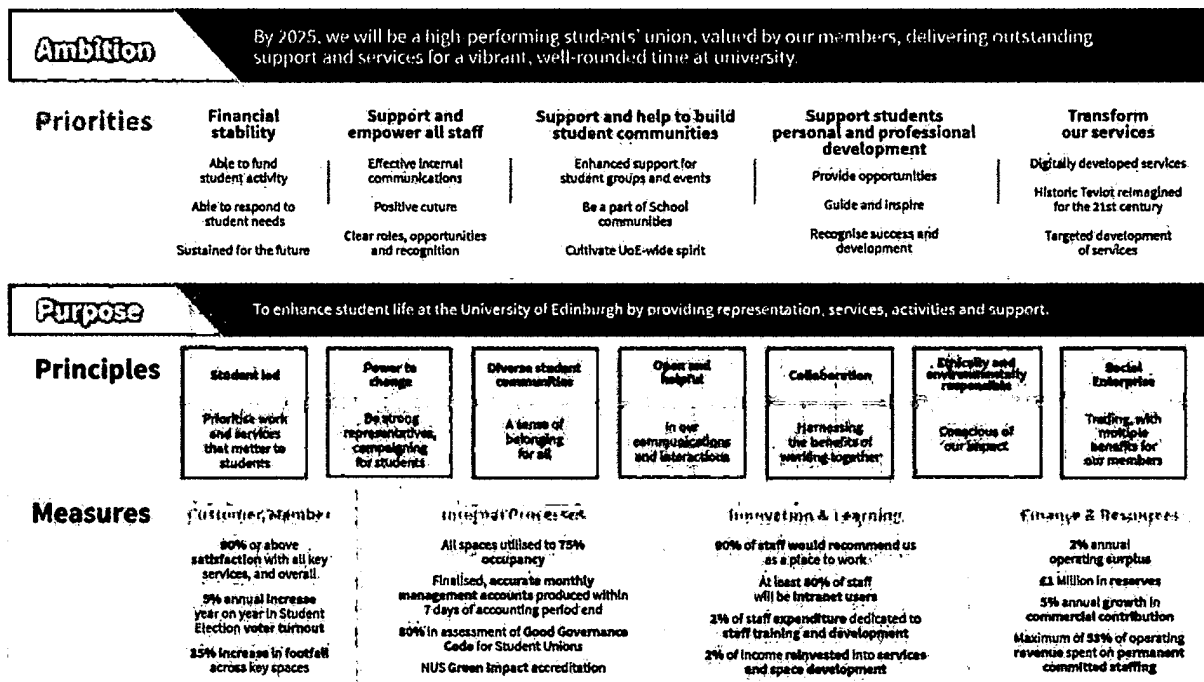
A phased approach to the work on the strategic change projects was taken, focussing attention on particular projects each year (e.g. our branding and visual identity work was completed in 2015-16). This enabled us to see some significant development in a short space of time as outlined within the Achievements section.

During 2018-19, we undertook a strategic review process with key stakeholders and developed our new Strategic Plan (2019-25), which launched in April 2019. The new Plan outlines our ambition for the next six years, along with five key areas of priority work, and the success measures against these. This plan will be driven forward by annual operational plans developed on a departmental basis, along with strategic, organisational-wide projects.



Strategic Plan

2019-2025



Strategic Report

2018-19 was the final year of our Strategic Plan 2015-19, which focussed on addressing our relevance to students, our governance and core finances. Two of our key change projects helped to transform our student representation as well as our wider engagement and communications. In addition, we invested in key areas of support, including societies and student activities, and student communications. We have also strengthened and professionalised our governance structure, with a strong focus on governance development.

A focus on close financial management and cost control at an early stage of the plan created much-needed stability. Investments in a number of finance and commercial systems and processes are, over time, enabling further efficiency and agility, against challenges in our trading environment and rising wages and pension contribution costs. Despite these challenges, engagement with our commercial offering for students has increased in the last year, affording us uplifts in income during term-time operations.

The last four years of work has yielded positive results, with students' views on what we consider key markers of successful service delivery of the Students' Association improving by up to 11%.

Edinburgh University Students' Association
Trustee Report for the Year Ended 31 March 2019

Agreement statement about the Students' Association:	2015/16	2018/19	4-year change
Overall satisfaction (new question for 2018/19)	-	87%	N/A
A positive desire to help our members	71%	76%	+5%
Represents me	42%	52%	+10%
Contributes positively to my University Experience	65%	67%	+2%
Creates a sense of belonging for members	45%	56%	+11%
Represents the needs of the student body	54%	63%	+9%
Promotes Inclusivity	63%	69%	+6%
Contributes to my development	45%	53%	+8%

Some of our delivery highlights from the last year include:

- Our Advice Place continuing to provide in-person and online support annually to over a quarter of the student body at Edinburgh;
- The number of student-led groups we support continuing to rise, with over 350 student societies, volunteering groups, student social enterprises and peer learning and support groups;
- Our Representation work enabling us to achieve our highest voter turnout in six years in our 2018 Elections;
- Our new Student Awards – a landmark event to celebrate student successes from across the University by groups and individuals – has been well received;
- Our Teaching Awards, now in its tenth year, continuing to be highly regarded across the University and being valuable in championing great teaching practice;
- Our Mental Health & Wellbeing Week delivering the largest ever Mental Health & Wellbeing events programme on campus; and a new 'It's OK not to be OK' video produced in partnership with the University and the Sports Union, to encourage all students, and especially male students, to speak up and seek support;
- Our new anti-sexual harassment campaign, #NoExcuse (developed in partnership with the University and the Sports Union) being unanimously praised and receiving a special commendation in this year's Herald Education Awards;
- Changes to our catering outlets and menus across our estate, to better cater to students' needs;
- Growth in our events offering for students at key celebratory times throughout the year, including the Festive Season, Halloween and the Burns and St. Andrews nights.

Achievements

Governance and Democracy strategic project

Governance and Democracy has been one of our key strategic projects over 2015-19. Our governance structure has evolved, with five Sabbatical Officers in place for the first time (increased from four) during 2017/18. We had our first ever re-elected Sabbatical Officer in post for a second year's term, and elected into office a new Trans and Non-Binary Officer – a role that was created as a result of a motion to Student Council. These changes demonstrate that the Students' Association continues to evolve to make the organisation relevant to current and future students.

Interest in our elected positions continues to grow, with over 200 students running in our 2018/19 undergraduate and postgraduate elections (including 18 students running for a Sabbatical Officer position) and over 5,500 students voting. Over the lifespan of this particular project, satisfaction scores with this aspect of our role have consistently increased.

We continue to engage more consistently across the University and beyond as a result of our expanded Sabbatical Officer team. They have contributed significantly to an ever-expanding number of University projects and strategies demanding student input from an early stage, and led a variety of campaigns and initiatives to improve student life. This year these have included:

- Working with the University on the development of a Student Experience Action Plan to achieve a step change in support and satisfaction, ensuring key student priorities are embedded in the plan;

- Ensuring value for money in student accommodation, negotiating for new developments to retain a proportion of the most affordable rooms;
- Facilitating strategic conversations and development of work to actively build community feeling across campuses;
- Hosting two 'Meet the Principal' events to enable our members to engage directly with the University Principal on issues of concern to students;
- Involvement and influence on significant and strategic student building projects (King's Buildings Nucleus, Central Area Development, Edinburgh Futures Institute) including securing Association presence and provision in key University sites;
- Contributing to the University's Student Mental Health strategy implementation, including running our own Mental Health and Wellbeing Week with over 40 events;
- Strategic policy work on sexual harassment / sexual violence and complaint handling, including securing new mechanisms for specialist investigators and support for these complex cases, and changing the on-campus culture around these issues through securing training for student leaders and supporters;
- Ensuring the needs of Black and Minority Ethnic students are being surfaced and addressed, through securing a University Thematic Review of support and student experience of this group;
- Representing the needs of transgender students on campus, and collaborating with other student unions across the city to promote this;
- Improving academic engagement and representation following some challenging National Student Survey (NSS) scores for us and the University – including full implementation of our University-wide Programme Rep system.

