

University of Southampton Students' Union

A company limited by guarantee

Trustees' report and financial statements

31 July 2020

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

Olivia Reed [President 2020-21]	Appointed 1 July 2019
Nicole Akuezumba	Appointed 1 July 2020
Samuel Tweedle	Appointed 1 July 2020
Emily Harrison [President 2019-20]	Appointed 1 July 2018, term concluded 30 June 2020
Laura Elizabeth Barr	Appointed 1 July 2019, term concluded 30 June 2020
Joanne Lisney	Appointed 1 July 2019, term concluded 30 June 2020

Student Trustees

Nathaniel Ogunniyi	Appointed 1 July 2019
Olivia George	Appointed 1 July 2020
Rishi-Nayan Varodaria	Appointed 1 July 2020
James Williams	Appointed 1 July 2020
Ned Williams	Appointed 1 July 2018, term concluded 30 June 2019
Joseph Kitts	Appointed 1 July 2019, resigned 03 April 2020

External Trustees

Jim Anderson	
Stuart Maister	
Rebecca Self	
Andrew Barnes	Resigned 03 April 2020

Registered Office

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

Senior Leadership and Key Management Personnel

Jim Gardner	Chief Executive (appointed July 2020)
Sonia Cottrell	Director of Advice & Representation
Paul Davie	Director of Operations (Company Secretary)
Anthony Douglas	Director of People
David Murtagh	Director of Union Services
Chris Small	Director of Activities

Scott McCarthy Chief Executive (resigned February 2020)

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 2020

The Board of Trustees, who are also Directors of the Union, present their annual report for the year ended 31 July 2020 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

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 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 by the Trustee Board and appointed by Union Senate. 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. 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 relevant subcommittees that cover the areas of Finance & Staffing and Remuneration. These subcommittees have clearly defined terms of reference.

Key management personnel remuneration policy

The Union broadly follows the University of Southampton pay scales in relation to core staff pay rates. Additionally, the Trustee Board benchmarks salaries against other comparable students' unions to ensure it remains comparable and competitive. We have a clearly defined Pay Policy, approved by Trustees, for bonuses and enhanced pay for individuals in addition to our Performance Management Policy. The Union has also recently adopted a Remuneration Policy for Senior Management, which adheres to the recommendations made by the NCVO Inquiry into Charity Senior Executive Pay 2014.

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

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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 and holds the Investors in People (IIP) Silver award. 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. In September 2019, the Union President and Vice Chancellor re-signed a 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.

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 Vision 2020 formed the basis of our strategy to deliver our mission of unlocking the potential and enriching the life of every student. The Union continued to work towards achieving this plan during 2019-20 whilst also looking to the future and our next strategic plan as Vision 2020 concluded. This led to us reviewing our mission, vision, and values during 2019-20 with the intent of launching a new strategy in 2020-21. 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.

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 four main areas of focus:

- Opportunities (Sports, Societies, Arts, Social)
- Support (Advice, Welfare, Safety, Training)
- Places (Entertainment, Retail, Food & Beverage, Activity spaces)
- Representation (Education, Voice, Elections)

Achievements and performance

Retail and Food & Beverage

We launched “the Plant Pot” our new vegan café, complete with zero-waste food shop. This was in response to student feedback asking for improved vegan food offerings, and regular surveys on the current “Generation-Z” focussing on sustainability and values. We refurbished our existing café space during Summer 2019, introducing new branding and revamping the entire menu to offer a range of vegan foods. The Plant Pot received extremely positive feedback from students and staff alike and is believed to be one of the first offers of this kind at a students' union in the country. Our intent is to continue to develop our offer based on student feedback and expand the zero-waste shop.

The Shop and Shop on Top continued to perform well as the only on-campus shop available to students. We saw positive engagement with University-branded merchandise and the ever popular takeaway coffee and hot food snacks.

Our licensed venues, the Bridge and the Stag's, were significantly impacted by closure due to the COVID-19 lockdown, resulting in a lack of the traditionally busy summer term trade. Despite this, our regular Stag's Karaoke continued to be extremely popular along with the weekly Quiz & Curry in the Bridge. We piloted use of an ordering app for our bars prior to Easter 2020, which we subsequently launched fully in the new academic year. We had successfully sold out of the Graduation Ball 2020 tickets for the second year in succession, but regrettably had to cancel the event due to the national restrictions.

