

University of Southampton Students' Union

A company limited by guarantee

Trustees' report and financial statements

31 July 2021

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

Benjamin Dolbear [President 2021-22]	Appointed 1 July 2021
Matthew Smith	Appointed 1 July 2021
Charlotte James	Appointed 1 July 2021
Savanna Cutts	Appointed 1 July 2021
Olivia Reed [President 2020-21]	Appointed 1 July 2019, term concluded 30 June 2021
Nicole Akuezumba	Appointed 1 July 2020, term concluded 30 June 2021
Samuel Tweedle	Appointed 1 July 2020, term concluded 30 June 2021
Avila Chidume	Appointed 1 July 2020, term concluded 30 June 2021

Student Trustees

Rishi-Nayan Varodaria	Appointed 1 July 2020
James Williams	Appointed 1 July 2020
Nathaniel Ogunniyi	Appointed 1 July 2019, term concluded 30 June 2021
Olivia George	Appointed 1 July 2020, term concluded 30 June 2021
Jessy Marin	Appointed 1 July 2021

External Trustees

Jim Anderson
Stuart Maister (resigned May 2021)
Rebecca Self

Registered Office

University of Southampton Students' Union (also called "SUSU")
Southampton
Hampshire
SO17 1BJ

Senior Leadership and Key Management Personnel

Jim Gardner	Chief Executive
Sonia Cottrell	Director of Advice & Representation
Paul Davie	Director of Operations (Company Secretary)
Anthony Douglas	Director of People (resigned December 2020)
David Murtagh	Director of Union Services (resigned November 2020)
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

Solicitors

Warner Goodman LLP
8 College Place
London Road
Southampton
SO15 2FF

University of Southampton Students' Union

Trustees' Report

For the Year Ended 31 July 2021

The Board of Trustees, who are also Directors of the Union, present their annual report for the year ended 31 July 2021 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).

TRUSTEES' REPORT

Structure, governance, and management

Charitable status

The Union is registered as a charity, and as a company limited by guarantee, in England and Wales.

Articles of Association

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 in England and Wales. The Laws, which previously governed the Union, were replaced by the Memorandum and Articles of Association ('the Articles') on August 2012.

Method of appointment of Trustees

The management of the Union is the responsibility of the Trustees who are elected or appointed under the terms of the Articles. The Sabbatical and Student Trustees are elected by a ballot of all full members of the Union each year. These trustees operate on a 1-year 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 1-year term.

The Union is grateful for the contributions of our External Trustees, who are nominated and appointed by the Trustee Board. External Trustees serve a 3-year term and may be re-confirmed for one additional 3-year term.

Organisational structure and decision making

The Annual General Meeting is the governing body of the Union and, subject to the Rules and Articles 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.

The Trustee Board is responsible for overseeing the management and administration of the Union. The Board has 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 relevant subcommittees that cover the areas of Finance & Staffing and Remuneration. These subcommittees have clearly defined terms of reference. From August 2021 onwards new committees of Finance and Resources, Audit and Risk, and Executive Performance and reward will replace the previous committee structure.

Key management personnel remuneration policy

The Union has adopted a Remuneration Policy for Senior Executives, approved by the Board of Trustees. The Board recognises its responsibilities to protect the reputation of the Union, to reflect the values and ethos of the Union as a students' union and registered charity, and therefore to ensure that the pay of its senior executives is fair, not excessive, and justifiable to the membership and wider stakeholders. The Board also adopts the principles of openness and transparency of senior executive pay, as recommended by the NCVO Inquiry into Charity Senior Executive Pay. The Board of Trustees therefore uses the following mechanisms to help meet these objectives and to support it in determining the pay of senior executives:

- The Board has established a Remuneration Committee (since changed to 'Executive Performance and Reward Committee') with a remit to oversee and scrutinise the performance and remuneration of senior executives, on behalf of the Board.
- Remuneration Committee will review the annual 'Pay and Equalities Survey' conducted by the Association of Chief Executives of Voluntary Organisations (ACEVO), of charity senior executives' remuneration, and informally benchmark the remuneration package of the Union's senior executives against it.

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- Remuneration Committee will on a periodic basis (and at least every three years) benchmark the pay of its senior executives against a cross section of other comparable UK students' unions (for example, comparable annual turnover and number of employees; comparable scope and scale of activity; and achievement of comparable quality measures and indicators such as applicable NSS results, comparable KPI's, achievement of Investor in People status and other quality standards).
- On an annual basis, Remuneration Committee will review relevant internal HR data for senior executives, such as staff turnover, staff satisfaction, feedback from appraisals and performance metrics.

Employee consultation and involvement

Employees are consulted on issues of concern to them by means of a consultative committee (Staff Forum), regular staff meetings, and regular electronic updates from the senior leadership team. They have been kept informed on specific matters directly by management. We run a staff survey in January each year to understand staff needs and concerns and develop an annual action plan based on this. The Union offers exit interviews for all core staff leaving the organisation and has adopted a procedure of upward feedback for senior leadership and the Trustees.

The Union has long-established fair employment practices in the recruitment, selection, retention, and training of staff. We continually review our employment policies in conjunction with the overall staff team.

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 activities 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 itself.

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. The Union President and University of Southampton President & Vice Chancellor annually re-sign the Relationship Agreement which outlines the importance of the relationship between the two organisations.

The Union receives both a block grant from the University 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.

STRATEGIC REPORT

Objectives and Activities

a) Charitable objectives

As stated in the Articles of Association, the Union's objects are the advancement of education of students at the University of Southampton for the public benefit by:

1. promoting the interests and welfare of members at the University of Southampton during their course of study and representing, supporting, and advising members.
2. being the recognised representative channel between members and the University and any other 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.
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.

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Trustees' Report

For the Year Ended 31 July 2021

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.

b) Strategies for achieving objectives

The impact of COVID-19 and resulting uncertainty has led to our deciding to proceed with a flexible strategy instead of a traditional 3-5-year plan. A 1-year interim strategy was therefore adopted for the year to manage our approach to COVID, whilst consultation and development on the substantive new strategy took place. As part of this work, we adopted three new values of Stand Strong, Join Together, and Take Responsibility. Our Vision was also updated to "Every student loves their time at Southampton." We expect these new values and vision will continue into the substantive strategy for 2021 – 2025.

