

University of Southampton Students' Union

A company limited by guarantee

Trustees' report and financial statements

31 July 2017

Company registration number 08034371

Charity registration number 1148683

University of Southampton Students' Union Index to the Financial Statements

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University of Southampton Students' Union

Reference and Administration Information

Trustees and advisers

Sabbatical Trustees

Flora Noble (President) (Appointed 1 July 2016)

Sam Dedman (Appointed 1 July 2017)

Sam Higman (Appointed 1 July 2017)

Stephen Gore (Appointed 1 July 2017)

Evie Reilly (Appointed 1 July 2017)

Arun Aggarval (Appointed 1 July 2017)

Dan Varley (Appointed 1 July 2016, term concluded 30 June 2017)

Alex Hovden (President) (Appointed 1 July 2016, term concluded 30 June 2017)

David Allwright (Appointed 1 July 2016, term concluded 30 June 2017)

Elliot Grater (Appointed 1 July 2016, term concluded 30 June 2017)

Cameron Meldrum (Appointed 1 July 2016, term concluded 30 June 2017)

Student Trustees

Rebecca James (appointed 1 July 2016)

Hadeeka Taj (appointed 1 July 2016)

Liibaan Mohamed (appointed 1 July 2016)

Katie Duke (appointed 1 July 2017)

Tom Brown (appointed 1 July 2017)

Ellis Murrell (appointed 1 July 2017)

Mark Cole (appointed 1 July 2016, term concluded 30 June 2017)

Frazer Delves (appointed 1 July 2016, term concluded 30 June 2017)

Eleanor Davis (appointed 1 July 2016, term concluded 30 June 2017)

External Trustees

Mark Beattie

Nigel Coopey

Ann-Marie Drummond (appointed 19 October 2015, term concluded 30 May 2017)

Registered Office

University of Southampton Students' Union

Southampton

Hampshire

SO17 1BJ

Senior Leadership and Key Management Personnel

Scott McCarthy - Chief Executive and Company Secretary

Anthony Addison - Director of Union Services

Nickola Moore - Director of Engagement

Paul Davie - Deputy Director of Operations

Auditors

Crowe Clark Whitehill LLP

Aquis House

49-51 Blagrove Street

Reading

RG1 1PL

Bankers

Lloyds Group Plc

1st Floor 3 Town Quay

Southampton

SO14 2AQ

University of Southampton Students' Union
Trustees' Report
For the Year Ended 31 July 2017

The board of trustees, who are also Directors of the Union, present their annual report for the year ended 31 July 2017 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for that year. The format and content of the report and financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice: 'Accounting and Reporting by Charities' SORP (FRS 102).

DIRECTORS' REPORT

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". The Union is incorporated as a company limited by guarantee and registered as a charity. The Laws, which previously governed the Union, were replaced by the Memorandum and Articles of Association. Union Senate approves from time to time 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. All of these trustees operate a 12 month term of office from 1 July to the following 30 June, unless re-elected.

The Union is grateful for the contributions of our external trustees, who are appointed by Union Senate.

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 "Good Governance", "The Responsibilities and Duties of a Trustee", "Developing your Skills", "Finance for Trustees", "Diversity" and "The work of the Trustee Board" 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 Senate and referendum also have the power to make policy in the name of the Union subject to the Rules.

Eight Zones covering broad areas 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 a subcommittee that covers in more detail between full Trustee Board meetings the areas of Finance, Staffing, Union Services, Communications, Marketing and Technology.

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e) Key management personnel remuneration policy

The Union follow the University of Southampton pay scale in relation to key management pay rates. Additionally the Trustee Board benchmarks our salaries against other comparable Students' Unions to ensure it remains comparable and competitive. We have a clearly defined Staff Rewards Policy, approved by Trustees, for bonuses and enhanced pay for individuals in addition to our Performance Management Policy.

f) Relationship with the non-charitable subsidiary

The charity has a wholly owned non-charitable subsidiary, SUSU Social Enterprises Limited, which was incorporated to carry out the non-member trading of the Union. Further details are shown on the balance sheet and accompanying notes to the accounts. Net profits from this company are donated to the charity under Gift Aid, to leave no taxable profits in the trading company.

g) 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 2016 the Union President and Vice Chancellor resigned a Relationship Agreement which outlines the importance of the relationship.

The Union receives both a block grant based on the full time equivalent number of students registered at the University 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. There has been a mutually agreed change in the provision of space in the future. The Union will be provided with space on a no cost basis and block grant will be reduced accordingly starting next year, but that does not have any material financial impact.

STRATEGIC REPORT

Objectives and Activities

a) Policies and objectives

As stated in the Articles of Association, the Union's objectives 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 relevant 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 so as not to discriminate unreasonably between members.

The Trustees confirm that they have complied with the duty in Section 17 (5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

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b). Strategies for achieving objectives

The Union has continued to deliver against the Vision 2020 Plan in 2016-17. 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 their readiness for the challenges after they have left University.

The Union Plan is backed up by individual plans for each Sabbatical Officer (approved by Union Senate), 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 approve the Union's Yearly Operating Plan, which identifies key priorities for the organisation for the year ahead.

c) Activities for achieving objectives

We provide offers, services, and representation for our members across five main areas:

- 1) Opportunities (Clubs, Societies, Sports, Arts, Funding, Social)
- 2) Events (Entertainment, Participation, Social, Sustainability)
- 3) Support (Advice, Welfare, Safety, Training)
- 4) Places (Entertainment, Consumer, Social, Meeting)
- 5) Representation (Education, Internal, External, Support)

Our strategic intent is to deliver high quality services targeted at the full membership to establish meaningful engagement with each member. We will utilise insight based decision making and focus the vast majority of our resources outward.

