

**University of
Southampton
Students' Union**

**Trustees' report and
financial statements**

For the year ended 31 July 2011

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

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UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2011

Trustees

Samuel Ling, (President) Sabbatical Trustee (commenced 1 July 2011)
Jonathan Brooks-Bartlett, Sabbatical Trustee (commenced 1 July 2011)
Francesca Fry, Sabbatical Trustee (commenced 1 July 2010)
Joseph McLoughlin, Sabbatical Trustee (commenced 1 July 2011)
Shane Murphy, Sabbatical Trustee (commenced 1 July 2011)
Simon Protheroe, Sabbatical Trustee (commenced 1 July 2011, resigned 31 October 2011)
Sasha Watson, Sabbatical Trustee (commenced 1 July 2011)
William FitzJohn, Sabbatical Trustee (term in office concluded 30 June 2011)
Charlene Batchelor, Sabbatical Trustee (term in office concluded 30 June 2011)
Emily Rees, Sabbatical Trustee (term in office concluded 30 June 2011)
Robert Stanning, Sabbatical Trustee (term in office concluded 30 June 2011)
Edward Wilkes, Sabbatical Trustee (term in office concluded 30 June 2011)
Charlotte Woods, Sabbatical Trustee (term in office concluded 30 June 2011)
James Brant, Student Trustee (appointed 14 October 2011)
Joshua Davies, Student Trustee (appointed 1 July 2011)
Andreas Day, Student Trustee (appointed 1 July 2011)
Chloe Green, Student Trustee (appointed 1 July 2011)
Alexander Houghton, Student Trustee (appointed 1 July 2011)
Emily-Jane Sheldrake, Student Trustee (appointed 1 July 2011)
Mark Beattie, Non-member Trustee (appointed 6 February 2012)
Michael Snell, (Honorary Vice-Chair) Non-member Trustee (appointed 16 March 2009)

Principal office

University of Southampton Students' Union, Southampton, Hampshire, SO17 1BJ

Senior Management

General Manager - Jaki Booth
Head of Finance - John Mills
Head of Membership Services and Engagement - Erica Hussey
Head of Commercial Development - Anthony Addison
Head of Communications, Media and Technology - Alex Barfield
Head of People Development - Gemma Beardsmore

Auditors

Mazars LLP, 8 New Fields, 2 Stinsford Road, Nuffield, Poole, Dorset, BH17 0NF

Bankers

Lloyds Group Plc, 1st Floor, Town Quay, Southampton, Hampshire, SO14 2AQ

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2011

Standing Order 04: Sabbatical Officers 3.3. of the University of Southampton Students' Union Constitution states 'inter alia' that the President shall cause annual accounts to be prepared and will be responsible for the presentation of these to the appropriate committees.

In satisfying this condition, the Trustees present their annual report together with the audited financial statements of University of Southampton Students' Union (the Union) for the year ended 31 July 2011. In accordance with the requirements of the Union's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The Union (SUSU) exists by virtue of the University of Southampton Charter which specifies that: "As part of the University there shall be a Union of Students to be known as the University of Southampton Students' Union".

In order to pursue its aims, SUSU works within a constitution comprising of Laws and Standing Orders which determine the structure of the organisation and its rules. The Laws can only be amended by Union Council and the University.

b. Method of appointment or election of Trustees

The management of the Union is the responsibility of the Trustees who are elected and appointed under the terms of the Standing Orders.

The majority of the Trustees are elected by cross campus ballot of all full members of the Union. During 2010-11 over 7,000 students voted in the elections for Sabbatical Officers which equates to around 32% of the student population.

The Union is grateful for the continued contributions of our Honorary Vice-Chair who was appointed by Union Council on 16 March 2009 for a 3 year term of office.

c. Policies adopted for the induction and training of Trustees

All Trustees receive appropriate induction and ongoing training to support them in their roles. Their formal induction training programme covers basic knowledge around "Being a Good Trustee", "Finance for Trustees" and "Equality and Diversity". We also provide one to one support and guidance to officers alongside access to a wealth of guidance documents and historic information.

d. Organisational structure and decision making

The Union General Meeting is the governing body of the Union and subject to the Laws of the Union has the power to make policy in the name of the Union. Union Council and referendum, subject also to the Laws, also has the power to make policy in the name of the Union.

The Trustee Board is responsible for the day to day management and strategic direction of the Union, much of which is delegated to officers and staff. The Trustee Board also delegates more routine decisions to three sub committees - Finance, Commercial Services and Staffing.

Union Council has also established a range of Standing Committees to develop activities in specific areas: Athletic Union Committee, Constitution Committee, Education Committee, Elections Committee, Ethical and Environmental Committee, International Students' Committee, Junior Common Rooms (JCRs) Committee, Media Committee, Postgraduate Students' Committee, RAG Committee, Societies Committee, Welfare Committee and Winchester Executive Committee.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2011

e. Relationship with University of Southampton

The relationship between the University of Southampton and the Union is established in the University Charter and detailed in the laws and standing orders of both organisations. The Union receives a block grant based on a percentage of the teaching income received by the University. All other transactions between the two parties are carried out on a commercial basis.

