

Heriot-Watt University Students' Association

Report and financial statements

31 July 2015

Charity number SC011949

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Association information

Reference and administrative details of the charity, its trustees and advisors

Heriot-Watt University Students' Association SC011949
Riccarton, Edinburgh EH14 4AS

Trustee Board

Dr Stefan G Kay
Professor Brian Hay
Susan Kirkman
President (*ex officio*)
Vice President (*ex officio*)
Stephanie Harper

Vicky Ingram
Alan Konopka
Sharon Baines
Sabrina Fruchs
Samantha Forsyth

The Senior Office-Bearers of the Association (Executive Committee)

President	Rebecca O'Hagan
Vice President	Rowan Berry
Scottish Borders Campus President	Johnathan Andrews
Executive	Fraser Drew Peter Gilchrist Kiah Manning Emily Stewart Hannah Wielbo

They all held office from 1 June 2014 to 31 May 2015

The following individuals held office from 1 June 2015:

President	Jessie Nelmes
Vice-President	Miranda Matoshi
Scottish Borders Campus President	Peter Gilchrist
Executive	Mina Kostova Luke McKeown Georgie Ottawany Iswarya Ravichandran Rahul Singh Hannah Wielbo
Chief Executive Officer	Gail Edwards
Bankers	Royal Bank of Scotland 540A Lanark Road Juniper Green Edinburgh EH14 5EL
Auditors	Henderson Loggie 34 Melville Street Edinburgh EH3 7HA
Solicitors	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

Trustees' report

Structure, Governance and Management

Heriot-Watt University Students Association is constituted under the Charter of Heriot-Watt University and is currently an unincorporated charity. The Association is a Charity Registered in Scotland with charity number SC0011949. In 2010 the organisation rebranded itself and has adopted the name Heriot-Watt University Student Union (the Union).

The Union is currently in the process of becoming an Incorporated Charity and will transfer from the old legal entity to the new one at the end of this financial year. These audited accounts will represent the final balances of the old unincorporated charity. All assets and liabilities will transfer to the new Incorporated Charity at midnight on 31 July 2015. The new charity will be officially known as Heriot-Watt University Student Union. The charity number will remain the same. The Union registered with Companies House as a Company Limited by Guarantee on May 1 2015. The Company Number is 504788.

Organisational structure

The activities of the Union are governed by its Constitution and Bye Laws. The Union works closely with Heriot-Watt University, which also provides the major source of income in the form of an annual grant. The Senior Office Bearers include the President and three Vice-Presidents and are elected by students in a cross-campus, secret ballot each year. Staff members are appointed by the Senior Office Bearers.

The Union has a Trustee Board currently consisting of the four Senior Office Bearers; two ordinary members of the Union known as Student Trustees; a five External Trustees, two of whom are Alumni and one University appointed Trustee.

The Trustee Board under the Charity Regulations formally came into being on 17 September 2011. The Trustee Board meets at least four times a year and holds an additional planning and review day in November. During this year one of our External Trustees resigned, prompting a recruitment exercise. Having conducted a skills audit last year the Union identified that HR and legal experience would be a top priority for potential candidates. The quality of candidates was extremely high and the Union was pleased to appoint two new Trustees, one with HR experience and one with legal experience.

Further to the Trustee Board the Union has an elected Executive Committee. The Senior Office Bearers sit on this Committee as well as the Trustee Board. The Executive Committee are made up of the four Senior Office Bearers plus an additional six elected students who are volunteers. The Executive Committee are responsible for the student facing activities of the Union such as running events and campaigns. The Executive Committee provides a report to the Trustee Board via the Senior Office Bearers.

Decision making

The Trustee Board delegates day to day management powers to the Chief Executive Officer who is required to report regularly to the Trustee Board. Alongside the CEO there are four other senior managers who make up the Senior Management Team.

Senior Managers are allowed to make non-routine financial decisions up to the value of £10,000. The Chief Executive Officer has power to make non-routine financial decisions up to the value of £20,000 and any amount above this must be approved by the Trustees.