Financial review

a. Grant making policies

The Union gives grants to many of its affiliated clubs and societies to help them to pursue their goals. Funding is awarded against key criteria by the relevant Committee.

b. Reserves policy

The reserves policy of the University of Southampton Students' Union is to maintain a level of unrestricted cash funds excluding those committed to or invested in tangible assets, which will enable the Union to maintain the day to day operations of the Union for a period of three months and have the ability to adjust, in a measured way, to any significant changes in resources. This target equates to approximately £600,000 of operating costs, the Union currently has no free reserves as defined by the Charities Commission. The Union target is to achieve this level of reserve funds over the life of Vision 2020.

c. Principal funding

The University of Southampton provides the Union with an unrestricted block grant each year. For the year 2016-17 this amounted to £2,637,908 (2016: £2,607,646 – includes restricted). The University made restricted grants to the Union for the Halls Committees (formerly known as Junior Common Room) of £100,000 (2016: £127,896) and contributions towards the cost of fixed asset purchases of £nil (2016: £nil).

d. Material investments policy

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

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

Any requests for an overdraft or long term loan facility from banks must be approved by the Trustee Board. There will be no investments in shares, gilts or bonds which are openly traded on the stock markets. Shares, gilts or bonds may be held in companies with a direct connection to the aims of the Charity subject to confirmation of the ability of the invested entity to provide returns on the Union's investments. No money will be deposited outside of the UK. The amounts of deposits are included within the Union's management accounts.

e. Overall performance

The Union's gross income from all sources totalled £7,633,919 (2016: £7,764,297) against total expenditure of £7,529,076 (2016: £7,759,514). We operate a broadly balanced budget to provide a wide range of student benefits and as a result created an overall surplus of £104,843 in 2017 (2016: surplus £4,783). The total of all Union reserves increased from £707,666 to £812,509.

Revenues decreased from the previous year by 1.7% (2016: increased by 3%).

The Trustees have agreed that the financial performance for the year 2016-17 was adequate.

PLANS FOR THE FUTURE

The Union has set an ambitious target to be ranked as one of the top five unions in the UK by the year 2020. We will do this by making significant change and improvements as follows;

1. Improving the effectiveness and capacity of the organisation to deliver member services.
2. Shifting our focus outward to reach a significantly higher percentage of our members in a more meaningful engagement pathway.
3. Focusing on personal interactions to create more supporters and advocates.

Specific plans/projects include:

Organisation

1. We are completing a governance review of our structure processes and procedures to ensure we have complete confidence in all systems.
2. We are working closely with the University to create the Union of the future from a facilities standpoint. This will yield a complete refurbishment of B42 in the next number of years.
3. We are continuing to strengthen our financial model (by lowering staff and other support costs) with a view to strengthening our ability to spend more funding directly on students.
4. We are reviewing and automating all systems to increase productivity through innovation.
5. We are working to eliminate the broken windows (mistakes) in our everyday activities.
6. We are launching a formal customer service training programme for all staff.
7. We have a fast developing insight programme to allow us to make better informed decisions in the future.
8. We initiated discussions with the University about upgrading the sports programme in a jointly funded strategy.

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9. We have greatly enhanced our operations at the WSA and continue to build our presence and support there day by day.
10. We are developing clear engagement pathways to ensure our actions and successes are aligned.
11. We are working to perfect the relaunched Hall Committees and expect the new structure to yield a closer engagement with first years to start them on the path.

Annual Review 2016-17

This year was successful but challenging in some respects as we continued to streamline our staff structure to ensure our financial model is strong and outward facing for the future. We had two targeted redundancy processes and we now have a core staff total of 82, down from a high of 113 just two years ago. We had a solid year and we are clearly facing a rapidly changing demand from our membership as evidenced by ticket buying patterns and other. In spite of this we delivered an excellent platform of offers and services throughout the year and some of the highlights are noted below.

Engagement

Advice Centre

- Investigated online lettings agency targeting Chinese students with UoS International Office and Visa team involved initially. We met with Trading Standards and notified other Advice Centres potentially affected.
- Worked with FBLA to produce online interactive guides to Academic Integrity which will be available to all students.
- Worked with University's Student Success project to deliver Mature Students Welcome events. Also delivered Mature Students Finance Drop In.
- Acted as official contact for Careleavers to ensure they were all aware of support available. This resulted in an increased use of the Advice Centre among these students.
- Delivered training to Solent Sabbaticals to help them support students with academic appeals (while recruitment underway for new academic caseworker).
- Delivered housing talks to students in Halls.
- Organised and delivered National Student Money Week with University's FIA team, including a presence at all sites.
- 1866 students used the Advice Centre in 2016-17. There was a large increase in financial cases (from 321 in 2015-16 to 506 in 2016-17). Academic appeals were up from 286 to 328.
- Satisfaction survey results show the following:
 - 95% satisfied/very satisfied
 - 97% easy/very easy to understand the information given by the Advice Centre
 - 94% would recommend our service to a friend

Look After Your Mate

- This is a 2 hour training session delivered by staff to deliver the skills to support friends. We ran 6 advertised sessions in addition to a session for the Sabbatical Officers, one for Halls Committee Officers and one for Course Reps.
- We have worked with L&D to adapt the original Student Minds training (changes their trustees have now approved) and are now cited by Student Minds as the national leaders in this important work.

Peer Support

- Organised peer support presence at University Mental Health Day
- Drop in sessions run in Halls (Chamberlain, City Gateway, Highfield and Connaught)
- Although the scheme has been very enthusiastically supported and promoted by the Peer Supporters and professional support services, the take up this year has only been around 34 students and so in 2017/18 we will be focusing on Look After Your Mate.

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Education/Academic Representation

- 2 year Academic Rep Review started; led by VP Education, working group includes Union and University staff. Prompted in part by the change to Q26 in the NSS (from a general question about satisfaction with the Students' Union to a specific question regarding satisfaction with the Union's academic representation), the review is intended to raise awareness of the fact that the academic reps are part of the Union and also to highlight their successes.
- Over 100 course reps trained, including at WSA.
- Course Rep Day held at Highfield, Avenue, WSA and NOC for course reps to collect their T-shirts and talk to reps and other students about academic representation – over 200 T-shirts collected in person.
- Training session for all staff regarding academic representation produced and uploaded to LMS.
- Held Joint Honours Forum for students to raise questions with University staff, academics and VP Education.
- Academic Awards were attended by over 70 academic staff and the Union's academic reps. Evening was very well received, with one recipient commenting that it was better than receiving an award from the Vice Chancellor!

YAMT (You Are More Than...)

- Developed PGR work, including distributing potted plants to students at NOC, Avenue, SGH and Highfield. Plant pots had a label with Advice Centre contact details. Over 100 plants given out.
- Other events included Meet the Farm Animals (attended by 2445 students), Yoga at SGH and Meet The Guide Dogs at WSA.