We continued to work with our clubs & societies to facilitate events such as Mexican Society Day of the Dead, Black History Month talks, Formula 1 Student race viewing, American Football Super Bowl and more.

Our Safety Bus offer, which takes students home directly to their door, was reduced to running on Thursday – Saturday only on the busiest trading days, but also made free of charge. This led to increased usage and positive feedback from students, demonstrating our commitment to student welfare.

University of Southampton Students' Union
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Representation

The move into lockdown in March 2020 led to a rapid change to the delivery of teaching, exams, and graduation. Many far-reaching decisions had to be made by the University in a short timescale and while dealing with the day to day challenges of working remotely. SUSU elected officers and academic reps were involved in that process of decision-making from the outset and the reps in particular were outstanding in the dedication they showed to representing their fellow students and working with the University to ensure the best result for students with, for example, implementation of a No Detriment policy. Many student reps voluntarily stayed in post beyond the end of June to continue to represent students.

Overall, the elections held throughout the year received 317 nominations, and elected over 200 academic reps. A total of 19,201 votes were cast by 5,057 individual students across all these elections. Our Spring elections remained the biggest single period of voting in the year. We also received 166 submissions through our "You Make Change" system during the year, many of which were to do with exam results and final grades impacted due to COVID-19 in the summer term. We successfully lobbied and worked with the University to introduce a robust "No Detriment" policy for the exams in June 2020.

Due to COVID-19 restrictions we were unable to hold an in-person event for our annual Academic Awards. Despite this, we still received 534 nominations for the awards, an increase on the 2019 awards, and our online ceremony was well-attended by both staff and students.

Advice

Our advisors worked on 2,290 cases over the course of the year, including 951 Academic, 777 Finance and 493 Housing related 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 adapted to providing a virtual service for the latter part of the year to ensure the provision of independent advice for our members during a particularly challenging time. The impact of COVID-19 required increased work for academic appeals, including creation of new guides to advise students on the new processes put in place by the University during this time. We continued to provide our popular drop-in sessions during the year, in addition to maintaining the "Look After Your Mate" training programme.

Lettings

The year was spent reviewing all properties and landlords, ensuring that any which did not meet the required standards were jettisoned. The tenancy agreements and paperwork were all updated and improved and the level of customer service to both students and landlords was brought up to an excellent level, as reflected in the feedback received from both. This was achieved with only one member of staff, supported by the Director of Advice & Representation and the Finance Manager.

For the first time in its existence, SUSU Lettings made a surplus, finishing with an operating surplus of circa £8,500. This was despite uncertainty about renewals as a result of COVID-19 and represents our commitment to supporting our members to find high quality, affordable accommodation.

Activities

Despite COVID-19 we achieved our goal of more than 50% of students being part of a club or society, with 51% of the student population having joined at least one group during 2019-20. We continued to develop our processes to support our clubs' and societies' committees including improved training resources and new online systems.

To support the activity of our clubs and societies we awarded grants during the year totalling £231,934, despite the cancellation of the grant process for term 3. To mitigate the impact of COVID-19 following Easter we also provided emergency grants of £20,000.

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Trustees' Report

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7 new groups were affiliated during the year and 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 complete due to COVID-19, so final positions were not confirmed. We were due to host the University of Portsmouth for our annual Varsity competition but unfortunately this was cancelled due to COVID-19.

Our Raise and Give (RAG) fundraising team of volunteers raised an impressive £176,717 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 over 20 charities, including Yellow Door, Movember, Reach, BEAT, and RAG's core charities for 2019-20 which were Medecins Sans Frontieres, Alzheimer's Society, Solent Mind and Naomi House & Jacksplace.

We delivered 72 events outside of the sporting programme during 2019-20, prior to activity ceasing due to lockdown restrictions. During lockdown we celebrated our annual Society and Volunteering Awards (previously named the Excellence in Volunteering Awards) online, recognising the tremendous accomplishments of our volunteers. Over 170 nominations were received, with 11 individuals and groups receiving awards. Our student media groups also received several nominations for national awards.

Our student run cinema, Union Films, held over 70 film screenings, including first-run showings of Joker, which were well attended. We also offered screenings of National Theatre live plays and several free screenings specifically for students living in halls of residence. We continued to offer excellent value for money, with tickets costing £3 - £4.

We successfully lobbied the University to continue with the Winchester School of Art (WSA) weekday shuttle bus, and also provided a successful weekend service using our own minibuses fleet.

