

University of Southampton Students' Union

A company limited by guarantee

Trustees' report and financial statements

31 July 2022

Company registration number	08034371
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Charity registration number	1148683
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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, term concluded 30 June 2022
Matthew Smith	Appointed 1 July 2021, term concluded 30 June 2022
Charlotte James	Appointed 1 July 2021, term concluded 30 June 2022
Savanna Cutts	Appointed 1 July 2021, term concluded 30 June 2022
Oliver Murray [President 2022-23]	Appointed 1 July 2022
Zoe Chapple	Appointed 1 July 2022
Emily Bastable	Appointed 1 July 2022
Aycha Ates-Di Adamo	Appointed 1 July 2022

Student Trustees

Fiona Sunderland	Appointed 1 July 2022
Rebecca Hayward	Appointed 1 July 2022
Laura McQuillan-Graham	Appointed 1 July 2022
Curtis Parfitt-Ford	Appointed 1 July 2022
Rishi-Nayan Varodaria	Appointed 1 July 2020, term concluded 30 June 2022
James Williams	Appointed 1 July 2020, term concluded 30 June 2022
Jessy Marin	Appointed 1 July 2021, term concluded 30 June 2022
Corin Holloway	Appointed 14 November 2021, term concluded 30 June 2022

External Trustees

Jim Anderson	
Rebecca Self	Resigned October 2022
Bhupinder Siran	Appointed November 2021
Debs Nichols	Resigned November 2022

Registered Office

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

Senior Leadership and Key Management Personnel

Sonia Cottrell	Chief Executive (Deputy Chief Executive until October 2022)
Paul Davie	Chief Operating Officer (Company Secretary)
Chrissie Heaver	Director of Marketing & Events
Jim Gardner	Chief Executive (resigned April 2022)
Chris Small	Director of Activities (resigned September 2021)

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 2022

The Board of Trustees, who are also Directors of the Union, present their annual report for the year ended 31 July 2022 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 & Resources, Audit & Risk and Executive Performance & Reward. These subcommittees have clearly defined terms of reference.

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 an 'Executive Performance and Reward Committee' with a remit to oversee and scrutinise the performance and remuneration of senior executives, on behalf of the Board.
- Finance & Resources 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).
- A clear Job Evaluation and Pay Policy, together with a Performance Management Policy, are in place to ensure consistency in decision making around pay.

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Trustees' Report

For the Year Ended 31 July 2022

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.

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

During the year we launched our new strategy, Ambition 25, following a transitional strategy being introducing during the peak COVID impact period of the previous year. We retained our three values of Stand Strong, Join Together, and Take Responsibility alongside our Vision of "Every student loves their time at Southampton." The new strategy identified five missions to deliver our Vision, which are:

University of Southampton Students' Union

Trustees' Report

For the Year Ended 31 July 2022

- Strengthen student voice
- Grow and nurture student communities
- Create a memorable student experience
- Support students to complete their studies
- Be a strong and sustainable organisation

Our overall plans for the year are supported by individual plans for each Sabbatical Officer (approved by Union Senate), Plans for every staff team and specific strategies are developed by the senior leadership and approved by the Trustee Board for key areas of impact. We regular monitor the key performance indicators within the main Ambition 25 strategy and report these to staff, trustees and the University.

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

Social Enterprise

The Shop saw consistent levels of trade, albeit lower than pre-COVID. We introduced new refrigeration units in the store to address long-term maintenance issues but also as part of our commitment to sustainability with the new units more energy efficient than before. Self-service tills were also introduced into the store for the first time, and this greatly helped with queues and the speed of service.

In the year we also relocated our merchandise outlet, previous called "The Shop on Top", and renamed it the Locker. This re-opened in February 2022 in a new, higher profile location on our main concourse. We saw increased sales in the outlet following this, although struggled to obtain enough stock due to wider supply chain issues. We changed our clothing supplier to a local, sustainable company which aligned with our values and commitment to sustainability. The Locker has further development in the product range intended for 2022-23, including an online shop. The Locker also supported the University "super-graduation" where three years of graduation ceremonies took place over one week at the local St Mary's Stadium. We ran a stall on-site which saw high levels of sales during the week.

Our food & beverage venues were in a state of transition during the year, with these offerings particularly impacted by COVID in prior years. The wave of COVID seen in late 2021 had a direct impact on our venues as students left campus earlier than normal for Christmas.

We revised our Plant Pot offer from hot and cold food to a salad operation during the year to trial a different delivery option with a lower cost basis. We remain committed to offering a vegan outlet in line with our values and will be reflecting on how to deliver this in a financially sustainable and prudent way for the next year.

We had intended for Below Deck, an offer introduced in the previous year, to be a regular venue for students serving food & drink. However, post-COVID we saw limited use of the space as the prior attraction of it having an outdoor space lost importance in the absence of any COVID restrictions and instead used it for ad hoc private bookings, and a student social study area during the day.