Democracy

- Co-ordinated ASV including brand question. 4831 students voted from all campuses including USMC.
- Autumn elections had 235 nominations.
- 75 You Make Change questions received Aug-Oct 2016.
- 53 officers elected in Halls Committee elections.
- Supported the new Union Senate which is gaining strength.
- Spring elections – 7 Sabbatical Officers, 18 Student Leaders and 2 Student Trustees elected

External Engagement

- Southampton RAG set a new fundraising total record for this academic year - £219,299.14 – this was broken down into 3 areas – RAG Events for Core Charities: £15,594.73 RAG Events for Other Charities - £125,915.34 & Student Fundraising: £77,789.07
- Southampton RAG successfully hosted the National RAG Conference and RAG awards here at SUSU in August – feedback is still being collated, but initial indications are that delegate satisfaction was positive.
- Enterprise Fund – One of the winners in December 2016, FuseMind were initially awarded a total of £500 from the enterprise fund and a further £250 match-funded by Union President, Alex Hovden. They continued their progression throughout the year and were then offered £30,000 by Apple Europe Director Chris Broad at the Southampton University Dragons Den competition in May

Creative Industries

- The Edge hit 10,000 articles in February 2017
- SUSUtv win 4 NaSTA People's Choice awards and highly commended/runner up in 2. There were only 8 awards up for grabs. <https://blogs.susu.org/blog/2017/05/22/susutv-win-at-the-nasta-peoples-choice-awards-2017/>
- Two successful Creative Industries Careers Seasons (November 2016 and March 2017) with a total of 14 sessions between Highfield and WSA specialising in different career paths within Creative Industries.
- Surge Radio broadcasted live from Abbey Road Studios in April 2017 after discovering a former Abbey Road tape recorder and returning it to the studio. <https://www.wessexscene.co.uk/news/2017/04/06/legendary-abbey-road-studios-tape-machine-found-at-surge-radio/>

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- Biggest ever University of Southampton Student Film Festival in The Cube. Sold out. Collaboratively by The Edge Magazine and Wessex Films
- 16-17 was the biggest year of ticket sales ever for Performing Arts
- Successful Pure Dance event at Southampton Guildhall: an event competition of all PA Dance societies in Southampton's biggest venue

Student Communities

- Welfare Packs – 5900 packs distributed to first year students in Halls and Private Rented Accommodation. The packs contained items which were aimed at supporting students with deadlines and exams. 94% of those surveyed advised that the packs were 'Very useful – somewhat useful'
- **Red Wednesday (Fire Jump)** – The annual Iranian new year celebration attracted over 200 people from students to the wider Iranian community. This year, SUSU's Red Wednesday was the only event of its kind on the south coast of England and attracted people from Portsmouth and Bournemouth.
- **Culture Festival 2017** – A week of cultural events and activities that consisted of Holi Festival, Global Village, Football Tournament, International food tasting activities at Avenue, NOC and WSA, Film Screenings and WOW Festival. Organised in conjunction with Student Groups, the weeklong festival engaged with over 1000 students both at Highfield and across sites.
- **Pre-sessional 2017** – Programme has consisted of trips, sporting activities and advice sessions. This year has seen the inclusion of using WeChat to communicate directly with students. We currently have approx. 1500 pre-sessional students engaging directly with the Students' Union and pre-sessional helpers. Current survey results suggest that:
 - 99% of pre-sessional students want to continue to engage with the Union following the completion of the pre-sessional programme
 - 95% of students have stated that the activities organised by the Union has made them feel a part of the Students' Union
 - 77% of students have stated that the Students' Union activities had helped them make friends
- **Selected Halls Events**
 - Chamberlain Halls Sexual Health Campaign resulted in 600 students receiving condoms and sexual health information (plus signposting to appropriate services)
 - Chamberlain Halls Pan Cake Evening – over 1000 pancakes made. The Halls committee also ran a social media competition to find the best pancake
 - Karaoke @ Monte – Organised by the Monte Committee and was held in the boiler house. Over 60 residents attended
 - Chamberlain Fun Day – Organised by the Chamberlain Committee. The fun day consisted of inflatables, outdoor games and a BBQ. The event was held as a celebration event for those who had completed the first year of University.

Student Life Zone

- Ran a successful "Vent About Your Rent" campaign, with over 350 students giving their feedback.
- Supported popular Freshers' events including "Humans v Zombies" and "Big Night In".
- The "You Are More Than" campaign both supported students during stressful periods and engaged with members at different sites.
- Continued to work on business as usual projects such as mental health and sexual consent.

Sustainability:

- Ran the "Shift Your Stuff" project and collected tonnes of items for charity.
- Successfully ran Change Your World week, raising the awareness of sustainability.
- Ran projects such as Swap Shop, Waste Wars, International Women's Week and LGBT History Month.

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Sports Development

- Convincingly won an exciting varsities competition with Portsmouth!
- Continued to organise high quality events such as the taster weekend and the AU Ball.
- Started the process for a review of sports opportunities for students with disabilities.
- Continued to support and build the Team Southampton brand.
- Worked closely with the University to create a higher level sports experience board to focus on the longer term and moving sport up the agenda at this University.

Operations

Marketing & Communications

- Finalising the brand review - successfully launched the new logo
- Review of the Communications channels with new content plan
- Website review: new design and site map plan developed
- Great progress with streaming videos - partnership with Robin Creative Media working well
- Freshers' Programme Coordination
- Supported other departments with their projects, including increase in votes in elections and first grad ball at the Union

Insight

- From February to July, we undertook the most extensive piece of qualitative research the Union has ever done which will directly inform our election processes and wider engagement strategy.
- In January, we consulted the students on whether they wanted a break during the winter term. We received over 1100 responses on the issue and we also received over 16,000 words of individual student comments on wider issues around the exam period, including stress, anxiety and health issues.
- We undertook a significant consultation with our students on their experiences in their accommodation over the year. We received responses from over 2300 students and had over 33,000 words of individual student comments providing us with actionable insight to support students next year.
- We changed the methodology for the staff survey and gained clear insight into how to improve staff satisfaction. This was turned into a clear action plan which is being worked on with the HR Manager.
- Developed a positive working relationship with Enabling Services to support students. For example, for the first time, the Union will be having a designated "quieter period" for students registered with Enabling Services to access our Bunfight and Freshers' Fayre without the previous intensity of large crowds.
- Worked with the HR Manager to update the Union's exit process for staff. This will now make the process more effective for staff and the Union, whilst also capturing more measurable and meaningful data.