In relation to overall organisational governance, our new subcommittee structure introduced in 2018 better reflects the core business of our Board. It also supports the positive development and professional focus on core areas such as risk, health & safety, research & insight and its incorporation into strategic planning, and governance development. Membership of these committees was formalised and expanded to ensure that issues are informed by a complimentary blend of both broad and expert perspective at an early stage. This has been matched with changes to our Board meeting structure and reporting.

In 2018-19 we revised current policy and procedures towards best practice models in a number of areas, and completed work to develop our complaints process and member discipline procedures, to be implemented prior to the new academic year. This project has seen a step change in the culture around both student representation and our governance approach.

Staff culture, recognition and reward

Work has been undertaken in this area throughout years 2-4 of our 2015-19 Strategic Plan, and many of the work streams will flow into our next plan (under the 'support and empower all staff' priority).

We undertook a thorough review of our staff interactions, engagement, communications, terms and conditions and benefits: these feed into the culture of the organisation and ultimately our achievements and service to students. We developed a set of cultural principles and undertook a job evaluation and pay benchmarking exercise undertaken by external consultants Korn Ferry. We have created and launched a suite of new staff policies, including employee leave and annual leave, and a new staff feedback system led by a team of staff volunteers. In May 2019 we also launched a new (our first) Staff Intranet.

Notably, a lot of work in this area has fed in to the Organisational Effectiveness Review we are currently undertaking - which should enable us to improve customer service, accountability and collaboration across the organisation.

Communications

Following a comprehensive communications and engagement review on our internal (staff), membership (student) and external (University and other stakeholders) communications we developed a comprehensive Communications Strategy and have focused on resourcing and delivering the digital elements of this. The work includes: creating the staff intranet launched in summer 2019; revising our website and CRM system; improving our email and social media communications; and improving digital provisions in our spaces (Wi-Fi, digital information points etc).

Linked to our communications work and also to our technology solutions, one year on from the launch of the new General Data Protection Regulation (GDPR) we have embedded the regulation in our work and practices and continue to work towards best practice, beyond simply a compliance approach.

Commercial Services review

We have delivered several projects this year to enhance our commercial services both in the service they provide to students and the financial contribution they make to the organisation. This has included changes to our frontline offers – e.g. an upgraded coffee shop, a new vegan eatery and reshaped large scale events – as well as to many of our back of house systems and structures. We have seen growth in commercial revenues of up to 10% in areas where we have made changes. Our current Organisational Review includes significant changes to our commercial staffing structure and the roles within it, which we believe are required to drive forward this area of our work.

We have also increased the number of external events that we host – securing a new partnership with the Science Festival, hosting the Jazz Festival hub in summer 2018 & 2019 and in addition we hosted a number of external conferences and events by organisations including the Sustainability Action Forum, Lothian Equal Access Programme for Schools, Alzheimer's Research, Association of Infant Mental Health and the Scottish Swimming Masters as well as a number of University School-led events.

Behind the scenes we have also been scoping and developing two new systems to support our commercial operations – Staff Savvy, to support rota management and engagement with our large hourly-paid student staff group; and Flow, an online industry-standard training and development package, which is being introduced initially to support induction and compliance training and development of our Festival staff team (c 400 new staff) but will be extended to all staff from September 2019 onwards.

During the year the Association was proud to receive a Best Bar None Gold Award. Best Bar None is a national accreditation scheme which recognises best practice in operational management of licensed premises. We are pleased that this highlights clear improvements within the operational standards and management, and provides a solid benchmark for work going forward.

Whilst there have been many positive improvements in this area, we have had challenges also – these include substantial bars competition during our festival operation in August, the King's Buildings House fire, University building works around our venues and other activity which has caused changes to footfall patterns.

Estates and spaces projects

Our work here is dominated by the continued development of the Student Centre project, which will see the Students' Association combine the current Potterrow and Teviot provision within a refurbished and expanded Teviot Row House. Much of the detailed planning for this project has continued during the year, including reconsidering service provision and ways of working in the planned space.

We have also undertaken work, as we did last year, to maximise the use of our current buildings and spaces, increasing utilisation and satisfaction. We have upgraded many spaces (utilising the experience of our own Estates Team) and our buildings are busier than ever as a consequence. This work has included internal refurbishment of the Potterrow Dome and the introduction of more furniture to better facilitate an informal learning environment into other spaces. We have expanded our extremely popular Heat and Eat service with a new facility in Teviot, and alongside this a specific baby changing facility for Student Parents and Carers. Pleasance Cafe has become a hub for Societies and Sports Club members to meet and is importantly providing a good sense of community in a campus location which isn't in the Central Area.

King's Buildings House suffered a fire in April 2018, which resulted in the building being closed for about five weeks. This caused disruption to bar, café and retail outlets, to the gym and the Advice Place. The top floor of the building (which housed the Common Room and a food court) remains closed, due to the investigation of alternative use by the University. We anticipate that the Common Room will be reinstated in Semester One of academic year 2019/20. Building damage was covered by the University's insurers. Other losses were covered by the Students' Association's insurers and full losses were recovered.

Student engagement & student experience

We have, in the light of the last two years of National Student Survey (NSS) results, undertaken significant reflection on our approach to supporting one of our key core business areas - effective academic representation and feedback, and to supporting this at a local level across the University. In coordination with all 22 Schools, we changed our Class Rep system to a Programme Rep system; we created a new office hub for academic support and representation; we worked with Academic Services colleagues to provide information, training and support to reps on key topics, including making good use of research and insight from key surveys; we delivered new models of face-to-face training for reps to strengthen engagement and delivered a programme of year round rep engagement events.

Edinburgh University Students' Association Trustee Report for the Year Ended 31 March 2019

Our Peer Learning and Support team manage the delivery of over 50 schemes, led by around 700 students who we train and support, including school-specific PALS (Peer Assisted Learning & Support) schemes to complement the curriculum. This year, we launched a successful pilot Wellbeing Officer scheme as part of our provision, to address concerns around student mental health support. Around 9,000 students participate in our programmes, and our annual survey satisfaction rate for 2018/19 in this area was 97%. We received Higher Education sector recognition for this work winning the 'Best University Impact' Award from SPARQS on the basis that this work at Edinburgh has had 'a significant impact on enhancing the student learning experience'.

This past year we have supported around 300 Student Societies. The re-opening of Pleasance last year, following University investment to upgrade the facilities there, has ensured that societies and their members have access to high quality meeting and activities space, with bespoke facilities for our media groups and dance / physical activity groups, and access to attractive study / meeting / café space and a community lounge for office bearers. In addition, the relocation of our central Activities team to a more accessible and attractive space, and investment in communications support for student activities continues to help to generate stronger engagement and a community feel amongst societies. We have delivered training throughout the year to support and develop student leaders, and we supported around 400 students to gain University accreditation for their extra-curricular work with us through the Edinburgh Award.

Our annual 'Give it a Go' societies sample event week saw a 30% increase in events run, enabling students to re-engage with Societies and other extra-curricular opportunities including sport and volunteering beyond Welcome Week. Participation in the week more than doubled to nearly 8,500. Satisfaction with societies continues to grow, and is currently at 93%.