Both the Bridge and Stag's venues saw challenges with staffing levels and stock availability. Towards the end of the year we introduced a new till system across all our venues, and are intending to launch a loyalty card and app-based ordering system linked to this during 2022-23. Levels of trade in both venues were steady, but ultimately below our budget expectations. Our flagship karaoke night in the Stag's saw declining levels of engagement, and this was mirrored in the regular quiz event in the Bridge. We spent the final months of the year engaging with students to understand their wants

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Trustees' Report

For the Year Ended 31 July 2022

and needs from our outlets going forwards and this will underpin our thinking for the next year and likely lead to capital expenditure to deliver this.

Representation

Student representation remains a top priority for us as an organisation, with the impacts of COVID still a key issue for students. The move to online lectures and representing student feedback and views about these was an ongoing part of the student representation work for the year.

We held an All-Student Vote in January 2022 because of the University decision to hold exams in-person, contrary to the widespread views of students and whilst the omicron COVID variant was still impacting individuals. 7,368 students voted overwhelmingly in favour of exams being moved online. Whilst we were unsuccessful in lobbying the University to make this change, the process ultimately strengthened the relationship between ourselves and the University.

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 407 nominations, and successfully elected to most available roles, including academic representatives. A total of 31,802 votes were cast by 9,785 individual students across all these elections. Our Spring elections remained the biggest single period of voting in the year, but all elections showed satisfactory levels of turnout. We also received 174 submissions through our 'You Make Change' system during the year, for a range of different issues affecting students.

Advice & Lettings

The Advice Centre team transitioned to providing an in-person service following COVID to support students now attending campus again. Our advisors worked on 1,967 cases over the course of the year, including 925 Academic, 476 Finance, 453 Housing and 113 miscellaneous cases. We also provided an improved service from the Advice Centre reception to quickly resolve issues, and this supported a further 444 Academic, 54 Finance, 264 Housing, and 96 miscellaneous issues. The support the team provided will have been instrumental for many students in their ability to continue with their degree programmes.

We continued to provide a Lettings service to our members. We maintained a mixture of online and physical viewings following COVID. We advertised over 70 properties within the year and saw high levels of interest in these. Viewings and lettings of properties increased from the previous year as anticipated following the COVID lockdowns. We continue to aim to provide quality housing to our members with no hidden or extra costs, and work with landlords to ensure properties meet our standards.

Activities

Over 9,000 students joined a club or society during the year, an increase of more than 50% on the previous year. Due to the lifting of COVID restrictions our groups were largely able to operate as normal and provide a range of opportunities and new experiences to our members.

The resuming of activity also saw us increase the grants awarded to groups which had declined in the previous year due to COVID. Grants awarded totalled £249,824 (2021: £114,271) which was more than double the amount previously awarded. We continued to see a high demand for grants throughout the year, reflecting the return to regular activity.

We also launched a new "Give It a Go" initiative, supported by funding from the University, to provide new opportunities to students to try activities and experiences, aimed at postgraduate and international students in particular who are underrepresented in club and society membership. Alongside this we introduced a new EDI Bursary for students from low socio-economic backgrounds to support them with joining sports clubs that previously may have been financially unaffordable for them.

We continued to offer over 400 different clubs and societies for our members to join, including over 90 competitive and over 60 intramural sports. The national British University College Sports (BUCS) league resumed competitions following a year without them due to COVID, and many of our groups competed across the country. We continued our winning streak in the annual Varsity competition versus the University of Portsmouth.

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For the Year Ended 31 July 2022

Our Raise and Give (RAG) fundraising team of volunteers continued to raise funds during the year through their own initiatives and via fundraising carried out by clubs and societies in the year. The totals raised will benefit a range of charities including the three core charities for the year of Yellow Door (local charity), Tommy's (national charity) and Actionaid (international charity).

Due to ongoing changes in student behaviour, and considering the potential risks of COVID, we ran a limited events programme during the year. We were able to return to in-person activity during Freshers' but split our annual Clubs & Societies Fair over 2 days to control attendance and manage risk from any potential COVID limitations. We held a low number of high-profile events including Halloween, Christmas, Graduation Ball and Summer Festival activity. Many of these events saw increased engagement from our international students which was a new trend compared to pre-COVID activity. We hope to increase our events programme over the next year, whilst also being mindful of new behaviours and expectations of students.

We continued to celebrate our annual Society and Volunteering Awards with the ceremony able to return to in-person activity, recognising the tremendous accomplishments of our volunteers. Over 185 nominations were received across 9 award categories. Our Academic Awards, celebrating both academic staff and academic representatives, received over 200 nominations across the five faculties of the University and was also able to be held in-person after 2 years of being held online.

Overall

We saw an increase in our National Student Survey (NSS) score to 60% (up from 50% in 2021), which we believe was linked to our representation activities, particularly the All-Student Vote about online exams which directly relates to the NSS question of "The Students' Union effectively represents students' academic interests." This result meant that we ranked second in the Russell Group in terms of the NSS.