Our overall plans for the year are supported by individual plans for each Sabbatical Officer (approved by Union Senate), Operational Plans for every staff team and specific strategies developed by the senior leadership and approved by the Trustee Board for key areas of impact.

c) Activities for achieving objectives

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

- Student Voice (Education, Voice, Elections)
- Student Communities (Activities)
- Student Experience (Freshers)
- Student Support (Advice & Welfare)
- Social Enterprises (Entertainment, Retail, Food & Beverage)

Achievements and performance

Retail and Food & Beverage

Lockdown and restrictions impacted our food & beverage operations during the year, with trade impossible for much of the period. We introduced app-based ordering for the Autumn term, and this did see high take-up amongst students for the first 6 weeks of activity before the November 2020 lockdown. Working with the University we increased the space available for our main bar, the Stags, by using the adjacent Garden Court space which they provided to allow for social distancing and maintaining capacity.

Before lockdown we held a series of Black History Month food-led events in the Bridge restaurant which attracted a range of students to experience the variety of food provided. These events were led by students from our cultural societies to share their experiences and recipes of their national food dishes and were a great success. As a result of the UK restrictions, we introduced a new outdoor bar offer called "Below Deck" in time for the summer term. This saw high levels of use by students and benefitted from good weather during the period. We intend to invest in the space for the future as COVID identified the need for an outdoor bar offering that we previously lacked.

The Shop saw decreased sales compared to pre-COVID but traded consistently week on week to support the limited numbers of staff and students that were on campus during the lockdowns and subsequent opening periods. Our Shop on Top offer was largely closed during the year, but we did relocate top-selling items to the main Shop to have them available to students. Looking ahead we will be investing in self-service tills for the main Shop and relocating the Shop on Top to a more prominent location.

Representation

Student representation was a greater priority than ever during the varied year because of COVID changes. The move to online lectures and representing student feedback and views about these was a key part of the student representation work for the year. Additionally, we continued to run our programme of elections each term to elect a range of volunteer roles, both academic representatives and wider student experience and liberation roles, plus the important trustee and sabbatical positions. Overall, the elections held throughout the year received 425 nominations, and elected to most available roles, including academic representatives. A total of 12,415 votes were cast by 9,050 individual students across all these elections which was nearly a 100% increase on the previous year. Our Spring elections remained the biggest single period of voting in the year, but all elections showed satisfactory levels of turnout. We also received 92 submissions through

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our 'You Make Change' system during the year, many of which were to do with online lectures and access to in-person services or changes because of COVID.

Advice

Our advisors worked on 3,850 cases over the course of the year, including 1,817 Academic, 866 Finance, 748 Housing and 419 miscellaneous cases. The support the team provided will have been instrumental for many students in their ability to continue with their degree programmes. The Advice Centre team provided a virtual service for the entire year to ensure the provision of independent advice for our members. The impact of COVID-19 required increased work for academic appeals with the number of cases worked on doubling compared to 2019. This was exacerbated by a backdrop of changing approaches to COVID by the University and wider UK Government approach.

Lettings

We continued to provide a Lettings service to our members. Whilst COVID restrictions impacted how the service operated, we adapted to providing online viewings or coordinating with existing residents to offer COVID-secure viewings. We let over 50 properties within the year, over 200 beds overall, and are anticipating renewed interest in the coming year as students return to campus. We continue to aim to provide quality housing to our members with no hidden or extra costs.

Activities

We introduced an "interested" trial membership for the start of Autumn 2020 to give students a free opportunity to join clubs & societies to see if they wished to commit to the group for the year. Over 5,000 students utilised this option. We also ran blended online and in-person drop-in sessions at the start of the academic year to allow students to safely hear from committees of clubs & societies about their offer. COVID-19 impacted our goal of more than 50% of students being part of a club or society, with 38% of the student population having joined at least one group during 20-21. Due to the enforced lack of activity by successive lockdowns and then the academic year ending, the overall figures are viewed as a positive. Additionally, most international students were not able to study in the UK during the year and were unlikely to therefore join clubs & societies as a result, despite online activity being offered. To support the activity of our clubs and societies we awarded grants during the year totalling £114,271. This was lower than normal due to restrictions on activity, although this also led to a decrease in the amount of grants requested by groups.

We continued to offer over 300 different clubs and societies for our members to join, including over 90 competitive and 9 intramural sports. Unfortunately, the national British University College Sports (BUCS) league did not compete due to COVID-19. We were able to run our annual Varsity sports tournament against the University of Portsmouth in Spring 2021, one of the few varsity tournaments to take place nationally during the year, in which we were victorious.

Our Raise and Give (RAG) fundraising team of volunteers raised an impressive £151,616 during the year; being all fundraising carried out by clubs and societies in the year. This was a fantastic achievement given the impact of lockdown on the final months of fundraising activity. The amount fundraised will benefit a range of charities including the three core charities for the year of Robbie's Rehab (local charity), Teenage Cancer Trust (national charity) and A21 (international charity).

In the final term of the year, we delivered a range of events under a "Summer Festival" umbrella brand, and also provided a week of "Lost Events" for new and graduating students in recognition of the lost opportunities during the year. Summer Festival events celebrated the good weather and maximised the activity we could deliver outdoors to provide a COVID-secure environment for staff and students. Activities included free barbeques, live music, quizzes, crazy golf and more, and were positively received by students. The Lost Events programme included Christmas themed activity, a Sports Day, Birthday themed day and a Graduation themed day. All activity was provided free of charge and over the week we saw more than 2,500 students engage with the activity.

We continued to celebrate our annual Society and Volunteering Awards online, recognising the tremendous accomplishments of our volunteers. Over 100 nominations were received, with 11 individuals and groups receiving awards. Our Academic Awards, celebrating both academic staff and academic representatives, received over 200 nominations across the five faculties of the University.