The Trustee Board are responsible for agreeing any amendments to any policy and procedures relating to employees and financial structures. The Executive Committee are responsible for passing policy on campaign issues. The SMT are responsible for advising both Committees on the fulfilment of these responsibilities.

Trustees' report *(continued)*

Trustee Induction

The Union provides all new Trustees with an induction. The induction covers:

- Legal responsibilities of Trustees
- An introduction to the structure of the organisation
- Current financial position of the Union and an introduction to the format of our management accounts
- The Strategic Plan
- Union policy

Strategy

The Union Strategic Plan came to an end in July 2014. We commissioned research into current and future student needs which told us students are looking for the Union to provide a broad range of high quality services. In order to meet the changing demands of the student market we took time to fully review our resources and consider how we can meet student expectations in the future. The Trustee Board took the decision to run the old 2011-2014 plan throughout this financial year in order to complete this review and establish the right strategic direction for the future.

Help make my course great

Heriot-Watt continues to be sector leading in academic representation at an undergraduate, postgraduate and global level. This year the Union recruited and trained 23 School Officers. We have worked on a weekly basis with School Officers to establish and successfully deliver individual development plans for Schools based on NSS results. The Union also provided training and support to over 150 Class Representatives who work closely with our School Officers.

Through our academic structures the Union was able to identify key concerns among students regarding study space on the Edinburgh Campus. Having worked closely with the University throughout this year the Union ran a highly visible campaign entitled "Nowhere to Study". The campaign focused on securing short and long term changes to study space provision and, as a result of the campaign, we successfully negotiated immediate provision of additional space for students in the short term and agreement to long term investment projects for dedicated study space.

Our Postgraduate academic structures highlighted an issue around hot-desking for research students in a particular School. We were able to make representations to the School and successfully negotiated a solution to meet each students' needs.

Throughout the year we have continued to support the global student experience. In February we were invited to spend a week at the Dubai Campus and conduct a review of the representation structure there. Following our visit we produced a series of recommendations and are currently in discussion with the University about the best way to take these forward.

Listen to what I want

Our research with current students has shown that the Student Union communication could be improved. During 2014-15 we have been working on a new Communication Strategy that will improve the way we capture information about our activity so that we can better explain to students what we are doing.

Our new website has been developed to be "mobile friendly" to meet our increasing number of visitors who use their smartphones or tables to visit our website. Since the launch we have had over 28,500 visitors viewing more than 187,000 pages. We have also launched useful online applications such as online meeting room bookings.

Students now have the opportunity to meet and chat to their elected Sabbatical Officers during our new Ask Me Anything sessions. This provides an easy way to identify their representative and to encourage more feedback from the student body. Alongside this our new token voting box system to ask students views on various issues has been a huge success with hundreds of students participating in votes on a weekly basis.

Trustees' report *(continued)*

Help me develop new skills

The Raising and Giving (RAG) activity continues to grow and we have created a number of fundraising events such as a haunted house at Halloween and a St Andrews Day ceilidh.

Our research has shown that students living off campus, particularly first year students, do not have as positive a social experience as those living in Halls on campus. This year we created a "virtual" hall called the Fiona Watson Hall and we express our thanks to the Watson Family for permission to use Fiona's name. The Union has created a lounge in the Student Union for Fiona Watson Hall members to meet and socialise and the Facebook group also enables students to socialise off campus. Students have really enjoyed this new opportunity and we envisage this growing rapidly in the future.

Societies continue to be an integral part of life at Heriot-Watt with 67 societies affiliated this year. Supporting societies has been a specific focus for our Scottish Borders Campus and we have seen significant growth in engagement on this campus as a result. Our societies consist of a broad range of interests ranging from academic, activity based, ethnic and cultural. With such a vibrant and growing community the Student Union building has struggled to meet demand. At present we are not able to meet the needs of all our societies within our building. We anticipate societies being a high growth area in the future and we will work with the University to provide space for societies so that they can meet and conduct their activities.