Towards the end of July 2020, we commenced our online pre-sessional student programme and engaged over 900 international students through channels such as WeChat. We maintained the previous high satisfaction ratings for this programme.

Overall

We saw an increase in our National Student Survey (NSS) score to 52% (up from 49% in 2019), placing us 11th amongst students' unions in the Russell Group of universities. We also saw the biggest increase in score amongst our comparator unions.

During the year we made several key staff appointments, including a new Chief Executive, Marketing & Communications Manager, and Insight Manager. These roles were pivotal in planning and delivering the work on our new strategy that was subsequently launched in the 2020-21 academic 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 2020-21. 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 also 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 2019-20 the final round of grants for the summer term was cancelled due to COVID-19 preventing any activities from

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occurring. Instead, emergency grant funding was provided to enable clubs and societies to refund members for any cancelled Easter activity because of COVID-19 in advance of them receiving refunds from airlines, hotels and similar. Our goal was to ensure that individual members were not financially disadvantaged by the situation.

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 £444,860 (2019: £265,369).

c) Principal funding

The University of Southampton provides the Union with an unrestricted block grant each year. For the year 2019-20 this amounted to £2,210,132 (2019: £2,240,992). The University made restricted grants to the Union for the Halls Committees of £127,858 (2019: £130,222) and contributions towards the cost of fixed asset purchases of £nil (2019: £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. 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. The University ended the Spring 2020 term a week earlier, and shortly afterwards the UK entered a nationwide lockdown. This resulted in the closure of all our trading areas, with only our shop able to trade from July 2020 onwards, and cancellation of large-scale events such as the annual Varsity competition with the University of Portsmouth and our Graduation Ball. There was also a corresponding decrease in expenditure because of the reduction in trading and activity.

The Union utilised the Government's Coronavirus Job Retention Scheme (CJRS), also known as furlough, and received grants of £260,902 (2019: £nil) 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.

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.

University of Southampton Students' Union
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For the Year Ended 31 July 2020

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.

Events over this financial year have shown the vulnerabilities inherent within our financial model when we were forced to close our trading outlets for a third of the year and we had no alternative means of trading. This significantly reduced our income whilst we continued to incur fixed costs. It is therefore vital that we seek to reduce the variability of the block grant and diversify and improve our trading operations, focusing on digital opportunities in particular.

We have also identified that we must improve our approach to health & safety. We have over 300 clubs and societies which conduct a range of activity every week. We have developed an action plan to implement over the next 18 months to address this issue.

The Union recently adopted a new Statement of Risk Appetite and Risk Management Policy to help identify and structure our approach to risk management. 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.

g) Overall performance

The Union's gross income from all sources totalled £5,399,362 (2019: £6,743,758) against total expenditure of £5,357,183 (2019: £6,823,689). Revenues decreased from the previous year by 20% (2019: decreased by 8%) due to a reduction in student numbers, and a significant drop in commercial sales as a result of the COVID-19 global outbreak. However overall expenditure also decreased by 21% due to lack of trading purchases and measures taken to control our financial outlay during the final quarter of the year.

We operate a broadly balanced budget to provide a wide range of student benefits and as a result created an overall surplus of £42,179 (2019: £79,931 deficit). The total of all Union reserves increased to £926,489 (2019: £884,310).

The Trustees have agreed that the financial performance for the year 2019-20 was adequate.

Plans for future periods

The Union appointed a new Chief Executive who started in July 2020. We have also been developing our new strategy as the previous Vision 2020 reached its conclusion. This work was impacted by COVID-19, which added a substantial degree of uncertainty to the higher education, and national environment when planning. Due to this we did not create a fixed timeline strategy but instead developed a new vision, updated values and missions which will underpin our activity for at least the next 12-18 months. Whilst activity was constrained during the final quarter of the year we did successfully engage with a range of stakeholders in consulting on and developing our new strategy. The new strategy was subsequently launched in October 2020 and included a refresh of our branding. The branding work was all conducted in-house to keep control of cost, with consultation on the strategy led by our Insight Manager.

Looking ahead, the financial backdrop for 2020-21 is challenging, especially with concerns of reduced number of students attending University, particularly from overseas, and uncertain levels of in-person activity. Despite this we remain committed to working with the University to ensure students have the best possible experience during their time at Southampton. We are committed to investing in technology, health & safety, and our buildings in addition to strengthening our internal culture and relations with our members. We continue to

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engage with the University about redeveloping our buildings, our long-term funding, and enhancing the relationship between our organisations.