We have continued to maintain high levels of satisfaction with our Advice Place with 85% satisfaction or above in all service elements. And we have invested in additional Advice Place staff to continue to provide the best casework support to our students, against a background of significant additional demand for critical support services, primarily relating to sexual violence and harassment, mental health, and more complex financial issues.

Also in this last year, we have worked in close partnership with the University and with the Sports Union to create community connections across the campuses. We have organised buses to enable students to get to key annual sporting events like the Rugby Varsity and the Boat Race and we have introduced a new annual staff and student event in the University's flagship McEwan Hall venue, featuring student musicians and DJs. This work has been supported by communications work, such as introducing a Students' Association mascot (Dusty the Moose) and social campaigns to spotlight on students in the community (#WeAreEdinburgh).

We continue to receive recognition for our work on engaging students in important topics and influencing the culture at Edinburgh University – this year we received special commendation in the Herald Higher Education Award for 'Marketing/PR Campaign of the Year' for our impactful anti-sexual harassment campaign '#NoExcuse'.

Financial Review

During the year the Group made a deficit of £17,000. This can be broken down as follows:

	Income / (expenditure)	Central cost reallocation	Net income / (expenditure)
	£000	£000	£000
Grant & other income	3,995	-	3,995
Trading profit / loss	211	(1,454)	(1,243)
Charitable activity	(1,941)	(828)	(2,769)
Central costs	(2,282)	2,282	-
	(17)	-	(17)

Trading activity includes the Group's bars, catering and retail outlets and other activities such as student entertainments, Welcome Week and the Festival Fringe activity. The Group's trading activities, which includes trading by the Charity and its subsidiary EUSACO Ltd, made a profit of £211,000 (2018: £468,000) before the allocation of support costs. This is lower than we would like, and action has already been taken, and will continue to be taken, to address this. In particular, revenue and profit from the 2018 Festival Fringe was significantly lower than in recent years, much of this due to Underbelly's significant presence in Bristo Square.

Edinburgh University Students' Association
Trustee Report for the Year Ended 31 March 2019

In accordance with its Articles of Association, the directors of EUSACO Ltd have agreed to transfer its profits to Edinburgh University Students' Association as Gift Aid. The Gift Aid transfer for the year ended 31 March 2019 is £557,000 (2017: £758,000).

Charitable activity is the student support activity carried out by the Association and includes activities such as The Advice Place, student representation, peer support programmes, student society support and salaries of the Association's Sabbatical Officers. It also includes the cost of operating and maintaining the Association's buildings which are a core aspect of the student experience that we offer. Expenditure for the year totalled £1.9m before the apportionment of central costs (2018: £2.0m).

Central costs are organisational support functions such as IT, Marketing, HR, Finance, welcome desks, security, senior management, strategic projects and other costs such as NUS affiliation, legal and audit fees. Central costs totalled £2.3m in the current year (2018: 2.2m). These costs have been allocated to the Trading and Charitable activity areas using staffing costs as a basis, to give an indication of the full cost of running these activities. On this basis, the fully loaded trading activity made a deficit of £1.2m in the year (2018: £1.0m deficit) while £2.8m was spent on charitable activity (2018: £2.8m).

The balance sheet includes a provision of £390,000 (2018: 415,000) relating to the USS pension scheme which is being amortised between 2015 and 2030. The provision represents the recognition of a liability for contributions which are made to fund a pension deficit for multi-employer schemes such as USS. This provision has a significant adverse impact on the Association's reserves however it is important to note that other than the annual deficit payment included within the pension contributions this is purely an accounting adjustment and has no impact on the Association's cash position. USS have advised the Association that a revised basis of the liability is to apply from 31 July 2019, which is likely to markedly increase the liability recognised and extend the period it applies until 2034.

The Association continued its gradual move towards paying the Real Living Wage by increasing from April 2018 its base wage rate to a differential of £0.10 over the National Minimum Wage. The base wage rate was therefore £7.48 an hour, an increase of 5.4% from 2017/18. A cost of living increase of 1.5% was awarded to salaried staff in October 2018. Together, these and other less significant changes resulted in staff costs £100k (about 2%) greater than in the previous year. Total staff costs in 2018/19 represented 48.5% of total organisational income, up from 47.9% in 2017/18 and 43.6% in 2014/15. However, staff numbers (average full time equivalent) in 2018/19 were 2.2% lower than in the previous year.

As has been touched on above, 2018/19 was challenging for the Association commercially. A fire in April 2018 at King's Buildings House caused extensive disruption to the bars, food outlets and gym located there. The completion of the building works in Bristo Square for the renovation of the McEwan Hall enabled Underbelly to return to this space, and they returned with a significantly larger bar and catering footprint which had a significant adverse impact on the Association's activity. Consequently, our Festival results were down by about £200,000 on the previous year. Some key staff shortages impacted on the performance of Bars: while sales were up over 5% on the prior year, net profit at £321,000 was 2% down. The Association's catering operations struggled during the year with a decline in sales contributing to an increased full year deficit. However there is positive news and the two food outlets that received investment, the Baristo coffee shop and the launch of the Humpit concession in the Potterrow Dome, have performed significantly better than in the prior year.

Several factors ensured that the worse than budgeted commercial activity did not result in a greater organisational deficit. Trustees and management were very grateful to the University of Edinburgh for an additional grant of £200,000 made in January 2019 after the disappointing 2018 Festival result. Cost savings in non-commercial areas of the organisation helped counter the commercial variance, particularly in central cost areas which were £53,000 (over 2%) lower than the previous year. A year end accounting adjustment to accrue the cost of annual leave unused at year end by salaried staff resulted in a reduction in the accrual from last year of about £25,000, representing a gain in this year's accounts.

The need for capital investment has been balanced with our cash position and also with capacity within the organisation to manage the changes. Total capital expenditure in the year, at £196,000, was slightly lower than the previous year (£210,000) and includes investment in both student-facing activity and for the Festival. The largest area of expenditure, representing about 40% of the total, was for refurbishments in the Potterrow Dome to make it a more visible and attractive space. The majority of this was funded from the £100k capital grant given by the University in 2017/18 and which last year also funded work to the Library Bar and Sports Bar in Teviot. An approximate breakdown of the type of investment made for the 2018/19 capital expenditure is shown below.

Edinburgh University Students' Association
Trustee Report for the Year Ended 31 March 2019

Area	£000	%
Building refurbishment projects	112	57%
Festival investment	35	18%
Replacing worn out equipment	25	13%
Sound & light equipment	24	12%

A capital prioritisation process has been developed and, in response to trustee feedback, a review of the planned capital projects (and those lower prioritised) is now a standing agenda item on the Finance, Risk & Audit Committee.

The Budget for 2019/20

The budget for financial year 2019/20 was approved by the Board of Trustees in March 2019 and was subsequently approved by the University. This sets a target full year surplus of £100,000 after proposed savings from the organisational review, calculated at approximately £315,000 in 2019/20 (more in subsequent years). The budget assumes a flat block grant but factors in some one-off support towards the costs of undertaking the business reorganisation. We have taken a realistic approach to commercial activity and have assumed that Festival net profit will remain at a level similar to that achieved in 2018.

Hourly wage rates include a further five pence per hour differential away from the National Minimum Wage, bringing the Association's base hourly pay rate to £7.85 from 1 April 2019 (for comparison, the Real Living Wage is £9.00 for 2019/20). A proposed cost of living increase for salaried staff of 2% has been budgeted from October 2019.