Finance

- Implemented pension auto-enrolment successfully
- Successfully delivered the end of year financial audit
- Finance team managed to deliver full service throughout the year whilst only having a manager for half of that time
- Overall non-student debtors have been greatly reduced, and student group debt has more than halved in the year
- Continued to roll out money management system with student activities to clubs/societies

Technology

- Successfully delivered the Grad Ball at the Union for the first time, completely transforming the venue
- Started initial work on website review and redevelopment
- Launched new "academic rep finder" on the website
- Number of behind the scenes changes to elections functionality to smooth the nomination process
- Updated You Make Change with comments and voting functionality

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For the Year Ended 31 July 2017**

- Revamped the box office with new responsive layouts
- Continued development of the Groups Hub

HR

- Transactional HR support provided by Personnel Administrator during this period until April 2017 with recruitment of HR Manager
- Planning and preparation for re-assessment in the Investors in People quality standard
- Harmonisation of contractual terms within the Union
- Supporting the organisation with managing change; including a reorganisation of catering services and the wider organisation

Learning & Development

- Implementation of the LMS as a central system for staff and volunteer learning materials repository
- Design of the Coaching model and implementation of Coaching as part of performance management
- Delivery of 10-week blended A to B Project Management Programme to 15 members of staff across the Union
- Design and Delivery of Train the Trainer sessions to Full-Time Officers and 10 members of staff involved in training delivery to support staff and volunteers
- Planning and scheduling, and delivery of numerous sessions of A to Lead programme for Full-Time Officers
- Collaboration on Look After Your Mate campaign with the Advice Centre that was delivered to over 100 students (volunteers and wider student body)
- Planning and delivery of the Academic Integrity campaign for International students (2 events reaching over 200 students)
- Arrangement and delivery of LinkedIn Labs (and Lynda Labs in collaboration with iSolutions) reaching over 200 students

Union Services

Retail

- Total transactions throughout Retail amounted to over 1,607,231 throughout the year.
- 192,397 items of hot food were sold during the past year alone.
- 170,352 sandwiches, wraps and filled roll products were sold in the last year.
- Top sellers were Pain Au Choc (26,563), Sausage Roll (24,653), Costa (36,053), Princess Gate water all sizes (42,858), Wraps/Kobez (29,853), T-shirts (15,394) and Hoodies (1,549).

Catering

- We sold over 51,000 breakfasts in the Café during the past year.
- We produced over 103,169 items for sale in our production kitchen last year.

Bars

- The Bridge bar sold 30,008 hot drinks over the course of the year.
- The Bridge has served 37,812 individual meals over the year.
- The Stags sold a total of 100,704 pints of Stella 4% - that's over 1144 kegs!
- On Karaoke nights alone we sold over 81,047 items and took over £200,000.
- In our bars (combined) we had over 533,674 transactions throughout the year.

Facilities & Lettings

- We have had 18,622 room bookings averaging out at over 50 a day.
- Our Lettings Agency successfully housed over 224 students over the course of the year.
- We successfully completed over 70 projects during the summer to keep our buildings and venues first class for our members enjoyment.

Entertainments

- We sold over 42,692 tickets through box office.
- We facilitated over 706 events through our events team.

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Business Development

- We raised over £55,000 through sponsorship deals for the Union throughout 2016/17 with another £126,000 in media sales.

Principal risks and uncertainties and risk management

The two most significant risk areas for the Union would be diminished relevance to our membership and the potential for a reduction in our financial resources in the future. We are a defined membership organisation. This can lead to an ethos of complacency when it comes to delivering our mission – which is to unlock the potential and enrich the life of every student. We must continue to gain a better understanding of our entire membership and make brave decisions for the greater good. To avoid making these hard decisions can lead to a loss of relevance and this is the biggest risk to the Union – irrelevance.

On the financial front, we have two main sources of income. We receive a large support grant from the University each year based on student numbers and we operate a wide range of activities (shop, bars, events, restaurants, etc.) which generate an operating surplus each year. Our financial model is healthy but as a non-profit charity we must utilise the vast majority of our income each year for a direct spend on the membership. That said, we must build our free cash reserves to provide a cushion and also to allow us to respond to opportunities for the benefit of the membership. We are conservative financial planners and have greatly reduced core staff costs to allow for us to build our free cash reserves to the £600,000 level during the Vision 2020 plan. This is prudent and will allow us to handle any potential financial obstacles that may arise, even though anything significant is unlikely to happen on this front due to our core funding model.

The Trustees regularly assess, mitigate 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.

Charitable status

The Union is registered as a charity and as a company limited by guarantee.

Employee involvement

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings regular electronic updates from the senior leaders and have been kept informed on specific matters directly by management. We run a staff survey in December each year. 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 a long established fair employment practices in the recruitment, selection, retention and training of staff and we hold the Investors In People Silver award.

Conclusion

The Union is a strong, member led organisation, where students continually develop our activity. As we work through our ambitious plans, we are satisfied with the impact we are having on our students' lives. We are not complacent, and see our strength in continuing to support our members to achieve their goals. We are one year in to our five year Vision 2020 Plan which sets out ambitious plans and targets for the future.

**University of Southampton Students' Union
Trustees' Report
For the Year Ended 31 July 2017**

Trustees' statement

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

- there is no relevant audit information of which the company's auditors are unaware; and
- each trustee has taken all steps that they ought to have taken as trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

Crowe Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a motion proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

The Trustees Report, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 14 November 2017 including approving, in their capacity as company directors, the Strategic Report contained therein and is signed as authorised on its behalf by:



Flora Noble
Chair of Trustee Board 2017-18

University of Southampton Students' Union
Statement of Trustees' Responsibilities
For the Year Ended 31 July 2017

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).

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.

Independent Auditor's Report to the Members of University of Southampton Students' Union

Opinion

We have audited the financial statements of University on Students' Union for the year ended 31 July 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 and of 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.

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.

Basis for opinion

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

Independent Auditor's Report to the Members of University of Southampton Students' Union (continued)

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- 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; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Independent Auditor's Report to the Members of University of Southampton Students' Union (continued)

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

- adequate accounting records have not been kept; or
- 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; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page ...], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Reading

14 November 2017

University of Southampton Students' Union
Consolidated Statement of Financial Activities
(including Income & Expenditure Account)
for the Year Ended 31 July 2017

