

University of Southampton Students' Union

A company limited by guarantee

Trustees' report and financial statements

31 July 2019

Company registration number 08034371

Charity registration number 1148683

University of Southampton Students' Union

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University of Southampton Students' Union Reference and Administration Information

Trustees and advisers

Sabbatical Trustees

Emily Harrison (President) (Appointed 1 July 2018)

Olivia Reed (Appointed 1 July 2019)

Laura Elizabeth Barr (Appointed 1 July 2019)

Joanne Lisney (Appointed 1 July 2019)

Emily Dawes (President) (Appointed 1 July 2018, Resigned 19 November 2018)

Isabella Camilleri (Appointed 1 July 2018, term concluded 30 June 2019)

Stephen Gore (Appointed 1 July 2017, term concluded 30 June 2019)

Evie Reilly (Appointed 1 July 2017, term concluded 30 June 2019)

Fleur Elizabeth Walsh (Appointed 1 July 2018, Resigned 15 February 2019)

Student Trustees

Samir Doshi (Appointed 1 July 2018, term concluded 30 June 2019)

Oliver Jackson (Appointed 1 July 2018, term concluded 30 June 2019)

Lucy Stephenson (Appointed 1 July 2018, term concluded 30 June 2019)

Katja Stout (Appointed 1 July 2018, term concluded 30 June 2019)

Ned Williams (Appointed 1 July 2018)

Nathaniel Ogunniyi (Appointed 1 July 2019)

External Trustees

Jim Anderson (appointed 30 January 2018)

Andrew Barnes (appointed 30 January 2018)

Stuart Maister (appointed 11 September 2018)

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

Paul Davie - Director of Operations

Sonia Cottrell - Director of Advice & Representation

Chris Small - Director of Activities

Auditors

Crowe U.K. 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 2019

The board of trustees, who are also Directors of the Union, present their annual report for the year ended 31 July 2019 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

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 on a 12 month term of office from the 1st of July to the following 30th of June, unless re-elected. They may be re-elected for one additional one-year term.

The Union is grateful for the contributions of our external trustees, who are nominated by the Trustee Board and 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 students via 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 for the areas of Finance and Staffing.

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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 September 2018 the Union President and Vice Chancellor re-signed 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. This will be reflected in the audited accounts as a no cost provision.

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 2018-19. 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), Operational 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 focus areas, which identify key priorities for the organisation for the year ahead.

c) Activities for achieving objectives

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

- 1) Opportunities (Clubs, Societies, Sports, Arts, Funding, Social)
- 2) Support (Advice, Welfare, Safety, Training)
- 3) Places (Entertainment, Consumer, Social, Meeting)
- 4) Representation (Education, Voice, 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 free reserves, as defined by the Charities Commission, of £265,369. 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 2018-19 this amounted to £2,240,992 (2018: £2,397,149 – includes restricted). The University made restricted grants to the Union for the Halls Committees (formerly known as Junior Common Room) of £130,222 (2018: £123,461) and contributions towards the cost of fixed asset purchases of £nil (2018: £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 £6,743,758 (2018: £7,254,646) against total expenditure of £6,823,689 (2018: £7,102,914). We operate a broadly balanced budget to provide a wide range of student benefits but were affected by a one-off VAT settlement, and as a result created an overall deficit of £79,931 in 2019 (2018: surplus £151,732). The total of all Union reserves decreased from £964,241 to £884,310.

Revenues decreased from the previous year by 8% (2018: decreased by 5%) due to a further reduction in student numbers, and a drop in commercial sales overall.

The Trustees have agreed that the financial performance for the year 2018-19 was adequate.

PLANS FOR THE FUTURE

The Union has set an ambitious target to be ranked as one of the top 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 and relationships to create more supporters and advocates.

Specific plans/projects include:

Organisation

1. We completed 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 and a comprehensive sites strategy 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 have a fast developing insight programme to allow us to make better informed decisions in the future.
7. We initiated discussions with the University about upgrading the sports programme in a jointly funded strategy.

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8. We have greatly enhanced our operations at the WSA and continue to build our presence and support there and are now working to duplicate this model in other sites. We have now started a similar process at Avenue Campus.
9. We are developing clear engagement pathways to ensure our actions and successes are aligned.
10. We relaunched the Hall Committees and expect the new structure to yield a closer engagement with first years to start them on the path.

Annual Review 2018-19

Executive

The past year has again been a year of streamlining and the continued consolidation of staff functions. We made a significant change to the management structure at the end of the year, elevating the HR function and others to form the People Directorate, incorporating L&D, Insight and the newly created Front of House operation. This is up and running and has been very successful to date.

Our financial operations were strong, and the budget was adaptable and cautious. We have showed a deficit due to the fact that we had to pay a large VAT refund that related to a five year period. This involved fundraisers and treatment of hot food sales, for which we have adapted our operating procedures accordingly. We now need to bolster reserves again over the next couple of years. We have now hopefully hit the bottom of the slide in student numbers and this will begin to pick up in the future.

Our working budget is tight but we are in a good place financially – but we will remain diligent due to the potential for an additional drop in student numbers in the January HESES report.

We changed the format of our Trustee Board at the AGM in September 2018 - reducing the overall size of the Board from 16 to 12 (4 Sabbaticals, 4 Student Trustees, 4 External Trustees) to make it more efficient. This new structure will be implemented as of 01 July 2019. We have also clearly separated business between the four full TB meetings which will be focused on strategy, governance, risk, financial planning and other high level issues and the Finance & Staffing Sub which will handle all of the lower level operational decisions.

We also voted to approve a new sabbatical team size and structure at the AGM in September 2018. We now have five Officers; President, VP Activities, VP Sports, VP Education & Democracy, and VP Welfare & Community, all of whom will take office from 01 July 2019.