Overall

We saw a small decrease in our National Student Survey (NSS) score to 50% (down from 52% in 2020), however this was reflective of the wider sector nationally, low engagement with the NSS and a challenging year for our members in terms of

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the education and student experience. Whilst disappointing, the small decrease was not unexpected against the backdrop of COVID and an unusual year.

The year itself has been challenging due to the global COVID-19 pandemic, which saw all our facilities closed for over 25% of the year and will continue to impact us in 2021-22. All indications before this were positive, with strong engagement across the commercial, support, representation, and activities that we offer. Throughout this difficult period, we remained committed to delivering a positive student experience for our members, and we successfully delivered a range of online activities and ensured the student voice was heard at the highest levels of the University.

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, in addition to providing indirect support through our staff and access to physical spaces. Grants are awarded against key criteria defined by the relevant committees overseeing clubs and societies and made each term. For 2020-21 a reduced level of grant funding was provided to clubs & societies due to the limits on activity imposed by COVID restrictions. Our goal was to enable groups to provide online activities where in-person was not possible and build communities. Some degree of sporting activity was permitted during the year, although the national BUCS league did not take place, and the University provided additional funds to support our sports clubs in this.

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 can 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 £521,287 (2020: £444,860).

c) Principal funding

The University of Southampton provides the Union with an unrestricted block grant each year. For the year 2020-21 this amounted to £2,332,253 (2020: £2,210,132). The University did not provide any restricted grants in the year and contributions towards the cost of fixed asset purchases were £nil (2020: £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 Trustee Board directives and maximise returns on investments within the parameters set out therein. Surplus operating money will be held in interest-bearing bank deposit accounts on a regular basis. Monies 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 Finance and Staffing Committee (Finance & Resources Committee from August 2021). There will always be sufficient money held on call to meet the financial requirements of the Union for a period of one month.

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) COVID-19 impact

The global COVID-19 outbreak had a significant financial impact on the organisation, with the impact of lockdowns from November 2020 onwards curtailing planned activity rapidly. This led to the closure of our food & beverage areas for most of the year, with one outdoor bar re-opening after Easter 2021 in time for Summer 2021 activity. Our Shop continued to trade throughout the period to provide support for the limited number of staff and students on campus. Subsequent restrictions impacted the activity of our clubs and societies, many of which needed indoor spaces, and the availability of spaces we could safely provide them. The need for table service in bars, and outdoor bar space, limited the food & beverage activity we could provide within these limits. We successfully introduced app-based ordering within our bars, and later opened an outdoor bar provision for the final quarter of the year,

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For the Year Ended 31 July 2021

The Union utilised the Government's Coronavirus Job Retention Scheme (CJRS), also known as 'furlough', and received grants of £246,752 (2020: £260,902) from this scheme within the year. Over half of the Union's core staff were furloughed; the Union 'topped up' pay to 100% in the first month, tiered down to 80% after the third month. We maintained full employer pension contributions and topped up employee contributions to their regular levels as part of our commitment to the long-term future of our employees. The Union utilised the CJRS for support staff, who are predominantly students employed on zero-hours contracts. Pay was not topped up for these staff but use of the scheme enabled us to provide our student employees with income when they would otherwise have been unpaid during the year.

Our key goals throughout this period have been the safety of our staff and members, securing the financial sustainability of the organisation and to ensure that students are able to receive the best possible experience.

f) Principal risks and uncertainties and risk management

The Union has two sources of funding: the block grant from the University and commercial income from trading. The block grant has declined in past years due to reductions in student numbers, whilst our staffing and infrastructure costs increase. This has led to increased pressure to demonstrate value for money in our activities whilst building a high-performing staff team. We are working closely with the University to build on our strong relationship and towards a longer-term funding agreement, with a 3-year funding model agreed from August 2021 onwards.

Events over this financial year have shown the vulnerabilities inherent within our financial model when we were forced to close our trading outlets for most of the year and we had no alternative means of trading. This significantly reduced our income whilst we continued to incur fixed costs on staffing, although the furlough scheme did mitigate this. We continue to work on developing our risk management framework and have also been assessing our overall compliance with legislation and regulation beyond health & safety, to provide assurance to key stakeholders of our compliance with the law and best practice.

g) Overall performance

The Union's gross income from all sources totalled £3,594,831 (2020: £5,399,362) against total expenditure of £3,618,416 (2020: £5,357,183). Revenues decreased from the previous year by 33% (2020: decreased by 20%) due to a reduction in student numbers, and a significant drop in commercial sales because of the COVID-19 global outbreak and UK lockdowns. However overall expenditure also decreased by 32% due to lack of trading purchases and measures taken to control our financial outlay during the year because of lockdowns and limited activity. We operated a broadly balanced budget to provide a wide range of student benefits and, as a result, created an overall deficit of £23,585 (2020: £42,179 surplus). The total of all Union reserves decreased to £902,904 (2020: £926,489).

The Trustees have agreed that the financial performance for the year 2020-21 was adequate.

Plans for future periods

A new strategy was developed during the year to cover 2021 – 2025, following the interim strategy implemented for 2020-21. Underpinning this strategy will be further strategies on Finance, People, Digital and Equality, Diversity & Inclusion (EDI). The Strategy will in turn be linked to operational plans, learning & development programmes, and further development of our facilities and activities. We are intending to invest in our facilities during 2021 to address the historic lack of investment and identify new ways of working and student behaviour. In particular, we plan to invest in our social enterprise areas, introducing new technologies in our retail area, enhanced offers for our bars, and generally improve the quality of spaces available in our buildings for students to use for both academic and recreational activity.

Looking ahead, the financial backdrop for 2021-22 is challenging due to the ongoing impact of COVID and corresponding uncertainty this causes. A key concern going into the new year is the long-term impacts of this on the inherent knowledge of our student clubs & societies, many of which have not been able to operate normally and lost key members as a result. Additionally, the results of furlough and inflation on the recruitment market are expected to pose challenges as we seek to fill roles left vacant during lockdown to be able to provide normal operations to our staff and members. The legacy of COVID is still unclear but is forecast to change how our staff work, with hybrid working now seen as the future office environment, and how our members behave.

