



Trustees' Report and Consolidated Financial Statements

for the year ended 31 July 2021

**Registered Charity Number 1153350
Registered Company Number 8619653**

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees (and Directors)

Full-time (Sabbatical) Officer Trustees

President	Vaios Koukouletsos (appointed 25 July 2020)
Head of Student Welfare	Teodor Mitsev (appointed 25 July 2020)
Head of Student Education	Ciprian Chiru (appointed as an officer on 25 July 2020, not as a Trustee) resigned 19 July 2021 Alexandra Stefania David appointed 19 July 2021
Head of Student Engagement	Fern Anyan (appointed as an officer on 25 July 2020, not as a Trustee) resigned 16 July 2021 Daniel Humby appointed 19 July 2021

Student Trustees

Non-Portfolio	Sophiia deFaia (appointed 20 May 2020) resigned 16 July 2021
Non-Portfolio	Daniel Humby (appointed 20 May 2020) resigned 19 July 2021
Non-Portfolio	Catherine Eager (appointed 12 October 2021)
Non-Portfolio	Francesco Italiano (appointed 12 October 2021)
Non-Portfolio	Josefine Wagner (appointed 12 October 2021)

External Trustees

Non-Portfolio	Andrew Gameson
Non-Portfolio	Bonnie Amato Southcott (resigned 12 October 2021)
Non-Portfolio	Darren Xiberras (resigned 14 October 2021)
Non-Portfolio	Tom George Wood
Non-Portfolio	Annie Lordon (appointed 12 October 2021)
Non-Portfolio	Stephen Carter (appointed 14 October 2021)

Company Secretary	Lorna Reavley
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Chief Executive	Lorna Reavley
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Finance Manager	Judith Strike
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Registered Office

Solent Students' Union
East Park Terrace
Southampton
Hampshire
SO14 0YN

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REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1153350

Registered Company Number

08619653

Auditors

Godfrey Wilson Ltd
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Solicitors

Paris Smith LLP
1 London Road
Southampton
Hampshire
SO15 2AE

Blake Morgan
New Kings Court, Tollgate
Chandlers Ford
Hampshire
SO53 3LG

Bankers

Barclays Bank Plc
Southampton Bargate Branch
106 Above Bar Street
Southampton, SO14 7DT

Triodos Bank
Deanery Road
Bristol
BS1 5AS

Charity Bank Limited
Fosse House, 182 High Street
Tonbridge
TN9 1BE

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TRUSTEES' REPORT

The Trustees of the Union, who are also the Directors of the company for the purposes of company law, present their annual report for the purposes of Charities Act 2011 and Companies Act 2006, together with the audited financial statements for the year ended 31 July 2021.

ACHIEVEMENT AND PERFORMANCE

The start of the year brought uncertainty due to the ongoing Covid 19 pandemic. There was increased financial uncertainty with the University unable to confirm our block grant funding until November 2020. Trustees anticipated at least a 10% reduction in block grant funding and no income generated through our Freshers fayre and approved an interim budget in July 2020 alongside a pay freeze and recruitment freeze which meant our staff team was reduced. The majority of teaching was online which meant there were very few students on campus and additional lockdowns in October and January hampered the ability of the Union to deliver on many events, activities and services throughout the year. Office capacity was reduced dramatically in response to the covid regulations which meant the majority of staff continued to work remotely – and for some of our Officers abroad due to the travel restrictions in both the UK and their home countries.

Our welcome period plans shifted with the additional social distancing measures introduced by the University in response to the Government regulations. Events were cancelled, and Freshers Fayre was scaled back to sports and society sign up days only which meant we could implement the necessary safety measures. This impacted our normal income generation activity as there was no opportunity to include commercial stands. We were able to run three out of four of the planned society and sports team sign up days with 835 students attending across the three days rather than the normal 5,000 attending a Freshers Fayre. Three Cinema in the Spark events were held by Sonar Cinema and Live Events Society supported by staff and the virtual societies showcase was watched by 1,700 people. All society training was held online, and we trialled some virtual social events for students through this period which were not deemed successful.