We identified one new External Director, Rebecca Self, during the year and she will take office in September 2019. One of the key findings of the Governance Review was that we should identify External Directors with specific skills, and we identified Finance, Comms, Legal and Academic as the types of skills we need.

We continue to work closely with the University to determine how sport will be delivered in the future. As we are all aware the capital requirement for sport is wearing us down. We estimate the full annual capital replenishment budget for sport should be in the region of 150-200k and we simply cannot afford to do that. These discussions are advancing.

We have worked closely with University officials to deliver a whole new level of support in the halls. They have upped their game, and so have we. It would be fair to say that the offer is exponentially better now, and will continue to grow.

Our staff continues to grow in the belief that we need to 'get out there' and make the student population understand that we are there for them. Our Officers need to adopt this approach and lead on this front. At times we are very much understated, and there is no reason to continue in that vein. We have to shake things up and build a larger passionate following. Advocates that will bring others into our world.

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We have outlined a number of stats and accomplishments below to give you a flavour for the range and quality of our service provision. These are grouped by Membership, Services, and Operations.

Membership - Advice & Representation

Representation/democracy

We are constantly trying to improve the training and support offered to our elected officers. This year we focused on the Student Leader training, organising an Annual Planning Day in September, followed by a shorter, repeat version after the autumn elections for the by-elected roles. We also provided much more extensive Union Senators training, which resulted in a more engaged and productive series of Senate meetings. We also ensure the Student Trustees are now trained for their roles, allowing them to contribute on an equal footing to the external and Sabbatical Trustees.

Our academic rep training is now available online, meaning that reps who are on placement or distance learners who cannot physically attend the training sessions, for instance, also have the opportunity to be trained. We have also produced a Course Rep handbook. We ran several Rep Socials throughout the year, providing an opportunity for reps to meet each other and network as well as for the VP Education to speak to them directly.

Following a decision at the AGM, the number of Sabbatical Officer roles has been reduced from 7 to 5. We anticipated this might lead to a lower level of engagement in the spring elections but voting was comparable to the previous year, with 4,323 students voting (20% of the electorate). With only one returning Sabbatical Officer, we are going into 2019-20 with 4 of the 5 roles either brand new or comprehensively changed and 4 out of 5 Sabbatical Officers new to SUSU leadership.

The Academic Awards were more successful than ever this year, with a total of 449 nominations, 115 of which were for our academic reps. The evening has become a fixture in the University calendar, with academic staff genuinely excited to be recognised with an award. This year the event received extensive and very warm coverage in the University's staff magazine.

We received 297 submissions via our You Make Change system, 11 of which were requesting more vegan food to be available. Hopefully the arrival of The Plant Pot will be well received by the submitters.

Advice

Advisers have worked on 2254 cases, including 966 Academic, 772 Finance and 441 Housing.

Our social media presence has increased, and on one notable occasion we reached 12,522 students, with 4,215 reactions and comments. That achievement is unlikely to be repeated, though, as the message in question suggested students might be entitled to a year's free rent!

We expanded our specialist Finance drop-ins (nearly 200 students helped in October alone) and continue to work closely with the Fees team at the University to ensure any students accessing our support are not pursued immediately for payment.

For the first time, we delivered Look After Your Mate training as part of the curriculum to all first year Medics, in addition to our usual programme of LAYM. Although this is a stretch in terms of resources, the whole team is absolutely behind the rolling out of LAYM as widely as possible. Feedback from both students and the Faculty of Medicine confirms that the training has had a positive impact and been well received. The Faculty have even agreed to pay for two further trainers to be trained within SUSU and also to ensure that in 2019-20, the training sessions are during the working day rather than at 17.00.

Throughout the year, we tried delivering a drop in general advice service at both WSA and Avenue. The drop in approach at WSA was not successful, although it gave us useful insight into which approach to take in future. The Avenue weekly drop in has grown steadily, however, and we will maintain this. A number of the students using the service are based on Highfield which means we are effectively doubling our drop in provision for Highfield/Avenue students.

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We expanded our preventative work on Academic Integrity. This continues to be a big challenge, in particular for International students, and we are always looking for opportunities to help students better understand how not to commit breaches. This year we have produced a poster (for screens as well as a literal poster) explaining exam etiquette as we had observed an increasing number of very minor breaches of AI relating to exams. These cases cause avoidable stress to students as well as taking a lot of the Advice Centre's resources.

Working closely with the Activities team, we again offered a Pre-sessional Results Hub as well as training the Pre-sessional Helpers.

Activities

This report intends to give an overview of some of the significant successes and developments supported by the Activities Team over the last academic year. The Team have focussed on the development of impact capturing (whether qualitative or quantitative), value for money and on maximising the positive relationships with student volunteers and Clubs and Societies.

This year has also seen significant further development of the practical systems and approach to supporting our Clubs and Societies. This work was undertaken in conjunction with colleagues across the Union and the guidance of Sabbatical Officers. The groundwork is now in place to ensure a much more robust support service for our Clubs and Societies going in to the next academic year.

Creative Industries

- SUSUtv shortlisted for 9 out of 20 NaSTA Awards (National Student Television Awards – held in Nottingham this year), winning awards for 6 of them. Surge Radio were nominated for 20 I Love Student Radio Awards (run by SRA - Student Radio Association) across 4 different categories, winning 2 from 9 potential awards. The Edge Magazine were nominated for two awards in the 2019 Student Publication Association (SPA) national awards: Best Design and Best Specialist Publication
- Creative Industries Careers Sessions saw 100% positive feedback from 356 attending students at a Creative Careers talk with Maisie Williams (Game of Thrones) – in collaboration with the University careers department; Journalism masterclass with Julie Cook, freelance journalist (writing for The Guardian, Daily Mail, The Sun) and former 'Editor of Take A Break' resulted in 100% of students attending finding the workshop useful for future personal development, learning new skills and career advice
- 48 major Performing Arts society performances including 20 Theatre shows, 22 Music concerts and Pure Dance with over 1000 attendees