Challenges from COVID continued during the year, with the sudden occurrence of the omicron variant disrupting the Autumn term. New ways of working, and changes from student behaviour remain issues that we continue to adapt to organisationally.

Our relationship with the University has never been stronger, and thanks to their generous support of an additional £1m of funding we are well placed to deliver new activities for our members in the 2022-23 year. Our representation efforts saw high levels of engagement, and we spent the year listening to students about our social enterprise areas and what they expect from us.

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 pre-defined criteria and made each term. Grant funding increased from the previous year as result of COVID restrictions being lifted, and the Union awarded grants to our clubs & societies of £249,824 during the year. New for the year was the introduction of an Equity, Diversity & Inclusivity Grant of £4,704 to support students in joining clubs & societies.

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 £1,166,230 (2021: £521,287). This is distorted by the one-off receipt from the University of £1m and a one-off £0.25m payment to the PASNAS pension scheme within the year.

c) Principal funding

The University of Southampton provides the Union with an unrestricted block grant each year. For the year 2021-22 this amounted to £2,436,146 (2021: £2,332,253). The University did not provide any restricted grants in the year and contributions towards the cost of fixed asset purchases were £nil (2021: £nil).

d) Material investments policy

University of Southampton Students' Union

Trustees' Report

For the Year Ended 31 July 2022

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 & Resources 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

Whilst COVID abated during 2021-22, it still caused uncertainty and volatility for our operations. This was seen in student behaviour which was influenced by the omicron wave in late 2021 and early 2022 and effectively ended the Autumn 2021 term early and led to low student numbers present in January 2022. Organisationally, the financial impact this year was minimal as we were able to resume normal trading and had a confirmed grant from the University. We made limited use of the Government's Coronavirus Job Retention Scheme (CJRS), also known as 'furlough', which ended in the first quarter of the financial period.

We continued to follow principles of social distancing, enhanced cleaning, and encouraging staff and students to respect each other during the year. This included use of lateral flow testing (before withdrawn nationally) at large-scale events, particularly during Freshers', and continuing to assess attendance numbers and risks at this level of event. Ultimately, we feel that we delivered the balance between safety and student experience and did not observe any direct links between our larger activities and COVID cases. Feedback from students and the wider University was consistently positive about our approach during the year.

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. We secured a new agreement with the University for a fixed block grant, not dependent on student numbers, to reduce the volatility in our income. The grant was also agreed for a 3-year period with agreed annual percentage increases.

Our trading areas did not return to their full pre-COVID potential, and we did see the impact of newer COVID variants and ongoing changes in student behaviour during the year. However, we were able to control our costs, and the experience has allowed us to better understand underlying costs and the measures available to us for managing these.

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 £6,315,255 (2021: £3,594,831) against total expenditure of £5,588,886 (2021: £3,618,416). Revenues increased as activity resumed post-COVID. We also received a one-off grant from the University of £1m in addition to smaller grants for the Give It a Go and Safety Bus initiatives and support towards updating our facilities. We operated a broadly balanced budget to provide a wide range of student benefits and, as a result, created an overall surplus of £726,369 (2021: £23,585 deficit). The total of all Union reserves increased to £1,629,273 (2021: £902,904).

There are variances, both positive and negative, where activity has resumed following COVID and overall, the financial impacts of these were as expected. However, during the past 2 years we did review our staffing structures and change some of our offers. Our Catering offer was reduced both in scope and staffing, which is reflected in the finances for this area of activity.

The Trustees have agreed that the financial performance for the year 2021-22 was adequate.

University of Southampton Students' Union

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For the Year Ended 31 July 2022

Plans for future periods

The Ambition 25 strategy was launched during the year, and this will guide our activity through to 2025. There remains work to do on developing and implementing our underpinning strategic plans on Finance, People, Digital, Social Enterprise and Equality, Diversity & Inclusion (EDI).

Following the £1m additional funding from the University we will also be working on project plans to deliver works included within this. Areas of work include graduation (completed within 2021-22), student communities, sustainability, access to activities, and alumni.

We are continuing to adapt to changing student behaviours, and an increasingly changing world. The global economic situation and supply chain has affected everyone in 2022 and this disruption seems set to continue for the foreseeable future. We are anticipating challenges around costs, and particularly cost of living for our students. Our budget for 2022-23 included allowances for high utility costs, but also accepted lower profit margins for our social enterprise areas in recognition that as a Students' Union we are here to support students, not profit from them.

We are expecting to progress investment in our facilities, an area which was neglected over the past 5 years. This will be led by student consultation and intended to lead to our providing a better service through our venues, outlets, and facilities to our members going forward.

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 2022, the Union was affiliated to the organisations shown below, together with the cost of affiliation in the year ending 31 July 2022:

• Advice UK	£271
• British Universities and Colleges Sports (BUCS)	£16,599
• National Association of Student Money Advisors (NASMA)	£870

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	4
£10,000 - £19,999	3	19
£20,000 - £29,999	4	7
£30,000 - £39,999	1	3
£40,000 - £49,999	0	1
£50,000 - £59,999	1	0
£60,000 - £69,999	1	1

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.