There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future.

f. Risk management

The Trustees assess 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 and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

a. Policies and objectives

The principal objectives of the Union are enshrined in the University ordinances as to:

1. Afford a recognised channel of communication between students and the rest of the University;
2. Promote the general interests of students;
3. Provide and further welfare, social, cultural, recreational and athletic facilities for students of the University;
4. Foster amicable relations within the University, with other bodies and the general public;
5. Promote, facilitate and support student volunteering.

b. Strategies for achieving objectives

SUSU has embarked on a journey of significant change in recent years. 2010-11 has seen a continuation of this, which became more critical to ensure readiness for the challenges ahead. Global economic and financial uncertainty, changes to the University strategy and significant changes to the student financial support arrangements provide major challenges within the HE and Students' Union sectors.

In 2009-10 SUSU took time to really understand its members' needs and aspirations. In particular, the Board was delighted to gain Union Council approval for the new Mission, Vision and Values statement, which in turn led to the publication of the Union Plan to 2015, which details the strategic inspirations for the Union. In addition the decision making structures (Board, Union Council and elected officer roles) were re-arranged to ensure the right decisions are made by the right people in the right structures.

In delivering the 5 principal objectives, UMB have approved the Union Plan to 2015 this focuses on three key themes, in addition to delivering an effective organisation. The themes are **Voice, Support and Communities**.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2011

c. Activities for achieving objectives

VOICE

- A review of the academic representative structure was initiated in consultation with the University. This was to help ensure the voice of students is heard specifically in relation to the next quality assurance audit of the University.
- School Presidents and Faculty Officers attended regular committee meetings to raise, discuss and resolve issues affecting students in their academic unit. In addition course representatives were elected to provide support for students at a very local level. All our representatives receive support throughout the year including training and briefing on academic issues.
- Officers and students successfully ran a lobbying campaign to extend the opening hours of the library facilities during the exam period.
- We held a Vice Chancellor (VC) question time enabling any student to ask questions directly of the VC.
- In addition to the SUSU Website, new officer blogs and facebook pages were launched to keep students up to date.

SUPPORT

- Full time Sabbatical Officers frequently liaise with the University to plan and deliver projects with the aim of improving the student experience. Specific projects during this year included issues concerning Employability, Transitions (addressing the various transition stages of a student; for this year the focus was on the transition of international students to the UK), Assessment Feedback and creating Global Graduates.
- In liaison with the University, SUSU ran a Private Rented Open Day in the summer to advise and support those first year students who had not secured accommodation in University Halls of Residence. In addition students run a Private Rented Society to provide advice and support throughout the year.
- SUSU ran a yearlong Housing Programme aimed at assisting students moving from Halls to private rented housing. The Advice Centre also provides a contract checking service along with general advice on issues with private accommodation.
- SUSU ran the following campaigns:
 - Sexual Health in conjunction with the local NHS
 - Student Finance including specialised debt advice through The Advice Centre
 - Safer students including provision of attack alarms
 - Campaigning locally and nationally against the rise in tuition fees
 - Healthy Eating
 - Equal Opportunities issues including Women's and Men's Day, Students with Disabilities' Day along with events focussed on specific groups for example a Mature Students' Welcome and Postgraduate Students' Welcome
 - Withholding degree certification – ensuring students are not penalised due to financial difficulties
 - Earlier re-sit timetables
 - Working with the University to formulate a Feedback Assessment Policy
 - Rock the Vote – to encourage students to register to vote in local elections
- Additional support is provided around the clock to help our numerous student groups deliver successful activities and events directly to students. Students are consistently actively encouraged to either join or set up and run their own interest groups which are supported and resourced by SUSU. In 2010-11 the following groups existed:
 - 188 Societies, including 20 new Societies affiliating and 5 Societies disbanding during the year
 - 78 sports clubs, including 4 clubs amalgamating into 2 separate women's and men's clubs, 2 clubs disbanded and 2 new clubs were started up. In BUCS (British Universities and College Sport) final rankings we improved our position for the second year running, finishing 18th overall

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2011

- Media Groups consisting of a radio station (SURGE), TV studio (susu.tv); new TV studio funded by the University opened, newspaper for all students (Wessex Scene), and a music newspaper for all students (The Edge)
- RAG (Raise and Give) – each year the student group identifies 3 charities to fundraise for. In 2010/11 these charities were Southampton Opportunity Group, Help the Hospices and Practical Action. In addition over 30 other charities benefited from their fundraising activities. The total amount raised for all charities was £50,005.

COMMUNITIES

- Freshers' packs were distributed to all new students introducing them to the many opportunities available to them whilst at University.
- Full programme of activities and events all year round, taking place at locations close to Halls of Residence and at the main campus.
- The Union invested in additional staff support at our Winchester campus to support these students more than in the past. Successes included a regular events programme, engagement in campaigning against the tuition fee changes and the election of an active JCR (Junior Common Room) committee.
- A new Religious Societies' Union was established bringing together all the religious Societies.
- SUSU Officers and staff have created a consistent and meaningful relationship with the University, local Council, local neighbourhood groups, landlords, local NHS, surgeries and other local groups. Regular meetings take place throughout the year with information on local projects and activities constantly shared and developed.

d. Grant making policies

SUSU gives grants to many of its affiliated clubs and societies to pursue their goals. Funding is awarded against key criteria by the relevant Standing Committee. During the year the Union Management Board approved a grant of £2,100 (2010: £1,900) to the Turner Sims concert hall in return for the use of the facilities. Through the relevant standing committees funds were also made available to 10 (2010: 10) projects and 266 (2020: 247) clubs and societies.