The block grant was approved in November 2020 without the anticipated cut and Trustees considered various staff appointments throughout the year in response to key positions becoming vacant on a case by case basis. The University have agreed to involve the Union in their budgeting process and as a result we have been able to secure an increase of 3% for 2021-2022 to cover fixed costs and a salary increase which will bring our pay scale more in line with sector benchmarks.

Society Council passed a motion in November to introduce a 6-month membership option to enable students at Solent who are off campus for long periods of time to still get involved at a reduced cost. Due to the ongoing covid regulations, societies were unable to hold any in person events or meet physically this year which had a significant impact on both the numbers of societies and members. Trustees decided to refund society memberships this year in response to the lack of activity and financial pressures on students with societies retaining the membership fees. Societies were encouraged to stay in touch with members there were a number of virtual activities including: Mindful Running hosting weekly meet ups online; Solent Christian Union holding weekly virtual prayer meetings, a virtual Carol Service which had 344 views and 5 shares on Facebook and a Christmas jumper online social; The Computing Society hosted weekly virtual meet ups for their society members to develop a network of students with similar interests. Despite this, at the start of June there were only 8 societies with at least 1 committee member. As a result

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the requirements were relaxed which did see an increase in interest with fourteen active societies in July however, this remains an area of risk for the coming year.

Workshop Wednesdays aim to increase students skills set and support them to identify them for employability opportunities. The programme was expanded during the year with a range of events and topics with support from societies, alumni and University departments. The programme launched on 2 September and ran both online and in person where possible covering topics such as Business start-up, proof reading and referencing, a LinkedIn workshop, web page management, media law training as well as a Halloween make-up tutorial which had 1,100 views.

Safe Solent continued to run during the year with Radio Taxi's covering the cost of the service in exchange for advertising. As there were increased restrictions on access to campus and the Library opening hours, the service was initially introduced to run from 26 October to the 18 December, Mon to Thurs 6pm to 10pm and Fri 6pm to 8.30pm. Due to the lockdown announced from 4 January, the service was suspended until the Library re-opened in March. The service ran extended hours throughout the 24-hour library period from 30 April – 28 May from 6pm – 6am rather than the normal 9pm – 6am period. We also decided to run Safe Solent as an evening service for the final term as the Library did not open for the normal 24-hour period due to covid restrictions and this was extended to the end of July to coincide with the University opening times. Over the year 323 students benefitted from 248 free taxi journeys.

The SU vehicle hire service was suspended until November 2020 to ensure it could run in a covid secure way. The capacity of the vehicles was reduced to enable distancing measures and cleaning/sanitising protocols were introduced. The service was suspended again in January in line with the Government lockdown and resumed in line with government guidance on the 29th March and was available for students to use throughout the final term.

Due to the ongoing pandemic restrictions, Refreshers Fayre was run in a virtual space in partnership with Raptor between 8 February and 14 February and incorporated Sports, Societies, Commercial and University virtual areas as well as having advice around mental health and wellbeing through the mental health charity Minds. The event went well and was viewed by 2,681 students across the week. Several virtual events were also held across the re-freshers period including a Cocktail Masterclass with the Orange rooms which had 50 people join live and 800 views overall, Drag Bingo with the Edge which had 30 students play on the night and 541 views. Our Physical Activities Officer held some exercise sessions which had 459 views and our society showcase had 297 views.

Our Advice service has seen increased demand over the year with 161 cases and supporting 154 students – an increase of 40% of cases from the previous year. Additional staff members were trained in order to manage the increased workload. Trustees will be considering additional investment in the service to meet this demand.

Our Mentality online training pilot, which aimed to support peer to peer mental health support, was not as successful as we hoped due to the lack of connection on campus and students becoming fatigued with virtual delivery. 384 students received codes to access the course but disappointingly only 34 students completed the full training.

This year we have:

- Decided to change the Head of Student Voice position back to SU President.