External Engagement

- RAG broke the record fundraising total for an academic year with **£235,313.63** donated to over 50 charities in 2018/19.
- 8 'LinkedIn Lab' sessions took place engaging **152 students** at SUSU, NOC, WSA and Avenue. Students saw an average increase of **43.31%** in LinkedIn profile strength following session and reported to feel more confident in the perception of their online profile from employers
- The Enterprise Fund 2018 saw Avila Chidume awarded £400 to support the development of her growing business. Avila creates diverse and personalised greetings cards and artwork aimed at marginalised groups including those with disabilities, identifying as LGBT+ and ethnic minorities. Fifteen applications were submitted for the fund overall

Student Communities

- The Union's event and activities Pre-sessional programme for 2019 saw a fantastic satisfaction rating of 97%. The programme supports international students undertaking language courses during the summer. 88% of students also reported feeling part of the Students' Union
- The Halls programme saw 71 events and activities across the year, including community nights (830 attendees; 93% positive satisfaction), 20 Hall quizzes, 1659 students engaging in You Are More Than BBQs (90% positive satisfaction rating) and 13 films screenings engaging over 2000 students

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- 26 cultural events and activities took place during SUSU's Culture Festival 2019. Lunar New Year activities saw over 150 students engage, scoring over 80% satisfaction. Collaboration also took place on events and activities hosted by a number of societies including East vs West Fashion Show, Holi Festival, Malaysian Festival and Persian Fire Jump

Sports

- SUSU organized the inaugural IM XRugby 7's tournament on June 9th 2019 where more than 70 students taking part. 2019 also saw an international student rugby campaign in the summer, engaging 60 international students at Avenue Campus
- SUSU affiliated Clubs helped achieve an overall finish of 32nd in British University & College Sport table. 4 Sports teams reached the finals of their Conference Cups, with Men's Table Tennis and Ladies Basketball victorious. 5 Sport teams won promoted to the next division.
- Over 1500 students participated in Portsmouth-hosted Varsity 2019

Sustainability & Student Life

- 4 joint meetings with Outer Avenue residence association (OARA), Portswood residence association, University of Southampton, Southampton City Council HMO/City services teams, Solent University. Established to address the issue of student waste and impact on relationship with local residence
- SUSU established engagement in the British Heart Foundation (BHF) 'Pack for good' campaign with OARA reporting a huge improvement in waste/rubbish during summer clear out (awaiting final statistics from BHF)

Winchester School of Art

- Developed external partnerships with local Winchester venues and businesses. As a result we now regularly advertise local offers, activities and events offering discounts or good value to WSA students. This initiative led to over 20 Winchester-based businesses taking part in the WSA Freshers' Fair 2019
- The 2019 WSA Summer Ball received the highest overall satisfactions score for this event, with overall satisfaction at 77% and 87% of students wanting to attend future SUSU events
- Careers Week in February 2019 saw over 250 students engage in workshops, lectures, drop-ins and a mini careers fair. 100% of students reported wanting to see similar future events

Entertainments

- Graduation Ball 2019 received feedback noting that 82% of students felt that Grad Ball helped them celebrate their time at University. In addition, 82% would also recommend students engage in the event next year. The event sold 2,209 tickets.
- The review of the events programme has also led to it be realigned with the Activities team and has led to increased focus on student feedback and input to event design. This is a legacy of the approach taken by the Events Team with Grad Ball 2019

Union Services

Catering

- Chip Butties are just as popular as chips alone with both selling in excess of 2300 portions.
- We sold more than 33,000 cooked breakfasts in the café last year.
- We began preparations to transition the Café into the new Plan Pot Vegan/Veggie restaurant and this launched on time and within budget in late September 2019.

Bars

- 315,000 drinks have been served in the Stags
- Over £500,000 taken in the Stags during evening hours

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- This includes 65,000 pints of Stella, 20,000 of Thatchers Haze and 87 LGTBQ+ Cocktails
- 8000 Lattes and 5500 Cappuccinos were sold.

Retail

- We sold over 27,750 Sausage Rolls but only 15,580 Bananas.
- We served over 600,000 customers in the shop.
- 62% of sales are now by Credit Card showing a clear shift towards a cashless society (43.4% of sales in 2017/2018)

Business Development

- Over 65 stalls were displayed at the Freshers fayre & we secured over 100 different marketing bookings throughout the year.
- Total Business Development income for the year amounted to £165,005.

Facilities and Transport

- 18,026 individual space bookings, another increase year on year
- 1,037 hires of our minibus fleet to clubs and societies
- We now provide the WSA weekend shuttle bus between Highfield and WSA to enable students to travel between campuses at weekends

Operations

Insight

- Our insight programme had a strong impact on our decision-making during the year – results included the outstanding Graduation Ball programme in which we involved students and sold out the event in record time, and also the Sexual Consent Awareness Survey which resulted in the formation of a Union/University working group and substantial progress made in various work streams.

Marketing and Communications

- Video Content Creator, Digital Animator and Designer, and Digital Media Assistant roles joined the team which reflects our continued focus on creating engaging content in-house and increased digital output
- Introduced monthly “Inside SUSU” email newsletters to our members
- We have developed our style and content on Instagram and as a result seen an increase in engagement and followers. Other Students' Unions have told us they use our Instagram as a guide for what content they should be creating/sharing!
- Increased positive relationships with the University in order extend our digital reach onto digital screens and posters in Halls, faculty buildings, Unilink etc.