	Notes	Unrestricted Income £	Restricted Income £	Total 2017 £	Total 2016 £
Income and endowments from:					
Donations:					
- University Grants		2,637,908	217,196	2,855,104	2,800,513
- Grant in kind from University		322,000	-	322,000	322,000
- External Grants		-	-	-	17,421
Other Trading Activities:					
- Rental income		13,918	-	13,918	11,240
- Sponsorship and marketing income		181,132	-	181,132	162,969
Investment income		2,164	-	2,164	2,326
Charitable activities for students:					
- Bars		839,150	-	839,150	921,880
- Catering		724,365	-	724,365	733,458
- Events		404,784	-	404,784	407,812
- Shops		2,025,769	-	2,025,769	2,047,014
- Lettings		39,737	-	39,737	41,407
- Student Activities		145,603	-	145,603	192,887
- Student Services		45,611	-	45,611	52,036
Other income		<u>34,582</u>	-	<u>34,582</u>	<u>51,334</u>
Total income		<u>7,416,723</u>	<u>217,196</u>	<u>7,633,919</u>	<u>7,764,297</u>
Expenditure on					
Charitable Activities for students:					
- Bars		939,528	-	939,528	896,046
- Catering		1,290,518	-	1,290,518	1,254,756
- Events		441,032	-	441,032	370,199
- Shops		2,065,902	-	2,065,902	2,113,089
- Lettings		80,362	-	80,362	84,180
- Student Activities		924,574	236,348	1,160,922	1,369,683
- Student Representation		1,371,859	-	1,371,859	1,515,427
- Student Services		<u>120,920</u>	<u>58,033</u>	<u>178,953</u>	<u>156,134</u>
Total expenditure	2-5	<u>7,234,695</u>	<u>294,381</u>	<u>7,529,076</u>	<u>7,759,514</u>
Net income/(expenditure) before transfers		182,028	(77,185)	104,843	4,783
Transfers between funds		<u>21,503</u>	<u>(21,503)</u>	-	-
Net movement in funds		203,531	(98,688)	104,843	4,783
Fund balances brought forward		<u>366,897</u>	<u>340,769</u>	<u>707,666</u>	<u>702,883</u>
Fund balances carried forward	16	<u>570,428</u>	<u>242,081</u>	<u>812,509</u>	<u>707,666</u>

All activities relate to continuing operations

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

The notes on pages 21 to 35 form part of these financial statements

University of Southampton Students' Union
Consolidated Balance Sheet
31 July 2017

	Notes	Total 2017 £	Total 2016 £
Fixed assets			
Tangible assets	10	<u>920,244</u>	<u>1,082,882</u>
Current assets			
Stocks	12	118,561	120,156
Debtors	13	190,638	374,588
Cash at bank and in hand		<u>819,351</u>	<u>389,624</u>
		1,128,550	884,368
Creditors: Amounts falling due within one year	14	<u>(685,293)</u>	<u>(650,821)</u>
Net current assets		<u>443,257</u>	<u>233,547</u>
Total assets less current liabilities		<u>1,363,501</u>	<u>1,316,429</u>
Creditors: Amounts falling due in more than one year	15	<u>(550,992)</u>	<u>(608,763)</u>
Total net assets		<u>812,509</u>	<u>707,666</u>
Charitable Funds			
Restricted funds	16	242,081	340,769
Unrestricted funds			
General funds	16	<u>570,428</u>	<u>366,897</u>
Total funds		<u>812,509</u>	<u>707,666</u>

The surplus for the year in relation to the Union only was £106,695 (2016: £4,785).

These financial statements were approved and authorised for issue by the Trustees and were signed on their behalf on 14/11/17



Flora Noble
Chair of Trustee Board 2017-18

The notes on pages 21 to 35 form part of these financial statements.

University of Southampton Students' Union
 Union Balance Sheet
 31 July 2017
 (company number: 08034371)

	Notes	Total 2017 £	Total 2016 £
Fixed assets			
Tangible assets	10	920,244	1,081,549
Investments	11	<u>100</u>	<u>100</u>
		<u>920,344</u>	<u>1,081,649</u>
Current assets			
Stocks	12	118,561	120,157
Debtors	13	349,918	426,485
Cash at bank and in hand		<u>623,026</u>	<u>327,380</u>
		1,091,505	874,022
Creditors: Amounts falling due within one year	14	<u>(648,370)</u>	<u>(641,116)</u>
Net current assets		<u>443,135</u>	<u>232,906</u>
Total assets less current liabilities		<u>1,363,479</u>	<u>1,314,555</u>
Creditors: Amounts falling due in more than one year	15	<u>(550,992)</u>	<u>(608,763)</u>
Total net assets		<u>812,487</u>	<u>705,792</u>
Charitable Funds			
Restricted funds		242,081	340,769
Unrestricted funds			
General funds		<u>570,406</u>	<u>365,023</u>
Total funds		<u>812,487</u>	<u>705,792</u>

These financial statements were approved and authorised for issue by the Trustees and were signed on their behalf on 14/11/17



Flora Noble
 Chair of Trustee Board 2017-18

The notes on pages 21 to 35 form part of these financial statements.

University of Southampton Students' Union
Consolidated Cash Flow Statement
for the year ended 31 July 2017

	Notes	Total 2017 £	Total 2016 £
Cash flows from operating activities			
Net movement in funds		104,843	4,783
Depreciation		232,242	222,599
Loss/(profit) on disposal of fixed assets		2,252	3,528
Interest received		(2,164)	(2,326)
Decrease/(increase) in stock		1,595	(374)
Decrease/(increase) in debtors		183,950	12,964
Increase/(decrease)/ in creditors		34,472	(340,272)
(Decrease) in pension liability		<u>(57,771)</u>	<u>(52,666)</u>
Net cash provided/(used in) by operating activities		<u>499,419</u>	<u>(151,764)</u>
Cash flows from investing activities			
Interest receivable		2,164	2,326
Purchase of tangible fixed assets		(73,011)	(266,755)
Proceeds from sale of fixed assets		<u>1,155</u>	<u>1,200</u>
Net cash (used in)/provided by investing activities		<u>(69,692)</u>	<u>(263,229)</u>
Change in cash and cash equivalents in the year		429,727	(414,993)
Cash and cash equivalents at the beginning of the year		<u>389,624</u>	<u>804,617</u>
Total cash and cash equivalents at the end of the year		<u>£ 819,351</u>	<u>£ 389,624</u>
		2017	2016
		£	£
Cash at bank and in hand		<u>£ 819,351</u>	<u>£ 389,624</u>

The notes on pages 21 to 35 form part of these financial statements.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

1. CHARITY INFORMATION

The principal activities is campaigning, representation, provision of social activities and, the organisation of sporting and recreational activities and opportunities. University of Southampton Students' Union is an incorporated charity. (Charity registration no. 1148685, Company number: 08034371) domiciled in the UK. The registered office University of Southampton Students' Union, Southampton, Hampshire, SO17 1BJ.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

University of Southampton Students' Union meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

2.2 Basis of consolidation

The consolidated accounts include the trading activities, assets and liabilities of the group subsidiary company in accordance with the Charity SORP. Intra-group transactions and balances have been eliminated on consolidation.