Be there when I need you

Our Advice Hub is an established independent advice service for students. We continue to see significant growth in both student cases and the complexity of cases coming forward. We have dealt with 1,329 student enquiries this year and provided emergency cash loans to 72 students. We have taken steps to establish a food bank this year and have so far helped six students with food vouchers. We have distributed 4,850 student packs ranging from exam stress packs to sexual health packs and have distributed a further 10,500 condoms via our C-Card service. Finally, a total of 1,050 people have attended our meet and greet events, an informal event to chat to our knowledgeable advisors.

Help me change things for the better

This year we ran a series of events with our equality and diversity officers. We kicked off the year with Diversity Week, a week long campaign celebrating the diversity of our student body. The week included events such as an LGBT Debate; Heriot-Watt Talks event and movie nights.

We ran a "why I need Feminism" campaign in March prompting gender equality. Our Scottish Borders Campus produced a video about the campaign which has received over 4,000 views to date.

Scottish Borders Campus has also successfully delivered a range of awareness raising activities throughout the year such as healthy eating; housing and travel. The campaigns focused on visual impact by using posters and videos each time to raise the profile of our message. In total our campaign videos have received over 16,000 views to date.

Help me have fun

Freshers Week 2014 was our biggest and most successful event to date. We had over 70 students volunteer as Freshers Helpers this year and many of whom have stayed on to volunteer as Union Ambassadors throughout the year. Freshers Week this year we had overwhelming engagement from postgraduate taught students and this has helped to establish a healthy and active Postgraduate Society that continues to go from strength to strength.

Our commercial services this year have been operating in a challenging market. Nationally there is a downward trend in bar and alcohol sales and an increase in café culture. This is being borne out in our sales as we see students focusing more on socialising in cafes rather than bars.

Trustees' report *(continued)*

Make my Union even better

In 2014 the Union commissioned the National Union of Students Strategic Support Unit (NUS SSU) to conduct a strategic diagnostic on the Union with a view to review the current structure and effectiveness of the Union in order to inform the organisations future strategic direction. A number of recommendations were made as a result of the diagnostic which the Union has been working towards over the past year. These include completion of market research to inform our strategic plan and a review of our democratic structures.

The Student Union conducted a review of its democratic structures because we knew them to be overly complex and burdensome. As part of the review we have changed our elected representative structures. In particular we have created one additional sabbatical role, bringing the total sabbatical officer number to four.

This year the Union joined forces with a number of other Students' Associations to create the Big Student Elections. This project saw the combining of our elections schedule to create a voting electorate of over 100,000 students. The project was a huge success and we expect this to grow next year.

Setting pay and remuneration

This year the Union concluded a review of its pay and grade structure. The review looked at current practice within the student union sector and identified that the vast majority of Unions mirror their university scales.

Having conducted a full cost exploration the Trustees agreed that the Union should adopt Heriot-Watt University's grade and pay scale. The Union used the Higher Education Role Analysis (HERA) model to assess the staff structure using the university's model. This involved extensive consultation with staff and Trades Unions. Having conducted an independent review of the HERA exercise the Trustees adopted a phased introduction of the Heriot-Watt University grade and pay scales. The phased introduction will begin on 1 September 2015. This affects all salaried staff including managers.

Finances

The surplus for the year amounted to £81,132.

The Student Union renegotiated its Block Grant from the University in 2014. A Financial Memorandum has been agreed that now links the Block Grant to student numbers. This year the Block Grant was £514,907.

Reserves Policy

The Union aims to hold sufficient reserves to fund its student support activities for a period of at least six months. This means that we should hold sufficient cash reserve to cover salaries and overheads for the charitable activity of the Union for six months.

