

Charity Number: 1148683
Company Number: 08034371

**UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 JULY 2013**

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2013

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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 2013

Trustees

Sabbatical Trustees

David Gilani, (President) Sabbatical Trustee (appointed 1 July 2012)
Oliver Coles, Sabbatical Trustee (appointed 1 July 2013)
Claire Gilbert, Sabbatical Trustee (appointed 1 July 2013)
David Mendoza-Wolfson, Sabbatical Trustee (appointed 1 July 2013)
Rebecca Thomas, Sabbatical Trustee (appointed 1 July 2013)
Evan Whyte, Sabbatical Trustee (appointed 1 July 2013)
Samuel Ling, (President) Sabbatical Trustee (appointed 1 July 2011, term concluded 30 June 2013)
Chloe Green, Sabbatical Trustee (appointed 1 July 2011 term concluded 30 June 2013)
Shane Murphy, Sabbatical Trustee (appointed 1 July 2011 term concluded 30 June 2013)
Sasha Watson, Sabbatical Trustee (appointed 1 July 2011 term concluded 30 June 2013)
Dean Jones, Sabbatical Trustee (appointed 1 July 2012 term concluded 30 June 2013)

Student Trustees

Thomas Gleeson, Student Trustee (appointed 1 July 2013)
Charlotte Hollands, Student Trustee (appointed 1 July 2013)
Marcus Burton, Student Trustee (appointed 1 July 2013)
Andreas Day, Student Trustee (appointed 1 July 2013)
Jade Head, Student Trustee (appointed 1 July 2013)
David Heard, Student Trustee (appointed 1 July 2013)
Joshua Cox, Student Trustee (appointed 1 July 2012 term concluded 30 June 2013)
Li (Amanda) Li, Student Trustee (appointed 1 July 2012 resigned 22 January 2013)
Rupert Bailey, Student Trustee (appointed 1 July 2012 term concluded 30 June 2013)
Emily Miles, Student Trustee (appointed 1 July 2012 term concluded 30 June 2013)
Peter Ward, Student Trustee (appointed 1 July 2012 term concluded 30 June 2013)
Zack Young, Student Trustee (appointed 1 July 2012 term concluded 30 June 2013)

External Trustees

Michael Snell, External Trustee (appointed 16 March 2009 term concluded 30 June 2013)
Mark Beattie, External Trustee (appointed 6 February 2012)
Nigel Coopey, External Trustee (appointed 14 May 2012)
Jo Ash (Peta Joyce Ash), External Trustee (appointed 1 July 2013)

Registered Office

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

Company Registration Number: 8034371

Charity Registration Number: 1148683

Senior Leadership

David Martin - Sabbatical Officer
Jaki Booth - Chief Executive
John Mills - Head of Finance and Company Secretary
Anthony Addison - Head of Commercial Development
Caroline Jessop - Head of Communications, Marketing and Technology
Nickola Moore - Head of Membership and Community Engagement
Gemma Beardsmore - Head of People Development

Auditors

Crowe Clark Whitehill, Aquis House, 49-51 Blagrove Street, Reading, RG1 1PL

Bankers

Lloyds Group Plc, 1st Floor, Town Quay, Southampton, Hampshire, SO14 2AQ
National Westminster Plc, PO Box 309, Chandlers Ford, Eastleigh SO53 3UD

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2013

The board of trustees, who are also Directors of the Union present their annual report for the year ended 31 July 2013 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that year. The financial statements comply with the Companies Act 2006, the Union's governing document and the relevant Statement of Recommended Practice (the Charities SORP 2005).

Structure, governance and management

a) Constitution

The Union was first established in the Charter of the University of Southampton which specifies that "there shall be a Union of Students of the University". During the course of the last 18 months, SUSU has significantly changed its governance structures: incorporating as a company limited by guarantee and registering as a charity. With effective from 1 August 2012 the Laws, which previously governed the Union were replaced by the new Memorandum and Articles of Association. During the course of the year, Union Council approved a set of Rules which replaced the old Standing Orders.

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 Rules. All of the Sabbatical and Student Trustees are elected by a ballot of all full members of the Union; in 2013 over 6,000 students voted. All of these trustees operate a 12 month term of office from 1 July 2013 to 30 June 2014, unless re-elected.

The Union is grateful for the contributions of our external trustees, who are appointed by Union Council. In particular we mark our thanks to Michael Snell, who resigned his post on 30 June 2013 after 4 years on the Board. The Trustees will be recruiting a fourth external trustee soon, and recommending the appointment to Union Council.

c) Policies adopted for the induction and training of Trustees

All Trustees receive appropriate induction and on-going 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" and includes a day of team-building and focussing on the Union's strategy. We also provide one to one support to officers alongside access to a wealth of guidance documents and historic information.

d) Organisational structure and decision making

The General Meeting is the governing body of the Union and subject to the Rules of the Union has the power to make policy in the name of the Union. Union Council and referendum, subject also to the Rules, also have the power to make policy in the name of the Union. For the first time this year, we also held an Open Union Council which allowed any member to get involved in deciding policy, as outlined in the Articles of Association.