Financial review

a. Reserves policy

The reserves policy of the University of Southampton Students' Union is to maintain a level of unrestricted funds, not committed or invested in tangible assets, which will enable the Union to ensure continuity of activity and have the ability to adjust, in a measured way, to any significant changes in resources.

The Reserves policy recognises that reserves are necessary to maintain the day to day operations of the Union for a period of up to 3 months. This would equate to approximately £450,000. The appropriate measure of free reserves is therefore net assets, less restricted and designated funds, less fixed assets attributable to unrestricted funds. Currently this amount is £222,339.

b. Principal funding

The University of Southampton provides SUSU with a block grant each year. For the year 2010-11 this amounted to £2,304,000 (2009/2010: £2,226,752). The University made further grants to the Union for the provision of services to JCR's, Pre-sessional students and halls bars. These amounted in total to £170,805 (2010: £121,988). Other income received by the Union included £4,035,912 (2010: £4,665,659) from the social enterprise initiatives, including the services provided to students from the union shop, venues and catering outlets.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2011

c. Material investments policy

In deciding how and where to invest any surplus funds, it is SUSU's policy to take a risk averse stance, give due consideration to current Union Council directives and maximise returns on investments within the parameters set out.

On a daily basis surplus operating money will be held in interest bearing accounts. Moneys may be held in a range of longer term deposits, any one deposit will have a maximum term of 12 months and will be for no more than £250,000. Deposits over £100,000 or deposits made for periods longer than 6 months need approval from Finance Sub Committee. There will always be sufficient money held on call, to meet the financial requirements of SUSU for a period of one month, this will be referenced to internal cash flow forecasting.

There will be no requirement for the Union to request overdraft or long term loan facility from banks in the foreseeable future. There will be no investments in shares gilts or bonds which are openly traded on the stock markets. Shares may be held in companies with a direct connection to the aims of the trust deed. No money will be deposited outside of the UK. The Head of Finance will produce a schedule of deposits as a standing item at each Finance Sub Committee.

d. Overall performance

SUSU's gross income from all sources totaled £6,953,539 (2010: £7,409,456) against total expenditure of £6,838,537 (2010: £7,493,284). We operate a broadly balanced budget to provide a wide range of student benefits and created a surplus of £115,002 (2010: deficit £83,828). The SUSU reserves increased from £839,074 to £954,076.

The fall in revenue was primarily due to the full year impact of the Travel Centre closure in April 2010. This reduced revenue by £799,775, but with higher expenditure (£834,401) the net impact was a saving of over £35,000. Restricted revenues increased as a result of the University funding the refurbishment of the seating area of the Café £92,218.

Within the social enterprises, the shop outperformed previous years by increasing its surplus by £62,541, catering increased its deficit by £14,979 and the venues trading in difficult economic conditions remained approximately level when comparing like-for-like figures. Costs of £28,450 (2010: £95,356) for staff restructuring were made in aligning the Union's structure to that of the Union Plan to 2015.

The Trustees were satisfied with the financial performance for the year 2010-11.

Plans for the future

a. Future developments

The Trustees approved the Union Plan to 2015 during the course of this financial year. In this our aspirations are identified and each department has created an operational plan to ensure we work towards the larger goals. For the year 2011/12 SUSU has set out to achieve the following objectives which are being monitored and reviewed by the Trustees on a regular basis:

1. To know our members and positively influence their experience, to consistently deliver projects to the highest possible standard and to employ innovative marketing methods to engage our members
2. We will deliver an independent advice and welfare service dedicated to empowering students to overcome barriers, adopting innovative strategies to ensure all students have access to our welfare advice and guidance wherever they may be. In addition we will be the welfare watchdog and identify barriers which impact on the lives of students and lobby for positive changes
3. To support and develop both student media and SUSU's media presence and output, providing relevant technology resources and support to SUSU whilst ensuring we are positioned to take advantage of

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2011

- future technology. To ensure that information is distributed and communicated effectively both internally and externally through innovative technological solutions
4. To unlock the potential of all staff and volunteers through the implementation of appropriate people development strategies, to enable managers to recruit, retain and develop the best possible staff to support SUSU in its work, to develop an inclusive environment that welcomes, supports and values diversity and the contribution of individuals
 5. To support volunteer leaders to attract, retain and develop volunteers and develop an inclusive environment that welcomes, supports and values diversity and the contribution of individuals
 6. Maximise the 'Voice' of students at sites, ensure all students at sites are given access to 'Support' and build active student 'Communities' at all sites
 7. To develop and maintain a strong reliable foundation of democratic systems and procedures, we will provide a platform on which our representatives are fully supported and inspired to carry out their role with courage and conviction and support the officers in delivering a powerful student voice culminating in real change
 8. Supporting student activities that are simple to access, actively engaged with all student cohorts, providing pioneering opportunities for students; delivering inclusive, diverse and accessible activities and we will recognise, reward and exhibit Southampton student achievements locally, nationally and internationally
 9. To generate a trading surplus with a firm commitment to ethically sourced produce, create a customer focused business that engages with all its customers and invest time in staff development, building a flexible multi trained workforce
 10. To produce a facilities plan, with the introduction of clear day to day systems throughout SUSU facilities and a strong Health & Safety culture throughout SUSU facilities
 11. To deliver a diverse range of high quality, competitively priced and ethically sound products in the shop, deliver a queue busting, friendly and uniquely memorable shopping environment and to continually develop a first class product range and service that maximises contribution
 12. To be at the heart of delivering great nights out, viewed by our customers as providing superb value and investing time in staff development to produce consistently excellent levels of service
 13. The finance system has a working manual for all departments, reviews undertaken to improve efficiency, managers receive reports against budgets on a monthly basis, and we provide good financial governance in readiness for charitable status, with excellent processes controls and audit.

b. Charitable status

During 2011/12 the Union will be starting the process of obtaining charitable status. This will involve the amendments to its and the Universities standing orders and laws. A company limited by guarantee will be incorporated and the assets and liabilities of the Union will transfer to this company once charitable status has been granted.