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- Dealt with 220 requests for support from students with course issues - an increase of 330% from 50 cases last year.
- Successfully lobbied the University to open the Library 24 hours until the end of May to re-introduce the ability to browse through the books shelves rather than just collecting books.
- Proposed a Trans Inclusion Policy which was agreed and introduced by the University.
- Worked closely with the University on cost cutting measures while retaining academic staff.
- Proposed and agreed continuation of a No-detriment policy for students.
- Supported the NUS Students Deserve Better national campaign.
- Lobbied our MPs on tuition fees refunds for students.
- Worked in partnership with the University of Southampton Students' Union to ask landlords to free students from contracts and give refunds for accommodation they were unable to use.
- Ran online drop-in sessions for students.
- Campaigned to recruit student officers resulting in 120 nominations being received in Autumn.
- Held sessions during Black History Month sessions with Mindful Healthcare to highlights the effects of racism and how it can be dealt it.
- Introduced the Union's Ideas board which allows students to vote on policy changes that they would like to see within the Union.
- Developed advice on how to deal with your accommodation providers and provided more opportunities for students to feedback on their experience of housing in the city.
- Held a Mental Health Social Media event and raised awareness of the issues with an online campaign.
- Provided a live brief for film students.
- Explored the potential of introducing a housing guarantor scheme at the University.
- Hosted monthly Mindful Healthcare events to support students mental health.
- Created and shared a LGBTQ+ playlist on Spotify during LGBTQ+ month in collaboration with Radio Sonar.
- Ran online only elections for our officers
- Brought the petting zoo back to campus in May.
- Hosted the Union awards online to reward and recognise our student leaders and volunteers.
- Supported cadets with discussions around resuming sea-based placements.
- Introduced a 3 level Academic rep training programme to develop leadership skills and delivered specialist training to each faculty.
- Explored an accreditation scheme in partnership with the University to recognise Academic Reps.
- Involved Faculty reps in our academic rep working group to listen and act on their feedback upon and give them the opportunity to develop additional skills.

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union. The Union maintains a risk register which is reviewed regularly by the Risk & Control Committee and updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union. Budgetary and internal risks have been minimised by the implementation of financial procedures which include authorisation limits. Policies and procedures are also in place to ensure compliance with health and safety, equality, diversity and other legislation and these are periodically reviewed to confirm they continue to meet the needs of the Students' Union and are up to date with any changes to legislation. The risk register was additionally reviewed in relation to the Covid 19 pandemic and updated in line with the changing situation and campus closure.

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OBJECTIVES AND ACTIVITIES

The Union remains committed to furthering its charitable objectives which are outlined in the Memorandum & Articles of Association as:

The advancement of education of Students at Solent University for the public benefit by:

- promoting the interests and welfare of Students at Solent University during their course of study;
- providing representation, advice and assistance to Students on matters affecting their welfare and interests as Students;
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Students;
- being the recognised representative channel between Students and Solent University and any other external bodies; and
- promoting and encouraging contact and cooperation between Students in all matters affecting their interests as Students without regard to ethnic origin, nationality, gender, sexual orientation, religion, disability or age.

In pursuit of these aims, the Union represents around 9,000 students to the University, the local community and nationally via the National Union of Students and supports students in campaigning about the issues which affect them. The Union offers a diverse and inclusive range of activities, opportunities and services to enrich student life. These include advice, training, societies, volunteering opportunities and other services which promote inclusion, friendship and personal development.

The Trustees confirm that they have had due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

On the 1 August 2019 the Unions' five-year strategic plan was launched which sets out the following aims:

Vision: **Developing confident students at the heart of the Union and University**

Mission: **We enrich the student experience through opportunities, support, influence and action.**

Values:

Inclusive	We want you to feel valued and that you belong.
Passionate	We care deeply about people, our community and what we do.
Progressive	We build on strengths, encourage new ideas and challenge boundaries of thinking.
Trust	We trust and establish trust by being open, honest and responsible in everything we do.
Balance	We embrace a balanced life which leads to good health and greater chances of success.

Priorities:

Confidence

Confidence is at the heart of success. We want you to have confidence in yourself, the Union and the University.

We commit to:

- Provide opportunities which build your self-confidence and act on issues which impact your wellbeing.
- Prioritise your mental health and work with the University to ensure the right support is available at the right time in the right place to allow you to succeed and develop.
- Listen, share and act on your feedback to develop the Union and University.
- Ensure the Union focus is relevant to you through democratic structures which allow you to have a direct influence.
- Work in partnership with our University colleagues to build a sense of pride and confidence in your Union, your University and your Solent experience.