Union Council has recently restructured the way student led activities are governed and organised. During the year they removed all 13 Standing Committees and replaced them with eight Zones. Covering broad areas, they will provide a forum for students with similar interests to work together and organise activities and campaigns. The Zones are: Democracy, Sustainability, Student Communities, Creative Industries, Education, External Engagement, Sport and Student Life.

The Trustee Board is responsible for overseeing the management and administration of the Union. They have ultimate responsibility for the governance, budget and employment issues of the Union, and the strategic direction of the Union, much of which is delegated to officers and staff. The Trustee Board also delegates relevant decisions to sub committees - Finance, Commercial Services and Staffing.

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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 constitutions of both organisations. In July 2013 the Union President and Vice Chancellor re-signed a Relationship Agreement which outlines how important the on-going relationship is.

The Union receives a block grant whose calculation changed last year to a per capita figure for full time equivalent student numbers and other funding on a project-by-project basis. 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, mitigate against and monitor the major risks to which the Union is exposed, in particular those related to the operations, finances and reputation of the Union, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

g) Provision of Information to Auditor

So far as each of the directors is aware at the time the report is approved:-

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

Objectives and Activities

a) Policies and objectives

The principal object governing the Union are enshrined in the Article of Association, which state the Union's objects are the advancement of education of students at the University of Southampton for the public benefit by:

1. promoting the interests and welfare of members at the University of Southampton during their course of study and representing, supporting and advising members;
2. being the recognised representative channel between members and the University and any other external bodies;
3. providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its members;
4. promoting and facilitating students' involvement in their wider community; and
5. raising funds for other charitable organisations.

The Objects are to be carried out in complete independence of all religious and political groups and in such a manner as not to discriminate unreasonably between members.

b). Strategies for achieving objectives

SUSU has continued to deliver against the Union Plan to 2015 during the course of 2012-13. This ambitious strategy is based on enhancing our impact on students' lives and seeks to deliver our mission of unlocking the potential and enriching the life of every student. This approach is increasingly important to ensure readiness for the challenges ahead. Continuing 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.

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The Union Plan is backed up by individual plans for each Sabbatical Officer (approved by Union Council), Departmental Plans for every staff team and specific strategies developed by the senior leaders and approved by the Trustee Board for key areas of impact. In addition the Trustees have recently approved the Union's first year Operating Plan, which identifies key priorities for the organisation for the year ahead.

c) Activities for achieving objectives

In order to achieve the Union's objects, the Trustee Board focuses on three key themes of **Voice**, **Support** and **Communities** in addition to delivering an effective organisation to underpin our work.

Voice

a) Change – We will always speak on behalf of students

We've championed a range of initiatives and campaigns this year to help our students have their say on the things that are important to them.

This was the year that we asked our members if they wanted to become re-affiliated to the NUS. In December 2012 the referendum saw hundreds of students hitting the campaign trail a record of 4,891 students expressing their views through voting. The answer was an overwhelming no.

In order to continue the excellent work in representing students to the university about their academic life, we have been measuring the experience of our Course Representatives. The results showed a big increase in satisfaction over the past year: 92% of representatives would recommend the role to another person, and 82% felt that the university made changes as a result of their actions.

Our work with the University Communications Team on how they gather student information and communicate the actions taken by the University has resulted in a full review of their Business Planning and Annual Reporting – with a much clearer structure of how Faculties talk about and explain the steps they've taken to improve the student experience.

b) Represent – We will reflect our diverse membership

We continue to develop our services to appeal to all of our membership. Investment in our own facilities saw a major boost in the form of a massive refurbishment of the Bridge; designed as a café bar targeted at post-graduate and mature students, this outlet has proved to be a very popular food and events destination for many different students. We were also delighted to see the opening of a new prayer facility on the Highfield campus for Islamic Students. This came after almost a decade of lobbying and stalled projects, and provides facilities of a high quality and the capacity needed. In April we welcomed a Pearls Bubble Tea concession to the Union, these popular drinks, originating in Taiwan have been a real hit with many of our International Students.

At the Annual General Meeting in May, students decided to ensure our key decision making body, Union Council, was more reflective of our membership, by taking steps to ensure the gender make-up of council is more balanced.

This year SUSU has provided a strong and active voice on behalf of students to make sure the University continue to provide the best possible experience. Our various relationships with the university have ensured the investment of over £700,000 by the university in new social facilities for the students at Winchester School of Art, opening in September 2013.

c) Value – We will secure excellent value for students throughout their university experience

Union Council has asked officers to lobby the university against the increase of International fees between their years of study. This has been picked up as a priority campaign by the new President, and we are optimistic that our international students will be given more certainty over their fees.

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Work has progressed on developing our own Lettings Agency, as the Trustees approved the business plan. In order to protect students from poor housing and landlords, we will be opening the agency in January 2014.

We have continued to work with local and national businesses giving them opportunities to introduce their products to our members; these have often included excellent deals for them.

In March the first Southampton Swap Shop saw over 214kg of unwanted clothes swapped - a total of 537 items of clothing passing to new owners, free.

d) Communicate – We will be transparent

SUSU continues to put a high importance on engaging our members in decision making. We run online elections for all major office bearers, with the largest number of elections all run together in the spring term where we elected all our Sabbatical Officers, Student leaders, Trustees and Union Councillors at the same time. In total over 65,000 votes were cast in SUSU elections over the course of the year.