University of Southampton Students' Union
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For the Year Ended 31 July 2021

External Affiliations

Under the Education Act 1994, the Union is required to report to its members, on an annual basis, all current external affiliations. As of 31 July 2021, the Union was affiliated to the organisations shown below, together with the cost of affiliation in the year ending 31 July 2021:

• Advice UK	£2,236
• British Universities and Colleges Sports (BUCS)	£16,599
• National Association of Student Money Advisors (NASMA)	£120
• Student Radio Association	£96

Salary Information

In accordance with our Remuneration Policy, we have provided the numbers of full-time staff and gender, grouped by salary ranges.

	Male	Female
£0 - £9,999	0	1
£10,000 - £19,999	2	19
£20,000 - £29,999	9	24
£30,000 - £39,999	1	1
£40,000 - £49,999	2	1
£50,000 - £59,999	1	0
£60,000 - £69,999	0	0
£70,000 - £79,999	1	0

Fundraising Statement

The Union does not work with any external party acting on our behalf to carry out fundraising activity and does not make direct fundraising appeals to our members. We are committed to upholding the Fundraising Regulator codes of practice for any fundraising activity carried out by our members and supported by us. 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 a trustee 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 08 December 2021 including approving, in their capacity as company directors, the Report contained therein and is signed as authorised on its behalf by:

Benjamin Dolbear
Chair of Trustee Board 2021-22

University of Southampton Students' Union

Statement of Trustees' Responsibilities

For the Year Ended 31 July 2021

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 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the 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 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 and 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION (CONTINUED)

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters 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' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 and proper 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement on page 22 the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group or charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group or charitable company for fraud. The laws and regulations we considered in this context were General Data Protecting Regulations, Health and Safety and Safeguarding of students.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION
(CONTINUED)**

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Trustee Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulation.

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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees 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

Dated :

University of Southampton Students' Union
Consolidated Statement of Financial Activities
For the Year Ended 31 July 2021

	Notes	Unrestricted Income £	Restricted Income £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations:					
- University Grants		2,332,253	-	2,332,253	2,210,132
- Other Grants		-	-	-	178,424
- Grant in kind from University		322,000	-	322,000	322,000
Other Trading Activities:					
- Rental income		2,477	-	2,477	10,941
- Sponsorship and marketing income		57,552	-	57,552	123,892
Investment income		408	-	408	6,564
Charitable activities for students:					
- Bars		204,028	-	204,028	650,383
- Catering		4,206	-	4,206	175,494
- Events		2,216	-	2,216	74,508
- Shops		323,880	-	323,880	1,226,764
- Lettings		27,149	-	27,149	42,530
- Student Activities		60,534	-	60,534	39,782
- Student Services		9,276	-	9,276	61,986
Other income	4	<u>248,852</u>	-	<u>248,852</u>	<u>275,962</u>
Total income		<u>3,594,831</u>	-	<u>3,594,831</u>	<u>5,399,362</u>
Expenditure on					
Charitable Activities for students:					
- Bars		442,259	-	442,259	747,689
- Catering		374,306	-	374,306	697,046
- Events		3,604	-	3,604	145,824
- Shops		765,743	-	765,743	1,579,804
- Lettings		96,158	-	96,158	80,688
- Student Activities		616,893	24,865	641,758	1,009,272
- Student Representation		1,257,762	-	1,257,762	1,011,290
- Student Services		<u>36,826</u>	-	<u>36,826</u>	<u>85,570</u>
Total expenditure	5-6	<u>3,593,551</u>	<u>24,865</u>	<u>3,618,416</u>	<u>5,357,183</u>
Net income/(expenditure) before transfers		1,280	(24,865)	(23,585)	42,179
Transfers between funds		-	-	-	-
Net movement in funds		1,280	(24,865)	(23,585)	42,179
Fund balances brought forward		<u>879,950</u>	<u>46,539</u>	<u>926,489</u>	<u>884,310</u>
Fund balances carried forward	17	<u><u>881,230</u></u>	<u><u>21,674</u></u>	<u><u>902,904</u></u>	<u><u>926,489</u></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 19 to 36 form part of these financial statements

University of Southampton Students' Union
Consolidated Balance Sheet
31 July 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	11	<u>359,942</u>	<u>480,843</u>
Current assets			
Stocks	13	65,321	137,316
Debtors	14	161,529	191,197
Cash at bank and in hand		<u>1,288,096</u>	<u>1,078,090</u>
		1,514,946	1,406,603
Creditors: Amounts falling due within one year	15	<u>(616,982)</u>	<u>(559,673)</u>
Net current assets		<u>897,964</u>	<u>846,930</u>
Total assets less current liabilities		<u>1,257,906</u>	<u>1,327,773</u>
Creditors: Amounts falling due in more than one year	16	<u>(355,002)</u>	<u>(401,284)</u>
Total net assets		<u>902,904</u>	<u>926,489</u>
Charitable Funds			
Restricted funds	17	21,674	46,539
Unrestricted funds			
General funds	17	<u>881,230</u>	<u>879,950</u>
Total funds		<u>902,904</u>	<u>926,489</u>

The surplus for the year in relation to the Union only was £50,130 (2020: surplus £49,614).

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

.....
Benjamin Dolbear
Trustee

The notes on pages 19 to 35 form part of these financial statements.

University of Southampton Students' Union
 Union Balance Sheet
 31 July 2021
 (Company Number: 08034371)

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	11	359,942	480,843
Investments	12	<u>100</u>	<u>100</u>
		<u>360,042</u>	<u>480,943</u>
Current assets			
Stocks	13	65,322	137,316
Debtors	14	151,427	174,041
Cash at bank and in hand		<u>1,234,264</u>	<u>958,126</u>
		1,451,012	1,269,483
Creditors: Amounts falling due within one year	15	<u>(597,772)</u>	<u>(540,992)</u>
Net current assets		<u>853,240</u>	<u>728,491</u>
Total assets less current liabilities		<u>1,213,283</u>	<u>1,209,434</u>
Creditors: Amounts falling due in more than one year	16	<u>(355,002)</u>	<u>(401,284)</u>
Total net assets		<u>858,281</u>	<u>808,150</u>
Charitable Funds			
Restricted funds	17	21,674	46,539
Unrestricted funds			
General funds	17	<u>836,607</u>	<u>761,611</u>
Total funds		<u>858,281</u>	<u>808,150</u>

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

.....