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 2020, the Union was affiliated to the organisations shown below, together with the cost of affiliation in the year ending 31 July 2020:

• Advice UK	£2,580
• British Universities and Colleges Sports (BUCS)	£14,427
• National Association of Student Money Advisors (NASMA)	£120
• Nightline	£600
• Student Radio Association	£800

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	1	6
£10,000 - £19,999	3	17
£20,000 - £29,999	10	26
£30,000 - £39,999	3	2
£40,000 - £49,999	4	1
£50,000 - £59,999	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 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.

University of Southampton Students' Union
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For the Year Ended 31 July 2020

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 24 November 2020 including approving, in their capacity as company directors, the Report contained therein and is signed as authorised on its behalf by:



Olivia Reed
Chair of Trustee Board 2020-21

University of Southampton Students' Union
Statement of Trustees' Responsibilities
For the Year Ended 31 July 2020

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 2020 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 2020 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 11, 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 Statement of Financial Activities
For the Year Ended 31 July 2020

	Notes	Unrestricted Income £	Restricted Income £	Total 2020 £	Total 2019 £
Income and endowments from:					
Donations:					
- University Grants		2,210,132	-	2,210,132	2,240,992
- Other Grants		-	178,424	178,424	130,222
- Grant in kind from University		322,000	-	322,000	322,000
Other Trading Activities:					
- Rental income		10,941	-	10,941	12,434
- Sponsorship and marketing income		123,892	-	123,892	165,005
Investment income					
		6,564	-	6,564	6,683
Charitable activities for students:					
- Bars		650,383	-	650,383	1,151,771
- Catering		175,494	-	175,494	434,501
- Events		74,175	333	74,508	182,907
- Shops		1,226,764	-	1,226,764	1,781,891
- Lettings		42,530	-	42,530	28,850
- Student Activities		39,782	-	39,782	159,326
- Student Services		61,986	-	61,986	90,707
Other income	4	<u>275,962</u>	<u>-</u>	<u>275,962</u>	<u>36,469</u>
Total income		<u>5,220,605</u>	<u>178,757</u>	<u>5,399,362</u>	<u>6,743,758</u>
Expenditure on					
Charitable Activities for students:					
- Bars		747,689	-	747,689	1,091,569
- Catering		697,046	-	697,046	877,592
- Events		145,824	-	145,824	274,326
- Shops		1,579,804	-	1,579,804	2,054,720
- Lettings		80,688	-	80,688	115,122
- Student Activities		833,713	175,559	1,009,272	1,090,014
- Student Representation		1,011,290	-	1,011,290	1,221,386
- Student Services		<u>85,570</u>	<u>-</u>	<u>85,570</u>	<u>98,960</u>
Total expenditure	5-6	<u>5,181,624</u>	<u>175,559</u>	<u>5,357,183</u>	<u>6,823,689</u>
Net income/(expenditure) before transfers		38,981	3,198	42,179	(79,931)
Transfers between funds		<u>66,854</u>	<u>(66,854)</u>	<u>-</u>	<u>-</u>
Net movement in funds		105,835	(63,656)	42,179	(79,931)
Fund balances brought forward		<u>774,115</u>	<u>110,195</u>	<u>884,310</u>	<u>964,241</u>
Fund balances carried forward	17	<u><u>879,950</u></u>	<u><u>46,539</u></u>	<u><u>926,489</u></u>	<u><u>884,310</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 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	<u>480,843</u>	<u>584,813</u>
Current assets			
Stocks	13	137,316	173,297
Debtors	14	191,197	166,300
Cash at bank and in hand		<u>1,078,090</u>	<u>1,199,757</u>
		1,406,603	1,539,354
Creditors: Amounts falling due within one year	15	<u>(559,673)</u>	<u>(815,462)</u>
Net current assets		<u>846,930</u>	<u>723,892</u>
Total assets less current liabilities		<u>1,327,773</u>	<u>1,308,705</u>
Creditors: Amounts falling due in more than one year	16	<u>(401,284)</u>	<u>(424,395)</u>
Total net assets		<u>926,489</u>	<u>884,310</u>
Charitable Funds			
Restricted funds	17	46,539	110,195
Unrestricted funds			
General funds	17	<u>879,950</u>	<u>774,115</u>
Total funds		<u>926,489</u>	<u>884,310</u>

The surplus for the year in relation to the Union only was £49,614 (2019: deficit £67,470).