A constant debate for our elections is the relative merit of turnout versus informed voting. This year we introduced e-choice; 1,100 voters took the chance to see whose policies matched their own views. In addition 300 students used a new web tool developed by student volunteers to find out which of the positions have most influence on their lives.

Engagement in Union Council has improved, with higher attendance than in previous years. We were also delighted to offer live, online, proxy voting for our Annual General Meeting and the first ever Open Union Council meeting. In total 199 students signed up online which ensured the meetings were quorate. SUSUtv broadcast the meetings live, so students could sit anywhere in the world, watch the debate and vote alongside those in the room.

We have significantly increased our connections with our members through our online media. Our enhanced coverage of Freshers' 2013 has seen a 6.6% increase in our Facebook likes in one month, whilst likes overall have increased by 138% to 16,460 since March 2012. Our best channel for reach is Facebook, where status updates are seen by an average 9,000 likers. Our total reach on this platform has increased by 206% over the academic year 2012-13. We receive the most engagement on Facebook with photos posted with on average 8200 clicks and 37 likes compared with 143 clicks and 12 likes for status updates. Our website has also seen a significant increase in activity, with an 18% increase in page views in September 2013, (a total of 41,963 views) compared with 35,408 for the same period in 2012.

e) Reward – We will praise involvement and recognise individuals and groups

Our annual Excellence in Volunteering Awards celebrated the achievements of our top 40 volunteers who were selected from over 430 nominations of their peers, sharing their inspirational achievements amongst the Union community.

This year we introduced the first Excellence in Teaching Awards: 663 nominations were received from student choosing their best lecturers.

The Athletic Union Awards was another successful event, where 163 students were awarded colours in addition to 11 special awards.

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Support

f) Student engagement – We will develop our students' commitment to and involvement in our activities

Alongside the creation of Zones we have undertaken a significant review of the support we give to our Student Groups. We have clarified the offer, introducing a range of packages tailored to provide the help that our different student groups want. In doing so we have confirmed what they can expect from SUSU and what SUSU will give to them. In addition we have created "How To" guides on the website, which help student group leaders run their clubs and societies. This new approach was launched in the summer term and has so far been very well received. Our goal is to improve the way we support our groups, so they in turn can deliver an even better experience for all our members.

For the first time this year, we have also created online records of membership. These have given students the ability to join affiliated groups online and created a place for SUSU to manage its engagement with these groups and students. We now have over 280 affiliated groups with 11,782 students taking up 23,022 memberships.

We know that reducing the cost of participation will increase the number of students who can get involved. The Trustees are delighted that expenditure across all Standing Committees rose by 47%, with a real focus on increased funds for Societies (up 123% to £77,856).

SUSU boasts one of the largest and most successful Athletic Unions in the country with some 80 clubs and over 4,300 members. Over 30 clubs participate nationally through BUCs with our other clubs taking part in a wide variety of local, regional and national competitions. Some of our successes this year include Archery winning the 2012 Back2Back national tournament, beating a member of the GB Olympic team in the final. American Football made it to the national finals, with one of our players going to play for Great Britain against Sweden in the precursor game for the World Championships. Women's Basketball team won team of the year. Sailing Club won the student yachting nationals and are heading off to the World Championships in France in October 2013 to represent GB university yachting.

The students of Southampton have shown how passionate they are about charity by raising £91,527 (2012: £65,000). The innovative Big Give, which urged every member of the Union to give just £1, replaced the previous RAG week and raised as much money in one day as the whole week last year.

g) Student talent – We will offer support which allows our students to develop to their full potential

In order to make all of our opportunities to run SUSU activities clearer, we have developed volunteer opportunity profiles for almost 50 of our student volunteer roles. These give students a better understanding of what each role entails and the skills they can develop while in the role. From these profiles, we have identified the top 30 skills that our students need and can develop as SUSU volunteers, enabling us to tailor our training resources to better unlock their potential. We have invested in developing bespoke training programmes for these skills which will roll out to our officers and volunteers in October 2013. Through our current training programme we have trained over 500 students on 17 courses, with excellent satisfaction levels throughout the year.

During the year we employed and trained 220 student staff members, offering employment and pay to support their studies.

Our student groups continue to achieve recognition for their activities.

Our student television station, SUSUtv, were placed as the 3rd best student television station in the UK at the National Student Television Association (NaSTA) Awards. They also hosted the NaSTA Peoples' Choice Awards this year, winning all 4 categories in which they were nominated. Wessex

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Scene also won a Student Publication Award, and entered the top three of the 'Ones to Watch' Student Publication of the year. Surge Radio have set a Guinness World Record in one of their shows. Amongst our performing Arts groups we have again seen national and local success. At various national student dance competitions our Dance Societies continued to impress with over 10 first places and a number of other great successes. Our Bhangra dancers also took first place in a local Portsmouth Charity talent Competition Showstoppers won 2 awards in the Daily Echo's Curtain Call Awards for Best Supporting Actress in a Musical and Best Musical Director both for Spring Awakening.

h) Student Life – We will take action which makes students' lives better

SUSU organises welfare events and initiatives throughout the year to ensure students get the most out of their time at university by staying safe, managing their money and settling in.