USS pension employer contributions increased from 1 April 2019 (from 18% to 19.5%) and will increase again on 1 October 2019 (to 22.5%) and these costs have been budgeted. The employer's contribution will increase further on 1 April 2020 to 24.2%. NEST pension contributions, for eligible hourly paid employees, increased on 1 April 2019 from 2% to 3%.

The Association's new strategic plan has a strong focus on financial sustainability. We have been hit hard by staff and input cost increases, strong competition and insufficient funds for the level of investment required. However the 2019 business reorganisation has been designed to make the organisation more effective and sustainable, and this will remain the focus of our financial strategy over the coming year and beyond.

Remuneration Policy

The remuneration of key management personnel in the Association is set at the time of appointment with agreement of the Board of Trustees. Any change to this, other than any increments applied as a general uplift to all staff, follows standard organisational policies on staff pay and requires approval by the Board and the People & Culture Subcommittee.

The Staff Culture Recognition and Reward workstream of the Strategic Plan 2015-19 has introduced a suite of policies intended to clarify and enhance an employee's experience of work at Edinburgh University Students' Association. This includes policies on flexible working, family leave and non-financial benefits.

Edinburgh University Students' Association employs five Sabbatical Officer Trustees as members of staff. Each officer is paid a salary which is set annually in advance by the University of Edinburgh under its Laigh Year regulations. The funding for these positions is included in the Association's block grant from the University.

The Trustees would again like to thank the Association's staff team for their continued hard work and support over the past year.

Cash and Banking

Cashflow forecasting has been a focus of the year and a projection looking a minimum of 12 months ahead is maintained and updated weekly. The projection is reviewed by the Finance, Risk & Audit Committee at each meeting, and is also sent to all trustees at each board meeting. Cash balances have reduced slightly over the year, mainly due to investment in the organisation through capital expenditure being higher than cash generated. The cash balance at year end was £1.3 million (2018: £1.4m). The Association has been overdraft-free since July 2015, and for a fourth consecutive year, a positive cash balance was maintained throughout summer 2019.

In order to maximise returns on the positive cash balances held, cash not required for day-to-day working capital has through the year been held in interest-bearing Santander deposit accounts, varying in liquidity from instant access to 95 day notice accounts.

Reserves Policy

At 31 March 2019, excluding the pension reserve, total reserves were £428,000 (2018: 470,000) of which £338,000 (2018: 371,000) were unrestricted. The restricted funds represent the capital grant given by the University in 2017/18, which is being amortised in line with the assets it has been used to fund.

The new strategic plan retains the target of holding reserves (before the pension provision) of at least £1million, which represents approximately three months' salaried staff costs. This will be challenging however the parallel target of delivering an organisational surplus is the route to achieving it.

Future Plans

Our new strategic ambition states *"By 2025 we will be a high-performing students' union, valued by our members, delivering outstanding support and services for a vibrant, well-rounded time at university."* We will therefore develop our strategic projects, policies and operations to meet this target.

A key feature in the time period which our new Strategic Plan 2019-25 covers is the redevelopment of the historic Teviot Row House (due to be complete in 2023). This development provides a step-change opportunity for a transformed student experience delivered by the Students' Association. We therefore have a body of work to undertake to make sure that the building design is strong, the organisation is fit for purpose, and we can weather the business interruption of the works (which includes disruption to space for organised student activity and informal study, meeting facilities, food, drinks and events offerings, and other income generation work including with external partners).

In year one of our new Strategic Plan (2019-20) we intend to restructure many of our operations with a significant Organisational Review – this work will have a near-immediate impact. The review seeks to improve both effectiveness and efficiency. There are elements of the review which we believe will improve the student experience. However there is a £400k savings target to realign the organisation to our new financial terrain (including changes to our term-time and festival trading environment, rising USS Pension costs and the rising National Living Wage). As well as efficiency and effectiveness changes there will also be some strategic service level cuts and the review will see us reduce our salaried staff by 10-15%.

We have a year of change and reformation ahead of us, which in some sense will make this a 'static' year for us relating to new large-scale projects. This said, we plan to allocate resources to research and development, including investigating a Students' Association Job Shop. We see this as both intrinsically linked to our new Strategic Plan – which focusses on students' personal and professional development – and also as a self-sustaining or profit making business opportunity which fits with our Social Enterprise values based approach to running our services.

We also see a focus of this year, and the years to come, as being a key partner with the University to deliver their new 'Student Experience Plan'. The University's renewed focus on addressing student satisfaction is a shared core strategy and common objective. We believe the Students' Association is at the heart of delivering a world-class University experience for our members, and with student engagement; use of services and satisfaction growing we will continue moving towards our strategic ambition.

Risk Management

Edinburgh University Students' Association has established risk management policies and processes in place, covering both operational and strategic risks. A Risk Management Steering Group meets quarterly and reports to the Finance Risk & Audit Subcommittee, and has the remit of developing further approaches to risk management and embedding these in the organisation. Development of the process has continued during the year.

A Business Continuity Plan was developed in 2017 and has been revised and refined since.

The Association's risk register is subdivided into the following key risk areas: Strategy & Sustainability, Charity & Company, Trustees & Governance, Reputation, Financial, HR, Operational, IT Systems, and Insurance. During the year we added a further risk area, GDPR, to the register.

Within each section, individual risks have been identified and a score apportioned using a matrix considering likelihood and impact. Each risk has a nominated owner and a Certificate of Risk Compliance is completed and signed off by each risk owner on an annual basis.

Edinburgh University Students' Association
Trustee Report for the Year Ended 31 March 2019

The top risks identified, and how these are addressed, are:

Risk Area	Risk identified	Addressed through
Reputation	Risk that a failure to ensure adequate risk assessment or control results in serious injury or death to a student whilst participating in the Students' Association society or volunteering activity.	Category-based Risk Assessment templates in place for Societies, Volunteering Groups and Social Enterprise Groups. Risk assessments are monitored and recorded by staff.
Reputation	Risk of a student-led Group or Society or a student volunteer conducting themselves in such a way it harms the reputation of the Students' Association and/or University.	Category-based Risk Assessment templates in place for Societies, Volunteering Groups and Social Enterprise Groups. Societies whose activities are outwith the scope of the Association's insurance cover are required to buy their own insurance. Media training given to media societies by an external trainer.
Financial	Risk that the surplus made by commercial activities, term time and Festival, decline or are affected by short term negative factors.	Invest in commercial activity. Ensure that we are delivering a service that students want to use. Insurance in place to cover disruption.
GDPR	That the Students' Association is not compliant with the new EU General Data Protection Regulation.	A GDPR working group has been established. This has responsibility for overseeing much of the Students' Association's data management and for managing organisational risk. The group's remit is to ensure that the organisation is compliant with the new regulation.
Operational	Failure to manage our buildings, services and activities with adequate controls and health & safety procedures.	Employer's Liability and Public Liability insurance in place. Legal Expenses and Personal Injury insurance in place for Security staff. Policies & procedures in place covering legal and operational requirements. Risk Assessments carried out across departments, including specific templates for Societies and Activities. PAT testing carried out annually. Policies and procedures communicated through staff training. All policies and risk assessments are available as shared files along with access to individual staff policies.

The Trustees confirm that these, and other major risks to which the charity is exposed, have been reviewed and systems and procedures have been established to manage these risks.

The Association operates an equal opportunities employment policy and always aims to give full and fair consideration to disabled persons for all vacancies. In the event of any employees becoming disabled, every effort is made to ensure their employment with the Association continues and that any appropriate training is arranged for them.