Employee involvement

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Union carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

In accordance with the Union's new Equality & Diversity Policy, the Union has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

This report was approved by the Trustees on 21 February 2012 and signed on their behalf, by:

.....
Samuel Ling
Trustee

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

We have audited the financial statements of University of Southampton Students' Union for the year ended 31 July 2011 set out on pages 9 to 29. 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 union's trustees as a body. Our audit work has been undertaken so that we might state to the union'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 union and the union's trustees as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of President and auditors

As described on page 2 the President is responsible for the preparation of financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements 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.

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the union has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the President in the preparation of the financial statements, and of whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the union's affairs as at 31 July 2011 and of its incoming resources and application of reserves for the year then ended.

Mazars LLP

Chartered Accountants
Statutory Auditor

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) FOR THE YEAR ENDED 31 JULY 2011

	Note	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	As restated Total funds 2010 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	112,574	2,362,231	2,474,805	2,348,740
Investment income	3	-	804	804	1,053
Incoming resources from charitable activities	4	133,952	4,343,978	4,477,930	5,059,663
Total incoming resources		<u>246,526</u>	<u>6,707,013</u>	<u>6,953,539</u>	<u>7,409,456</u>
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	5	-	17,925	17,925	17,170
Charitable activities	12	148,903	6,575,267	6,724,170	7,384,582
Governance costs	8	-	96,442	96,442	91,532
Total resources expended	11	<u>148,903</u>	<u>6,689,634</u>	<u>6,838,537</u>	<u>7,493,284</u>
Movement in total funds for the year - Net income/(expenditure) for the year		97,623	17,379	115,002	(83,828)
Total funds at 1 August 2010		88,610	580,417	669,027	380,968
Prior year adjustment (Note 22)		170,047	-	170,047	541,934
Total funds at 31 July 2011		<u><u>356,280</u></u>	<u><u>597,796</u></u>	<u><u>954,076</u></u>	<u><u>839,074</u></u>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 29 form part of these financial statements.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

BALANCE SHEET AS AT 31 JULY 2011

	Note	£	2011 £	As restated 2010 £
Fixed assets				
Tangible assets	17		615,360	554,124
Investments	18		100	100
			<u>615,460</u>	<u>554,224</u>
Current assets				
Stocks	19	124,556		90,098
Debtors	20	251,846		184,556
Cash at bank and in hand		499,820		511,287
		<u>876,222</u>		<u>785,941</u>
Creditors: amounts falling due within one year	21	(537,606)		(501,091)
Net current assets			<u>338,616</u>	<u>284,850</u>
Total assets less current liabilities			<u>954,076</u>	<u>839,074</u>
Union Funds				
Restricted funds	23		356,280	258,657
Unrestricted funds	23		597,796	580,417
Total funds			<u>954,076</u>	<u>839,074</u>

The financial statements were approved by the Trustees on 21 February 2012 and signed on their behalf, by:

.....
Samuel Ling

The notes on pages 12 to 29 form part of these financial statements.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	25	221,483	136,292
Returns on investments and servicing of finance	26	784	935
Capital expenditure and financial investment	26	(233,734)	(38,874)
(Decrease)/Increase in cash in the year		<u>(11,467)</u>	<u>98,353</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 JULY 2011

	2011 £	2010 £
(Decrease)/Increase in cash in the year	<u>(11,467)</u>	<u>98,353</u>
Movement in net debt in the year	(11,467)	98,353
Net funds at 1 August 2010	<u>511,287</u>	<u>412,934</u>
Net funds at 31 July 2011	<u>499,820</u>	<u>511,287</u>

The notes on pages 12 to 29 form part of these financial statements.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards.

The subsidiary is dormant and is not material to the group and hence single entity accounts have been prepared.

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Union and which have not been designated for other purposes.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Union is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the Union and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Union and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 and with an expected useful life of over three years are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	8 - 10 years
Equipment	-	3 - 5 years
Motor vehicles	-	5 years

Assets in the course of construction are not depreciated until they are brought into use.

The trustees review the value of the assets recorded by the Union on an annual basis and are satisfied that no assets require impairment.

1.6 Investments

Investments are stated at the lower of cost and net realisable value.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Stocks

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

1.9 Pensions

The Union operates two defined benefits pension schemes. The schemes are both multi-employer schemes where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS17 'Retirement benefits', the Union accounts for these schemes as if they were defined contribution schemes. The amount charged to the Statement of Financial Activities represents contributions payable to the schemes in respect of the accounting period.