We ran a high profile campaign early in the year to help students challenge bad house. "*Don't settle...*" brought a range of real life examples of housing problems to students and encouraged them to know their rights. This was followed up with a comprehensive survey "*Vent about your rent*" which highlighted a high dissatisfaction with many local lettings agencies and also identified that 85% of first years had already signed contracts for new houses, despite only moving to the city 5 months earlier.

We continued to run our popular Safety Bus including the new service from local nightclubs in Portswood. This continues to be an important service for students uneasy about walking home alone after dark.

Our Advice Centre continues to be used as the first port of call for students needing independent help and guidance with 1,285 students receiving one to one advice sessions with our advisers.

Community:

i) Our Culture – We will develop a defining culture for the benefit of all students

SUSU has continued to work in close collaboration with the University to deliver a student centred approach. The Relationship Agreement signed annually by both the Union President and the Vice Chancellor was given a higher profile at the first networking event, where we invited university colleagues to meet and develop partnerships with the newly elected officers.

The roles of Sabbatical Officers were changed during the year to reflect the work of the new Zones. This allowed us to give yet more focus on our work engaging various student communities and supporting student led activities and groups.

There is a powerful culture of students setting up and running the activities they love. We always enjoy the impressive achievements of our students. In an earlier section we have reported on the awards won by various groups. The Trustees are proud of all the activities which students set up and lead, including competitions, tours, campaigns and trips around the globe from Windsurfing in Morocco to Freshers in Amsterdam.

j) Spaces & Places – We will create modern, accessible and inspirational facilities for our students and their groups

We continue to routinely re-invest in our facilities to keep them fresh and relevant. In the summer of 2012 we substantially refurbished the Bridge, improved our storage, up-graded the Stag's. We also continue to work closely with the university to replace the roof in building 40, develop the Prayer Space and continue with toilet refurbishments. In 2013, we created a new Photographic Studio and developed a student focused hub to support our student groups' leaders. We have also worked closely with the university to begin planning significant developments to the social facilities on campus and to create new space at Winchester. All of these are essential works to keep our facilities up to date.

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FOR THE YEAR ENDED 31 JULY 2013

k) External Interaction – We will create strategies to positively engage with and impact on our local neighbourhoods and nationally

We have made great strides in developing our relationships with potential external partners. We have developed a partnership agreement with the Recovery College and Winchester Students' Union and started working with Solent Students' Union. We have created partnerships with Southampton and Winchester Local Authorities and colleagues from the creative industries sector across the region. The impact for our membership from these new partnerships will be evident as we move through the year ahead. We continue to work closely with Residents' Associations

During the year we reviewed the Community Volunteering scheme in partnership with the University. We have identified streamlined approach to placing students in existing community projects and focussed our attention on developing and supporting student-led schemes.

Financial review

a. 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 Committee. During the year, funds were made available to 8 (2012: 8) projects and 264 (2012: 264) student groups. During the year we also gave a grant of £1,900 (2012: £2,100) to the Turner Sims concert hall in return for the use of the facilities

b. 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 £420,000. The appropriate measure of free reserves is therefore unrestricted funds, less those designated for specific purposes, less fixed assets attributable to unrestricted funds. Currently this amount is £276,827.

c. Principal funding

The University of Southampton provides SUSU with a block grant each year. For the year 2012-13 this amounted to £2,328,930 (2011/2012: £2,407,000). The decrease is due to changes in the way recharges are handled between the two organisations. The University made further grants to the Union for the Junior Common Rooms and pre-sessional students. These amounted in total to £87,616 (2012: £134,916). Other income received by the Union included £4,037,627 (2012: £4,268,740) from the social enterprise initiatives, including the services provided to students from the union shop, bars, events and catering services.

d. 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

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trust deed. No money will be deposited outside of the UK. The Head of Finance produces a schedule of deposits as a standing item at each Finance Sub Committee.

e. Overall performance

SUSU's gross income from all sources totalled £7,321,269 (2012: £7,261,291) against total expenditure of £7,034,121 (2012: £7,121,380). We operate a broadly balanced budget to provide a wide range of student benefits and created a surplus of £287,148 (2012:£139,911). The SUSU reserves increased from £1,093,987 to £1,381,135

Revenue remained virtually unchanged from the previous year and much of the increase in the surplus was as a result of reducing costs. Staff restructuring continued at a cost of £31,435 (2012: £86,325) as further progress was made in aligning the Union's structure to that of the Union Plan to 2015.

Restricted revenues decreased as a result of the reduced University funding on-going refurbishments. The Trustees were pleased with the financial performance for the year 2012-13.

Plans for the future

a. Voice

The Students' Union is the recognised voice of the student body. Transparency and accessibility are key to the success of this theme. Alongside this is the need for us to know our members better than anyone else does. Finally as we enter the final stages of the *Union Plan to 2015* we are looking to create new projects which will fundamentally transform the way we act on our students needs and concerns with external parties.