Several years ago the Union found itself in challenging financial circumstances which resulted in the erosion of its cash reserves. Over the past five years the Union has undertaken a period of significant change to adapt to a new student market. This has resulted in a significant change to our business model and operation approach. As a result of this period of change the organisation has re-established a sure footing to begin to return its cash reserves to meet our Reserve Policy.

The Trustee Board has put in place a five year financial plan that will enable the Union to build cash reserves each year to work towards its Reserves Policy. We anticipate this process to take the full five years.

Funds of £528,168 were held at 31 July 2015 including £415,390 represented by the Fixed Assets and Investment of the Association. Liquid funds have increased slightly as a result of control over spending.

Trustees' report *(continued)*

Disclosures required by the 1994 Education Act

Affiliations

The Student Union affiliated to the following organisations in 2014/15:

<u>Organisation</u>	<u>Affiliation Fee</u>
UK Council for International Student Affairs (UKCISA) -provides advice and information to international students studying in the UK and to staff who work with them	£165
National Union of Students (NUS) - provides national representation, information, advice. Office-Bearer training and other services	£24,822

The Union is affiliated to the National Union of Students which is an umbrella organisation for all affiliated student associations in the UK. The Union sends delegations of students to NUS National and NUS Scotland Conferences to discuss and pass policy and elect the NUS leadership. The Union regularly receives updates from NUS on a number of issues including social and campaign issues. It is the responsibility of the Executive Committee to receive these updates and consider their implications for Heriot-Watt students. As a result the Executive Committee occasionally consults and creates policy or agrees to participate in a national level campaign.

Donations

No donations were made to any external organisation

Risk Management

The Trustees have assessed the major risks to which the Union is exposed, in particular those related to the operations and finances of the Union, and are satisfied that systems are in place to mitigate our exposure to risk. The Trustees meet regularly and review all aspects of operations and finances with reference to financial reports and future forecasts.

The Trustees are about to embark on an exercise to review its risk register and consider both operational and strategic risks. This will be concluded within the next financial year.

Statement of disclosure of information to Auditors

The Trustee Board Members who were in office on the date of approval of these Financial Statements have confirmed, as far as they are aware, that there is no relevant information of which the Auditors are unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditors.



Stefan Kay
Chair of the Trustee Board

19 January 2016

Trustees' responsibilities

The Trustee Board is responsible for preparing the 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 Trustee Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements the Trustee Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Trustee Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



HENDERSON LOGGIE

Chartered Accountants

34 Melville Street
Edinburgh
EH3 7HA
United Kingdom

Independent auditors' report to the members of Heriot-Watt University Students' Association

We have audited the financial statements of Heriot-Watt University Students' Association for the year ended 31 July 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustees 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 charity's trustees those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Independent auditors' report to the members of Heriot-Watt University Students' Association

(continued)

Opinion on the financial statements

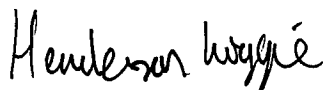
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2015 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

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

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



Henderson Loggie

Statutory Auditors

(eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

19 January 2016

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 July 2015

	Note	Unrestricted Funds	Restricted Funds	2015 Total	2014 Total
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	516,465	24,807	541,272	496,008
Activities for generating funds	3	20,226	-	20,226	20,254
Investment income	4	374	-	374	193
Incoming resources from charitable activities					
Social space and ancillary trading	5	1,633,890	-	1,633,890	1,741,484
Other charitable activities	5	45,911	24,082	69,993	54,919
Total incoming resources		2,216,866	48,889	2,265,755	2,312,858
Resources expended					
Cost of generating funds					
<i>Charitable activities</i>					
Social space and ancillary trading	5	1,789,979	-	1,789,979	1,855,636
Other charitable activities	5	309,628	51,607	361,235	339,831
<i>Governance</i>	6	2,099,607	51,607	2,151,214	2,195,467
		33,409	-	33,409	15,588
Total resources expended		2,133,016	51,607	2,184,623	2,211,055
Net incoming/(outgoing) resources	14	83,850	(2,718)	81,132	101,803
Fund balance brought forward at 1 August 2014	14	357,338	89,698	447,036	345,233
Fund balance carried forward at 31 July 2015	14	441,188	86,980	528,168	447,036

All activities relate to continuing operations.