Finance

- Working together with the Activities team to develop and improve the MoneyHub banking system for our Clubs and Societies. We have improved the time taken for transactions to be processed and are creating a MoneyHub How To Guide and online forms so that we can digitalise the processes
- We have reduced the usage of paper throughout the year and are looking to reduce this further as part of our objective to move towards a paper-free department.
- Setting up improved credit control procedures to ensure timely receipt of income and identify those accounts at risk of slower payment where we can help improve debtor days within the organisation.
- Resolved ongoing VAT issues with HMRC

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HR

- On the 1st of July 2019 the HR area was upgraded to form the People Directorate comprising HR, Learning & Development, Insight and Front of House. This was to reflect the importance we place on our people and also to bolster our reception offer with full time staff. This was an area of weakness in the past.
- Staff survey showed a 10% increase in staff who would wholeheartedly recommend SUSU as a good place to work (79%), with particular improvements in leadership, service, management, performance management and values. An action plan has been developed to target further improvements in consultation with staff.
- Achievement of IIP Silver following a year of development work and an amnesty period.
- Launch of our STRIVE volunteering recognition scheme.
- Development and initial delivery of Manager Toolbox, our development programme for aspiring managers and first line managers.

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. We have experienced three straight years of declining student numbers which has hit our grant by a total of 16%. We have planned accordingly along the way and 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 also continue to 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 which allowed us to build our free cash reserves to the £600,000 level in YE18. This will be reduced this year as we paid over £150K to settle a VAT claim related to historical issues. This is now sorted. We must continue to be prudent to 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.

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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 four years in to our five year Vision 2020 Plan which sets out ambitious plans and targets for the future.

Fundraising Statement

The Union does not work with any external party acting on our behalf to carry out fundraising activity. The Union does hold fundraising events targeted at our members throughout the year in order to raise additional funds. The Trustee Board agrees these events in advance on an annual basis. The Union clearly identifies events run as fundraisers when marketing them, and promotes them in accordance with our brand guidelines. Events are for our members only, and not open to the public, and are held either within our own venues or in external venues. These events run in accordance with HMRC guidelines for their organisation and promotion; we have not subscribed to any other fundraising standards or schemes. We have received no complaints about our fundraising activities.

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 U.K. 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 12 November 2019 including approving, in their capacity as company directors, the Report contained therein and is signed as authorised on its behalf by:

Emily Harrison
Chair of Trustee Board 2019-20

University of Southampton Students' Union
Statement of Trustees' Responsibilities
For the Year Ended 31 July 2019

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 of Southampton Students' Union for the year ended 31 July 2019 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, The Group Cash Flow Statement 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 group's and the charitable company's affairs as at 31 July 2019 and of the group's 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.

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or 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.

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

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 group's or 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.

Use of our report

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.

Alastair Lyon
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Reading

Date

University of Southampton Students' Union
Consolidated Balance Sheet
31 July 2019

	Notes	Unrestricted Income £	Restricted Income £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations:					
- University Grants		2,240,992	130,222	2,371,214	2,464,307
- Grant in kind from University		322,000	-	322,000	322,000
Other Trading Activities:					
- Rental income		12,434	-	12,434	14,022
- Sponsorship and marketing income		165,005	-	165,005	171,225
Investment income		6,683	-	6,683	3,348
Charitable activities for students:					
- Bars		1,151,771	-	1,151,771	1,107,280
- Catering		434,501	-	434,501	492,191
- Events		182,907	-	182,907	322,888
- Shops		1,781,891	-	1,781,891	2,006,742
- Lettings		28,850	-	28,850	37,757
- Student Activities		95,153	64,173	159,326	163,231
- Student Services		90,707	-	90,707	88,449
Other income		<u>36,469</u>	<u>-</u>	<u>36,469</u>	<u>61,206</u>
Total income		<u>6,549,363</u>	<u>194,395</u>	<u>6,743,758</u>	<u>7,254,646</u>
Expenditure on					
Charitable Activities for students:					
- Bars		1,091,569	-	1,091,569	1,022,721
- Catering		877,592	-	877,592	1,057,685
- Events		274,326	-	274,326	389,804
- Shops		2,054,720	-	2,054,720	2,060,228
- Lettings		115,122	-	115,122	89,554
- Student Activities		854,209	235,805	1,090,014	1,110,196
- Student Representation		1,221,386	-	1,221,386	1,255,734
- Student Services		<u>98,960</u>	<u>-</u>	<u>98,960</u>	<u>116,992</u>
Total expenditure	4-5	<u>6,587,884</u>	<u>235,805</u>	<u>6,823,689</u>	<u>7,102,914</u>
Net (expenditure)/income before transfers		(38,521)	(41,410)	(79,931)	151,732
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(38,521)	(41,410)	(79,931)	151,732
Fund balances brought forward		<u>812,636</u>	<u>151,605</u>	<u>964,241</u>	<u>812,509</u>
Fund balances carried forward	16	<u>774,115</u>	<u>110,195</u>	<u>884,310</u>	<u>964,241</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 36 form part of these financial statements

University of Southampton Students' Union
Consolidated Balance Sheet
31 July 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	10	<u>584,813</u>	<u>768,685</u>
Current assets			
Stocks	12	173,297	187,444
Debtors	13	166,300	149,460
Cash at bank and in hand		<u>1,199,757</u>	<u>1,024,691</u>
		1,539,354	1,361,595
Creditors: Amounts falling due within one year	14	<u>(815,462)</u>	<u>(650,939)</u>
Net current assets		<u>723,892</u>	<u>710,656</u>
Total assets less current liabilities		<u>1,308,705</u>	<u>1,479,341</u>
Creditors: Amounts falling due in more than one year	15	<u>(424,395)</u>	<u>(515,100)</u>
Total net assets		<u><u>884,310</u></u>	<u><u>964,241</u></u>
Charitable Funds			
Restricted funds	16	110,195	151,605
Unrestricted funds			
General funds	16	<u>774,115</u>	<u>812,636</u>
Total funds		<u><u>884,310</u></u>	<u><u>964,241</u></u>

The deficit for the year in relation to the Union only was £67,470 (2018: surplus £13,523).