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



Olivia Reed
Trustee

The notes on pages 19 to 36 form part of these financial statements.

University of Southampton Students' Union
 Union Balance Sheet
 31 July 2020
 (Company Number: 08034371)

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	11	480,843	584,813
Investments	12	<u>100</u>	<u>100</u>
		<u>480,943</u>	<u>584,913</u>
Current assets			
Stocks	13	137,316	173,297
Debtors	14	174,041	152,614
Cash at bank and in hand		<u>958,126</u>	<u>1,055,750</u>
		1,269,483	1,381,661
Creditors: Amounts falling due within one year	15	<u>(540,992)</u>	<u>(783,643)</u>
Net current assets		<u>728,491</u>	<u>598,018</u>
Total assets less current liabilities		<u>1,209,434</u>	<u>1,182,931</u>
Creditors: Amounts falling due in more than one year	16	<u>(401,284)</u>	<u>(424,395)</u>
Total net assets		<u>808,150</u>	<u>758,536</u>
Charitable Funds			
Restricted funds	17	46,539	110,195
Unrestricted funds			
General funds	17	<u>761,611</u>	<u>648,341</u>
Total funds		<u>808,150</u>	<u>758,536</u>

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



Olivia Reed
 Trustee

The notes on pages 19 to 36 form part of these financial statements.

University of Southampton Students' Union
Consolidated Cash Flow Statement
For the Year Ended 31 July 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net movement in funds		42,179	(79,931)
Depreciation		178,020	198,225
Interest received		(6,564)	(6,683)
Decrease in stock		35,981	14,147
(Increase) in debtors		(24,897)	(16,840)
(Decrease)/increase) in creditors		(255,789)	164,523
(Decrease) in pension liability		<u>(23,111)</u>	<u>(90,705)</u>
Net cash (used in)/provided by operating activities		<u>(54,181)</u>	<u>182,736</u>
Cash flows from investing activities			
Interest receivable		6,564	6,683
Purchase of tangible fixed assets		<u>(74,050)</u>	<u>(14,353)</u>
Net cash (used in) investing activities		<u>(67,486)</u>	<u>(7,670)</u>
Change in cash and cash equivalents in the year	s	(121,667)	175,066
Cash and cash equivalents at the beginning of the year		<u>1,199,757</u>	<u>1,024,691</u>
Total cash and cash equivalents at the end of the year		<u>£ 1,078,090</u>	<u>1,199,757</u>

	2020 £	2019 £
Cash at bank and in hand	<u>£ 1,078,090</u>	<u>£ 1,199,757</u>

Analysis of changes in net funds:

	At 1 August 2019 £	Cash flow £	At 31 July 2020 £
Cash	<u>1,199,757</u>	<u>(121,667)</u>	<u>1,078,090</u>
	<u>1,199,757</u>	<u>(121,667)</u>	<u>1,078,090</u>

The notes on pages 19 to 36 form part of these financial statements

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

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 2020

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 2020

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

	2020	2019
	£	£
Other income	15,060	36,469
Coronavirus Job Retention Scheme grant	<u>260,902</u>	<u>-</u>
	<u><u>275,962</u></u>	<u><u>36,469</u></u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

**5. Resources expended
2020**

	Staff £	Depreciation £	Other costs £	Total 2020 £	Total 2019 £
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>

2019

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

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

**6. Support costs included in Note 4
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>

2019

	<i>Staff</i>	<i>Premises</i>	<i>Other costs</i>	<i>Marketing</i>	<i>Total 2019</i>	<i>Total 2018</i>
	£	£	£	£	£	£
<i>Bars</i>	53,583	40,234	24,848	1,569	120,234	111,464
<i>Catering</i>	150,034	112,655	69,573	4,394	336,656	443,995
<i>Events</i>	17,861	13,411	8,282	523	40,077	55,731
<i>Shops</i>	167,895	126,067	77,856	4,917	376,735	369,315
<i>Lettings</i>	26,792	20,117	12,424	785	60,118	37,155
<i>Student activities</i>	125,028	93,879	57,978	3,661	280,546	260,082
<i>Student representation</i>	285,779	214,581	132,520	8,369	641,249	733,800
<i>Student services</i>	-	-	-	-	-	<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 (2019: £322,000) notional rent 'grant in kind' charged by the University.

Included within support costs are governance costs of £26,389 (2019: £20,013).