Benjamin Dolbear
Trustee

The notes on pages 19 to 35 form part of these financial statements.

University of Southampton Students' Union
Consolidated Cash Flow Statement
For the Year Ended 31 July 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net movement in funds		(23,585)	42,179
Depreciation		155,177	178,020
Loss/(profit) on the sale		10,151	-
Interest received		(408)	(6,564)
Decrease in stock		71,996	35,981
(Increase) in debtors		29,668	(24,897)
(Decrease)/increase) in creditors		57,309	(255,789)
(Decrease) in pension liability		<u>(46,283)</u>	<u>(23,111)</u>
Net cash (used in)/provided by operating activities		<u>254,025</u>	<u>(54,181)</u>
Cash flows from investing activities			
Interest receivable		408	6,564
Purchase of tangible fixed assets		<u>(44,427)</u>	<u>(74,050)</u>
Net cash (used in) investing activities		<u>(44,019)</u>	<u>(67,486)</u>
Change in cash and cash equivalents in the year		210,006	(121,667)
Cash and cash equivalents at the beginning of the year		<u>1,078,090</u>	<u>1,199,757</u>
Total cash and cash equivalents at the end of the year		<u>£ 1,288,096</u>	<u>£ 1,078,090</u>
		2021 £	2020 £
Cash at bank and in hand		<u>£ 1,288,096</u>	<u>£ 1,078,090</u>

Analysis of changes in net funds:

	At 1 August 2020 £	Cash flow £	At 31 July 2021 £
Cash	<u>1,078,090</u>	210,006	<u>1,288,096</u>
	<u>1,078,090</u>	<u>210,006</u>	<u>1,288,096</u>

The notes on pages 19 to 35 form part of these financial statements

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2021

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 have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the trustees have considered the impact on the business of Covid-19 including the ability of the charity to continue to carry out its charitable objects, the impact on future income and cash collections and the financial position of the wider group. They continue to believe the going concern basis of accounting appropriate 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 2021

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.

Grants are accounted for under the performance model as permitted by the Charity SORP. Coronavirus Job Retention Scheme grant income is therefore recognised on a straight line basis over the furlough period for each relevant employee.

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 2021

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 22 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 1.45% has been used in line with industry standards.

4. Other income

	2021	2020
	£	£
Other income	2,100	15,060
Coronavirus Job Retention Scheme grant	<u>246,752</u>	<u>260,902</u>
	<u>248,852</u>	<u>275,962</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2021

**5. Resources expended
2021**

	Staff £	Depreciation £	Other costs £	Total 2021 £	Total 2020 £
Bars	192,886	32,378	216,994	442,259	747,689
Catering	190,728	27,095	156,483	374,306	697,046
Events	150	-	3,454	3,604	145,824
Shops	335,527	24,024	406,192	765,743	1,579,804
Lettings	54,995	3,402	37,762	95,623	80,688
Student activities	293,105	29,155	319,497	641,757	1,009,272
Student representation	821,167	39,123	397,472	1,257,762	1,011,290
Student services	<u>3,175</u>	<u>-</u>	<u>33,652</u>	<u>36,827</u>	<u>85,570</u>
Total costs	<u>1,891,733</u>	<u>155,177</u>	<u>1,571,506</u>	<u>3,618,416</u>	<u>5,357,183</u>

2020

	Staff £	Depreciation £	Other costs £	Total 2019 £	Total 2018 £
Bars	307,788	33,466	406,435	747,689	1,091,569
Catering	390,957	34,096	271,993	697,046	877,592
Events	68,541	2,893	74,390	145,824	274,326
Shops	478,076	33,975	1,067,753	1,579,804	2,054,720
Lettings	51,767	2,893	26,028	80,688	115,122
Student activities	383,893	34,540	590,839	1,009,272	1,090,014
Student representation	653,258	36,157	321,875	1,011,290	1,221,386
Student services	<u>16,075</u>	<u>-</u>	<u>69,495</u>	<u>85,570</u>	<u>98,960</u>
Total costs	<u>2,350,355</u>	<u>178,020</u>	<u>2,828,808</u>	<u>5,357,183</u>	<u>6,823,689</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2021

**6. Support costs included in Note 4
2021**

	Staff	Premises	Other costs	Marketing	Total 2021	Total 2020
	£	£	£	£	£	£
Bars	60,583	46,245	33,582	2,495	142,905	131,299
Catering	106,625	81,391	59,104	4,391	251,511	323,871
Events	-	-	-	-	-	43,766
Shops	159,938	122,087	88,656	6,587	377,268	407,028
Lettings	24,233	18,498	13,433	998	57,162	43,766
Student activities	109,049	83,241	60,447	4,491	257,228	315,117
Student representation	<u>278,680</u>	<u>212,727</u>	<u>154,477</u>	<u>11,477</u>	<u>657,361</u>	<u>547,081</u>
Total costs	<u>739,108</u>	<u>564,189</u>	<u>409,699</u>	<u>30,439</u>	<u>1,743,435</u>	<u>1,811,928</u>

2020

	Staff	Premises	Other costs	Marketing	Total 2020	Total 2019
	£	£	£	£	£	£
Bars	64,356	39,806	26,177	960	131,299	120,234
Catering	158,744	98,189	64,571	2,367	323,871	336,656
Events	21,452	13,269	8,725	320	43,766	40,077
Shops	199,503	123,400	81,150	2,975	407,028	376,735
Lettings	21,452	13,269	8,725	320	43,766	60,118
Student activities	154,454	95,535	62,825	2,303	315,117	280,546
Student representation	<u>268,149</u>	<u>165,860</u>	<u>109,073</u>	<u>3,999</u>	<u>547,081</u>	<u>641,249</u>
Total costs	<u>888,110</u>	<u>549,328</u>	<u>361,246</u>	<u>13,244</u>	<u>1,811,928</u>	<u>1,855,615</u>

Premises costs include £322,000 (2020: £322,000) notional rent 'grant in kind' charged by the University.