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

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Emily Harrison
Trustee

The notes on pages 21 to 36 form part of these financial statements.

University of Southampton Students' Union
 Union Balance Sheet
 31 July 2019
 (company number: 08034371)

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	10	584,813	768,685
Investments	11	<u>100</u>	<u>100</u>
		<u>584,913</u>	<u>768,785</u>
Current assets			
Stocks	12	173,297	187,444
Debtors	13	152,614	154,851
Cash at bank and in hand		<u>1,055,750</u>	<u>863,860</u>
		1,381,661	1,206,155
Creditors: Amounts falling due within one year	14	<u>(783,643)</u>	<u>(633,830)</u>
Net current assets		<u>598,018</u>	<u>572,325</u>
Total assets less current liabilities		<u>1,182,931</u>	<u>1,341,110</u>
Creditors: Amounts falling due in more than one year	15	<u>(424,395)</u>	<u>(515,100)</u>
Total net assets		<u>758,536</u>	<u>826,010</u>
Charitable Funds			
Restricted funds	16	110,195	151,605
Unrestricted funds			
General funds	16	<u>648,341</u>	<u>674,405</u>
Total funds		<u>758,536</u>	<u>826,010</u>

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

.....

Emily Harrison
Trustee

The notes on pages 21 to 36 form part of these financial statements.

University of Southampton Students' Union
Consolidated Cash Flow Statement
For the year ended 31 July 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Net movement in funds		(79,931)	151,732
Depreciation		198,225	204,345
Loss/(profit) on disposal of fixed assets		-	894
Interest received		(6,683)	(3,348)
Decrease/(increase) in stock		14,147	(68,883)
(Increase)/decrease in debtors		(16,840)	41,178
Increase/(decrease) in creditors		164,523	(34,354)
(Decrease) in pension liability		<u>(90,705)</u>	<u>(35,892)</u>
Net cash provided by operating activities		<u>182,736</u>	<u>255,672</u>
Cash flows from investing activities			
Interest receivable		6,683	3,348
Purchase of tangible fixed assets		<u>(14,353)</u>	<u>(53,680)</u>
Net cash (used in) investing activities		<u>(7,670)</u>	<u>(50,332)</u>
Change in cash and cash equivalents in the year		175,066	205,340
Cash and cash equivalents at the beginning of the year		<u>1,024,691</u>	<u>819,351</u>
Total cash and cash equivalents at the end of the year		<u>£ 1,199,757</u>	<u>£ 1,024,691</u>
		2019 £	2018 £
Cash at bank and in hand		<u>£ 1,199,757</u>	<u>£ 1,024,691</u>

The notes on pages 21 to 36 form part of these financial statements

University of Southampton Students' Union
Notes to the Financial Statements
For the year ended 31 July 2019

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 2019

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 2019

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

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the PASNAS pension scheme deficit. A discount rate of 2.25% has been used in line with industry standards.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

4. Resources expended

	Staff	Depreciation	Other costs	Total	<i>Total</i>
	£	£	£	2019	2018
	£	£	£	£	£
Bars	385,740	37,206	668,623	1,091,569	1,022,721
Catering	421,246	38,465	417,881	877,592	1,057,685
Events	61,625	2,903	209,798	274,326	389,804
Shops	488,963	36,355	1,529,402	2,054,720	2,060,228
Lettings	72,104	4,355	38,663	115,122	89,554
Student activities	352,691	32,489	704,834	1,090,014	1,110,196
Student representation	729,334	46,452	445,600	1,221,386	1,255,734
Student services	<u>35,325</u>	<u>-</u>	<u>63,635</u>	<u>98,960</u>	<u>116,992</u>
Total costs	<u>2,547,028</u>	<u>198,225</u>	<u>4,078,436</u>	<u>6,823,689</u>	<u>7,102,914</u>

5. Support costs included in Note 4

	Staff	Premises	Other costs	Marketing	Total	<i>Total</i>
	£	£	£	£	2019	2018
	£	£	£	£	£	£
Bars	53,583	40,234	24,848	1,569	120,234	111,464
Catering	150,034	112,655	69,573	4,394	336,656	443,995
Events	17,861	13,411	8,282	523	40,077	55,731
Shops	167,895	126,067	77,856	4,917	376,735	369,315
Lettings	26,792	20,117	12,424	785	60,118	37,155
Student activities	125,028	93,879	57,978	3,661	280,546	260,082
Student representation	285,779	214,581	132,520	8,369	641,249	733,800
Student services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,738</u>
Total costs	<u>826,972</u>	<u>620,944</u>	<u>383,481</u>	<u>24,218</u>	<u>1,855,615</u>	<u>2,028,280</u>

Premises costs include £322,000 (2018: £322,000) notional rent 'grant in kind' charged by the University.

Included within support costs are governance costs of £20,013 (2018: £20,606).

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

6. Net movement in funds

	2019	<i>2018</i>
	£	<i>£</i>
Depreciation of owned tangible fixed assets	198,225	<i>204,345</i>
Loss on disposal of fixed assets	-	<i>894</i>
Audit of financial statements - parent company	14,555	<i>14,130</i>
- subsidiary company	1,395	<i>1,355</i>
Other remuneration to auditors- tax compliance	950	<i>1,825</i>
- other services	<u>-</u>	<u><i>4,060</i></u>

7. Staff costs

	2019	<i>2018</i>
	£	<i>£</i>
Wages and salaries	2,186,617	<i>2,292,875</i>
Social security costs	184,200	<i>123,789</i>
Employer's pension contributions (note 18)	162,211	<i>235,216</i>
Staff restructuring costs	<u>14,000</u>	<u><i>18,933</i></u>
 Total costs	 <u>2,547,028</u>	 <u><i>2,670,813</i></u>

The average number of employees during the year was:

	2019	<i>2018</i>
	No	<i>No</i>
Core staff	79	<i>85</i>
Support staff	<u>192</u>	<u><i>188</i></u>
	<u>271</u>	<u><i>273</i></u>

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

	2019	<i>2018</i>
	No	<i>No</i>
In the bands:		
£60,001 - £70,000	-	<i>1</i>
£70,001 - £80,000	-	<i>-</i>
£80,001 - £89,999	<u>1</u>	<u><i>1</i></u>

The employees are in the University's pension scheme at a cost of £15,562 (*2018: £25,774*).