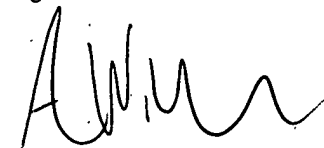
Auditors

RSM UK Audit LLP were reappointed external auditors to Edinburgh University Students' Association in September 2016 for an initial period of three years, with an option to reappoint them for a further two years. The 2018/19 audit was the third year under this agreement. RSM UK Audit LLP have indicated their willingness to remain in office, and a resolution proposing their reappointment for the 2019/20 and 2020/21 audits will be presented to the Board of Trustees.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the Trustees:



Andrew Wilson
President

25th September 2019

Date

Education Act 1994 Reporting Requirement

The Association made no donations to external organisations during the year.

The major external organisation to which the Association is affiliated is NUS. The subscription paid for the 2018/19 year (September 2018 – August 2019) was £57,310 (2018: £54,619).

Under the terms of the Education Act (1994) a requisition may be made by 5% of the members that the question of continued affiliation to any external organisation shall be decided by a secret ballot, which would be held concurrently with the annual elections in March 2020. Such requisition must be received no later than 1 February 2020.

Independent Auditor's Report to the Trustees & Members of Edinburgh University Students' Association

Opinion

We have audited the financial statements of Edinburgh University Students' Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated and Parent Charitable Company Statements of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated and Parent Charitable Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2019; and of the group's and the parent charitable company's incoming resources and application of resources, including their 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group's or parent 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.

Other information

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

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

Independent Auditor's Report (continued)

we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Opinions on other matter 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 and the incorporated Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are 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 set out on page 4, 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 group's and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report (continued)

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's 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 members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



KELLY ADAMS CA MA (Hons) (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor, Centenary House
69 Wellington Street
Glasgow G2 6HG

Date 11/10/15

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities
(incorporating the Income and Expenditure Account)
for the year ended 31 March 2019

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£000	£000	2019 £000	2018 £000
Income & endowments from:					
Charitable activities	2	3,359	57	3,416	3,241
Other trading activities:					
Commercial trading operations	3	8,748	-	8,748	9,083
Sponsorship		370	-	370	153
Investments	5	34	-	34	18
Other		175	-	175	193
Total		12,686	57	12,743	12,688
Expenditure on:					
Raising funds:					
Commercial trading operations	3	9,991	-	9,991	10,051
Charitable activities:					
Charitable expenditure	8	2,703	66	2,769	2,812
Other expenditure:					
Corporation Tax payable		-	-	-	1
Total		12,694	66	12,760	12,864
Net income / (expenditure)		(8)	(9)	(17)	(176)
Net movement in funds		(8)	(9)	(17)	(176)
Reconciliation of funds					
Total funds brought forward	15	(44)	99	55	231
Total funds carried forward	15	(52)	90	38	55

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

**Statement of Financial Activities of the charity, Edinburgh University Students' Association (incorporating the Income and Expenditure Account)
for the year ended 31 March 2019**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£000	£000	2019 £000	2018 £000
Income & endowments from:					
Charitable activities	2	3,359	57	3,416	3,241
Other trading activities:					
Commercial trading operations	3	5,273	-	5,273	5,366
Investments	5	591	-	591	776
Other		233	-	233	51
Total		9,456	57	9,513	9,434
Expenditure on:					
Raising funds:					
Commercial trading operations	3	6,763	-	6,763	6,792
Charitable activities:					
Charitable expenditure	8	2,703	66	2,769	2,831
Total		9,466	66	9,532	9,623
Net income / (expenditure)		(10)	(9)	(19)	(189)
Net movement in funds		(10)	(9)	(19)	(189)
Reconciliation of funds					
Total funds brought forward	15	(57)	99	42	231
Total funds carried forward	15	(67)	90	23	42

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

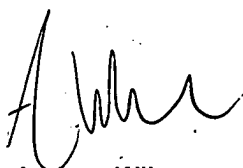
Edinburgh University Students' Association
Consolidated and Charity Balance Sheets
As at 31 March 2019

		Group		Charity	
	Notes	2019	2018	2019	2018
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9	632	744	578	687
Investments	10	-	-	200	200
		<u>632</u>	<u>744</u>	<u>778</u>	<u>887</u>
Current assets					
Stock	11	183	208	177	202
Debtors	12	303	299	228	238
Cash at bank and in hand		<u>1,319</u>	<u>1,351</u>	<u>1,311</u>	<u>1,347</u>
		<u>1,805</u>	<u>1,858</u>	<u>1,716</u>	<u>1,787</u>
Current liabilities					
Creditors: amounts falling due within one year	13	<u>(2,009)</u>	<u>(2,132)</u>	<u>(2,081)</u>	<u>(2,217)</u>
Net current liabilities		<u>(204)</u>	<u>(274)</u>	<u>(365)</u>	<u>(430)</u>
Total assets less current liabilities		<u>428</u>	<u>470</u>	<u>413</u>	<u>457</u>
Provisions for liabilities:					
Pension provision	14	<u>(390)</u>	<u>(415)</u>	<u>(390)</u>	<u>(415)</u>
Total net assets		<u><u>38</u></u>	<u><u>55</u></u>	<u><u>23</u></u>	<u><u>42</u></u>
The funds of the charity					
Restricted funds	15	90	99	90	99
Unrestricted funds excluding pension reserve	15	338	371	323	358
Pension reserve	15	<u>(390)</u>	<u>(415)</u>	<u>(390)</u>	<u>(415)</u>
Total charity funds		<u><u>38</u></u>	<u><u>55</u></u>	<u><u>23</u></u>	<u><u>42</u></u>

The notes on pages 23 to 38 form part of these accounts.

These financial statements were approved by the Trustees and authorised for issue on 25 September 2019.

Signed on behalf of the Trustees



Andrew Wilson
President



Beth Fellows
Vice President Activities & Services

Edinburgh University Students' Association is a charity (SC015800) and a company limited by guarantee (SC429897) registered in Scotland.

Edinburgh University Students' Association
Consolidated and Charity Statement of Cashflows
For the year ended 31 March 2019

	Notes	Group		Charity	
		2019	2018	2019	2018
		£000	£000	£000	£000
Net cash generated from operating activities	17	130	81	(466)	(732)
Cash flow from investing activities					
Purchase of tangible fixed assets		(196)	(207)	(161)	(154)
Bank & other interest received		34	18	34	18
Gift Aid received		-	-	557	758
Net cash from investing activities		<u>(162)</u>	<u>(189)</u>	<u>430</u>	<u>622</u>
Cash flow from financing activities					
New loans		-	-	-	-
Repayments of borrowings		-	(32)	-	(32)
Net cash (used in) financing activities		<u>-</u>	<u>(32)</u>	<u>-</u>	<u>(32)</u>
Net (decrease) in cash and cash equivalents		<u>(32)</u>	<u>(140)</u>	<u>(36)</u>	<u>(142)</u>
Cash and cash equivalents at beginning of year		1,351	1,491	1,347	1,489
Cash and cash equivalents at end of year		<u>1,319</u>	<u>1,351</u>	<u>1,311</u>	<u>1,347</u>

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2019

1. Accounting Policies

Legal Status

Edinburgh University Students' Association is a charity (SC015800) and a private company limited by guarantee (SC429897) registered in Scotland. The Students' Association meets the definition of a Public Benefit Entity. Refer to the Board of Trustees' Report for details of the registered address and principal activities of the Association.

Basis of Preparation

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), UK Generally Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Accounts (Scotland) Regulations 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

All financial information has been presented to the nearest whole thousand pounds Sterling except where otherwise stated.