Included within support costs are governance costs of £21,467 (2020: £26,389).

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2021

7. Net movement in fund

	2021	2020
	£	£
Depreciation of owned tangible fixed assets	155,177	178,020
Loss on disposal of fixed assets	10,151	-
Audit of financial statements - parent company	15,440	14,995
- subsidiary company	1,485	1,435
Other remuneration to auditors- tax compliance	750	1,925
- other services	<u>4,080</u>	<u>4,435</u>

8. Staff costs

	2021	2020
	£	£
Wages and salaries	1,573,743	1,951,333
Social security costs	110,263	129,641
Employer's pension contributions (note 18)	167,085	204,096
Staff restructuring costs	<u>40,641</u>	<u>65,285</u>
 Total costs	 <u>1,891,732</u>	 <u>2,350,355</u>

The average number of employees during the year was:

	2021	2020
	No	No
Core staff	62	73
Support staff	<u>60</u>	<u>158</u>
	<u>122</u>	<u>231</u>

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

	2021	2020
	No	No
In the bands:		
£60,001 - £70,000	-	-
£70,001 - £80,000	1	-
£80,001 - £89,999	<u>-</u>	<u>-</u>

The employees are in the University's pension scheme at a cost of £nil (2020: £nil).

The staff restructuring costs of £40,641 (2020: £65,285) include £19,927 (2020: £10,236) of non-statutory/non-contractual payments.

The aggregate employee benefits of key management personnel was £391,271 (2020: £475,893). 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 2021

9. 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 2020 – 31 July 2021	1	20,549	20,549
1 August 2020 – 31 July 2021	2	19,996	39,992
1 August 2020 – 31 July 2021	1	20,414	<u>20,414</u>
			<u>80,955</u>

The total trustee remuneration for the year ended 31 July 2021 was £80,955.

During the year retirement benefits were accruing to five trustees (*2020: five*) in respect of a defined contribution pension scheme. No trustee received any benefits in kind during the year (*2020: none*).

During the year one trustee received reimbursement of travel expenses totalling £67 (*2020:1 trustee, £80*).

10. 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 2021

**11. Tangible fixed assets
Group and Union**

	Leasehold Improvements £	Equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2020	2,516,261	1,212,536	3,935	3,732,732
Additions	10,040	34,387	-	44,427
Disposals	<u>(10,151)</u>	<u>(10,151)</u>	<u>-</u>	<u>(10,151)</u>
At 31 July 2021	<u>2,526,301</u>	<u>1,236,772</u>	<u>3,935</u>	<u>3,767,008</u>
Depreciation				
At 1 August 2020	2,178,623	1,070,174	3,092	3,251,889
Charge for the year	<u>135,359</u>	<u>19,031</u>	<u>787</u>	<u>155,177</u>
At 31 July 2021	<u>2,313,982</u>	<u>1,089,205</u>	<u>3,879</u>	<u>3,407,066</u>
Net book value				
At 31 July 2021	<u>212,319</u>	<u>147,567</u>	<u>56</u>	<u>359,942</u>
At 31 July 2020	<u>337,638</u>	<u>142,362</u>	<u>843</u>	<u>480,843</u>

12. 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 £82,139 (2020: £160,341), a profit of £45,133 (2020: profit of £118,315). £118,315 (2020: £125,750) was gift aided to the Union. The company had net assets at the year-end of £45,257 (2020: net assets £118,439).

13. Stock – group and Union

	2021 £	2020 £
Finished goods and goods for resale	<u>65,322</u>	<u>137,316</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2021

14. Debtors

	Group		Union	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	12,738	20,373	2,636	3,217
Amounts owed by clubs and societies	18,109	25,099	18,109	25,099
Amounts due from University of Southampton	6,104	4,646	6,104	4,646
Other debtors	46,324	71,579	46,324	71,579
Prepayments and accrued income	<u>78,254</u>	<u>69,500</u>	<u>78,254</u>	<u>69,500</u>
	<u>161,529</u>	<u>191,197</u>	<u>151,427</u>	<u>174,041</u>

15. Creditors: Amounts falling due within one year

	Group		Union	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	148,612	60,093	145,543	58,890
Amount owed to University of Southampton	36,745	28,595	36,745	28,595
Amount owed to clubs and societies	4,756	-	4,756	-
Social security and other taxes	30,109	24,403	25,819	18,476
Other creditors	22,968	35,154	22,968	35,154
Accruals and deferred income	<u>373,792</u>	<u>411,428</u>	<u>361,941</u>	<u>399,877</u>
	<u>616,982</u>	<u>559,673</u>	<u>597,772</u>	<u>540,992</u>

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

	Group		Union	
	2021 £	2020 £	2021 £	2020 £
Pension scheme funding deficit (note 19)	<u>355,002</u>	<u>401,284</u>	<u>355,002</u>	<u>401,284</u>
	<u>355,002</u>	<u>401,284</u>	<u>355,002</u>	<u>401,284</u>

17. Statement of funds

Consolidated - 2021

	Brought Forward £	Incoming resources £	Resources expenses £	Transfers £	Carried forward £
Unrestricted funds					
General funds	<u>879,950</u>	<u>3,594,831</u>	<u>(3,593,551)</u>	-	<u>881,230</u>
Total unrestricted funds	<u>879,950</u>	<u>3,594,831</u>	<u>(3,593,551)</u>	-	<u>881,230</u>
Restricted funds					
Capital Grant	45,753	-	(24,865)	-	20,888
RAG	786	-	-	-	786
Halls	-	-	-	-	-
Rugby	-	-	-	-	-
Total restricted funds	<u>46,539</u>	-	<u>(24,865)</u>	-	<u>21,674</u>
Total funds	<u>926,489</u>	<u>3,594,831</u>	<u>(3,618,416)</u>	-	<u>902,904</u>