The staff restructuring costs of £14,000 (*2018: £18,893*) include £9,800 (*2018: £18,893*) of non-statutory/non-contractual payments.

The aggregate employee benefits of key management personnel was £430,966 (*2018: £496,602*). This relates to the senior leadership team and remunerated trustees.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

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 2018 – 30 November 218	1	6,093	6,093
1 August 2018 – 28 February 2019	1	12,542	12,542
1 August 2018 – 31 July 2019	1	21,464	21,464
1 August 2018 – 30 June 2019	1	19,630	19,630
1 August 2018 – 30 June 2019	1	20,182	20,182
1 August 2018 – 30 June 2019	1	20,266	20,266
1 July 2019 – 31 July 2019	2	2,068	4,136
1 July 2019 – 31 July 2019	1	2,816	<u>2,816</u>
			<u><u>107,129</u></u>

The total trustee remuneration for the year ended 31 July 2018 was £139,911.

During the year retirement benefits were accruing to seven trustees (*2018: eight*) in respect of a defined contribution pension scheme. No trustee received any benefits in kind during the year (*2018: none*).

During the year 1 trustees received reimbursement of travel expenses totalling £110 (*2018: 2 trustees, £423*).

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 2019

10. Tangible fixed assets - group

	Leasehold Improvements	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2018	2,516,261	1,124,133	3,935	3,644,329
Additions	<u>-</u>	<u>14,353</u>	<u>-</u>	<u>14,353</u>
At 31 July 2019	<u>2,516,261</u>	<u>1,138,486</u>	<u>3,935</u>	<u>3,658,682</u>
Depreciation				
At 1 August 2018	1,875,172	998,964	1,508	2,875,644
Charge for the year	<u>189,271</u>	<u>8,157</u>	<u>797</u>	<u>198,225</u>
At 31 July 2019	<u>2,064,443</u>	<u>1,007,121</u>	<u>2,305</u>	<u>3,073,869</u>
Net book value				
At 31 July 2019	<u>451,818</u>	<u>131,365</u>	<u>1,630</u>	<u>584,813</u>
At 31 July 2018	<u>641,089</u>	<u>125,169</u>	<u>2,427</u>	<u>768,685</u>

Tangible fixed assets - Union

	Leasehold Improvements	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2018	2,516,261	1,124,133	3,935	3,644,329
Additions	<u>-</u>	<u>14,353</u>	<u>-</u>	<u>14,353</u>
At 31 July 2019	<u>2,516,261</u>	<u>1,138,486</u>	<u>3,935</u>	<u>3,658,682</u>
Depreciation				
At 1 August 2018	1,875,172	998,964	1,508	2,875,644
Charge for the year	<u>189,271</u>	<u>8,157</u>	<u>797</u>	<u>198,225</u>
At 31 July 2019	<u>2,064,443</u>	<u>1,007,121</u>	<u>2,305</u>	<u>3,073,869</u>
Net book value				
At 31 July 2019	<u>451,818</u>	<u>131,365</u>	<u>1,630</u>	<u>584,813</u>
At 31 July 2018	<u>641,089</u>	<u>125,169</u>	<u>2,427</u>	<u>768,685</u>

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

11. Investments – Union only

The investment shown in the Union balance sheet relates to £100 share capital in 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. The company had turnover in the year of £179,268 (2018: £190,669), a loss of £12,461 (2018: profit of £138,212). £138,212 (2018: £Nil) was gift aided to the Union. The net assets at the year-end of £125,874 (2018: net assets £138,334).

12. Stock – group and Union

	2019	2018
	£	£
Finished goods and goods for resale	<u>173,297</u>	<u>187,444</u>

13. Debtors

	Group		Union	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	17,701	1,517	4,015	235
Amounts owed by clubs and societies	36,093	21,042	36,093	21,042
Amounts due from University of Southampton	15,897	26,810	15,897	26,810
Amounts due from subsidiary undertaking	-	-	-	6,673
Other debtors	15,840	761	15,840	761
Prepayments and accrued income	<u>80,769</u>	<u>99,330</u>	<u>80,769</u>	<u>99,330</u>
	<u>166,300</u>	<u>149,460</u>	<u>152,614</u>	<u>154,851</u>

14. Creditors: Amounts falling due within one year

	Group		Union	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	105,082	123,567	104,914	123,451
Amount owed to University of Southampton	80,673	72,102	80,673	72,102
Social security and other taxes	207,657	30,774	203,231	30,774
Pension contributions payable	-	18,666	-	18,666
Other creditors	43,648	46,427	43,648	29,434
Accruals and deferred income	<u>378,402</u>	<u>359,403</u>	<u>351,177</u>	<u>359,403</u>
	<u>815,462</u>	<u>650,939</u>	<u>783,643</u>	<u>633,830</u>

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

15. Creditors: Amounts falling due after more than one year

	Group		Union	
	2019 £	2018 £	2019 £	2018 £
Pension scheme funding deficit (note 18)	<u>424,395</u>	<u>515,100</u>	<u>424,395</u>	<u>515,100</u>
	<u><u>424,395</u></u>	<u><u>515,100</u></u>	<u><u>424,395</u></u>	<u><u>515,100</u></u>