Representation

Representing you and giving you a voice is our primary purpose and priority. We want you to directly influence your student experience.

We commit to:

- Actively seek, respond to and discuss your feedback with the University to develop policy and a student experience which puts your academic interests first.
- Ensure all elected representatives have access to training, support and information to represent effectively and deliver change at a national, university, school and course level.
- Develop officer positions which are relevant to the majority of you and ensure the minority voices are heard.
- Invest in our independent Advice Service to grow this vital support service for you.

Community

A supportive inclusive community is the key to you being at the heart of the Union & University. We want you to be at the heart of the Solent experience.

We commit to:

- Offer a range of fun, safe and affordable social opportunities which offer something to everyone.
- Encourage events which provide you opportunities to apply your learning, skills and talent to support your career ambitions.
- Establish relationships and partnerships in the local community to help you feel welcome, valued and influential in Southampton.
- Recruit passionate and committed staff who put you first.
- Develop a one team culture which supports every member of the team and encourages development and success.

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TARGETS

The Board of Trustees set our annual targets in line with the strategic priorities outlined in the strategic plan and elected officer priorities, using the Alterline Student Life Pulse feedback from students as a measure of progress. The Annual targets 2020 - 2021 progress has been hindered by the ongoing restrictions this year and is shown below.

Confidence	KPI	Progress
1. Increase the confidence and skill up student leaders in supporting peers with mental health issues through the mentality pilot programme.	500 student leaders complete the mentality training by May 2021	Only 34 students completed the training offered so it is unlikely we will continue with this project.
2. Increase student awareness of their influence on decisions at the Union to 30%.	Increase the SLP Alterline score for "I can influence decisions made by the SU" from 24% to 30%	Although we did not reach our target of 30%, we did achieve an increase to 27% which is 1% above the benchmark for 20-21.
3. Run a Mental Health and Social Media campaign which engages with 1000 students.	The SLP score The SU has a positive impact on my wellbeing increases to benchmark of 35%	The officers did run a campaign and we did achieve an increase to 31% which is 1% above the benchmark for the year.
4. Run a comprehensive review of Union services and opportunities with members gaining at least 2000 responses to review our offer in line with current needs.	At least 2000 students respond to the Keep Stop Start survey by 18 December 2020.	Due to the lack of physical presence on campus this year, we have been unable to get students engaged in this survey in a virtual space only.
Representation	KPI	Progress
1. Implement and pilot a new skills-based training course for all course reps.	SLP rating of SU effectively represents Academic interests increases to 60% At least 40% completion rate of training and a positive feedback	The rating increased to 53% but fell short of the target. It did exceed the benchmark this year of 48%. The feedback on the training was very positive at 84% and we will

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	rating of at least 75%.	continue to build on this in the coming year.
2. Develop and implement an NSS strategy agreed by LT which targets low scoring NSS courses and reach the sector average for question 26 in the NSS by July 2021.	NSS Q26 score increases from 50% to 56%	Our NSS Q26 score dropped to 48% in line with drops across the sector with the benchmark dropping to 53%. This was impacted by the lack of physical engagement this year due to the pandemic.
3. See an increase of 10% in student awareness of the Advice Service and use of Advice service by July 2021 by regularly engaging with Academic Reps.	Increase case numbers from 2020 by 10% to 124	We have exceeded this target with 161 cases this year – an increase of 40% on last year.
4. Create and implement a clear induction training programme for student officers.	The SLP score for the "SU represents the views of students effectively" reaches benchmark of 44%.	We exceeded this target and reached a score of 46%
5. Increase online voter turnout with an aim of 1,500 voters	Have 1,500 individuals engage in online Officer Elections.	We were just below this target with 1,368 voters overall. Our turnout increased by 1% which was unexpected in a year where all campaigning had to be conducted online due to the pandemic.
Community	KPI	Progress
1. Improve Society retention rates from 72% to 75%.	Retention rate in May 2021 is 75%.	Society retention was severely impacted by the lack of physical activity this year and we saw a huge reduction in the number of societies in the year. We will be addressing this as a priority in the coming year.
2. Work with subject leaders to have 5 new active academic societies by May 2021.	Increase SLP score of The SU offers a wide range of sports, clubs and societies that I can get involved in increases from 62% to benchmark of 75%.	As above, it has been very difficult to sustain active societies during the pandemic and our score decreased to 60%.