2. Voluntary income

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Grant from the University of Southampton	112,574	2,362,231	2,474,805	2,348,740

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

3. Investment income

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Interest received	-	804	804	1,053

4. Incoming resources from charitable activities

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Central	92,218	62,822	155,040	54,380
Members Contributions	-	245,244	245,244	297,198
Social Enterprise	-	4,035,912	4,035,912	4,665,659
Community & Media	41,734	-	41,734	42,426
	133,952	4,343,978	4,477,930	5,059,663

5. Costs of generating voluntary income

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Support costs	-	17,925	17,925	17,170

6. Grants to institutions

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Central	-	2,100	2,100	6,900

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

7. Expenditure by charitable activity

Summary by fund type

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Central	20,921	853,847	874,768	935,239
Social Enterprise	12,500	4,365,640	4,378,140	5,180,722
Community & Media	115,482	215,303	330,785	256,936
Representative & Welfare	-	339,635	339,635	269,158
Student Activities	-	429,946	429,946	424,541
Communications	-	370,896	370,896	317,986
	<u>148,903</u>	<u>6,575,267</u>	<u>6,724,170</u>	<u>7,384,582</u>

Summary by expenditure type

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Central	247,074	67,555	560,139	874,768	935,239
Social Enterprise	1,357,860	94,118	2,926,162	4,378,140	5,180,722
Community & Media	83,939	3,467	243,379	330,785	256,936
Representative & Welfare	266,570	-	73,065	339,635	269,158
Student Activities	96,597	7,330	326,019	429,946	424,541
Communications	332,733	-	38,163	370,896	317,986
	<u>2,384,773</u>	<u>172,470</u>	<u>4,166,927</u>	<u>6,724,170</u>	<u>7,384,582</u>

8. Governance costs

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Governance Auditors' remuneration	-	10,000	10,000	8,855
Governance Auditors' non audit costs	-	6,500	6,500	-
Training and other costs	-	25,898	25,898	35,518
Licences and subscriptions	-	11,050	11,050	11,817
Governance - Trustees travel reimbursed	-	1,172	1,172	1,002
Support costs - Governance	-	2,116	2,116	2,440
Support costs - Wages and salaries	-	39,706	39,706	31,900
	<u>-</u>	<u>96,442</u>	<u>96,442</u>	<u>91,532</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

9. Direct costs

	Central	Social Enterprise	Community & Media	Representative & Welfare
Purchases	27,355	2,478,198	88,186	-
Staff travel costs	2,732	13,356	3,505	8,210
Equipment hire	51,207	11,233	3,544	-
Repairs and maintenance	44,039	79,601	19,583	248
Printing, postage and promotion	3,001	13,283	56,079	17,843
Bank charges	(20,520)	96,412	-	-
Insurance	15,882	13,372	1,027	-
Management charge	(25,104)	25,104	-	-
Cleaning	101,191	23,998	2,390	-
Licences and subscriptions	3,138	35,312	17,643	11,817
Sundry	750	13,994	16,939	4,205
Telephone	1,311	2,431	955	1,867
Portering / security	-	64,427	10,080	-
Rent	270,000	30,000	10,000	-
Electricity	77,000	11,000	1,200	-
Competitions & student expenses	-	43	11,211	(124)
Event costs	1,375	-	-	667
Bad debts	577	-	-	-
Courses, speakers, activities	-	-	-	-
Emergency loan fund payment	-	-	-	790
Exceptional costs	450	3,050	-	24,950
Fixed asset disposals	28	(3,425)	-	-
Wages and salaries	150,738	974,351	58,754	182,149
National insurance	8,960	37,370	2,492	11,923
Pension cost	19,306	69,011	3,246	23,880
Depreciation	67,555	94,118	3,467	-
	<u>800,971</u>	<u>4,086,239</u>	<u>310,301</u>	<u>288,425</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

9. Direct costs (continued)

	Student Activities	Communications	Total 2011	Total 2010
Purchases	24,795	-	2,618,534	3,218,382
Staff travel costs	4,984	1,733	34,520	24,436
Equipment hire	36	-	66,020	56,973
Repairs and maintenance	23,887	13,859	181,217	151,589
Printing, postage and promotion	4,964	16,394	111,564	151,325
Bank charges	-	-	75,892	54,711
Insurance	24,376	-	54,657	58,928
Management charge	-	-	-	25,930
Cleaning	-	-	127,579	66,557
Licences and subscriptions	2,630	2,963	73,503	46,128
Sundry	6,535	433	42,856	71,596
Telephone	441	448	7,453	7,903
Portering / security	-	-	74,507	58,278
Rent	-	-	310,000	313,942
Electricity	-	-	89,200	74,838
Competitions & student expenses	213,563	-	224,693	149,436
Event costs	16,815	-	18,857	49,849
Bad debts	-	-	577	3,725
Courses, speakers, activities	5,156	-	5,156	9,049
Emergency loan fund payment	-	-	790	1,140
Exceptional costs	-	-	28,450	95,356
Fixed asset disposals	(3,200)	-	(6,597)	5,436
Wages and salaries	61,496	253,682	1,681,170	1,816,316
National insurance	3,954	14,367	79,066	83,351
Pension cost	11,700	20,927	148,070	127,770
Depreciation	7,330	-	172,470	179,669
	<u>409,462</u>	<u>324,806</u>	<u>6,220,204</u>	<u>6,902,613</u>

Included in the exceptional costs above is redundancy expenditure of £30,950 (2010: £92,416) for 5 employees (2010:15).