16. Statement of funds

Consolidated - 2019

	Brought forward £	Incoming resources £	Resources expenses £	Carried forward £
Unrestricted funds				
General funds	<u>812,636</u>	<u>6,549,363</u>	<u>(6,587,884)</u>	<u>774,115</u>
Total unrestricted funds	<u>812,636</u>	<u>6,549,363</u>	<u>(6,587,884)</u>	<u>774,115</u>
Restricted funds				
Capital Grant	123,853	-	(47,786)	76,067
RAG	604	49,173	(48,991)	786
Halls	27,148	130,222	(129,701)	27,669
Rugby	<u>-</u>	<u>15,000</u>	<u>(9,327)</u>	<u>5,673</u>
Total restricted funds	<u>151,605</u>	<u>194,395</u>	<u>(235,805)</u>	<u>110,195</u>
Total funds	<u><u>964,241</u></u>	<u><u>6,743,758</u></u>	<u><u>(6,823,689)</u></u>	<u><u>884,310</u></u>

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

16. Statement of funds (continued)

Consolidated - 2018

	<i>Brought forward</i>	<i>Incoming resources</i>	<i>Resources expenses</i>	<i>Carried forward</i>
	£	£	£	£
Unrestricted funds				
<i>General funds</i>	<u>570,428</u>	<u>7,131,185</u>	<u>(6,888,977)</u>	<u>812,636</u>
<i>Total unrestricted funds</i>	<u>570,428</u>	<u>7,131,185</u>	<u>(6,888,977)</u>	<u>812,636</u>
Restricted funds				
<i>Capital Grant</i>	173,329	-	(49,476)	123,853
<i>RAG</i>	254	47,803	(47,453)	604
<i>Winchester Bus</i>	-	8,500	(8,500)	-
<i>JCR Fund</i>	<u>68,498</u>	<u>67,158</u>	<u>(108,508)</u>	<u>27,148</u>
<i>Total restricted funds</i>	<u>242,081</u>	<u>123,461</u>	<u>(213,937)</u>	<u>151,605</u>
<i>Total funds</i>	<u><u>812,509</u></u>	<u><u>7,254,646</u></u>	<u><u>(7,102,914)</u></u>	<u><u>964,241</u></u>

Union - 2019

	Brought forward	Incoming resources	Resources expenses	Carried forward
	£	£	£	£
Unrestricted funds				
<i>General funds</i>	<u>674,405</u>	<u>6,508,307</u>	<u>(6,534,371)</u>	<u>648,341</u>
<i>Total unrestricted funds</i>	<u>674,405</u>	<u>6,508,307</u>	<u>(6,534,371)</u>	<u>648,341</u>
Restricted funds				
<i>Capital Grant</i>	123,853	-	(47,786)	76,067
<i>RAG</i>	604	49,173	(48,991)	786
<i>Halls</i>	27,148	130,222	(129,701)	27,669
<i>Rugby</i>	<u>-</u>	<u>15,000</u>	<u>(9,327)</u>	<u>5,673</u>
<i>Total restricted funds</i>	<u>151,605</u>	<u>194,395</u>	<u>(235,805)</u>	<u>110,195</u>
<i>Total funds</i>	<u><u>826,010</u></u>	<u><u>6,702,702</u></u>	<u><u>(6,770,166)</u></u>	<u><u>758,536</u></u>

University of Southampton Students' Union
Notes to the Financial Statements
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16. Statement of funds (continued)

Union - 2018

	<i>Brought forward</i>	<i>Incoming resources</i>	<i>Resources expenses</i>	<i>Carried forward</i>
	£	£	£	£
Unrestricted funds				
<i>General funds</i>	<u>570,406</u>	<u>6,941,117</u>	<u>(6,837,118)</u>	<u>674,405</u>
<i>Total unrestricted funds</i>	<u>570,406</u>	<u>6,941,117</u>	<u>(6,837,118)</u>	<u>674,405</u>
Restricted funds				
<i>Capital Grant</i>	173,329	-	(49,476)	123,853
<i>RAG</i>	254	47,803	(47,453)	604
<i>Winchester Bus</i>	-	8,500	(8,500)	-
<i>JCR Fund</i>	<u>68,498</u>	<u>67,158</u>	<u>(108,508)</u>	<u>27,148</u>
<i>Total restricted funds</i>	<u>242,081</u>	<u>123,461</u>	<u>(213,937)</u>	<u>151,605</u>
<i>Total funds</i>	<u><u>812,487</u></u>	<u><u>7,064,578</u></u>	<u><u>(7,051,055)</u></u>	<u><u>826,010</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 £49,173, No cost was incurred to manage the fund and Union also donated £48,991 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 no grants were received and depreciation of £47,786 on underlying assets was charged to this fund.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

17. Analysis of net assets between funds

2019

Consolidated	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	76,067	508,746	584,813
Net current assets	34,128	689,764	723,892
Long term liabilities	<u>-</u>	<u>(424,395)</u>	<u>(424,395)</u>
	<u>110,195</u>	<u>774,115</u>	<u>884,310</u>

Union	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	76,067	508,746	584,813
Investments	-	100	100
Net current assets	34,128	563,890	598,018
Long term liabilities	<u>-</u>	<u>(424,395)</u>	<u>(424,395)</u>
	<u>110,195</u>	<u>648,341</u>	<u>758,536</u>

2018

Consolidated	Restricted funds £	Unrestricted funds £	Total funds £
<i>Tangible fixed assets</i>	123,853	644,832	768,685
<i>Net current assets</i>	27,752	682,904	710,656
<i>Long term liabilities</i>	<u>-</u>	<u>(515,100)</u>	<u>(515,100)</u>
	<u>151,605</u>	<u>812,636</u>	<u>964,241</u>

Union	Restricted funds £	Unrestricted funds £	Total funds £
<i>Tangible fixed assets</i>	123,853	644,832	768,685
<i>Investments</i>	-	100	100
<i>Net current assets</i>	27,752	544,573	572,325
<i>Long term liabilities</i>	<u>-</u>	<u>(515,100)</u>	<u>(515,100)</u>
	<u>151,605</u>	<u>674,405</u>	<u>826,010</u>

University of Southampton Students' Union
Notes to the Financial Statements
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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 pension charge for the year includes £79,926 (2018 - £87,782) in relation to the USS.