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3. Work with the Sabbatical officer team to deliver one skills workshop per academic month in partnership with both internal departments at the University and external organisations	The SLP score for "The SU is making me more employable" increases from 19% to 25%	We remained at 19% on the yearly figure.
4. To work with external local voluntary organisations to have 15 volunteering opportunities available to Solent students on our website during 2020/21.	At least 15 local volunteering opportunities are advertised to students by July 2021.	Due to the pandemic many local volunteering opportunities dried up with many local charities unable to provide their services.
Communication & Engagement	KPI	Progress
1. 40% of the student population to engage with at least one Union officer campaign.	Increase email open rates to reach at least 40% of the student population.	Open rates stayed at 34%.
2. Work closely with the University ER department to increase the relevance of our communications by 5%.	Increase the SLP Alterline score for "The SU communications are relevant to me" from 30% to 35%.	We Increased the score to 31% but fell short of the 35% target.
3. Work closely with the University ER department Increase the reach of our communications by 8%.	Increase the SLP Alterline score for 'I am well informed about what is going on at the SU' from 27% to Union benchmark of 35%.	We saw an increase to 28% but did not reach target.
4. Increase engagement – Increase email open rates by 15% & social media engagement by 2%.	Increase email open rates from 36% to 51% and Increase Social Media average engagement to 3%. [Non-profit industry benchmark is 1.75%, Higher Ed industry benchmark is 3.5%]	Email open rates dropped to 33% which was to be expected in a pandemic where many students did not come to the city. Our social media engagement increased to 3% in the early part of

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		2021 but this was not sustained throughout the year.
Finance	KPI	Progress
1. Income generation strategy established and approved by the Board by May 2021.	Strategy approved in May Board meeting. Achieve a SOSUT trading profit of at least £17,910 by 31 July 2021.	The income generation strategy development paused with the resignation of the lead staff member and a restructure of responsibilities. Our trading company profit fell short of the budget due to lack of advertising opportunities with students not returning to campus.
2. Negotiate with the University to reduce the restrictions to the shop license and other income streams by July 2021.	To have a clear memorandum of understanding with the university in place by July 2021.	We did review the agreement but a new catering contract within the University means we cannot lift the restrictions or implement a new memorandum of understanding. We will continue to pursue this.
3. Achieve the 2020 2021 budgeted surplus by July 2021.	Surplus of at least £17,010 achieved by 31 July 2021.	We exceeded the surplus target at the end of the year at £51,356 after all exceptional spending agreed by Trustees was taken into account.
4. Maintain a GP of 46% for the Shop by July 2021.	Achieve a GP of 46% or above by 31 July 2021.	The shop was rarely open during the year due to the government lockdown and lack of access to campus.
5. Work with the University to establish a process and timeline for the allocation of the block grant and other additional funding by July 2021.	To have an agreed process in place by July 2021.	We have an agreement to be involved in the normal University budget setting process annually.

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6. Secure 2 new annual media partner contracts by June 2021.	Contracts for additional media partnerships signed by June 2021.	This was not possible this year due to the pandemic and lack of advertising opportunities to students.
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Solent Students' Union is a students' union as defined in the Education Act 1994 linked to Solent University. As a student led, independent, democratic organisation, the Union represents students to the University and the wider community and provides a range of opportunities, activities and services to enrich their experience.

Solent University exercises its duty under the Education Act 1994 to take such steps as are reasonably practicable to secure that the Students' Union operates in a fair and democratic manner and is accountable for its finances.

The Union is a registered charity number 1153350 and also a company limited by guarantee registered in England number 8619653.