Going Concern

The financial statements have been prepared on a going concern basis. As noted in the Trustee Report, cash reserves are forecast to remain comfortably positive over the summer months. The going concern basis is appropriate with the support of continued funding from the University of Edinburgh, which has been agreed at least until July 2022. The Trustees have prepared budgetary information and cash flow forecasts for the following year from approval of these financial statements. On the basis of this information the Trustees believe that the group and charity remain in a position to continue operating and to meet all liabilities as they fall due.

Group Accounts

These financial statements consolidate the results of the charity Edinburgh University Students' Association and its wholly owned subsidiary EUSACO Limited at 31 March 2019. EUSACO Premises Limited, a wholly owned subsidiary of EUSACO Limited, has not been consolidated in these financial statements as the company has been dormant since its incorporation and as such, its results and net assets are immaterial for the purposes of showing a true and fair view, and it is exempt from audit by virtue of section 479A of Companies Act 2006.

Critical Accounting Estimates and Areas of Judgement

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2018

1. Accounting Policies (continued)

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below:

Critical accounting estimates / areas of judgement	Basis of Estimate
Accrual for bar & retail retrospective discounts (retros)	We do not know the actual value of retros and therefore have to estimate them. The calculation takes previous discounts given and applies them to current period sales volume.
Pension provision discount rate (see below)	The rate used to discount the past service deficit defined benefit obligations to their present value is based upon market yields for high quality corporate bonds with terms consistent with those of the benefit obligations. Our commitment to the USS pension scheme of £549,000 until 2030 has been discounted at a rate of 2.3% amounting to a net present value of £390,000 at 31 March 2019. The calculation has been determined through an approved model which takes parameters such as expected salary changes and staff enrolled in the pension scheme to calculate the approximate past service liability and its release between 2015 and 2031.

Income

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

Grants Receivable

Grants receivable are credited to the Statement of Financial Activities in the year in which they are receivable, being when the charity is entitled to the income and it is probable it will be received. Deferred income represents amounts received for future periods and is released in the period for which it has been received.

Trading Income

Turnover represents total sales receivable for goods and services provided to customers in the course of normal trading and is stated net of value added tax.

Investment & Other Income

Investment income and other income is recognised when receivable.

Tangible Fixed Assets

All assets individually costing more than £2,500 are capitalised and are stated at cost of acquisition less depreciation provided to date. Where undertaken as a single project, property improvement works would be capitalised as a single asset even though individual elements would not otherwise be. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, as follows:

Property Alterations	3-10 years	straight line
Plant & Equipment	3-10 years	straight line
Office Equipment	3-10 years	straight line
Furnishings & Fittings	3-10 years	straight line
Ents equipment	3-10 years	straight line
Vehicles	5 years	straight line

The Trustees have deemed that there is no market value applicable to the space agreement with the University of Edinburgh for the use of its buildings and therefore this has not been capitalised.

1. Accounting Policies (continued)

USS Pension Scheme

The Association participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Because of the mutual nature of the scheme, the assets are not attributed to individual members and a scheme-wide contribution rate is set. The Association is therefore exposed to actuarial risks associated with other members' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the Association therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the SOFA represents the contributions payable to the scheme. Since the Association has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Association recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. As at 31 March 2019 this liability was calculated as amounting to £390,000 (2018: £415,000).

Investments

The Association has a wholly owned subsidiary company, EUSACO Limited, which has been set up to trade with the wider public. The group invests any cash which is surplus to immediate requirements to maximise income. Investments are stated at cost less any provision for permanent diminutions in value.

Stock

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

Funds

Restricted funds are funds which are to be used in accordance with the defined uses as laid down by the donor. Unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of the objects of the Association.

Recognition of Liabilities

Liabilities are recognised when goods and services have been received which represent legally enforceable obligations which require financial settlement beyond the balance sheet date. Where the amount of the liability cannot be factually determined by reference to third party supplier documentation, best estimates of such accrued liabilities are included.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accrual basis. Expenditure comprises:

Costs of Generating Funds are the costs of goods bought for resale and the directly attributable expenses of running the trading activities of the Association (Note 3 to the accounts).

Charitable Activities Costs are the direct costs of providing welfare and representational services for students and the maintenance of buildings used to provide study space and promote social interaction (Note 8 to the accounts).

Governance Costs are the costs incurred in meeting constitutional and statutory requirements. These costs include audit and legal fees plus any costs directly associated with Trustees such as training or expenses (Note 8 to the accounts).

Support Costs are those central overhead costs incurred in directing and monitoring the Association's activities which cannot be directly attributable to specific operational functions. The central overheads are allocated between Trading Activities (Note 3) and Charitable Expenditure (Note 8) based on an assessment of each department's activity. The central overheads are then apportioned to functions based on the proportion of each function's directly attributable staff costs.

1. Accounting Policies (continued)

Leases

Rents payable under operating leases are charged against income on a straight line basis over the lease term.

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

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

Cash at bank and cash 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.

Financial Liabilities

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade or other creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

2. Incoming Resources from Charitable Activities – Group and Charity

	2019	2019	2019	2018	2018	2018
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£000	£000	£000	£000	£000	£000
University of Edinburgh - core grant	2,988	-	2,988	2,747	134	2,881
University of Edinburgh - other grants	200	56	256	-	100	100
Other Grants & Donations	47	1	48	112	41	153
Property Rental Income	51	-	51	47	-	47
Other Charitable Income	73	-	73	60	-	60
	<u>3,359</u>	<u>57</u>	<u>3,416</u>	<u>2,966</u>	<u>275</u>	<u>3,241</u>

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2019

3. Trading Activities – Group & Charity

Support costs within trading activities are the share of the Association's central overhead costs which have been apportioned to general trading activities. An analysis of the support costs is provided in Note 4.

EUSACO Ltd is the non-charitable trading subsidiary of the Charity. An analysis of its activities is shown in Note 10.

All Trading Activities income and expenditure is unrestricted in the current and comparative year.

							2019	2018
	Catering	Bars	Shops	Other	Charity	EUSACO	Group	Group
	£000	£000	£000	Activities	Total	Ltd	Total	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Income	1,262	1,576	2,043	392	5,273	3,475	8,748	9,083
Cost of Sales	480	490	1,376	-	2,346	1,042	3,388	3,458
Gross Profit	782	1,086	667	392	2,927	2,433	5,360	5,625
Expenses:								
Staff Costs	711	588	440	418	2,157	1,350	3,507	3,483
Other Direct Costs	140	177	112	377	806	836	1,642	1,674
	851	765	552	795	2,963	2,186	5,149	5,157
Trading (Loss) / Profit	(69)	321	115	(403)	(36)	247	211	468
Support Costs (Note 4)	479	397	296	282	1,454	-	1,454	1,436
Net (Loss) / Profit	(548)	(76)	(181)	(685)	(1,490)	247	(1,243)	(968)
Total costs of trading activities	1,810	1,652	2,224	1,077	6,763	3,228	9,991	10,051

4. Support Costs – Charity

	Trading	Estates & Buildings	Representation & Welfare	Societies & Volunteering	2019 Total	2018 Total
	£000	£000	£000	£000	£000	£000
HR & Marketing	371	68	116	27	582	598
Finance & Administration	299	55	94	22	470	465
Front of House	227	42	71	16	356	337
IT	130	24	41	9	204	194
Management	226	42	71	16	355	318
Other costs	201	37	63	14	315	316
	1,454	268	456	104	2,282	2,228

Support costs are apportioned to Charitable Activities and Governance based on the proportion of each category's direct staff costs.

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2019

5. Investment Income

All Investment Income is unrestricted in the current and comparative year.