University of Southampton Students' Union
Trustees' Report
For the Year Ended 31 July 2022

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 2022 including approving, in their capacity as company directors, the Report contained therein and is signed as authorised on its behalf by:



Oliver Murray
Chair of Trustee Board 2022-23

University of Southampton Students' Union

Statement of Trustees' Responsibilities

For the Year Ended 31 July 2022

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 2022 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 2022 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 10 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.

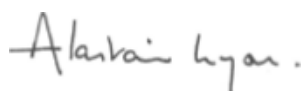
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSITY OF SOUTHAMPTON STUDENTS' UNION
(CONTINUED)**

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the 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 : 21 March 2023

University of Southampton Students' Union
Consolidated Statement of Financial Activities
For the Year Ended 31 July 2022

	Notes	Unrestricted Income £	Restricted Income £	Total 2022 £	Total 2021 £
Income and endowments from:					
Donations:					
- University Grants		2,561,146		2,561,146	2,332,253
- Other Grants		-		-	-
- Grant in kind from University		322,000		322,000	322,000
Other Trading Activities:					
- Rental income		1,801		1,801	2,477
- Sponsorship and marketing income		121,998		121,998	57,552
Investment income		-		-	408
Charitable activities for students:					
- Bars		763,459	-	763,459	204,028
- Catering		23,214	-	23,214	4,206
- Events		78,417	-	78,417	2,216
- Shops		1,181,446	-	1,181,446	323,880
- Lettings		50,928	-	50,928	27,149
- Student Activities		91,448	12,285	103,733	60,534
- Student Services		75,155	-	75,155	9,276
Other income	4	<u>1,031,958</u>	<u>-</u>	<u>1,031,958</u>	<u>248,852</u>
Total income		<u>6,302,970</u>	<u>12,285</u>	<u>6,315,255</u>	<u>3,594,831</u>
Expenditure on					
Charitable Activities for students:					
- Bars		1,105,359	-	1,105,359	442,259
- Catering		146,330	-	146,330	374,306
- Events		171,516	-	171,516	3,604
- Shops		1,674,974	-	1,674,974	765,743
- Lettings		178,422	-	178,422	96,158
- Student Activities		952,969	21,840	974,809	641,758
- Student Representation		1,266,893	-	1,266,893	1,257,762
- Student Services		<u>70,583</u>	<u>-</u>	<u>70,583</u>	<u>36,826</u>
Total expenditure	5-6	<u>5,567,046</u>	<u>21,840</u>	<u>5,588,886</u>	<u>3,618,416</u>
Net income/(expenditure) before transfers		735,924	(9,555)	726,369	(23,585)
Transfers between funds		-	-	-	-
Net movement in funds		735,924	(9,555)	726,369	(23,585)
Fund balances brought forward		<u>881,230</u>	<u>21,674</u>	<u>902,904</u>	<u>926,489</u>
Fund balances carried forward	17	<u>1,617,154</u>	<u>12,119</u>	<u>1,629,273</u>	<u>902,904</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 49 form part of these financial statements

University of Southampton Students' Union
Consolidated Balance Sheet
31 July 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	<u>443,685</u>	<u>359,942</u>
Current assets			
Stocks	13	114,088	65,321
Debtors	14	191,195	161,529
Cash at bank and in hand		<u>1,943,157</u>	<u>1,288,096</u>
		2,248,440	1,514,946
Creditors: Amounts falling due within one year	15	<u>(772,318)</u>	<u>(616,982)</u>
Net current assets		<u>1,476,122</u>	<u>897,964</u>
Total assets less current liabilities		<u>1,919,807</u>	<u>1,257,906</u>
Creditors: Amounts falling due in more than one year	16	<u>(290,534)</u>	<u>(355,002)</u>
Total net assets		<u>1,629,273</u>	<u>902,904</u>
Charitable Funds			
Restricted funds	17	12,119	21,674
Unrestricted funds			
General funds	17	<u>1,617,154</u>	<u>881,230</u>
Total funds		<u>1,629,273</u>	<u>902,904</u>

The surplus for the year in relation to the Union only was £680,277 (2021: surplus £50,130).

These financial statements were approved and authorised for issue by the Trustees and were signed on their behalf on 08 December 2022


.....

Oliver Murray
Chair of Trustee Board 2022-23

The notes on pages 19 to 49 form part of these financial statements.