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

10. Support costs

	Fundraising £	Governance £	Central £	Social Enterprise £	Community & Media £
Staff travel costs	321	748	1,283	5,221	366
Repairs and maintenance	284	663	1,135	4,628	325
Printing, postage and promotion	99	232	398	1,620	114
Licences and subscriptions	56	130	223	904	63
Sundry	133	309	530	2,160	152
Telephone	15	34	58	240	17
Wages and salaries	14,348	33,478	57,392	233,662	16,397
National insurance	1,027	2,397	4,110	16,731	1,174
Pension cost	1,642	3,831	6,568	26,735	1,876
	<u>17,925</u>	<u>41,822</u>	<u>71,697</u>	<u>291,901</u>	<u>20,484</u>
	<u><u>17,925</u></u>	<u><u>41,822</u></u>	<u><u>71,697</u></u>	<u><u>291,901</u></u>	<u><u>20,484</u></u>
	Representative & Welfare £	Student Activities £	Communications £	Total 2011 £	Total 2010 £
Staff travel costs	916	366	824	10,045	15,433
Repairs and maintenance	812	325	731	8,903	6,176
Printing, postage and promotion	284	114	256	3,117	5,122
Licences and subscriptions	159	63	143	1,741	455
Sundry	379	152	341	4,156	9,602
Telephone	42	17	38	461	645
Wages and salaries	40,993	16,397	36,894	449,561	443,499
National insurance	2,935	1,174	2,642	32,190	20,919
Pension cost	4,690	1,876	4,221	51,439	24,728
	<u>51,210</u>	<u>20,484</u>	<u>46,090</u>	<u>561,613</u>	<u>526,579</u>
	<u><u>51,210</u></u>	<u><u>20,484</u></u>	<u><u>46,090</u></u>	<u><u>561,613</u></u>	<u><u>526,579</u></u>

Support costs have been apportioned by employee numbers.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

11. Analysis of resources expended by expenditure type

	Staff costs 2011 £	Depreciation 2011 £	Other costs 2011 £	Total 2011 £	Total 2010 £
Costs of generating voluntary income	17,018	-	907	17,925	17,170
Costs of generating funds	17,018	-	907	17,925	17,170
Charitable activities:					
Central	247,074	67,555	560,139	874,768	935,239
Social Enterprise	1,357,860	94,118	2,926,162	4,378,140	5,180,722
Community & Media	83,939	3,467	243,379	330,785	256,936
Representative & Welfare	266,570	-	73,065	339,635	269,158
Student Activities	96,597	7,330	326,019	429,946	424,541
Communications	332,733	-	38,163	370,896	317,986
Subtotal charitable activities	2,384,773	172,470	4,166,927	6,724,170	7,384,582
Governance	39,706	-	56,736	96,442	91,532
	2,441,497	172,470	4,224,570	6,838,537	7,493,284

12. Analysis of resources expended by activities

	Activities undertaken directly 2011 £	Grant funding of activities 2011 £	Support costs 2011 £	Total 2011 £	Total 2010 £
Central	800,971	2,100	71,697	874,768	935,239
Social Enterprise	4,086,239	-	291,901	4,378,140	5,180,722
Community & Media	310,301	-	20,484	330,785	256,936
Representative & Welfare	288,425	-	51,210	339,635	269,158
Student Activities	409,462	-	20,484	429,946	424,541
Communications	324,806	-	46,090	370,896	317,986
Total	6,220,204	2,100	501,866	6,724,170	7,384,582

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

13. Net income / (Expenditure)

This is stated after charging:

	2011	2010
	£	£
Depreciation of tangible fixed assets:		
- owned by the Union	172,470	179,669
Auditors' remuneration	10,000	8,855
	<u>182,470</u>	<u>188,524</u>

14. Staff costs

Staff costs were as follows:

	2011	2010
	£	£
Wages and salaries	2,130,731	2,259,815
Social security costs	111,257	104,270
Other pension costs	199,509	152,498
	<u>2,441,497</u>	<u>2,516,583</u>

The average monthly number of employees during the year was as follows:

	2011	2010
	No.	No.
Core staff	100	115

Core staff are recorded as full time equivalents, support staff are actual numbers of employees. Support staff are employed on a zero hours basis and therefore it is not possible to determine the full time equivalent therefore in 2011 the Union had 195 employees (2010: 181 employees).

The number of higher paid employees was:

	2011	2010
	No.	No.
In the band £60,001 - £70,000	1	0

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

15. Trustees' remuneration

During the year 13 (2010: 12) Trustees received remuneration of £119,759 (2010: £120,036).

Each of the trustees who were in office from 1 August 2010 to 30 June 2011 individually received the sum of £17,656 totalling £105,938. Each of the trustees who were in office from 1 July 2011 individually received the sum of £1,974 totalling £13,821. These payments were made in accordance with the governing document of the Union.

No student trustee or non member trustee received any remuneration.

During the year retirement benefits were accruing to 1 Trustee (2010 - NIL) in respect of a defined benefit pension scheme.

During the year 7 Trustees received reimbursement of travel expenses amounting to £1,172 in the current year, (2010 - 6 Trustees - £1,002).

During the year, no Trustees received any benefits in kind (2010 - £NIL).