Things to do in 2013-14:

- Establish SUSU's Lettings Agency as a credible and respected alternative for students and landlords
- Run high-level, high-impact campaigns to improve students' lives:
 - Improve charging and funding arrangements for international, postgraduate and undergraduate students.
 - Determine a "Southampton Student" Living Wage and campaign to increase the number of employers recruiting students at that rate.
- Develop a system for collating issues affecting students

b. Support

One of the key roles for any Union is to support its members. In well-established student populations support comes in the form of providing individual advice, developing our student talent and nurturing our student groups. Provision of a range of opportunities helps support students outside of their academic studies; indeed these play a significant part in developing our students' employability. Activities where students can spend their downtime between lectures and work also offer an important counter balance to the stresses of university life.

In our less well developed places, perhaps with small numbers of students, support focuses more fundamentally around our advice, information, and representation services. These can be delivered remotely and with site visits. We also need to make sure our activities are scalable to support these often remote and isolated students.

Things to do in 2013-14:

- Effective implementation & progression of the Students groups project
 - Clarify and effectively deliver the offer
 - Develop and deliver a safe and sustainable peer support framework.
 - Set up Southampton BEES and improve the business ethics of the city.
 - Roll out training programmes for staff and volunteers
-

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c. Communities

Becoming part of a new community is a really important aspect of every student's journey through their time at University. Either as part of a club/society, on their course or through their accommodation students will find themselves as part of a whole number of different communities. The job of the Students' Union is to help support these groups to form and offer spaces to meet, places to carry out activities and locations where they can feel comfortable and at home.

At the larger sites it is important to provide a whole range of opportunities for student communities. These spaces must be large enough to allow for the growth of our student groups and should be diverse enough to cover a range of student interest.

The space must also allow us to deliver a range events and social spaces that will appeal to a wide variety of students. These spaces give opportunities for students to socialise and spend their down time in the evenings and between lectures.

Things to do in 2013-14:

- Ensure our Spaces are fit for purpose
 - Master Plan – secure the project
 - Deliver the new facilities at Winchester
- Greater reach and depth in engaging our members
- Establish meaningful relationships with external partners
- Create an open and accessible sense of pride in Sport

d. Organisation

The largest element of the first Union Plan has been to ensure SUSU as an organisation is fit to deliver the core objectives of the students' union. Whilst a good deal of progress has been made in the first few years of the plan, there are still significant aspirations in this area of the plan, whether it is in improving our transparency and decision making, developing our staff talent or improving our structures, systems and processes. Our goal is to reduce the importance of developing this work in the next SUSU Plan.

Things to do in 2013-14:

- Embed the Zones in everything we do
- Develop better understanding of our students
 - Membership Database
 - Research
- Enhance SUSU's visibility
 - Develop the website to include: a content management system, Membership Database, and structure reflecting the Zones.
 - Communications – embed an effective approach
- Develop an approach to deliver Excellent Customer Service
- Increase revenue through external space and function hire
- Improve staff perceptions of SUSU as evidenced by SUSU Staff Survey
- Ensure Financial stability through developing a long term strategy
- We will pursue external recognition/accreditation to validate our excellent work

e. Charitable status

The Union successfully registered as a charity in August 2012. With effect from 1 August 2012, all activities including transferring the employment of staff and other contracts were moved to the new company limited by guarantee.

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FOR THE YEAR ENDED 31 JULY 2013

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. We ran our second staff survey in December 2012. The Union offers exit interviews for all core 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 staff.

Conclusion

SUSU is a strong, member led organisation, where students continually develop our activity. As we work through our ambitious plans, we are delighted with the impacts we are having on students' lives. But we are not complacent, and see our strength in continuing to support our members to achieve their goals through SUSU. We are optimistic about our future and delighted to submit these accounts.

This report was approved by the Trustees on 19 November 2013 and signed on their behalf, by:

David Gilani
Chair of Trustee Board 2013-14

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2013

The Trustees (who are also directors of University of Southampton Students' Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 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.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

AS AT 31 JULY 2013

We have audited the financial statements of University of Southampton Students' Union for the year ended 31 July 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 23.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members 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, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

AS AT 31 JULY 2013

Matters on which we are required to report by exception

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

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

Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Reading

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2013

	Note	Restricted funds 2013 £	Unrestricted funds 2013 £	Total funds 2013 £	Unincorporated Total funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Grant from University of Southampton	2	87,616	2,660,930	2,748,546	2,541,916
Investment income		-	7,153	7,153	4,325
Incoming resources from charitable activities	3	<u>180,884</u>	<u>4,384,686</u>	<u>4,565,570</u>	<u>4,715,050</u>
Total incoming resources		<u>268,500</u>	<u>7,052,769</u>	<u>7,321,269</u>	<u>7,261,291</u>
RESOURCES EXPENDED					
Costs of generating funds					
Costs generating voluntary income		-	22,508	22,508	22,766
Charitable activities		201,513	6,715,372	6,916,885	7,011,935
Governance costs	6	<u>-</u>	<u>94,728</u>	<u>94,728</u>	<u>86,679</u>
Total resources expended	4	<u>201,513</u>	<u>6,832,608</u>	<u>7,034,121</u>	<u>7,121,380</u>
Net incoming/(outgoing) resources before transfers		66,987	220,161	287,148	139,911
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	7	66,987	220,161	287,148	139,911
Total funds at 1 August 2012		<u>367,607</u>	<u>726,380</u>	<u>1,093,987</u>	<u>954,076</u>
Total funds at 31 July 2013		<u>434,594</u>	<u>946,541</u>	<u>1,381,135</u>	<u>1,093,987</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 17 to 28 form part of these financial statement