Balance sheet
as at 31 July 2015

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	9		415,390		423,663
Current assets					
Stock	10	43,404		42,471	
Debtors	11	30,852		31,729	
Cash at bank and in hand		181,768		92,980	
		<u>256,024</u>		<u>167,180</u>	
Creditors: amounts falling due within one year	12	(128,817)		(128,948)	
Net current assets			127,207		38,232
Total assets less current liabilities			542,597		461,895
Creditors: amounts falling due after more than one year	13		(14,429)		(14,859)
Net assets			528,168		447,036
Funds					
Restricted funds	14		86,980		89,698
Unrestricted general funds	14		441,188		357,338
Total funds			528,168		447,036

The financial statements were approved by the Trustee Board on 19 January 2016 and are authorised for issue and signed on behalf of the Association by:



Stefan Kay
 Chairman

Notes to the financial statements

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities 2005.

Going concern

During the year to 31 July 2015, the Association has improved its financial position with an increase in net current assets from £38,232 to £127,207. In view of this improvement and the confirmation received from Heriot-Watt University that the Association will continue to receive financial support by way of Block Grant for the 12 month period following completion of these financial statements, the Trustees are satisfied that it is appropriate to prepare these financial statements on the going concern basis.

Incoming resources

Incoming resources represent the fair value of services provided and cash takings during the period.

Resources expended

All expenditure of the Association, once incurred, is considered either a charitable activity cost or a governance cost. Support costs are allocated to either charitable activities or governance costs according to the amount of staff time spent on these activities or by reference to floor space. Charitable activities are those resources applied in the delivery of services to meet the Association's charitable objectives, and include management and accommodation costs and staff costs. Governance costs are those associated with the general running of the Association including activities which provide the Association's governance infrastructure.

Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for any slow-moving or obsolete stock.

Investments

Investments are included at cost.

Fixed assets

All expenditure of a capital nature where the expenditure exceeds £750 is capitalised under one of the above categories.

Depreciation is provided on all of the above categories of fixed assets on a straight line basis over the following periods:

Office equipment	3 to 5 years
Furniture and fittings	3 to 10 years
Plant and machinery	3 to 5 years
Building additions/improvements	30 to 50 years
Motor vehicles	5 years

A full year's depreciation is charged in the year of acquisition and none in the year of disposal. Impairment reviews are carried out at least annually as part of the annual reporting exercise and when significant changes in the Association's activities occur, or in other situations where circumstances indicate a review is necessary.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Grants

Grants are credited to the income and expenditure account when all related conditions have been met and satisfied.

Pension costs

The Association offers a defined pension scheme for certain employees: the Lothian Pension Fund (LPF – Local Government Scheme).

The Association's share of the underlying assets and liabilities of the scheme cannot be directly attributed to the Association and therefore, in line with FRS 17, the LPF is accounted for as if the schemes were defined contribution schemes based on actual contributions paid through the year. Further details can be found at note 8.

Taxation

The Association has been granted charitable status by HM Revenue and Customs and is a registered charity. The Association is not subject to corporation tax on any surpluses that have been derived in pursuing activities designed to carry out the main objects of its charitable status.

Funds

Unrestricted funds comprise donations and other incoming resources received or generated for charitable purposes. They are available for use at the discretion of the trustees in furtherance of the charity's general charitable objectives.

Restricted funds comprise donations and other incoming resources for which the purpose and use of those funds has been specified prior to their transfer to the charity, and which can only be applied for those specified purposes. In 2015:

- £11,805 was received from TOMRA to support a campus wide recycling scheme and contribute towards HWUSA participating in the scheme;
- £13,002 was received from SCVO to support an individual needing help to get into the workforce;
- £20,551 was received from the Heriot-Watt Alumni Fund for specific projects;
- £2,700 was received from Heriot-Watt University for the Learning and Teaching OSCARS.