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement.

The latest triennial actuarial valuation of the USS defined benefit liabilities was carried out as at 31 March 2017 to meet the requirements of the Pensions Act 2004 and was published in January 2019. This actuarial valuation showed a shortfall of £7.5bn in the USS with the scheme assets being sufficient to cover 89% of its 'technical provisions' liabilities.

Over the course of 2018 the USS stakeholders on the Joint Negotiating Committee (UUK and UCU) appointed a panel to review this 2017 valuation and this resulted in a number of recommendations being made. However, as the statutory deadline for completing the 2017 valuation had already passed by this point, it was concluded that the most appropriate way for the Trustee to address such fundamental recommendations properly was to embark on a new valuation as at 31 March 2018. This further actuarial valuation has now been completed and on 13 September 2019 the contribution rates required of members and employers under the 2018 valuation were confirmed.

Following the 2017 valuation the actuary determined that the USS funding rates should increase from a total of 26% of salaries (employer 18%, employee 8%) to 28.3% of salaries (employer 19.5%, employee 8.8%) from 1 April 2019 with further proposed increases at 1 October 2019 and again at 1 April 2020. Although the initial increases were implemented, the further increases have been replaced by amended contribution rates based on the 2018 valuation.

The overall contribution rate from 1 October 2019 required to fund the current benefit arrangements will now be 30.7% of salaries from 1 October 2019 until 30 September 2021 (employer 21.1%, employee 9.6%) and 34.7% from 1 October 2021 (employer 23.7%, employee 1%) (subject to a 2020 valuation).

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has also been agreed which amends the deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan includes in the contributions above deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

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.

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

Following a consultation process, in May 2018 a decision was ratified to close the scheme to new members as at 31 December 2018. All new eligible staff will be enrolled into a new defined contribution arrangement from 1 January 2019 (USRF).

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 £82,285 (2018: £147,434).

19. Capital commitments

	2019	2018
	£	£
At 31 July the Union had capital commitments as follows:		
Authorised and contracted	<u>13,472</u>	<u>3,246</u>

20 Related party transactions

University of Southampton

The Union is in receipt of a recurrent grant from the University of £2,240,992 (2018: £2,397,149) together with other grants of £130,222 (2018: £67,158). Transactions throughout the year resulted in a trading balance as at 31 July 2019 of £69,275 (2018: £45,292) owed to the University.

SUSU Social Enterprises Limited

The Union had transactions with the SUSU Social Enterprises Limited a 100% owned subsidiary of £138,212 (2018: £Nil) being gift aid payable, and as at 31 July 2019 the Union had a debtor balance of £nil (2018 £6,673) owed by the subsidiary.

University of Southampton Students' Union
Notes to the Financial Statements
for the year ended 31 July 2019

21. Financial instruments

Group	2019	2018
	£	£
Financial assets measured at amortised cost	1,446,826	<i>1,053,779</i>
Financial liabilities measured at amortised cost	337,071	<i>(610,972)</i>
Financial liabilities measured at fair value	<u>(424,395)</u>	<u><i>(515,100)</i></u>
Union	2019	2018
	£	£
Financial assets measured at amortised cost	1,127,595	<i>898,339</i>
Financial liabilities measured at amortised cost	309,678	<i>(601,461)</i>
Financial liabilities measured at fair value	<u>(424,395)</u>	<u><i>(515,100)</i></u>

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 2019 the Union had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Operating lease payments due within 1 year	33,923	<i>30,938</i>
Operating lease payments due between 2 and 5 years	<u>41,138</u>	<u><i>61,876</i></u>
	<u>75,061</u>	<u><i>92,814</i></u>

University of Southampton Students' Union
Notes to the Financial Statements
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23. Comparative Statement of Financial Activities

	Unrestricted Income £	Restricted Income £	Total 2018 £
Income and endowments from:			
Donations:			
- University Grants	2,397,149	67,158	2,464,307
- Grant in kind from University	322,000	-	322,000
Other Trading Activities:			
- Rental income	14,022	-	14,022
- Sponsorship and marketing income	171,225	-	171,225
Investment income	3,348	-	3,348
Charitable activities for students:			
- Bars	1,107,280	-	1,107,280
- Catering	492,191	-	492,191
- Events	322,888	-	322,888
- Shops	2,006,742	-	2,006,742
- Lettings	37,757	-	37,757
- Student Activities	106,928	56,303	163,231
- Student Services	88,449	-	88,449
Other income	<u>61,206</u>	<u>-</u>	<u>61,206</u>
Total income	<u>7,131,185</u>	<u>123,461</u>	<u>7,254,646</u>
Expenditure on			
Charitable Activities for students:			
- Bars	1,022,721	-	1,022,721
- Catering	1,057,685	-	1,057,685
- Events	389,804	-	389,804
- Shops	2,060,228	-	2,060,228
- Lettings	89,554	-	89,554
- Student Activities	904,759	205,437	1,110,196
- Student Representation	1,255,734	-	1,255,734
- Student Services	<u>108,492</u>	<u>8,500</u>	<u>116,992</u>
Total expenditure	<u>6,888,977</u>	<u>213,937</u>	<u>7,102,914</u>
Net income/(expenditure) before transfers	242,208	(90,476)	151,732
Transfers between funds	-	-	-
Net movement in funds	242,208	(90,476)	151,732
Fund balances brought forward	<u>570,428</u>	<u>242,081</u>	<u>812,509</u>
Fund balances carried forward	<u><u>812,636</u></u>	<u><u>151,605</u></u>	<u><u>964,241</u></u>