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION
(COMPANY NUMBER: 08034371)

BALANCE SHEET

AS AT 31 JULY 2013

	Note	31 July 2013		31 July 2012	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		1,001,079		755,039
CURRENT ASSETS					
Stocks	12	159,401		155,789	
Debtors	13	234,109		258,539	
Cash at bank and in hand		658,176		382,858	
		<u>1,051,686</u>		<u>797,186</u>	
CREDITORS: Amounts falling due within one year	14	<u>(671,630)</u>		<u>(458,238)</u>	
NET CURRENT ASSETS			<u>380,056</u>		<u>338,948</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,381,135</u>		<u>1,093,987</u>
UNION FUNDS					
Restricted funds	15		434,594		367,607
Unrestricted fund	15		946,541		726,380
Total funds			<u>1,381,135</u>		<u>1,093,987</u>

These financial statements were approved and authorised for issue by the Trustees and were signed on their behalf on

.....
David Gilani
 President

The notes on pages 17 to 28 form part of these financial statement

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

CASH FLOW STATEMENT

AS AT 31 JULY 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	16	724,900	191,398
Returns on investments and servicing of finance	17	6,342	4,215
Capital expenditure and financial investment	17	(455,924)	(312,675)
Disposal of investment		<u>-</u>	<u>100</u>
Increase/(decrease) in cash in the year		<u>275,318</u>	<u>(116,962)</u>

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

		2013 £	2012 £
Increase/(decrease) in cash in the year		<u>275,318</u>	<u>(116,962)</u>
Movement in net debt in the year		275,318	(116,962)
Net funds at 1 August 2012		<u>382,858</u>	<u>499,820</u>
Net funds at 31 July 2013	19	<u>658,176</u>	<u>382,858</u>

The notes on pages 17 to 28 form part of these financial statement

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

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.

1.2 Going concern

The Trustees consider that there is reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 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 funds is set out in the notes to the financial statements.

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

1.4 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.

1.5 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.

The value of free serviced campus accommodation is apportioned on estimated floor space occupied.

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 2013

1. ACCOUNTING POLICIES (continued)

1.6 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 basis:

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.

1.7 Investments

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

1.8 Operating leases

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

1.9 Stocks

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

1.10 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 employees. 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.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

2. VOLUNTARY INCOME

	Restricted Funds 2013 £	Unrestricted Funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Block Grant from University of Southampton	-	2,328,930	2,328,930	2,407,000
Grant in kind from University of Southampton	-	332,000	332,000	-
Other grants from University of Southampton	<u>87,616</u>	<u>-</u>	<u>87,616</u>	<u>134,916</u>
	<u>87,616</u>	<u>2,660,930</u>	<u>2,748,546</u>	<u>2,541,916</u>

The University provides rent free accommodation to the Union, under the Charities SORP the 'donations in kind' must be valued and included within the accounts. The value to the Union is considered to be £332,000 and is included as 'Grant in kind from University of Southampton' above.

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds 2013 £	Unrestricted Funds 2013 £	Total funds 2013 £	<i>Total funds 2012 £</i>
Central	138,954	46,464	185,418	277,105
Social Enterprises	-	4,037,627	4,037,627	4,268,740
Community & Media	41,930	1,513	43,443	85,369
Members Contributions	<u>-</u>	<u>299,082</u>	<u>299,082</u>	<u>83,836</u>
	<u>180,884</u>	<u>4,384,686</u>	<u>4,565,570</u>	<u>4,715,050</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

4. RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total 2013 £	Total 2012 £
Costs of generating funds:					
Costs of generating voluntary income	20,161	-	2,347	22,508	22,766
Total	20,161	-	2,347	22,508	22,766
Charitable activities:					
Central	249,029	87,380	677,768	1,014,177	1,033,039
Social Enterprise	1,429,639	93,996	2,834,126	4,357,761	4,493,138
Community & Media	73,721	15,014	221,916	310,651	342,247
Representative & Welfare	291,784	-	39,348	331,132	286,860
Student Activities	129,547	6,257	360,842	496,646	480,176
Communications	313,673	1,864	90,981	406,518	376,475
Total	2,487,393	204,511	4,224,981	6,916,885	7,011,935
Governance	47,042	-	47,686	94,728	86,679
Total resources expended	2,554,596	204,511	4,275,015	7,034,121	7,121,380

5. SUPPORT COSTS INCLUDED IN NOTE 4

	Staff Costs £	Other Costs £	Total £	Total £
Costs of generating funds				
Costs of generating voluntary income	20,161	2,347	22,508	22,766
Total	20,161	2,347	22,508	22,766
Charitable activities				
Central	85,683	9,973	95,656	90,580
Social enterprise	325,596	37,896	363,492	355,869
Community and media	22,848	2,659	25,507	25,882
Representative and welfare	57,123	6,649	63,772	64,705
Student activities	28,560	3,323	31,883	19,412
Communications	51,411	5,985	57,396	58,234
Total	571,221	66,485	637,706	614,682
Governance	47,042	5,474	52,516	53,118
Total support costs	638,424	74,306	712,730	690,566