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

Consolidated - 2020

	Brought forward £	Incoming resources £	Resources expenses £	Transfers £	Carried forward £
Unrestricted funds					
General funds	<u>774,115</u>	<u>5,220,605</u>	<u>(5,181,624)</u>	<u>66,854</u>	<u>879,950</u>
Total unrestricted funds	<u>774,115</u>	<u>5,220,605</u>	<u>(5,181,624)</u>	<u>66,854</u>	<u>879,950</u>
Restricted funds					
Capital Grant	76,067	-	(30,314)	-	45,753
RAG	786	35,899	(35,899)	-	786
Halls	27,669	127,858	(88,673)	(66,854)	-
Rugby	<u>5,673</u>	<u>15,000</u>	<u>(20,673)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>110,195</u>	<u>178,757</u>	<u>(175,559)</u>	<u>(66,854)</u>	<u>46,539</u>
Total funds	<u>884,310</u>	<u>5,399,362</u>	<u>(5,357,183)</u>	<u>-</u>	<u>926,489</u>

Union - 2021

	Brought forward £	Incoming resources £	Resources expenses £	Transfers £	Carried forward £
Unrestricted funds					
General funds	<u>761,611</u>	<u>3,631,006</u>	<u>(3,556,010)</u>	<u>-</u>	<u>836,607</u>
Total unrestricted funds	<u>761,611</u>	<u>3,631,006</u>	<u>(3,556,010)</u>	<u>-</u>	<u>836,607</u>
Restricted funds					
Capital Grant	45,753	-	(24,865)	-	20,888
RAG	786	-	-	-	786
Halls	-	-	-	-	-
Rugby	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>46,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,674</u>
Total funds	<u>808,150</u>	<u>3,631,006</u>	<u>(3,580,875)</u>	<u>-</u>	<u>858,281</u>

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17. Statement of funds (continued)

Union - 2020

	Brought forward £	Incoming resources £	Resources expenses £	Transfers £	Carried forward £
Unrestricted funds					
General funds	<u>648,341</u>	<u>5,186,014</u>	<u>(5,139,598)</u>	<u>66,854</u>	<u>761,611</u>
Total unrestricted funds	<u>648,341</u>	<u>5,186,014</u>	<u>(5,139,598)</u>	<u>66,854</u>	<u>761,611</u>
Restricted funds					
Capital Grant	76,067	-	(30,314)	-	45,753
RAG	786	35,899	(35,899)	-	786
Halls	27,669	127,858	(88,673)	(66,854)	-
Rugby	<u>5,673</u>	<u>15,000</u>	<u>(20,673)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>110,195</u>	<u>178,757</u>	<u>(175,559)</u>	<u>(66,854)</u>	<u>46,539</u>
Total funds	<u>758,536</u>	<u>5,364,771</u>	<u>(5,315,157)</u>	<u>-</u>	<u>808,150</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 £nil (2020: £35,899). No cost was incurred to manage the fund and Union also donated £nil (2020: £35,899) 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. The Halls Grant will be incorporated into the overall Block Grant received from the University of Southampton as of 1 August 2020, and will therefore be unrestricted funds going forwards. The transfer of the remaining funds in year ended 31 July 2021 reflect this change.

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 £20,889 on underlying assets was charged to this fund.

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2021

18. Analysis of net assets between funds

2021

Consolidated	Restricted funds £	Unrestricted Funds £	Total funds £
Tangible fixed assets	20,888	339,055	359,943
Net current assets	786	897,177	897,963
Long term liabilities	<u>-</u>	<u>(355,002)</u>	<u>(355,002)</u>
	<u>21,674</u>	<u>881,230</u>	<u>902,904</u>

Union	Restricted funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	20,888	330,054	359,942
Investments	-	100	100
Net current assets	786	852,455	853,241
Long term liabilities	<u>-</u>	<u>(355,002)</u>	<u>(355,002)</u>
	<u>21,674</u>	<u>836,607</u>	<u>858,281</u>

2020

Consolidated	Restricted funds £	Unrestricted Funds £	Total Funds £
<i>Tangible fixed assets</i>	45,753	435,090	480,843
<i>Net current assets</i>	786	846,144	846,930
<i>Long term liabilities</i>	<u>-</u>	<u>(401,284)</u>	<u>(401,284)</u>
	<u>46,539</u>	<u>879,950</u>	<u>926,489</u>

Union	Restricted funds £	Unrestricted Funds £	Total Funds £
<i>Tangible fixed assets</i>	45,753	435,090	480,843
<i>Investments</i>	-	100	100
<i>Net current assets</i>	786	727,705	728,491
<i>Long term liabilities</i>	<u>-</u>	<u>(401,284)</u>	<u>(401,284)</u>
	<u>46,539</u>	<u>761,611</u>	<u>808,150</u>

University of Southampton Students' Union
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19. 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 £42,304 (2020 - £75,269) in relation to the USS.

The USS comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. As explained in the accounting policies, due to insufficient information being available to enable the Union to use defined benefit accounting for the scheme, in accordance with the provisions of FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

Following the triennial actuarial valuation of the USS defined benefit liabilities carried out as at 31 March 2017, an additional valuation was prepared as at 31 March 2018 and published on 16 September 2019. This valuation showed a shortfall of £3.6bn in the USS with the scheme assets at £63.7bn being sufficient to cover 95% of its 'technical provisions' liabilities £67.3bn.

Based on these valuations the actuary determined that the USS funding rates should increase as follows:

	<i>Employer</i>	<i>Employee</i>	<i>Total</i>
<i>Prior to 31 March 2019</i>	<i>18.0%</i>	<i>8.0%</i>	<i>26.0%</i>
<i>1 April 2019 to 30 September 2019</i>	<i>19.5%</i>	<i>8.8%</i>	<i>28.3%</i>
<i>1 October 2019 to 30 September 2021</i>	<i>21.1%</i>	<i>9.6%</i>	<i>30.7%</i>

A new deficit recovery plan was also agreed following the 2018 valuation and the contributions above include deficit funding payments of 2% of salaries from 1 October 2019 to 30 September 2021.

A further increase in the contribution rate to 34.7% from 1 October 2021 (employer 23.7%, employee 11%), including deficit funding payments of 6% of salaries, was also agreed although this will be subject to review following the 2020 actuarial valuation which is currently in progress.