University of Southampton Students' Union
Union Balance Sheet
31 July 2022
(Company Number: 08034371)

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	443,685	359,942
Investments	12	<u>100</u>	<u>100</u>
		<u>443,785</u>	<u>360,042</u>
Current assets			
Stocks	13	114,088	65,322
Debtors	14	166,302	151,427
Cash at bank and in hand		<u>1,860,885</u>	<u>1,234,264</u>
		2,141,275	1,451,012
Creditors: Amounts falling due within one year	15	<u>(755,968)</u>	<u>(597,772)</u>
Net current assets		<u>1,385,307</u>	<u>853,240</u>
Total assets less current liabilities		<u>1,829,092</u>	<u>1,213,283</u>
Creditors: Amounts falling due in more than one year	16	<u>(290,534)</u>	<u>(355,002)</u>
Total net assets		<u>1,538,558</u>	<u>858,281</u>
Charitable Funds			
Restricted funds	17	12,119	21,674
Unrestricted funds			
General funds	17	<u>1,526,439</u>	<u>836,607</u>
Total funds		<u>1,538,558</u>	<u>858,281</u>

These financial statements were approved and authorised for issue by the Trustees and were signed on their behalf on 08 December 2022


.....

Oliver Murray
Chair of Trustee Board 2022-23

The notes on pages 19 to 49 form part of these financial statements.

University of Southampton Students' Union
Consolidated Cash Flow Statement
For the Year Ended 31 July 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net movement in funds		726,369	(23,585)
Depreciation		143,650	155,177
Loss/(profit) on the sale of Fixed Assets		11,587	10,151
Interest received		-	(408)
(Increase)/Decrease in stock		(48,767)	71,996
(Increase) in debtors		(29,666)	29,668
(Decrease)/increase in creditors		155,336	57,309
(Decrease) in pension liability		<u>(64,468)</u>	<u>(46,283)</u>
Net cash (used in)/provided by operating activities		<u>894,041</u>	<u>254,025</u>
Cash flows from investing activities			
Interest receivable		-	408
Purchase of tangible fixed assets		<u>(238,980)</u>	<u>(44,427)</u>
Net cash (used in) investing activities		<u>(238,980)</u>	<u>(44,019)</u>
Change in cash and cash equivalents in the year		655,061	210,006
Cash and cash equivalents at the beginning of the year		<u>1,288,096</u>	<u>1,078,090</u>
Total cash and cash equivalents at the end of the year		<u>£ 1,943,157</u>	<u>£ 1,288,096</u>
		2022 £	2021 £
Cash at bank and in hand		<u>£ 1,943,157</u>	<u>£ 1,288,096</u>
Analysis of changes in net funds:			
	At 1 August 2021 £	Cash flow £	At 31 July 2022 £
Cash	<u>1,288,096</u>	<u>655,061</u>	<u>1,943,157</u>

The notes on pages 19 to 49 form part of these financial statements

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2022

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 of rising costs 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 2022

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 2022

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 1.8% has been used in line with industry standards.

4. Other income

	2022	2021
	£	£
Other income	1,027,532	2,100
Coronavirus Job Retention Scheme grant	<u>4,426</u>	<u>246,752</u>
	<u>1,031,958</u>	<u>248,852</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2022

5. Resources expended
2022

	Staff	Depreciation	Other costs	Total 2022	<i>Total 2021</i>
	£	£	£	£	£
Bars	434,679	31,934	638,746	1,105,359	442,259
Catering	115,957	10,928	19,445	146,330	374,306
Events	57,165	2,342	112,009	171,516	3,604
Shops	516,670	39,650	1,118,654	1,674,974	765,743
Lettings	117,780	3,514	57,128	178,422	96,158
Student activities	336,468	26,002	612,339	974,809	641,757
Student representation	824,499	29,280	413,114	1,266,893	1,257,762
Student services	<u>26,071</u>	<u>-</u>	<u>44,512</u>	<u>70,583</u>	<u>36,827</u>
Total costs	<u>2,429,289</u>	<u>143,650</u>	<u>3,015,947</u>	<u>5,588,886</u>	<u>3,617,881</u>

2021

	<i>Staff</i>	<i>Depreciation</i>	<i>Other costs</i>	<i>Total 2021</i>	<i>Total 2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Bars</i>	192,887	32,378	216,994	442,259	747,689
<i>Catering</i>	190,728	27,095	156,483	374,306	697,046
<i>Events</i>	150	-	3,454	3,604	145,824
<i>Shops</i>	335,527	24,024	406,192	765,743	1,579,804
<i>Lettings</i>	54,994	3,402	37,762	96,158	80,688
<i>Student activities</i>	293,105	29,155	319,497	641,757	1,009,272
<i>Student representation</i>	821,167	39,123	397,472	1,257,762	1,011,290
<i>Student services</i>	<u>3,175</u>	<u>-</u>	<u>33,652</u>	<u>36,827</u>	<u>85,570</u>
<i>Total costs</i>	<u>1,891,733</u>	<u>155,177</u>	<u>1,571,506</u>	<u>3,618,416</u>	<u>5,357,183</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2022

**6. Support costs included in Note 4
2022**

	Staff	Premises	Other costs	Marketing	Total 2022	Total 2021
	£	£	£	£	£	£
Bars	173,921	97,854	65,503	3,248	340,526	142,905
Catering	-	-	-	-	-	251,511
Events	31,622	17,792	11,909	591	61,914	-
Shops	300,409	169,020	113,141	5,609	588,179	377,268
Lettings	47,433	26,687	17,864	886	92,870	57,162
Student activities	189,732	106,750	71,457	3,543	371,482	257,228
Student representation	<u>395,276</u>	<u>222,395</u>	<u>148,869</u>	<u>7,382</u>	<u>773,922</u>	<u>657,361</u>
Total costs	<u>1,138,393</u>	<u>640,498</u>	<u>428,743</u>	<u>21,259</u>	<u>2,228,893</u>	<u>1,743,435</u>

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>

Premises costs include £322,000 (2021: £322,000) notional rent 'grant in kind' charged by the University.