Support costs have been apportioned by employee numbers.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

6. GOVERNANCE COSTS

	2013 £	2012 £
Auditors' remuneration	11,379	10,500
Auditors' non audit costs	7,098	-
Training and other costs	30,735	23,061
Support costs – Governance	5,474	6,633
Support costs – Wages and salaries	<u>47,042</u>	<u>46,485</u>
	<u>94,728</u>	<u>86,679</u>

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the Union	<u>204,511</u>	<u>170,943</u>
Auditors remuneration	<u>11,379</u>	<u>10,500</u>

8. STAFF COSTS

Staff costs were as follows:-

	2013 £	2012 £
Wages and salaries	2,228,400	2,147,621
Social security costs	103,352	102,685
Other pension costs	<u>222,844</u>	<u>212,106</u>
	<u>2,554,596</u>	<u>2,462,412</u>

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

	2013 No	2012 No
Core staff	102	98
Support	<u>213</u>	<u>220</u>
	<u>315</u>	<u>318</u>

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 2013 the Union had 213 employees (2012: 220 employees).

	2013 No	2012 No
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	<u>1</u>	<u>-</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

9. TRUSTEES' REMUNERATION

The sabbatical trustee remuneration is summarised as follows:-

Number of Trustees	Period of Office	Individual remuneration £	Total remuneration £
1	01-Aug-2012 – 31-Jul-2013	19,653	19,653
3	01-Aug-2012 – 30-Jun-2013	18,491	55,473
2	01-Aug-2012 – 30-Jun-2013	17,972	35,944
5	01-Jul-2013 - 31-Jul-13	2,010	<u>10,050</u>
			<u>121,120</u>

Total Trustee remuneration for the year ended 31 July 2012 was £122,538.

No student trustee or external trustee received any remuneration.

During the year retirement benefits were accruing to 3 Trustees (*2012: 1*) in respect of a defined benefit pension scheme.

During the year 14 Trustees received reimbursement of travel expenses amounting to £2,844 in the current year, (*2012 – 14 Trustees - £3,333*).

During the year, no Trustees received any benefits in kind (*2012: Nil*).

10. 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 2013

11. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Equipment £	Motor Vehicles £	Assets in the course of construction £	Total £
Cost					
At 1 August 2012	1,626,917	697,678	35,000	66,067	2,425,662
Reclassify	66,067	-	-	(66,067)	-
Additions	253,137	191,666	-	11,121	455,924
Disposals	<u>(24,681)</u>	<u>(1,303)</u>	-	-	<u>(25,984)</u>
At 31 July 2013	<u>1,921,440</u>	<u>888,041</u>	<u>35,000</u>	<u>11,121</u>	<u>2,855,602</u>
Depreciation					
At 1 August 2012	1,124,926	510,697	35,000	-	1,670,623
Reclassify	-	-	-	-	-
Charge for the year	111,254	93,257	-	-	204,511
On disposals	<u>(19,308)</u>	<u>(1,303)</u>	-	-	<u>(20,611)</u>
At 31 July 2013	<u>1,216,872</u>	<u>602,651</u>	<u>35,000</u>	-	<u>1,854,523</u>
Net book value					
At 31 July 2013	<u>704,568</u>	<u>285,390</u>	<u>-</u>	<u>11,121</u>	<u>1,001,079</u>
At 31 July 2012	<u>501,991</u>	<u>186,981</u>	-	<u>66,067</u>	<u>755,039</u>

12. STOCKS

	2013 £	2012 £
Finished goods and goods for resale	<u>159,401</u>	<u>155,789</u>

13. DEBTORS

	2013 £	2012 £
Trade debtors	51,829	53,030
Clubs and societies	29,166	25,468
Amounts due from University of Southampton	34,043	29,241
Other debtors	30,377	70,686
Prepayments and accrued income	<u>88,694</u>	<u>80,114</u>
	<u>234,109</u>	<u>258,539</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

14. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	126,527	126,640
Social security and other taxes	23,497	26,112
Amount due to University of Southampton	374,753	167,716
Other creditors	137,049	122,022
Accruals and deferred income	<u>9,804</u>	<u>15,748</u>
	<u><u>671,630</u></u>	<u><u>458,238</u></u>

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Unrestricted funds					
Designated funds	-	-	-	32,000	32,000
General funds	<u>726,380</u>	<u>7,052,769</u>	<u>(6,832,608)</u>	<u>(32,000)</u>	<u>914,541</u>
Total Unrestricted funds	<u>726,380</u>	<u>7,052,769</u>	<u>(6,832,608)</u>	<u>-</u>	<u>946,541</u>
Restricted funds					
JCR Fund	91,889	129,546	(126,155)	-	95,280
Rag	-	38,954	(31,005)	-	7,949
Capital fund	<u>275,718</u>	<u>100,000</u>	<u>(44,353)</u>	<u>-</u>	<u>331,365</u>
	<u>367,607</u>	<u>268,500</u>	<u>(201,513)</u>	<u>-</u>	<u>434,594</u>
Total funds	<u>1,093,987</u>	<u>7,321,269</u>	<u>(7,034,121)</u>	<u>-</u>	<u>1,381,135</u>

Fund descriptions

Designated funds

The Trustees approved the creation of a designated fund of £32,000 to be used in connection with the start-up costs of a Lettings Agency.