An interim actuarial report as at 31 March 2019 commissioned by the USS trustees showed an increased shortfall of £5.4bn in the USS with the scheme assets being sufficient to cover 93% of its 'technical provisions' liabilities. However, this report recognises that these figures are not as accurate as those that would arise from a full actuarial valuation and this report has not impacted on the current contribution rates. The next full actuarial valuation for the USS is being prepared as at 31 March 2020 and it is expected that the initial recommendations on overall future contribution rates will be notified to the Joint Negotiating Committee in December 2020.

Further details on the Actuarial Valuations of the USS can be found on the USS website.

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2021

19. Pension costs (continued)

PASNAS

The Union contributes to a final salary defined benefit scheme for non-academic staff (PASNAS). The scheme is funded by contributions made in accordance with the recommendations of the scheme's actuaries. Following a consultation process, in May 2018 Council ratified a decision 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).

The last formal triennial actuarial valuation of the scheme was performed as at 31 July 2018 and indicated that the scheme's assets represented 85% of the technical provisions corresponding to a deficit of £38,508,000. An estimate has been made for Guaranteed Minimum Pension (GMP) Equalisation and for the McCloud judgement in the current valuation. The McCloud judgement relates to the transitional protection offered to some members of public sector final salary schemes when the schemes were reformed. The transitional protection allowed those members who were within 10 years of normal pension age to remain in their final salary scheme instead of being moved to the new career average arrangement with its higher pension age. As some members would be better off in the new scheme rather than the old the McCloud judgement requires that there is no reduction in benefits accrued or are receiving if already retired.

The 2018 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 10 years. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These contributions applied with effect from 1 January 2020 and will be formally reviewed following completion of the next valuation due with an effective date of 31 July 2021. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

In accordance with FRS102, the net present value of the future contributions required over 10 years to clear the funding deficit is £355,002 (2020: £401,284). In calculating this net present value, a discount rate of 1.80% representing the typical yield of high quality corporate bonds has then been applied.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2021 amounted to £85,842 (2020: £151,938). The movement in the deficit contribution liability in the year was £46,282 credit (2020: credit £23,111).

20. Capital commitments

	2021	2020
	£	£
At 31 July the Union had capital commitments as follows:		
Authorised and contracted	===== -	===== -

University of Southampton Students' Union
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21 Related party transactions

University of Southampton

The Union is in receipt of a recurrent grant from the University of £2,254,239 (2020: £2,210,132) together with other grants of £65,900 (2020: £127,858). Transactions throughout the year resulted in a trading balance as at 31 July 2021 of £21,573 (2020: £23,949) owed to the University.

SUSU Social Enterprises Limited

The Union had transactions with the SUSU Social Enterprises Limited a 100% owned subsidiary of £118,315 (2020: £125,750) being gift aid payable, and as at 31 July 2021 the Union had a debtor balance of £nil (2020 £nil) owed by the subsidiary.

22. Financial instruments

Group	2021	2020
	£	£
Financial assets measured at amortised cost	1,371,371	<i>1,187,585</i>
Financial liabilities measured at amortised cost	(288,582)	<i>(270,331)</i>
Financial liabilities measured at fair value	<u>(355,002)</u>	<i><u>(401,284)</u></i>
Union	2021	2020
	£	£
Financial assets measured at amortised cost	1,307,437	<i>1,050,465</i>
Financial liabilities measured at amortised cost	(274,197)	<i>(257,576)</i>
Financial liabilities measured at fair value	<u>(355,002)</u>	<i><u>(401,284)</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.

University of Southampton Students' Union
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23. Operating lease commitments

At 31 July 2021 the Union had future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£	<i>£</i>
Operating lease payments due within 1 year	2,985	<i>15,361</i>
Operating lease payments due between 2 and 5 years	<u>4,229</u>	<i><u>7,215</u></i>
	<u><u>7,214</u></u>	<i><u><u>22,576</u></u></i>

University of Southampton Students' Union
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25. Comparative Statement of Financial Activities

	<i>Unrestricted Income</i>	<i>Restricted Income</i>	<i>Total 2020</i>
	£	£	£
<i>Income and endowments from:</i>			
<i>Donations:</i>			
- University Grants	2,210,132	-	2,210,132
- Other Grants	-	178,424	178,424
- Grant in kind from University	322,000	-	322,000
<i>Other Trading Activities:</i>			
- Rental income	10,941	-	10,941
- Sponsorship and marketing income	123,892	-	123,892
<i>Investment income</i>	6,564	-	6,564
<i>Charitable activities for students:</i>			
- Bars	650,383	-	650,383
- Catering	175,494	-	175,494
- Events	74,175	333	74,508
- Shops	1,226,764	-	1,226,764
- Lettings	42,530	-	42,530
- Student Activities	39,782	-	39,782
- Student Services	61,986	-	61,986
<i>Other income</i>	<u>275,962</u>	-	<u>275,962</u>
<i>Total income</i>	<u>5,220,605</u>	<u>178,757</u>	<u>5,399,362</u>
<i>Expenditure on</i>			
<i>Charitable Activities for students:</i>			
- Bars	747,689	-	747,689
- Catering	697,046	-	697,046
- Events	145,824	-	145,824
- Shops	1,579,804	-	1,579,804
- Lettings	80,688	-	80,688
- Student Activities	833,713	175,559	1,009,272
- Student Representation	1,011,290	-	1,011,290
- Student Services	<u>85,570</u>	-	<u>85,570</u>
<i>Total expenditure</i>	<u>5,181,624</u>	<u>175,559</u>	<u>5,357,183</u>
<i>Net income/(expenditure) before transfers</i>	38,981	3,198	42,179
<i>Transfers between funds</i>	<u>66,854</u>	<u>(66,854)</u>	-
<i>Net movement in funds</i>	105,835	(63,656)	42,179
<i>Fund balances brought forward</i>	<u>774,115</u>	<u>110,195</u>	<u>884,310</u>
<i>Fund balances carried forward</i>	<u>879,950</u>	<u>46,539</u>	<u>926,489</u>