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

7. Net movement in funds

	2020	<i>2019</i>
	£	<i>£</i>
Depreciation of owned tangible fixed assets	178,020	<i>198,225</i>
Loss on disposal of fixed assets	-	-
Audit of financial statements - parent company	14,995	<i>14,555</i>
- subsidiary company	1,435	<i>1,395</i>
Other remuneration to auditors - tax compliance	1,925	<i>950</i>
- other services	4,435	<i>-</i>
	<u>4,435</u>	<u><i>-</i></u>

8. Staff costs

	2020	<i>2019</i>
	£	<i>£</i>
Wages and salaries	1,951,333	<i>2,186,617</i>
Social security costs	129,641	<i>184,200</i>
Employer's pension contributions (note 18)	204,096	<i>162,211</i>
Staff restructuring costs	65,285	<i>14,000</i>
	<u>2,350,355</u>	<u><i>2,547,028</i></u>
Total costs	<u>2,350,355</u>	<u><i>2,547,028</i></u>

The average number of employees during the year was:

	2020	<i>2019</i>
	No	<i>No</i>
Core staff	73	<i>79</i>
Support staff	158	<i>192</i>
	<u>231</u>	<u><i>271</i></u>

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

	2020	<i>2019</i>
	No	<i>No</i>
In the bands:		
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £89,999	-	<i>1</i>
	<u>-</u>	<u><i>1</i></u>

The employees are in the University's pension scheme at a cost of £nil (*2019: £15,562*).

The staff restructuring costs of £ 65,285 (*2019: £14,000*) include £10,236 (*2019: £9,800*) of non-statutory/non-contractual payments.

The aggregate employee benefits of key management personnel was £475,893 (*2019: £430,966*). 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 2020

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 2019 – 31 July 2020	1	21,873	21,873
1 August 2019 – 30 June 2020	1	21,151	21,151
1 August 2019 – 30 June 2020	2	19,996	39,992
1 August 2019 – 30 June 2020	1	20,414	20,414
1 July 2020 – 31 July 2020	2	2,152	<u>4,304</u>
			<u><u>107,773</u></u>

The total trustee remuneration for the year ended 31 July 2020 was £107,733.

During the year retirement benefits were accruing to five trustees (*2019: seven*) in respect of a defined contribution pension scheme. No trustee received any benefits in kind during the year (*2019: none*).

During the year 1 trustee received reimbursement of travel expenses totalling £80 (*2019:1 trustee, £110*).

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 2020

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

	Leasehold Improvements £	Equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2019	2,516,261	1,138,486	3,935	3,658,682
Additions	<u>-</u>	<u>74,050</u>	<u>-</u>	<u>74,050</u>
At 31 July 2020	<u>2,516,261</u>	<u>1,212,536</u>	<u>3,935</u>	<u>3,732,732</u>
Depreciation				
At 1 August 2019	2,064,443	1,007,121	2,305	3,073,869
Charge for the year	<u>114,180</u>	<u>63,053</u>	<u>787</u>	<u>178,020</u>
At 31 July 2020	<u>2,178,623</u>	<u>1,070,174</u>	<u>3,092</u>	<u>3,251,889</u>
Net book value				
At 31 July 2020	<u>337,638</u>	<u>142,362</u>	<u>843</u>	<u>480,843</u>
At 31 July 2019	<u>451,818</u>	<u>131,365</u>	<u>1,630</u>	<u>584,813</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 £160,341 (2019: £179,268), a profit of £118,315 (2019: profit of £125,750). £125,750 (2019: £138,212) was gift aided to the Union. The company had net assets at the year-end of £118,439 (2019: net assets £125,874).

13. Stock – group and Union

	2020 £	2019 £
Finished goods and goods for resale	<u>137,316</u>	<u>173,297</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

14. Debtors

	Group		Union	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	20,373	17,701	3,217	4,015
Amounts owed by clubs and societies	25,099	36,093	25,099	36,093
Amounts due from University of Southampton	4,646	15,897	4,646	15,897
Amounts due from subsidiary undertaking	-	-	-	-
Other debtors	71,579	15,840	71,579	15,840
Prepayments and accrued income	<u>69,500</u>	<u>80,769</u>	<u>69,500</u>	<u>80,769</u>
	<u>191,197</u>	<u>166,300</u>	<u>174,041</u>	<u>152,614</u>