As permitted by section 408 of the Companies Act 2006 and in accordance Charities SORP 2015, no separate Statement of Financial Activities has been presented.

2.3 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.

2.4 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.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

2 ACCOUNTING POLICIES (continued)

2.5 Income

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.

2.6 Expenditure

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 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 that have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

2.7 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, on a straight line basis over their expected useful lives at the following rates:

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.

Annually the trustees review the value of the assets recorded by the Union. They are satisfied that no assets require provision for impairment.

2.8 Investments

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

2.9 Operating leases

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

2.10 Stocks

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

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

2 ACCOUNTING POLICIES (continued)

2.11 Pensions

The Union operates two defined benefits pension schemes, Universities Superannuation Scheme (USS) and the Pension and Assurance Scheme for Non-Academic Staff (PASNAS). 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 FRS 102, the Union accounts for these schemes as if they were defined contribution schemes. However the Union also makes deficit contribution payments to PASNAS, as a participating employer, in accordance with FRS 102 these payments have been measured at fair value and included as a liability on the balance sheet.

The amount charged to the Statement of Financial Activities represents contributions payable to the schemes in respect of the accounting period.

2.12 Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 21 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to trade debtors, amount owed by group undertakings, other debtors and cash equivalents, and financial liabilities referring to all creditor balances excluding deferred income and payments on account.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

4. Resources expended

	Staff	Depreciation	Other costs	Total	Total 2016
	£	£	£	£	£
Bars	337,061	43,582	558,885	939,528	896,046
Catering	583,475	48,671	658,372	1,290,518	1,254,756
Events	89,765	3,528	347,739	441,032	370,199
Shops	470,334	26,162	1,569,406	2,065,902	2,113,089
Lettings	48,188	1,804	30,370	80,362	84,180
Student activities	302,937	76,253	781,732	1,160,922	1,369,683
Student representation	873,198	31,523	467,138	1,371,859	1,515,427
Student services	<u>37,799</u>	<u>719</u>	<u>140,435</u>	<u>178,953</u>	<u>156,134</u>
Total costs	<u>2,742,757</u>	<u>232,242</u>	<u>4,554,077</u>	<u>7,529,076</u>	<u>7,759,514</u>

5. Support costs included in Note 4

	Staff	Premises	Other costs	Marketing	Total	Total 2016
	£	£	£	£	£	£
Bars	44,750	29,853	21,694	2,459	98,756	109,902
Catering	197,644	131,852	95,814	10,863	436,173	450,966
Events	29,833	19,902	14,463	1,639	65,837	36,634
Shops	159,160	106,178	77,158	8,747	351,243	379,529
Lettings	14,917	9,951	7,231	820	32,919	36,634
Student activities	114,708	76,524	55,608	6,305	253,145	375,500
Student representation	294,602	196,534	142,817	16,192	650,145	774,568
Student services	<u>6,720</u>	<u>4,483</u>	<u>3,258</u>	<u>369</u>	<u>14,830</u>	<u>16,449</u>
Total costs	<u>862,334</u>	<u>575,277</u>	<u>418,043</u>	<u>47,394</u>	<u>1,903,048</u>	<u>2,180,182</u>

Premises costs include £322,000 (2016: £322,000) notional rent 'grant in kind' charged by the University.

Included within support costs are governance costs of £35,424 (2016: £27,859).

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

6. Net movement in funds

	2017	2016
	£	£
Depreciation of owned tangible fixed assets	232,242	222,599
Loss on disposal of fixed assets	2,252	3,528
Audit of financial statements - parent company	13,720	13,820
- subsidiary company	1,315	1,275
Other remuneration to auditors- tax compliance	900	850
- other services	<u>8,315</u>	<u>-</u>

7. Staff costs

	2017	2016
	£	£
Wages and salaries	2,342,065	2,528,716
Social security costs	149,419	136,559
Employer's pension contributions (note 18)	220,775	210,837
Staff restructuring costs	<u>30,498</u>	<u>-</u>
Total costs	<u>2,742,757</u>	<u>2,876,112</u>

The average number of employees during the year was:

	2017	2016
	No	No
Core staff	98	103
Support staff	<u>208</u>	<u>221</u>
	<u>306</u>	<u>324</u>

The number of higher paid employees who were paid salaries in excess of £60,000 were:

	2017	2016
	No	No
In the bands:		
£60,001 - £70,000	1	1
£70,001 - £80,000	<u>1</u>	<u>1</u>

The employees are in the University's pension scheme at a cost of £25,241 (2016: £24,617).

The staff restructuring costs of £30,498 are non-statutory /non-contractual payments.

The aggregate employee benefits of key management personnel was £232,235 (2016: £288,352).

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

8. Trustees' remuneration and expenses

In addition to their role as a trustee of the Union, the sabbatical trustees perform a full-time role for a year to be the voice of the students. They listen to how students want things to be done, work with the Union staff, the volunteers, community groups and the Board of Trustees to put the suggestions into practice. The sabbatical trustees are appointed on the 1st of July and serve until the following 30th June and thus do not serve throughout the financial year.

	Number of trustees	Individual remuneration	Total remuneration
1 August 2016 – 30 June 2017	1	15,964	15,964
1 August 2016 – 30 June 2017	2	17,705	35,410
1 August 2016 – 30 June 2017	1	18,510	18,510
1 August 2016 – 30 June 2017	1	18,736	18,736
1 August 2016 – 31 July 2017	2	19,361	38,722
1 June 2017 – 31 July 2017	1	2,510	2,510
1 July 2017 – 31 July 2017	4	2,114	8,456
			<u>138,308</u>

The total trustee remuneration for the year ended 31 July 2016 was £153,999.

During the year retirement benefits were accruing to six trustees (2016: seven) in respect of a defined benefit pension scheme. No trustee received any benefits in kind during the year (2016: none).

During the year six trustees received reimbursement of travel expenses totalling £1,703 (2016: 2 trustees, £754).