Included within support costs are governance costs of £33,535 (2021: £21,467).

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2022

7. Net movement in fund

	2022	2021
	£	£
Depreciation of owned tangible fixed assets	143,650	155,177
Loss on disposal of fixed assets	11,587	10,151
Audit of financial statements - parent company	15,620	15,440
- subsidiary company	1,700	1,485
Other remuneration to auditors- tax compliance	950	750
- other services	<u>7,980</u>	<u>4,080</u>

8. Staff costs

	2022	2021
	£	£
Wages and salaries	1,916,710	1,573,743
Social security costs	124,170	110,263
Employer's pension contributions (note 19)	388,410	167,085
Staff restructuring costs	<u>-</u>	<u>40,641</u>
Total costs	<u>2,429,290</u>	<u>1,891,732</u>

The average number of employees during the year was:

	2022	2021
	No	No
Core staff	52	62
Support staff	<u>106</u>	<u>60</u>
	<u>158</u>	<u>122</u>

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

	2022	2021
	No	No
In the bands:		
£60,001 - £70,000	2	-
£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 £13,824 (2021: £0).

The staff restructuring costs of £nil (2021: £40,641) include £nil (2021: £19,927) of non-statutory/non-contractual payments.

The aggregate employee benefits of key management personnel was £409,855 (2021: £402,381). 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 2022

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 2021 – 31 July 2022	1	23,176	23,176
1 August 2021 – 31 July 2022	1	22,876	22,876
1 August 2021 – 31 July 2022	2	23,316	46,632
1 August 2021 – 31 July 2022	2	2,412	4,824
1 August 2021 – 31 July 2022	2	2,462	<u>4,925</u>
			102,433

The total trustee remuneration for the year ended 31 July 2022 was £102,433 (2021: £80,955)

During the year retirement benefits were accruing to 4 trustees (2021: 5) in respect of a defined contribution pension scheme. No trustee received any benefits in kind during the year (2021: none).

During the year 5 trustees received reimbursement of travel expenses totalling £231 (2021: 1 trustee, £67).

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 2022

11. Tangible fixed assets
Group and Union

	Leasehold Improvements	Assets under Construction	Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2021	2,526,301	-	1,236,772	3,935	3,767,008
Additions	95,616	5,000	138,364	-	238,980
Disposals	<u>(35,380)</u>	<u>-</u>	<u>(5,720)</u>	<u>-</u>	<u>(41,100)</u>
At 31 July 2022	<u>2,586,537</u>	<u>5,000</u>	<u>1,369,416</u>	<u>3,935</u>	<u>3,964,888</u>
Depreciation					
At 1 August 2021	2,313,982	-	1,089,205	3,879	3,407,066
Adjustment on disposal	(26,128)	-	(3,385)	-	(29,513)
Charge for the year	<u>97,138</u>	<u>-</u>	<u>46,456</u>	<u>56</u>	<u>143,650</u>
At 31 July 2022	<u>2,384,992</u>	<u>-</u>	<u>1,132,276</u>	<u>3,935</u>	<u>3,521,203</u>
Net book value					
At 31 July 2022	<u>201,545</u>	<u>5,000</u>	<u>237,140</u>	<u>-</u>	<u>443,685</u>
At 31 July 2021	<u>212,319</u>	<u>-</u>	<u>147,567</u>	<u>56</u>	<u>359,942</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 £172,726 (2021: £82,139), a profit of £46,092 (2021: profit of £45,133). £42,598 (2021: £118,315) was gift aided to the Union. The company had net assets at the year-end of £90,715 (2021: net assets £45,257).

13. Stock – group and Union

	2022	2021
	£	£
Finished goods and goods for resale	<u>114,088</u>	<u>65,322</u>

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2022

14. Debtors

	Group		Union	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	32,616	12,738	7,723	2,636
Amounts owed by clubs and societies	11,540	18,109	11,540	18,109
Amounts due from University of Southampton	25,524	6,104	25,524	6,104
Other debtors	42,724	46,324	42,724	46,324
Prepayments and accrued income	<u>78,791</u>	<u>78,254</u>	<u>78,791</u>	<u>78,254</u>
	<u>191,195</u>	<u>161,529</u>	<u>166,302</u>	<u>151,427</u>