During 2016 – 2017, the charity's Trustees established a wholly owned subsidiary undertaking Solent Students' Union Trading Limited (incorporated in England with company number 10353271). Solent Students' Union owns 100% of the company's ordinary share capital. The results of the subsidiary are consolidated into these financial statements.

Governance

The Union is constituted by its Memorandum & Articles of Association, which were revised during 2019 – 2020, approved by the University Board of Governors in November 2019 and adopted by the members in March 2020. The Union is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made collectively by simple majority vote.

The Union has up to eleven Trustees made up of the following persons:

- i. Four Officer Trustees elected annually by a cross campus ballot of ordinary members of the Union in accordance with the Union's Memorandum & Articles of Association and Bye Laws.
- ii. Three Student Trustees appointed in accordance with the Union's Memorandum & Articles of Association.
- iii. Four External (non-student) Trustees, appointed in accordance with the Union's Memorandum & Articles of Association.

All Trustees are provided with the Charity Commission's guidance to Trustees and are introduced to the activities of the Union by the Chief Executive and other senior managers as required. Trustees are given training as and when required on an individual and collective basis.

The four full time sabbatical posts are remunerated as authorised by the Education Act 1994 and cannot exceed two years duration for each holder. Officers are appointed Trustees when due consideration is given to the legal automatic disqualification conditions.

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The Union's Board of Trustees meets at least quarterly and is responsible for maintaining legal, financial and reputational stewardship of the Union. The Board of Trustees determines the mission, vision and values and sets organisational strategy in line with membership requirements. The Board of Trustees approves policy, annual accounts and annual budgets.

The Board of Trustees delegates some authority through three subcommittees: Finance Committee, Risk and Control Committee and HR committee.

Finance Committee meets at least three times a year and is responsible for overseeing all financial affairs of the Union including monitoring performance against budget, the preparation of annual accounts and ensuring appropriate levels of audit, financial control and financial procedures are in place. Membership consists of:

- One External Trustee (Chair)
- Two Officer Trustees
- One Student Trustee
- Finance Manager
- Chief Executive (in an advisory capacity)

Risk and Control Committee meets at least once a year and has responsibility to ensure that levels of risk are monitored and appropriate levels of control are maintained across all operational activities including appropriate frameworks for accountability, assessing risk and systems to review controls are in place. Membership consists of:

- One External Trustee (Chair)
- One Officer Trustee
- One Student Trustee
- Chief Executive (in an advisory capacity)

HR Committee, established in June 2016, meets at least twice a year and has responsibility to oversee employment related policies, the performance of the Chief Executive, changes to staff remuneration and any other employment matters. Membership consists of:

- Two External Trustees one of whom will Chair
- One Officer Trustee
- One Student Trustee
- Chief Executive (in an advisory capacity)

The Union periodically review the performance of the Board in the framework of the NUS SU specific code of governance.

Democracy

The political and campaigning policies of the Union are set by Student Council and executed by the Officer Trustees and other elected student officers. The Board of Trustees maintains oversight of these policies in accordance with their duty to maintain legal, financial and reputational stewardship.

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Student Council membership includes the elected student officers and the president of Sonar Media, the president of RAG society, the Sports Management Group chair and the chair of Societies Council. Sabbatical Officers report to Student Council who are responsible for scrutinising the performance of the Sabbatical Officers.

The Officer Committee, consisting of the four elected sabbatical officers and the other elected student officer positions, exists to implement policy and administer all recommendations from Student Council and referenda. The Officers also represent the concerns and interests of the members of the Union both within the University and the wider community.

Operational

The Board of Trustees delegates the day to day running of the Union to the Chief Executive who is employed to ensure effective management of the Union and to lead the Senior Management Team.

The Union employs 12 permanent staff positions for the sake of continuity in the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties. The Chief Executive provides HR support to the sabbatical officers to ensure consistency of employer support. The officers remain accountable to the membership through Student Council for their performance as elected representatives.