15. Creditors: Amounts falling due within one year

	Group		Union	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	60,093	105,082	58,890	104,914
Amount owed to University of Southampton	28,595	80,673	28,595	80,673
Social security and other taxes	24,403	207,657	18,476	203,231
Other creditors	35,154	43,648	35,154	43,648
Accruals and deferred income	<u>411,428</u>	<u>378,402</u>	<u>399,877</u>	<u>351,177</u>
	<u>559,673</u>	<u>815,462</u>	<u>540,992</u>	<u>783,643</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	
	2020 £	2019 £	2020 £	2019 £
Pension scheme funding deficit (note 19)	<u>401,284</u>	<u>424,395</u>	<u>401,284</u>	<u>424,395</u>
	<u><u>401,284</u></u>	<u><u>424,395</u></u>	<u><u>401,284</u></u>	<u><u>424,395</u></u>

17. Statement of funds

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><u>884,310</u></u>	<u><u>5,399,362</u></u>	<u><u>(5,357,183)</u></u>	<u><u>-</u></u>	<u><u>926,489</u></u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

17. Statement of funds (continued)

Consolidated - 2019

	<i>Brought forward</i> £	<i>Incoming resources</i> £	<i>Resources expenses</i> £	<i>Carried forward</i> £
Unrestricted funds				
<i>General funds</i>	<u>812,636</u>	<u>6,549,363</u>	<u>(6,587,884)</u>	<u>774,115</u>
<i>Total unrestricted funds</i>	<u>812,636</u>	<u>6,549,363</u>	<u>(6,587,884)</u>	<u>774,115</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>964,241</u></u>	<u><u>6,743,758</u></u>	<u><u>(6,823,689)</u></u>	<u><u>884,310</u></u>

Union - 2020

	Brought forward £	Incoming resources £	Resources expenses £	Transfers £	Carried forward £
Unrestricted funds					
<i>General funds</i>	<u>648,341</u>	<u>5,186,014</u>	<u>(5,139,598)</u>	<u>66,854</u>	<u>761,611</u>
<i>Total unrestricted funds</i>	<u>648,341</u>	<u>5,186,014</u>	<u>(5,139,598)</u>	<u>66,854</u>	<u>761,611</u>
Restricted funds					
<i>Capital Grant</i>	76,067	-	(30,314)	-	45,753
<i>RAG</i>	786	35,899	(35,899)	-	786
<i>Halls</i>	27,669	127,858	(88,673)	(66,854)	-
<i>Rugby</i>	<u>5,673</u>	<u>15,000</u>	<u>(20,673)</u>	<u>-</u>	<u>-</u>
<i>Total restricted funds</i>	<u>110,195</u>	<u>178,757</u>	<u>(175,559)</u>	<u>(66,854)</u>	<u>46,539</u>
<i>Total funds</i>	<u><u>758,536</u></u>	<u><u>5,364,771</u></u>	<u><u>(5,315,157)</u></u>	<u><u>-</u></u>	<u><u>808,150</u></u>

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17. Statement of funds (continued)

Union - 2019

	<i>Brought forward</i>	<i>Incoming resources</i>	<i>Resources expenses</i>	<i>Carried forward</i>
	£	£	£	£
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>(6,770,176)</u></u>	<u><u>758,536</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 £35,899. No cost was incurred to manage the fund and Union also donated £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 2020 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 £30,314 on underlying assets was charged to this fund.

University of Southampton Students' Union
Notes to the Financial Statements
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18. Analysis of net assets between funds

2020

Consolidated	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	45,753	435,090	480,843
Net current assets	786	846,144	846,930
Long term liabilities	<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 £
Tangible fixed assets	45,753	435,090	480,843
Investments	-	100	100
Net current assets	786	727,705	728,491
Long term liabilities	<u>-</u>	<u>(401,284)</u>	<u>(401,284)</u>
	<u>46,539</u>	<u>761,611</u>	<u>808,150</u>

2019

Consolidated	Restricted funds £	Unrestricted funds £	Total funds £
<i>Tangible fixed assets</i>	76,067	508,746	584,813
<i>Net current assets</i>	34,128	689,764	723,892
<i>Long term liabilities</i>	<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 £
<i>Tangible fixed assets</i>	76,067	508,746	584,813
<i>Investments</i>	-	100	100
<i>Net current assets</i>	34,128	563,890	598,018
<i>Long term liabilities</i>	<u>-</u>	<u>(424,395)</u>	<u>(424,395)</u>
	<u>110,195</u>	<u>648,341</u>	<u>758,536</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 £75,269 (2019 - £79,926) 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 2020

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 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 £401,284 (2019: £424,395). In calculating this net present value, a discount rate of 1.45% 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 2020 amounted to £151,938 (2019: £172,990). The movement in the deficit contribution liability in the year was £23,111 credit (2019: credit £90,705).