9. Corporation and capital gain tax

The trustees consider that the Union satisfies the conditions of section 478 and 479 Corporation Tax Act 2010 and accordingly no liability arises to UK corporation tax on its activities.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

10. Tangible fixed assets - group

	Leasehold Improvements	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2016	2,401,297	1,126,633	-	3,527,930
Additions	69,076	-	3,935	73,011
Disposals	<u>(5,464)</u>	<u>(2,500)</u>	<u>-</u>	<u>(7,964)</u>
At 31 July 2017	<u>2,464,909</u>	<u>1,124,133</u>	<u>3,935</u>	<u>3,592,977</u>
Depreciation				
At 1 August 2016	1,616,117	828,931	-	2,445,048
Charge for the year	131,556	99,965	721	232,242
On disposals	<u>(3,182)</u>	<u>(1,375)</u>	<u>-</u>	<u>(4,557)</u>
At 31 July 2017	<u>1,744,491</u>	<u>927,521</u>	<u>721</u>	<u>2,672,733</u>
Net book value				
At 31 July 2017	<u>720,418</u>	<u>196,612</u>	<u>3,214</u>	<u>920,244</u>
At 31 July 2016	<u>785,180</u>	<u>297,702</u>	<u>-</u>	<u>1,082,882</u>

Tangible fixed assets - Union

	Leasehold Improvements	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2016	2,401,297	1,124,133	-	3,525,430
Additions	69,076	-	3,935	73,011
Disposals	<u>(5,464)</u>	<u>-</u>	<u>-</u>	<u>(5,464)</u>
At 31 July 2017	<u>2,464,909</u>	<u>1,124,133</u>	<u>3,935</u>	<u>3,592,977</u>
Depreciation				
At 1 August 2016	1,616,117	827,764	-	2,443,881
Charge for the year	131,556	99,757	721	232,034
On disposals	<u>(3,182)</u>	<u>-</u>	<u>-</u>	<u>(3,182)</u>
At 31 July 2017	<u>1,744,491</u>	<u>927,521</u>	<u>721</u>	<u>2,672,733</u>
Net book value				
At 31 July 2017	<u>720,418</u>	<u>196,612</u>	<u>3,214</u>	<u>920,244</u>
At 31 July 2016	<u>785,180</u>	<u>296,369</u>	<u>-</u>	<u>1,081,549</u>

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

11. Investments – Union only

The investment shown in the Union balance sheet relates to the wholly owned subsidiary company, SUSU Social Enterprises Limited (company number: 08837159), whose results are consolidated in these accounts. The subsidiary company was incorporated to carry out the non-member trading of the Union. After charging Gift Aid payment of £154,592 (2016: £117,122) to the Union it had turnover in the year of £202,492 (2016: £178,721), a loss of £1,851 (2016: profit of £nil) and net assets at the year-end of £124 (2016: net assets £1,975).

12. Stock – group and Union

	2017	2016
	£	£
Finished goods and goods for resale	118,561	120,157

13. Debtors

	Group		Union	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	23,941	27,562	18,895	6,586
Amounts owed by clubs and societies	23,339	58,727	23,339	58,727
Amounts due from University of Southampton	21,436	35,494	21,436	35,494
Amounts due from subsidiary undertaking	-	-	164,391	73,024
Other debtors	523	144,496	458	144,345
Prepayments and accrued income	121,399	108,309	121,399	108,309
	190,638	374,588	349,918	426,485

14. Creditors: Amounts falling due within one year

	Group		Union	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	99,819	137,178	96,344	137,178
Amount owed to University of Southampton	91,573	269,418	91,573	269,418
Amounts owed to clubs and societies	-	987	-	987
Social security and other taxes	43,477	24,412	23,217	24,412
Pension contributions payable	22,225	21,728	22,225	21,728
Other creditors	59,839	46,783	46,651	37,078
Accruals and deferred income	368,360	150,315	368,360	150,315
	685,293	650,821	648,370	641,116

University of Southampton Students' Union
Notes to the Financial Statements
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15. Creditors: Amounts falling due after more than one year

	Group		Union	
	2017 £	2016 £	2017 £	2016 £
Pension scheme funding deficit (note 18)	<u>550,992</u>	<u>608,763</u>	<u>550,992</u>	<u>608,763</u>
	<u><u>550,992</u></u>	<u><u>608,763</u></u>	<u><u>550,992</u></u>	<u><u>608,763</u></u>

16. Statement of funds

Consolidated

	Brought forward £	Incoming resources £	Resources expenses £	Reallocated In year £	Carried forward £
Unrestricted funds					
General funds	<u>366,897</u>	<u>7,416,723</u>	<u>(7,234,695)</u>	<u>21,503</u>	<u>570,428</u>
Total unrestricted funds	<u><u>366,897</u></u>	<u><u>7,416,723</u></u>	<u><u>(7,234,695)</u></u>	<u><u>21,503</u></u>	<u><u>570,428</u></u>
Restricted funds					
RAG	1,107	61,472	(62,325)	-	254
Halls	113,119	100,000	(124,621)	(20,000)	68,498
Capital	220,557	2,174	(49,402)	-	173,329
Winchester Bus	<u>5,986</u>	<u>53,550</u>	<u>(58,033)</u>	<u>(1,503)</u>	<u>-</u>
Total restricted funds	<u><u>340,769</u></u>	<u><u>217,196</u></u>	<u><u>(294,381)</u></u>	<u><u>(21,503)</u></u>	<u><u>242,081</u></u>
Total funds	<u><u><u>707,666</u></u></u>	<u><u><u>7,633,919</u></u></u>	<u><u><u>(7,529,076)</u></u></u>	<u><u><u>-</u></u></u>	<u><u><u>812,509</u></u></u>

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University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

16. Statement of funds (continued)

Union

	Brought forward	Incoming resources	Resources expenses	Reallocated In year	Carried forward
	£	£	£	£	£
Unrestricted funds					
General funds	<u>365,023</u>	<u>7,368,824</u>	<u>(7,184,944)</u>	<u>21,503</u>	<u>570,406</u>
Total unrestricted funds	<u>365,023</u>	<u>7,368,824</u>	<u>(7,184,944)</u>	<u>21,503</u>	<u>570,406</u>
Restricted funds					
RAG	1,107	61,472	(62,325)	-	254
Halls	113,119	100,000	(124,621)	(20,000)	68,498
Capital	220,557	2,174	(49,402)	-	173,329
Winchester Bus	<u>5,986</u>	<u>53,550</u>	<u>(58,033)</u>	<u>(1,503)</u>	<u>-</u>
Total restricted funds	<u>340,769</u>	<u>217,196</u>	<u>(294,381)</u>	<u>(21,503)</u>	<u>242,081</u>
Total funds	<u><u>705,792</u></u>	<u><u>7,586,020</u></u>	<u><u>(7,479,325)</u></u>	<u><u>-</u></u>	<u><u>812,487</u></u>

Fund descriptions

Restricted funds

The trustees believe that grants received for specific purposes should be identified separately within the reserves.

During the year the Union collected £61,472, incurred £4,975 of costs to manage the fund and donated £57,350 to nominated external charities on behalf of RAG (Raise And Give).