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Bank & Other Interest Received	34	18	34	18
Gift Aid Received	-	-	557	758
	<u>34</u>	<u>18</u>	<u>591</u>	<u>776</u>

6. Expenditure

Expenditure includes:

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Depreciation	308	284	270	257
Payments made under terms of operating leases	13	16	5	8
Auditor's Remuneration	19	19	13	12
Tax compliance services from RSM	1	1	-	-
Tax advisory services from RSM	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

7. Employees and Key Management Personnel – Group & Charity

The average number of full time equivalent staff employed by the Group during the year was 263 (2018: 269). This is split into the following groupings:

Full Time Equivalent Staff	2019	2018
Administration / Management	39	36
Student Representation	16	14
Commercial activity	<u>208</u>	<u>219</u>
	<u>263</u>	<u>269</u>

Total wages and salaries paid in the year were:

	2019	2018
	£000	£000
Wages and Salaries	5,420	5,360
Employer's National Insurance Contributions	322	311
Pension Contributions	<u>440</u>	<u>412</u>
	<u>6,182</u>	<u>6,083</u>

7. Employees and Key Management Personnel – Group and Charity (continued)

Key management personnel are the Chief Executive and executive directors of the Association. The aggregate gross remuneration of the key management personnel during the year was £268,000 (2018: £232,000). The number of employees and key management personnel earning in excess of £60,000 per annum were:

	2019	2018
£60,000 - £70,000	1	-
£90,000 - £100,000	<u>1</u>	<u>1</u>

Pension contributions paid on behalf of these employees amounted to £29,000 (2018: £26,000).

Included in the wages and salaries line above is £121,000 in respect of Laigh Year Office Bearers who are Trustees of the Charity. These five Office Bearers, who sit on the Board, are students elected annually by secret ballot of the Members of the Association to the positions of President, Vice President Activities & Services, Vice President Education, Vice President Welfare and Vice President Community. The students so elected take a sabbatical year out from their studies to perform the duties required of them by the Association's Constitution.

The annual remuneration in return for these duties is notified annually by The Academic Affairs Office of the University of Edinburgh.

During the year £2,000 (2018: £2,000) was reimbursed to three external Trustees (2018: 2) in connection with travel expenses incurred.

In the year ended 31 March 2018 the following payments were made to Trustees in their full-time capacities as Sabbatical Office Bearers:

	2017/18 (Resigned June 2018)	2018/19 (Appointed June 2018)
	£000	£000
President	Patrick Kilduff 4	Eleri Connick 20
VP Services / VP Activities & Services	Kai O'Doherty 4	Shenan David-Williams 20
VP Academic Affairs / VP Education	Bobi Archer 4	Diva Muckharji 21
VP Societies & Activities / VP Welfare	Esther Dominy 4	Kai O'Doherty 20
VP Community	Ollie Glick 4	Georgie Harris 20
	<u>20</u>	<u>101</u>

Employer's National Insurance costs on the above were £11,000 and employer's pension contributions were £11,000 to give a total Laigh Year cost to the Association of £143,000 (2018: £130,000).

8. Charitable Expenditure – Group & Charity

Unrestricted Funds	Charity Governance £000	Estates & Other £000	Representation & Welfare £000	Societies & Volunteering £000	2019 Total £000	2018 Total £000
Staff Costs	-	396	677	155	1,228	1,114
Other Direct Costs	19	483	61	84	647	772
	19	879	738	239	1,875	1,886
Support Costs (Note 4)	-	268	456	104	828	750
Total Charitable Expenditure	19	1,147	1,194	343	2,703	2,636

Restricted Funds	Charity Governance £000	Estates & Other £000	Representation & Welfare £000	Societies & Volunteering £000	2019 Total £000	2018 Total £000
Staff Costs	-	-	-	-	-	82
Other Direct Costs	-	59	7	-	66	52
	-	59	7	-	66	134
Support Costs	-	-	-	-	-	42
Total Charitable Expenditure	-	59	7	-	66	176

Analysis of Governance Costs – Charity:

	2019		2018	
	Unrestricted £000	Restricted £000	Unrestricted £000	Restricted £000
Audit Fee	13	-	12	-
Legal & Professional Fees	2	-	31	-
Trustee Training & Expenses	4	-	4	-
	19	-	47	-

Governance costs are those costs which are incurred to meet statutory requirements and those costs allocated to meet the Association's strategic objectives.

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2019

9. Fixed Assets

	Property Alterations £000	Plant & Equipment £000	Office Equipment £000	Furnishings & Fittings £000	Ents Equipment £000	Charity Total £000	EUSACO Ltd £000	Group Total £000
Cost:								
At beginning of period	2,106	442	20	145	217	2,930	252	3,182
Additions	-	28	-	110	23	161	35	196
Disposals	(1)	(55)	(6)	(22)	(33)	(117)	-	(117)
At end of period	2,105	415	14	233	207	2,974	287	3,261
Accumulated depreciation:								
At beginning of period	1,625	372	19	89	138	2,243	195	2,438
Disposals	(1)	(55)	(6)	(22)	(33)	(117)	-	(117)
Charge for period	189	33	1	18	29	270	38	308
At end of period	1,813	350	14	85	134	2,396	233	2,629
Net Book Value								
At 31 March 2019	292	65	-	148	73	578	54	632
At 1 April 2018	481	70	1	56	79	687	57	744

There were capital commitments at 31 March 2019 of £nil (2018: £nil).

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2019

10. Investment

EUSACO Ltd, which is a private company limited by shares whose company number is SC084199 and whose registered address is 5/2 Bristo Square, Edinburgh EH8 9AL, is the non-charitable trading subsidiary of the Charity. The company provides function and conference services throughout the year and also provides food and beverage services during the Edinburgh Fringe Festival.

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
EUSACO Ltd - Shares of £1 each	-	-	200	200
	-	-	200	200

Edinburgh University Students' Association wholly owns the ordinary share capital of EUSACO Limited, consisting of 200,000 ordinary shares of £1 each. EUSACO Limited has distributed £557,000 (2018: £758,000) to Edinburgh University Students' Association by way of Gift Aid. The trading results for the year to 31 March 2019, as extracted from the audited financial statements, are summarised below.

	2019	2018
	£000	£000
Turnover	3,454	3,643
Cost of Sales	(1,042)	(1,132)
Gross Profit	2,412	2,511
Other Operating Income	438	420
Administration Expenses	(2,291)	(2,160)
Profit on Ordinary Activities before Taxation	559	771
Tax on Profit	-	(1)
Retained Profit for year	559	770
Opening reserves	12	-
Retained Profit for year	559	770
Distribution to holding charity	(557)	(758)
Closing reserves	14	12

The figures above are unconsolidated and therefore differ from those shown in the Group Trading Activities statement.

At 31 March 2019, the Net Assets of the company totalled £214,000 being total assets of £235,000 less total liabilities of £21,000:

	31 March	31 March
	2019	2018
	£000	£000
Tangible Fixed Assets	54	57
Current Assets	181	946
	235	1,003
Creditors: Due within one year	(21)	(791)
	214	212
Representing:		
Share Capital	200	200
Profit and Loss Account	14	12
	214	212

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2019

11. Stock

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Liquor	61	77	60	76
Food	39	44	34	39
Retail	82	84	82	84
Other	1	3	1	3
	<u>183</u>	<u>208</u>	<u>177</u>	<u>202</u>

12. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade Debtors	108	101	33	50
Other Debtors	30	29	30	29
Accrued Income	35	47	35	47
Prepayments	130	122	130	112
	<u>303</u>	<u>299</u>	<u>228</u>	<u>238</u>

13. Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade Creditors	552	553	552	552
Other Creditors	63	71	62	71
USS Pension	56	60	56	60
Taxes and Social Security	102	98	121	116
Deferred income	1,047	1,079	1,036	1,060
Accruals	189	271	181	259
Due to Subsidiary Undertaking	-	-	73	99
	<u>2,009</u>	<u>2,132</u>	<u>2,081</u>	<u>2,217</u>

No interest is charged on any Inter-Company balances over which there is no security held and with no specified repayment term.