20. Capital commitments

	2020	2019
	£	£
At 31 July the Union had capital commitments as follows:		
Authorised and contracted	-	<u>13,472</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

21 Related party transactions

University of Southampton

The Union is in receipt of a recurrent grant from the University of £2,210,132 (2019: £2,240,992) together with other grants of £127,858 (2019: £130,222). Transactions throughout the year resulted in a trading balance as at 31 July 2020 of £23,949 (2019: £69,275) owed to the University.

SUSU Social Enterprises Limited

The Union had transactions with the SUSU Social Enterprises Limited a 100% owned subsidiary of £125,750 (2019: £138,212) being gift aid payable, and as at 31 July 2020 the Union had a debtor balance of £nil (2019 £nil) owed by the subsidiary.

22. Financial instruments

Group	2020	2019
	£	£
Financial assets measured at amortised cost	1,187,585	1,446,826
Financial liabilities measured at amortised cost	(270,331)	337,071
Financial liabilities measured at fair value	<u>(401,284)</u>	<u>(424,395)</u>
Union	2020	2019
	£	£
Financial assets measured at amortised cost	1,050,465	1,127,595
Financial liabilities measured at amortised cost	(257,576)	309,678
Financial liabilities measured at fair value	<u>(401,284)</u>	<u>(424,395)</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.

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2020

23. Operating lease commitments

At 31 July 2020 the Union had future minimum lease payments under non-cancellable operating leases as follows:

	2020	<i>2019</i>
	£	<i>£</i>
Operating lease payments due within 1 year	15,361	<i>33,923</i>
Operating lease payments due between 2 and 5 years	<u>7,215</u>	<i><u>41,138</u></i>
	<u>22,575</u>	<i><u>75,061</u></i>

24. Post balance sheet events

In December 2019, a novel strain of coronavirus surfaced, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020 and resulted in a UK lockdown from March 2020. With the pandemic ongoing the extent to which the coronavirus may impact the activity of the Union or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

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

	<i>Unrestricted Income</i>	<i>Restricted Income</i>	<i>Total 2019</i>
	£	£	£
<i>Income and endowments from:</i>			
<i>Donations:</i>			
- University Grants	2,240,992	-	2,240,992
- Grant in kind from University	322,000	-	322,000
- Other Grants	-	130,222	130,222
<i>Other Trading Activities:</i>			
- Rental income	12,434	-	12,434
- Sponsorship and marketing income	165,005	-	165,005
<i>Investment income</i>	6,683	-	6,683
<i>Charitable activities for students:</i>			
- Bars	1,151,771	-	1,151,771
- Catering	434,501	-	434,501
- Events	182,907	-	182,907
- Shops	1,781,891	-	1,781,891
- Lettings	28,850	-	28,850
- Student Activities	95,153	64,173	159,326
- Student Services	90,707	-	90,707
<i>Other income</i>	<u>36,469</u>	-	<u>36,469</u>
<i>Total income</i>	<u>6,549,363</u>	<u>194,395</u>	<u>6,743,758</u>
 <i>Expenditure on</i>			
<i>Charitable Activities for students:</i>			
- Bars	1,091,569	-	1,091,569
- Catering	877,592	-	877,592
- Events	274,326	-	274,326
- Shops	2,054,720	-	2,054,720
- Lettings	115,122	-	115,122
- Student Activities	854,209	235,805	1,090,014
- Student Representation	1,221,386	-	1,221,386
- Student Services	<u>98,960</u>	-	<u>98,960</u>
<i>Total expenditure</i>	<u>6,587,884</u>	<u>235,805</u>	<u>6,823,689</u>
 <i>Net (expenditure)/income before transfers</i>	(38,521)	(41,410)	(79,931)
<i>Transfers between funds</i>	-	-	-
<i>Net movement in funds</i>	(38,521)	(41,410)	(79,931)
<i>Fund balances brought forward</i>	<u>812,636</u>	<u>151,605</u>	<u>964,241</u>
 <i>Fund balances carried forward</i>	<u><u>774,115</u></u>	<u><u>110,195</u></u>	<u><u>884,310</u></u>