16. Taxation

The trustees consider that the Union has no liability for corporation tax.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

17. Tangible fixed assets

	Leasehold improvements £	Equipment £	Motor vehicles £	Assets in the course of construction £	Total £
Cost					
At 1 August 2010 (as previously stated)	1,133,987	537,089	35,000	-	1,706,076
Prior year adjustment	195,178	(7,152)	-	-	188,026
At 1 August 2010	<u>1,329,165</u>	<u>529,937</u>	<u>35,000</u>	<u>-</u>	<u>1,894,102</u>
Additions	84,553	90,291	-	58,890	233,734
Disposals	-	(10,684)	-	-	(10,684)
At 31 July 2011	<u>1,413,718</u>	<u>609,544</u>	<u>35,000</u>	<u>58,890</u>	<u>2,117,152</u>
Depreciation					
At 1 August 2010 (as previously stated)	927,171	359,828	35,000	-	1,321,999
Prior year adjustment	21,199	(3,220)	-	-	17,979
At 1 August 2010	<u>948,370</u>	<u>356,608</u>	<u>35,000</u>	<u>-</u>	<u>1,339,978</u>
Charge for the year	88,261	84,209	-	-	172,470
On disposals	-	(10,656)	-	-	(10,656)
At 31 July 2011	<u>1,036,631</u>	<u>430,161</u>	<u>35,000</u>	<u>-</u>	<u>1,501,792</u>
Net book value					
At 31 July 2011	<u>377,087</u>	<u>179,383</u>	<u>-</u>	<u>58,890</u>	<u>615,360</u>
At 31 July 2010 (as restated)	<u>380,795</u>	<u>173,329</u>	<u>-</u>	<u>-</u>	<u>554,124</u>

Details of the prior year adjustment are set out in Note 22.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

18. Fixed asset investments

Cost	Shares in group undertakings £
At 1 August 2010 and 31 July 2011	100

Subsidiary undertakings

The following were subsidiary undertakings of the Union:

Name	Holding
Brassbound Limited	100%

The aggregate of the share capital and reserves as at 31 July 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Brassbound Limited	100	-

The Directors of Brassbound Limited hold the shares in trust for the benefit of the Students' Union. The investment represents 100% of the issued share capital of Brassbound Limited.

19. Stocks

	2011 £	2010 £
Finished goods and goods for resale	124,556	90,098

20. Debtors

	2011 £	2010 £
Trade debtors	74,607	57,762
Amounts due from University of Southampton	27,568	49,440
Other debtors	63,762	12,594
Prepayments and accrued income	85,909	64,760
	<u>251,846</u>	<u>184,556</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

21. Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	82,007	117,742
Social security and other taxes	29,642	46,266
Amount due to University of Southampton	235,766	183,314
Other creditors	150,906	116,063
Accruals and deferred income	39,285	37,706
	<u>537,606</u>	<u>501,091</u>

22. Prior year adjustment

In order to prepare the financial statements in accordance with the Charities SORP 2005, a policy of capitalising assets funded by third parties was introduced in the financial year ended 2011. The figures for the year ended 31 July 2010 have been restated to provide a comparison for this year as if this policy had been introduced at the beginning of that financial year.

The effect of this adjustment has been to increase the cost of tangible fixed assets brought forward by £188,026, and subsequently increase the accumulated depreciation by £17,979. Therefore the overall effect of this has been to increase the net book value of brought forward tangible fixed assets by £170,047. The other side of this is reflected in the capital fund brought forward.

23. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Insurance fund	14,325	-	-	(14,325)	-
Group personal accident	15,000	-	-	(15,000)	-
Early retirement	60,000	-	-	(60,000)	-
Athletic union reserve	21,002	-	-	(21,002)	-
	<u>110,327</u>	<u>-</u>	<u>-</u>	<u>(110,327)</u>	<u>-</u>
General funds					
General Fund	470,090	6,707,013	(6,689,634)	110,327	597,796
Total Unrestricted funds	<u>580,417</u>	<u>6,707,013</u>	<u>(6,689,634)</u>	<u>-</u>	<u>597,796</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

23. Statement of funds (continued)

Restricted funds

JCR Fund	88,610	141,809	(115,483)	-	114,936
Capital fund	170,047	92,217	(20,920)	-	241,344
Halls, Bars & support	-	12,500	(12,500)	-	-
	<u>258,657</u>	<u>246,526</u>	<u>(148,903)</u>	<u>-</u>	<u>356,280</u>
Total of funds	<u>839,074</u>	<u>6,953,539</u>	<u>(6,838,537)</u>	<u>-</u>	<u>954,076</u>

Fund descriptions

Designated fund

The Trustees believed that the designation of funds previously reported were no longer relevant and requested that these funds were transferred to the general fund.

Restricted funds

The Trustees believe that grants received for specific purposes should be identified separately within the reserves. This includes amounts received for Junior Common Room (JCR) to be expended on the welfare and benefit of students in halls of residence and support for the Halls Bars, where third parties have created assets for the Students' Union the value of those assets are recorded as a grant fund.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	110,327	-	-	(110,327)	-
General funds	470,090	6,707,013	(6,689,634)	110,327	597,796
	<u>580,417</u>	<u>6,707,013</u>	<u>(6,689,634)</u>	<u>-</u>	<u>597,796</u>
Restricted funds	258,657	246,526	(148,903)	-	356,280
	<u>839,074</u>	<u>6,953,539</u>	<u>(6,838,537)</u>	<u>-</u>	<u>954,076</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

24. Analysis of net assets between funds

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Tangible fixed assets	239,902	375,457	615,359	554,124
Fixed asset investments	-	100	100	100
Current assets	116,378	759,846	876,224	785,941
Creditors due within one year	-	(537,607)	(537,607)	(501,091)
	<u>356,280</u>	<u>597,796</u>	<u>954,076</u>	<u>839,074</u>