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, where third parties have created assets for the Students' Union the value of those assets are recorded as a grant fund.

A capital grant of £100,000 (2011: £68,248) was provided in 2013 to fund the refurbishment of The Bridge Bar. Depreciation is charged against this fund over the useful economic life of the assets.

During the year the Union donated £29,594 on behalf of Rag to charity.

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2013 £	Unrestricted Funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	331,365	669,714	1,001,079	755,039
Current assets	103,229	948,457	1,051,686	797,186
Creditors due within one year	-	(671,630)	(671,630)	(458,238)
	<u>434,594</u>	<u>946,541</u>	<u>1,381,135</u>	<u>1,093,987</u>

17. NET CASH FLOW FROM OPERATIONS

	2013 £	2012 £
Net incoming resources	287,148	139,911
Returns on investments and servicing of finance	(6,342)	(4,215)
Loss on disposal of tangible fixed assets	5,373	2,053
Depreciation of tangible fixed assets	204,511	170,943
Increase in stocks	(3,612)	(31,233)
Decrease/(increase) in debtors	24,430	(6,693)
Increase/(decrease) in creditors	213,392	(79,368)
Net cash inflow from operations	<u>724,900</u>	<u>191,398</u>

18. ANALYSIS OF CASH FLOWS

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	<u>6,342</u>	<u>4,215</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(455,924)</u>	<u>(312,675)</u>
Net cash outflow capital expenditure	<u>(455,924)</u>	<u>(312,675)</u>

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 August 2012 £	Cash flow £	Other non- cash changes £	31 July 2013 £
Cash at bank and in hand	<u>382,858</u>	<u>275,318</u>	<u>-</u>	<u>658,176</u>
Net funds	<u>382,858</u>	<u>275,318</u>	<u>-</u>	<u>658,176</u>

20. CAPITAL COMMITMENTS

At 31 July 2013 there were capital commitments of £130,971 (2012: £371,187) contracted for but not yet provided.

21. PENSION COMMITMENTS

USS

The Union is a participating employer of the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension Scheme (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus/deficit for the year in the income and expenditure account being equal to the contributions payable to the scheme in the year.

The latest actuarial valuation of the USS was carried out as at 31 March 2011 to meet the requirements of the Pensions Act 2004, and was published in June 2012. This valuation showed the scheme assets as being sufficient to cover 92% of its liabilities with an overall shortfall of £2,910.2m.

In May 2011 a number of changes to the benefits provided by the Scheme were agreed and came into force on 1 October 2011. These included a change in benefits for new entrants after this date to be provided on a Career Revalued Benefits ("CRB") basis rather than a Final Salary ("FS") basis, an increase in the Normal Retirement Age for future service and new entrants to age 65 and increases to the member contribution rates to 7.5% for FS members and to 6.5% for CRB members.

The actuary established a long term employer contribution rate, after allowing for the scheme changes, of 12.6% of total pensionable salaries for the year to 31 March 2012 with this rate reducing over time. The Trustee has also determined a recovery plan to pay off the shortfall by 31 March 2021 and the USS has agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries until 31st March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer element of the future service cost of accruals.

During the year 9 employees were members in the scheme employed by the Union. The total pension cost due for the Union was £46,919 (2012: £49,784).

UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION

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FOR THE YEAR ENDED 31 JULY 2013

21. PENSION COMMITMENTS (continued)

PASNAS

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.

During the year 64 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 or 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 contributions due by the Union for the year, based on independent actuarial recommendation. Contributions are at a rate of 17.25% for the employer.

The total pension cost due for the Union was £175,925 (2012: £162,322).

There were outstanding contributions of £22,269 (2012: £18,796) at the year end included in other creditors.

22. OPERATING LEASE COMMITMENTS

At 31 July 2013 the Union had annual commitments under non- cancellable operating leases as follows:-

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	31,866	18,666
After more than 5 years	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>

The land and buildings leases all relate to the rental of buildings from the University of Southampton.

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FOR THE YEAR ENDED 31 JULY 2013

23 AFFILIATIONS AND DONATIONS

	2013 £	2012 £
Body to which the affiliation or donation is made:-		
advice ^{UK}	654	764
NUS Connect (AMSU)	800	800
British Universities & College Sports	13,711	15,299
Citizen Advice	663	689
Disability Alliance Membership	-	360
HOST UK	720	488
National Student Television Association	63	61
National Association of Student Money advisers	200	175
National Council For Voluntary Organisations	1,852	687
National Nightline	59	59
Good Food Guide	17	-
Student Radio Association	75	-
British Film Foundation	65	-
Volunteer England Membership	-	192
The British Federation Of Film Societies	-	85
	<u>18,879</u>	<u>19,659</u>