The University provides specific amounts for the Junior Common room (JCR), subsequently renamed Halls Committee, to be expended on the welfare and benefit of students in halls of residence.

Where third parties have helped to create assets for the Union, the value of their contribution to these assets is recorded as a capital grant fund. Each individual such contribution is amortised over the economic life of the funded asset by allocating depreciation charges against this fund. During the year grants of £2,174 were received and depreciation of £49,402 on underlying assets was charged to this fund.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

17. Analysis of net assets between funds

2017

Consolidated	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	173,329	746,915	920,244
Net current assets	68,752	374,505	443,257
Long term liabilities	-	(550,992)	(550,992)
	<u>242,081</u>	<u>570,428</u>	<u>812,509</u>
Union	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	173,329	746,915	920,244
Investments	-	100	100
Net current assets	68,752	374,383	443,135
Long term liabilities	-	(550,992)	(550,992)
	<u>242,081</u>	<u>570,406</u>	<u>812,487</u>

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

17. Analysis of net assets between funds (continued)

2016

Consolidated	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	220,557	862,325	1,082,882
Net current assets	120,212	113,335	233,547
Long term liabilities	-	<u>(608,763)</u>	<u>(608,763)</u>
	<u>340,769</u>	<u>366,897</u>	<u>707,666</u>

Union	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	220,557	860,992	1,081,549
Investments	-	100	100
Net current assets	120,212	112,694	232,906
Long term liabilities	-	<u>(608,763)</u>	<u>(608,763)</u>
	<u>340,769</u>	<u>365,023</u>	<u>705,792</u>

18. Pension costs

The Union has two separate pension arrangements; the Universities Superannuation Scheme (USS) and the pension and assurance scheme for non-academic staff (PASNAS).

USS

The Union is a participating employer of USS, 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 was a defined contribution scheme. The cost recognised in the income and expenditure account is equal to the contributions payable to the scheme in the year.

The latest triennial actuarial valuation was at 31 March 2014, which was carried out using the projected unit method. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016. At the valuation date, the Scheme's assets were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The contributions payable into the scheme in respect of eligible employees for the year amounted to £83,546 (2016: £79,884).

University of Southampton Students' Union
Notes to the Financial Statements
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18. Pension costs

PASNAS

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

The assets of the scheme are held and managed separately from those of the Union. It is not possible to identify readily or cost effectively, its share of the overall surplus or deficit for the year or the underlying assets and liabilities of the scheme. Accordingly it accounts for contributions as if it was a defined contribution scheme. The last full valuation on 31 July 2015 indicated that the scheme's assets represented 81% of the technical provisions.

Contributions are at a rate of 17.25% for the employer.

The total pension cost due for the Union in relation to the PASNAS scheme (including the movement on the pension scheme funding deficit was £137,229 (2016: £130,953).

19. Capital commitments

	2017	2016
	£	£
At 31 July the Union had capital commitments as follows:		
Authorised and contracted	=====	=====

20 Related party transactions

University of Southampton

The Union is in receipt of grants from the University of £2,855,104 (2016: £2,800,513). Transactions throughout the year resulted in a trading balance as at 31 July 2017 of £70,137 (2016: £33,924) owed to the University.

SUSU Social Enterprises Limited

The Union had transactions with the SUSU Social Enterprises Limited a 100% owned subsidiary of £154,592 (2016: £112,887) being gift aid payable, and as at 31 July 2017 the Union had a debtor balance of £164,391 (2016: £73,024) owed by the subsidiary.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

21. Financial instruments

Group	2017	2016
	£	£
Financial assets measured at amortised cost	888,590	<i>686,454</i>
Financial liabilities measured at amortised cost	(632,581)	<i>(601,514)</i>
Financial liabilities measured at fair value	<u>(550,992)</u>	<i><u>(608,763)</u></i>
Union	2017	2016
	£	£
Financial assets measured at amortised cost	851,545	<i>723,650</i>
Financial liabilities measured at amortised cost	(603,298)	<i>(591,809)</i>
Financial liabilities measured at fair value	<u>(550,992)</u>	<i><u>(608,763)</u></i>

Financial assets measured at amortised cost comprise trade debtors, amount owed by group undertakings, other debtors and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals excluding deferred income.

Financial liabilities measured at fair value comprise the pension scheme funding deficit.

22. Operating lease commitments

At 31 July 2017 the Union had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Operating lease payments due within 1 year	47,614	<i>31,166</i>
Operating lease payments due between 2 and 5 years	<u>92,814</u>	<i><u>6,600</u></i>
	<u>140,428</u>	<i><u>37,766</u></i>

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2017

23. Comparative Statement of Financial Activities

	Notes	Unrestricted Income £	Restricted Income £	Total 2016 £
Income and endowments from:				
Donations:				
- University Grants		2,607,646	192,867	2,800,513
- Grant in kind from University		322,000	-	322,000
- External Grants		-	17,421	17,421
Other Trading Activities:				
- Rental income		11,240	-	11,240
- Sponsorship and marketing income		162,969	-	162,969
Investment income		2,326	-	2,326
Charitable activities for students:				
- Bars		921,880	-	921,880
- Catering		733,458	-	733,458
- Events		407,812	-	407,812
- Shops		2,047,014	-	2,047,014
- Lettings		41,407	-	41,407
- Student Activities		119,801	73,086	192,887
- Student Services		52,036	-	52,036
Other income		51,334	-	51,334
Total income		<u>7,480,923</u>	<u>283,374</u>	<u>7,764,297</u>
Expenditure on				
Charitable Activities for students:				
- Bars		896,046	-	896,046
- Catering		1,254,756	-	1,254,756
- Events		370,199	-	370,199
- Shops		2,113,089	-	2,113,089
- Lettings		84,180	-	84,180
- Student Activities		1,100,430	269,253	1,369,683
- Student Representation		1,515,427	-	1,515,427
- Student Services		97,149	58,985	156,134
Total expenditure		<u>7,431,276</u>	<u>328,238</u>	<u>7,759,514</u>
Net income/(expenditure) before transfers		49,647	(44,864)	4,783
Transfers between funds		<u>17,703</u>	<u>(17,703)</u>	<u>-</u>
Net movement in funds		67,350	(62,567)	4,783
Fund balances brought forward		<u>299,547</u>	<u>403,336</u>	<u>702,883</u>
Fund balances carried forward		<u>366,897</u>	<u>340,769</u>	<u>707,666</u>

All activities relate to continuing operations

The Consolidated Statement of Financial Activities contains all gains and losses recognised in the year