25. Net cash flow from operations

	2011 £	2010 £
Net incoming resources before revaluations	115,002	(83,828)
Returns on investments and servicing of finance	(784)	(935)
Loss on disposal of tangible fixed assets	28	17,062
Depreciation of tangible fixed assets	172,470	179,669
(Increase)/decrease in stocks	(34,458)	18,093
(Increase)/decrease in debtors	(67,291)	92,344
Increase/(decrease) in creditors	36,516	(86,113)
Net cash inflow from operations	<u>221,483</u>	<u>136,292</u>

26. Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	784	935
	<u>784</u>	<u>935</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(233,734)	(39,502)
Sale of tangible fixed assets	-	628
Net cash outflow capital expenditure	<u>(233,734)</u>	<u>(38,874)</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

27. Analysis of changes in net debt

	1 August 2010 £	Cash flow £	Other non-cash changes £	31 July 2011 £
Cash at bank and in hand:	511,287	(11,467)	-	499,820
Net funds	<u>511,287</u>	<u>(11,467)</u>	<u>-</u>	<u>499,820</u>

28. Contingent liabilities

There is no longer a deposit account (2010: £90,000) held in joint names with Lloyds Group Plc. This was held as security by the bank to cover the guarantees Lloyds Group Plc had issued in favour of British Rail International and IATA.

29. Capital commitments

	2011 £	2010 £
Total reserves at 31 July 2011	954,076	669,027
Amounts authorised by Union Management Board and contracted for at 31 July 2011	(247,226)	(58,947)
Amounts authorised by Union Management Board but not contracted for at 31 July 2011	(30,993)	(80,546)
Total	<u>675,857</u>	<u>529,534</u>

Included in the amounts authorised and contracted for at 31 July 2011 are commitments being funded by a third party capital fund £119,810 (2010: £0)

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

30. Pension commitments

Union pension schemes

The Union has fully adopted the disclosure rules of FRS 17 'Retirement Benefits'. The notes that follow show the detailed valuations required by the standard. However, pension fund liabilities can be valued in a number of other ways, and the Union will continue to support the schemes based on the principles of on-going operations, as advised by the scheme trustees and actuaries.

The University is a member of a defined benefit scheme, Universities Superannuation Scheme (USS). This scheme is externally funded and contracted out of the State Earnings-Related Pension Scheme.

The assets of USS are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. It is not possible to identify each institutions' share of the underlying assets and liabilities of the USS scheme and contributions to this scheme are accounted for as if it was a defined contribution scheme. As a result the costs charged to the income and expenditure account represent the contributions payable to the scheme for the year.

In addition the Union contributes to a self-administered pension and assurance scheme for non-academic staff (PASNAS). The scheme is a defined benefit scheme, funded by contributions made in accordance with the recommendations of the scheme's actuaries.

Employer contributions for USS and PASNAS within this note are shown on the basis of the scheme contribution rate before any additional contributions under a salary sacrifice scheme.

Employer contributions in 2011/12 are expected to be 16.0% for USS and 16.5% for PASNAS.

The actuaries' recommendations for contributions to USS are based on triennial valuations of the schemes' liabilities. In the intervening years, the actuaries review the progress of the scheme. Pension costs, which have been calculated using the projected unit method, are accounted for on the basis of charging the cost of providing pensions over the period during which the Union benefits from the employees' services. Unless it is considered prudent to recognise deficiencies over a shorter period, variations from regular cost are spread over the expected average working lifetime of members of the schemes, after making suitable allowances for future withdrawals. The latest valuations of the scheme assets and liabilities for which results are available are:

	USS	PASNAS
Date of valuation	31 March 2008	1 August 2009
Market valuation of assets	£28,842 million	£92 million
Past service liabilities	£40,619 million	£130 million
Deficit of assets	(£11,777) million	(£38) million

The valuation reflects the total assets and liabilities of the scheme, not just the element attributable to the Union.

USS

At the March 2008 valuation date the assets were sufficient to cover 71% of the benefits which had accrued to members after allowing for expected future increases in earnings. The employers' contribution rate increased from 14% to 16% of members' pensionable salaries from 1 October 2009.

Under the scheme funding regulations, the assets of the scheme at the valuation date were 103% of the scheme's technical provisions. In accordance with the Pension Protection Fund regulations introduced by the Pensions Act 2004, the scheme was 107% funded.

During the year 6 employees were members in the scheme employed by the Union. The total pension cost due for the Union was £47,485. There were no outstanding contributions at the year end.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

30. Pension commitments (continued)

PASNAS

During the year 68 employees were members of this defined benefit pension scheme underwritten by the University of Southampton. The assets of the scheme are held and managed separately from those of the Union. Under the exemption permitted by the Charities SORP 2005, the Union is not able to identify readily or cost effectively, on a reasonable and consistent basis each year, its share of the overall surplus of deficit for the year and its share of the underlying assets and liabilities of the scheme and hence does not disclose this information in full but accounts for its contributions as if it were a defined contribution scheme. Pension costs charged to the Statement of Financial Activities represent the contributions due by the Union for the year, based on independent actuarial recommendation.

The total pension cost due for the Union was £152,024. There were outstanding contributions of £17,061 at the year end included in other creditors.

31. Operating lease commitments

At 31 July 2011 the Union had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2011	2010	2011	2010
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	14,843	-
After more than 5 years	332,000	332,000	-	-
	<u>332,000</u>	<u>332,000</u>	<u>-</u>	<u>-</u>

The land and buildings leases all relate to the rental of buildings from the University of Southampton. The leases allow a rent review every five years.