15. Creditors: Amounts falling due within one year

	Group		Union	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	207,920	148,612	207,042	145,543
Amount owed to University of Southampton	195,991	36,745	195,991	36,745
Amount owed to clubs and societies	98,872	4,756	98,872	4,756
Social security and other taxes	32,468	30,109	22,629	25,819
Other creditors	33,781	22,968	33,781	22,968
Accruals and deferred income	<u>203,286</u>	<u>373,792</u>	<u>197,653</u>	<u>361,941</u>
	<u>772,318</u>	<u>616,982</u>	<u>755,968</u>	<u>597,772</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	
	2022	2021	2022	2021
	£	£	£	£
Pension scheme funding deficit (note 19)	<u>290,534</u>	<u>355,002</u>	<u>290,534</u>	<u>355,002</u>
	<u>290,534</u>	<u>355,002</u>	<u>290,534</u>	<u>355,002</u>

17. Statement of funds

Consolidated - 2022

	Brought Forward	Incoming resources	Resources expenses	Transfers	Carried forward
	£	£	£	£	£
Unrestricted funds					
General funds	<u>881,230</u>	<u>6,302,970</u>	<u>(5,567,046)</u>	-	<u>1,617,154</u>
Total unrestricted funds	<u>881,230</u>	<u>6,302,970</u>	<u>(5,567,046)</u>	-	<u>1,617,154</u>
Restricted funds					
Capital Grant	20,888	-	(13,649)	-	7,239
RAG	<u>786</u>	<u>12,285</u>	<u>(8,191)</u>	-	<u>4,880</u>
Total restricted funds	<u>21,674</u>	<u>12,285</u>	<u>(21,840)</u>	-	<u>12,119</u>
Total funds	<u>902,904</u>	<u>6,315,255</u>	<u>(5,588,886)</u>	-	<u>1,629,273</u>

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

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	<u>786</u>	-	-	-	<u>786</u>
Total restricted funds	<u>46,539</u>	-	<u>(24,865)</u>	-	<u>21,674</u>
Total funds	<u><u>926,489</u></u>	<u><u>3,594,831</u></u>	<u><u>(3,618,416)</u></u>	-	<u><u>902,904</u></u>

Union - 2022

	Brought forward	Incoming resources	Resources expenses	Transfers	Carried forward
	£	£	£	£	£
Unrestricted funds					
General funds	<u>836,607</u>	<u>6,174,841</u>	<u>(5,485,009)</u>	-	<u>1,526,439</u>
Total unrestricted funds	<u>836,607</u>	<u>6,174,841</u>	<u>(5,485,009)</u>	-	<u>1,526,439</u>
Restricted funds					
Capital Grant	20,888	-	(13,649)	-	7,239
RAG	<u>786</u>	<u>12,285</u>	<u>(8,191)</u>	-	<u>4,880</u>
Total restricted funds	<u>21,674</u>	<u>12,285</u>	<u>(21,840)</u>	-	<u>12,119</u>
Total funds	<u><u>858,281</u></u>	<u><u>6,187,126</u></u>	<u><u>(5,506,849)</u></u>	-	<u><u>1,538,558</u></u>

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17. Statement of funds (continued)

Union - 2021

	<i>Brought forward £</i>	<i>Incoming resources £</i>	<i>Resources expenses £</i>	<i>Transfers £</i>	<i>Carried forward £</i>
Unrestricted funds					
<i>General funds</i>	<u>761,611</u>	<u>3,631,006</u>	<u>(3,556,010)</u>	-	<u>836,607</u>
<i>Total unrestricted funds</i>	<u>761,611</u>	<u>3,631,006</u>	<u>(3,556,010)</u>	-	<u>836,607</u>
Restricted funds					
<i>Capital Grant</i>	45,753	-	(24,865)	-	20,888
<i>RAG</i>	<u>786</u>	-	-	-	<u>786</u>
<i>Total restricted funds</i>	<u>46,539</u>	-	<u>(24,865)</u>	-	<u>21,674</u>
<i>Total funds</i>	<u>808,150</u>	<u>3,631,006</u>	<u>(3,580,875)</u>	-	<u>858,281</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 £12,285 (2021: £nil). No cost was incurred to manage the fund and Union also donated £8,191 (2021: £nil) to nominated external charities on behalf of RAG (Raise And Give).

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 £13,649 on underlying assets was charged to this fund.

University of Southampton Students' Union
Notes to the Financial Statements
For the Year Ended 31 July 2022

18. Analysis of net assets between funds

2022

Consolidated	Restricted funds £	Unrestricted Funds £	Total funds £
Tangible fixed assets	7,239	436,446	443,685
Net current assets	4,880	1,471,242	1,476,122
Long term liabilities	-	(290,534)	(290,534)
	<u>12,119</u>	<u>1,617,154</u>	<u>1,629,273</u>

Union	Restricted funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	7,239	436,446	443,685
Investments	-	100	100
Net current assets	4,880	1,380,427	1,385,307
Long term liabilities	-	(290,534)	(290,534)
	<u>12,119</u>	<u>1,526,439</u>	<u>1,538,558</u>

2021

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

<i>Union</i>	<i>Restricted funds £</i>	<i>Unrestricted Funds £</i>	<i>Total Funds £</i>
<i>Tangible fixed assets</i>	20,888	339,055	359,943
<i>Investments</i>	-	100	100
<i>Net current assets</i>	786	852,455	853,241
<i>Long term liabilities</i>	-	(355,002)	(355,002)
	<u>21,674</u>	<u>836,608</u>	<u>858,282</u>

University of Southampton Students' Union
Notes to the Financial Statements
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19. Pension Schemes

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 £16,285 (2021 - £42,304) 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.