2 Voluntary income

	Unrestricted £	Restricted £	2015 £	2014 £
Allocation from University	514,907	-	514,907	483,837
Donations	1,558	24,807	26,365	11,741
Release from deferred income	-	-	-	430
	<u>516,465</u>	<u>24,807</u>	<u>541,272</u>	<u>496,008</u>

Notes to the financial statements *(continued)*

3 Activities from generating funds

	2015	2014
	£	£
Commission on sales	5,613	5,785
Income from let of premises	1,827	4,318
Poster site income	1,689	1,151
Sponsorship income	3,333	9,000
Sundry income	7,764	-
	20,226	20,254
	20,226	20,254

4 Investment income

	2015	2014
	£	£
Interest receivable	374	193
	374	193
	374	193

5 Charitable activities

	Social space and ancillary trading £	Other charitable activities £	2015 Total £	2014 Total £
Income from normal operations	1,633,890	45,911	1,679,801	1,787,903
Specific project grants	-	24,082	24,082	8,500
	1,633,890	69,993	1,703,883	1,796,403
Expenditure				
Staff costs	523,669	181,242	704,911	710,268
Sabbaticals	18,481	73,926	92,407	94,136
Property costs	136,625	5,211	141,836	156,488
Support costs	26,415	9,619	36,034	34,707
Welfare costs	-	37,630	37,630	46,093
Commercial cost of sales	1,084,789	2,000	1,086,789	1,122,763
Specific project costs	-	51,607	51,607	31,012
	1,789,979	361,235	2,151,214	2,185,467
	(156,089)	(291,242)	(447,331)	(399,064)

Notes to the financial statements *(continued)*

5 Charitable activities *(continued)*

Support costs include the following

	2015	2014
	£	£
Bank charges	18,043	18,515
Computer expenses	7,052	7,373
Office expenses	10,939	8,819
	<u>36,034</u>	<u>34,707</u>

Support costs are allocated between charitable activities according to the amount of staff time spent on these activities or by reference to floor space.

6 Governance

	2015	2014
	£	£
Office-bearer's training costs	3,754	5,456
Election costs	1,917	2,021
Consultant's costs	19,164	-
Remuneration of auditors	7,525	6,900
Trustee Costs	1,049	1,211
	<u>33,409</u>	<u>15,588</u>

7 Staff costs and numbers

	2015	2014
	£	£
Wages and salaries	651,725	646,605
Social security costs	27,960	31,563
Pension costs	90,885	97,635
	<u>770,570</u>	<u>775,803</u>
Average number of employees (full time equivalents) during the year	<u>38</u>	<u>37</u>

No member of staff earns emoluments over £60,000. The President and Vice-Presidents are required by the constitution of the Association to be Sabbatical members of the Executive Committee and Trustees ex-officio and as such as remunerated for their work. Remuneration and pension contributions of £51,055 were paid to such 5 trustees in the year. No remuneration was paid to any trustee in their capacity as trustee. 6 trustees received reimbursement of expenses amounting to £1,121 in the year.

Notes to the financial statements (continued)

8 Pension contributions

The Association participates in the Lothian Pension Fund and the Universities Superannuation Scheme.

Lothian Pension Fund (LPF)

Heriot-Watt University Students' Association participates in the Lothian Pension Fund (LPF) which is part of the Local Government Pension Scheme (LGPS) (Scotland), a multi-employer scheme. The LGPS is a defined benefit scheme based on final pensionable salary.

Under the Lothian Pension Fund, the contribution rate required for Heriot-Watt University Association is set on a grouped basis, combining the experience of the employer with other employers also participating in the Fund. Assets and liabilities of the Fund are not separately identified between the various employers participating as part of the triennial actuarial valuations. As a result Heriot-Watt University Students' Association is unable to identify its relevant share of the underlying assets and liabilities in the Fund. These financial statements have therefore been drawn up in accordance with Financial Reporting Standard 17 on the basis that the pension cost is accounted for as a defined contribution scheme.