Included in Deferred Income was an amount of £1,015,000 which is an advance on the 2019/20 Grant receivable from Edinburgh University (2018: 1,043,000). This deferred income will be released in Financial Year 2019/20 as it relates to that year.

Reconciliation of Deferred Income:

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Opening balance	1,079	1,074	1,060	1,073
Released in year	(3,979)	(989)	(3,795)	(989)
Deferred in year	3,947	994	3,771	976
Closing balance	<u>1,047</u>	<u>1,079</u>	<u>1,036</u>	<u>1,060</u>

Notes on Edinburgh University Students' Association Accounts for the year ended 31 March 2019

14. Provision for liabilities – Group & Charity

	USS Pension
At 1 April 2018	415
Unwinding of discount factor	10
Deficit contributions paid	(35)
At 31 March 2019	<u>390</u>

The USS pension provision represents the net present value of the commitment to the multi-employer pension scheme in respect of past deficits.

15. Funds: Movements in Year

Group	Balance at 1 April 2018 £000	Income £000	Expenditure £000	Transfers £000	Balance at 31 March 2019 £000
Restricted Funds					
University of Edinburgh & other specific grants	-	57	(57)	-	-
University of Edinburgh capital grant	99	-	(9)	-	90
	<u>.99</u>	<u>57</u>	<u>(66)</u>	<u>-</u>	<u>90</u>
Unrestricted Funds					
University of Edinburgh Block Grant, trading and other activity	371	12,686	(12,719)	-	338
Pension reserve	(415)	-	25	-	(390)
	<u>(44)</u>	<u>12,686</u>	<u>(12,694)</u>	<u>-</u>	<u>(52)</u>
Total Funds	<u>55</u>	<u>12,743</u>	<u>(12,760)</u>	<u>-</u>	<u>38</u>

Charity	Balance at 1 April 2018 £000	Income £000	Expenditure £000	Transfers £000	Balance at 31 March 2019 £000
Restricted Funds					
University of Edinburgh & other specific grants	-	57	(57)	-	-
University of Edinburgh capital grant	99	-	(9)	-	90
	<u>99</u>	<u>57</u>	<u>(66)</u>	<u>-</u>	<u>90</u>
Unrestricted Funds					
University of Edinburgh Block Grant, trading and other activity	358	9,456	(9,491)	-	323
Pension reserve	(415)	-	25	-	(390)
	<u>(57)</u>	<u>9,456</u>	<u>(9,466)</u>	<u>-</u>	<u>(67)</u>
Total Funds	<u>42</u>	<u>9,513</u>	<u>(9,532)</u>	<u>-</u>	<u>23</u>

Restricted funds are those grants given for specific purposes and include grants from the University of Edinburgh separate to the Block Grant, covering individual projects. Amounts are transferred from unrestricted to restricted funds to cover any deficit on restricted funds.

16. Analysis of Net Assets between funds

Group	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Fixed assets	632	-	632
Current assets	1,715	90	1,805
Current liabilities	(2,009)	-	(2,009)
Creditors due after more than one year	(390)	-	(390)
Total funds	(52)	90	38

Charity	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Fixed assets	778	-	778
Current assets	1,626	90	1,716
Current liabilities	(2,081)	-	(2,081)
Creditors due after more than one year	(390)	-	(390)
Total funds	(67)	90	23

17. Reconciliation of Surplus to Net Cash Generated from / used in Operations

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Surplus for the year	(17)	(176)	(19)	(189)
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	308	284	270	257
Decrease in pension provision	(25)	(25)	(25)	(25)
Bank & other interest received	(34)	(18)	(34)	(18)
Gift Aid received	-	-	(557)	(758)
Operating cash flows before movements in working capital	232	65	(365)	(733)
(Increase) / decrease in stock	25	(26)	25	(26)
(Increase) / decrease in debtors	(4)	(60)	10	(54)
Increase / (decrease) in creditors	(123)	102	(136)	81
Cash generated from / (used in) operations	130	81	(466)	(732)

18. Financial Instruments

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>173</u>	<u>177</u>	<u>98</u>	<u>126</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>804</u>	<u>955</u>	<u>868</u>	<u>1,041</u>

19. Commitments under operating leases

At 31 March 2019 the group had total commitments under non-cancellable operating leases as follows:

	Vehicles	Other equipment	Total	2019	2018
	£000	£000	£000	£000	£000
Amounts due:					
Within one year	5	-	5	7	
Between one and five years	5	2	7	9	
Over five years	-	1	1	-	
	<u>10</u>	<u>3</u>	<u>13</u>	<u>16</u>	

20. Pension Costs

The total cost charged to the SOFA is £440,000 (2018: £412,000) as shown in Note 7.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2018 is underway but not yet completed.

Since the Association cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, it accounts for the scheme as a defined contribution scheme, and the following disclosures reflect those relevant for the section as a whole.

The 2017 valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £60.0 billion and the value of the Scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI - 0.53% reducing linearly to CPI - 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21+: CPI + 1.7%

20. Pension Costs (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

2017 Valuation		
Mortality base table	<u>Pre-retirement</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.	<u>Post-retirement</u> 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.	

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement, a liability is recognised for this obligation. The amount recognised is the net present value of the deficit contributions payable under the agreement.

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019/20 pension liability provision will reflect this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%
	2019	2018
	£000	£000
Present value of provision	390	415

21. Related Party Transactions

Edinburgh University Students' Association wholly owns and controls EUSACO Limited. Transactions are made between the two companies, and any surplus funds from EUSACO Ltd are invested by the Students' Association. Any such sums are unsecured, repayable on demand and no income has been recognised by EUSACO Ltd in connection with it.

21. Related Party Transactions (continued)

The total value of transactions between the two entities is shown below:

	2019 £000	2018 £000
Transactions in Charity accounts transferred to EUSACO Ltd	<u>4,324</u>	<u>4,148</u>
Transactions in EUSACO Ltd accounts transferred to Charity	<u>5,595</u>	<u>4,752</u>

The total sum held by Edinburgh University Students' Association on behalf of EUSACO Ltd at 31 March 2019 was £630,000 (2018: 857,000). EUSACO Ltd pays an annual management fee to the Students' Association, to cover the costs incurred by the Association on behalf of EUSACO Ltd. The management charge in the year was £105,000 (2018: £51,000). At 31 March 2019 Edinburgh University Students' Association owed £73,000 to EUSACO Ltd (2018: £99,000).

Trustees of the Students' Association were remunerated a total of £145,000 (2018: £132,000) during the year in respect of Laigh Year salaries and the refund of travel expenses, as detailed in Note 7.

Helen Campbell is the wife of Stephen Hubbard, Chief Executive of Edinburgh University Students' Association, and is employed on an occasional consultancy basis by Sikh Sanjog, a charitable organisation which runs a social enterprise catering operation trading under the name of Punjabi Junction. Edinburgh University Students' Association has an agreement with Sikh Sanjog under which they provide Punjabi Junction catering services for students at King's Buildings House. The trading income is received by the Association and then, subject to a percentage deduction, is transferred to Sikh Sanjog. During the year payments totalling £28,442 (2018: £nil) were made to Sikh Sanjog in connection with this arrangement.