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

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>1 October 2021 to 31 March 2022</i>	<i>21.4%</i>	<i>9.8%</i>	<i>31.2%</i>
<i>1 April 2022 to 31 March 2024</i>	<i>21.6%</i>	<i>9.8%</i>	<i>31.4%</i>
<i>From 1 April 2024 onwards</i>	<i>21.4%</i>	<i>9.8%</i>	<i>31.2%</i>

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.3% of salaries until the end of the recovery plan on 30 April 2038.

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
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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 £290,534 (2021: £355,002). In calculating this net present value, a discount rate of 3.70% 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 2022 amounted to £66,473 (2021: £85,842). The movement in the deficit contribution liability in the year was £64,468 credit (2021: credit £46,282).

20. Capital commitments

	2022	2021
	£	£
At 31 July the Union had capital commitments as follows:		
Authorised and contracted	===== -	===== -

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21 Related party transactions

University of Southampton

The Union is in receipt of a recurrent grant from the University of £ 2,436,146 (2021: £2,254,239) together with other grants of £1,049,977 (2021: £65,900). Transactions throughout the year resulted in a trading balance as at 31 July 2022 of £158,259 (2021: £21,573) owed to the University.

SUSU Social Enterprises Limited

The Union had transactions with the SUSU Social Enterprises Limited a 100% owned subsidiary of £44,598 (2021: £118,315) being gift aid payable, and as at 31 July 2022 the Union had a debtor balance of £nil (2021 £nil) owed by the subsidiary.

22. Financial instruments

Group	2022	2021
	£	£
Financial assets measured at amortised cost	2,055,561	1,371,371
Financial liabilities measured at amortised cost	(686,902)	(288,582)
Financial liabilities measured at fair value	<u>(290,534)</u>	<u>(355,002)</u>
 Union	 2022	 2021
	£	£
Financial assets measured at amortised cost	1,948,396	1,307,437
Financial liabilities measured at amortised cost	(680,391)	(274,197)
Financial liabilities measured at fair value	<u>(290,534)</u>	<u>(355,002)</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.

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For the Year Ended 31 July 2022

23. Operating lease commitments

At 31 July 2022 the Union had future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>2021</i>
	£	<i>£</i>
Operating lease payments due within 1 year	9,679	<i>2,985</i>
Operating lease payments due between 2 and 5 years	<u>9,611</u>	<u><i>4,229</i></u>
	<u>19,290</u>	<u><i>7,214</i></u>

University of Southampton Students' Union
Notes to the Financial Statements
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	Notes	Unrestricted Income £	Restricted Income £	Total 2021 £
<i>Income and endowments from:</i>				
<i>Donations:</i>				
- University Grants		2,332,253	-	2,332,253
- Other Grants		-	-	-
- Grant in kind from University		322,000	-	322,000
<i>Other Trading Activities:</i>				
- Rental income		2,477	-	2,477
- Sponsorship and marketing income		57,552	-	57,552
Investment income		408	-	408
<i>Charitable activities for students:</i>				
- Bars		204,028	-	204,028
- Catering		4,206	-	4,206
- Events		2,216	-	2,216
- Shops		323,880	-	323,880
- Lettings		27,149	-	27,149
- Student Activities		60,534	-	60,534
- Student Services		9,276	-	9,276
Other income	4	<u>248,852</u>	<u>-</u>	<u>248,852</u>
Total income		<u>3,594,831</u>	<u>-</u>	<u>3,594,831</u>
<i>Expenditure on</i>				
<i>Charitable Activities for students:</i>				
- Bars		442,259	-	442,259
- Catering		374,306	-	374,306
- Events		3,604	-	3,604
- Shops		765,743	-	765,743
- Lettings		96,158	-	96,158
- Student Activities		616,893	24,865	641,758
- Student Representation		1,257,762	-	1,257,762
- Student Services		<u>36,826</u>	<u>-</u>	<u>36,826</u>
Total expenditure	5-6	<u>3,593,551</u>	<u>24,865</u>	<u>3,618,416</u>
Net income/(expenditure) before transfers		1,280	(24,865)	(23,585)
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		1,280	(24,865)	(23,585)
Fund balances brought forward		<u>879,950</u>	<u>46,539</u>	<u>926,489</u>
Fund balances carried forward	17	<u>881,230</u>	<u>21,674</u>	<u>902,904</u>