Information about the overall funding position of the Lothian Pension Fund has been obtained from the actuarial valuation of the Scheme as at 31 March 2015. The valuation showed that the overall funding of the Scheme as a whole was 91%, the deficit being £417 million. The contributions payable by the employers are based on the position of the Fund as a whole, which is reassessed at each triennial valuation, in line with the Administering Authority's Funding Strategy Statement. The pension cost for the year ended 31 July 2015 was £90,885 (2015: £97,635) and employer contributions for the year from 1 April 2015 have been set at 23.1% of pensionable pay plus a monetary amount of £21,100 per annum.

The next actuarial valuation of the Lothian Pension Fund is being carried out with an effective date of 31 March 2015, with revised contribution rates being effective from 1 April 2015.

9 Fixed assets

	Building improvements £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2014	545,838	23,161	446,370	81,444	1,096,813
Additions	-	-	11,508	11,119	22,627
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2015	545,838	23,161	457,878	92,563	1,119,440
Depreciation					
At 1 August 2014	150,952	20,523	441,889	59,786	673,150
Charge for year	11,735	2,001	6,022	11,142	30,900
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2015	162,687	22,524	447,911	70,928	704,050
Net book value					
At 31 July 2015	383,151	637	9,967	21,635	415,390
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 July 2014	394,886	2,638	4,481	21,658	423,663
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)

10	Stock	2015	2014
		£	£
	Bar	5,512	3,830
	Shop	35,323	36,445
	Catering	2,569	2,196
		<u>43,404</u>	<u>42,471</u>
11	Debtors	2015	2014
		£	£
	Trade debtors	5,239	13,586
	Other debtors and prepayments	19,554	13,161
	Heriot-Watt University	6,059	4,982
		<u>30,852</u>	<u>31,729</u>
12	Creditors: Amounts falling due within one year	2015	2014
		£	£
	Trade creditors	41,108	43,113
	Heriot-Watt University	3,766	1,856
	Other tax and social security	15,903	16,082
	Other creditors	20,882	24,557
	Accruals and deferred income	47,158	43,340
		<u>128,817</u>	<u>128,948</u>
13	Creditors: Amounts falling due after more than one year	2015	2014
		£	£
	Deferred grant income	14,429	14,859
		<u>14,429</u>	<u>14,859</u>

Notes to the financial statements *(continued)*

14 Funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Balance brought forward at 1 August 2014	357,338	89,698	447,036
Surplus/(deficit) for the year	83,850	(2,718)	81,132
	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 July 2015	441,188	86,980	528,168
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Represented by:			
	Unrestricted funds	Restricted funds	2015 Total
	£	£	£
Fixed assets and investments	328,410	86,980	415,390
Current assets	256,024	-	256,024
Creditors due within one year	(128,817)	-	(128,817)
Creditors due after one year	(14,429)	-	(14,429)
	<hr/>	<hr/>	<hr/>
	441,188	86,980	528,168
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15 Related party transactions

During the year, Heriot-Watt University allocated to the Students Association £517,607 (2014: £438,837) in the form of block grant funding. Other grant funding from Heriot-Watt University amounted to £20,551 (2014: £2,500).

During the course of the Association's activities for the year, transactions with Heriot-Watt University took place. The total amount invoiced by the Association to the University for goods and services was £32,438 (2014: £39,992) and the total amount invoiced by the University to the Association for goods and services was £79,259 (2014: £60,392). At 31 July 2015 the University owed the Association a balance of £6,059 (2014: £4,982). Amounts owed by the Association to Heriot-Watt University amounted to £3,766 (2014: £1,856). £26,649 of deferred income was also in creditors at the year end.

16 Ultimate controlling party

The charity is constituted under the Charter of Heriot-Watt University and is governed by its appointed Trustees.