The Union's Senior Management Team meet on a fortnightly basis and consists of:

- Chief Executive
- Finance Manager
- Activities, Events and Income Manager / Student Communities Manager (from June 2021)
- Communications Manager
- Representation, Advice & Democracy Manager

In 2020 – 2021 they were:

Chief Executive	Lorna Reavley
Finance Manager	Judith Strike
Activities, Events & Income Manager	Andy Brown (resigned 21 May 2021)
Student Communities Manager	Philip Kloppenborg (appointed 7 June 2021)
Communications Manager	Alice Reid
Representation Advice & Democracy Manager	Joshua Whale (appointed 1 January 2021)

The Union's Leadership Team meets fortnightly and exists to ensure effective operational procedures and performance in line with strategy and policy set by the Board of Trustees, Student Council and other democratic procedures. It consists of:

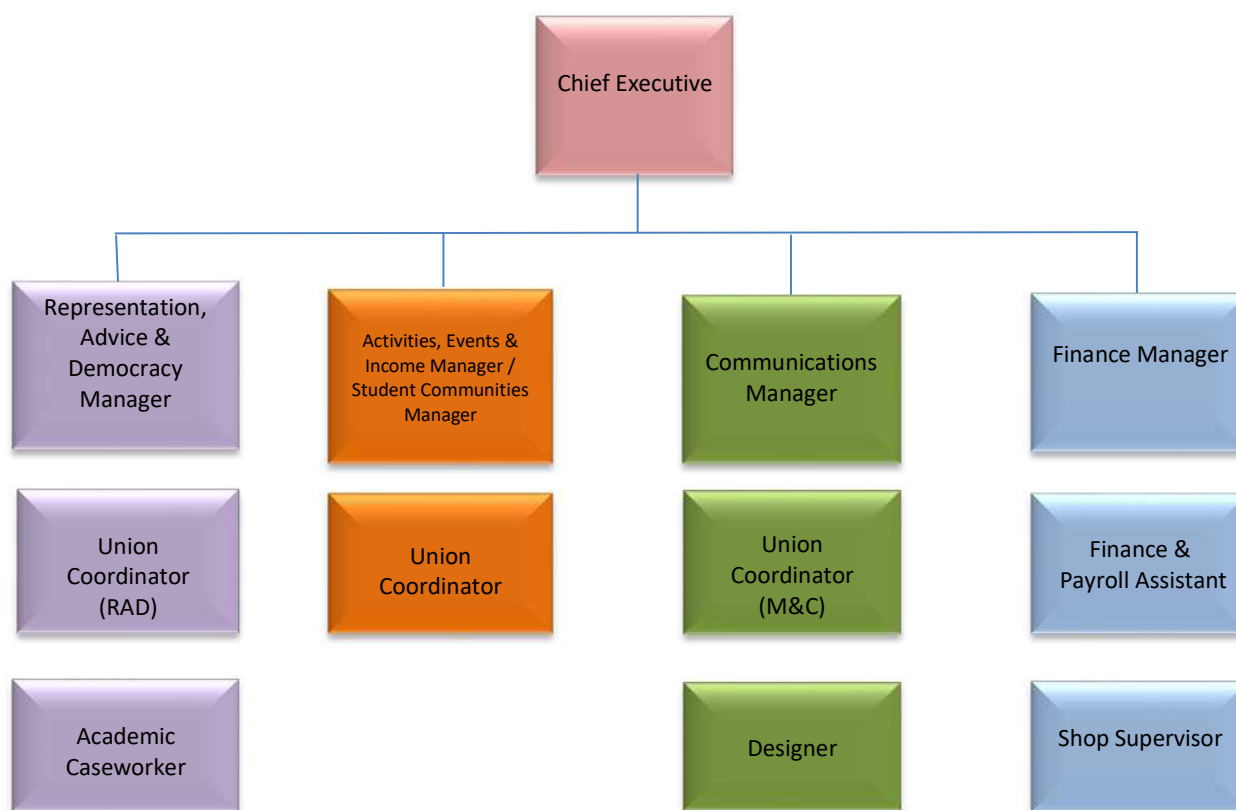
- Chief Executive
 - The four Sabbatical Officers
 - Activities, Events & Income Manager / Student Communities Manager
 - Communications Manager
 - Finance Manager
 - Representation Advice & Democracy Manager
-

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Solent Students' Union Staff Structure 2020



RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in a Memorandum of Understanding. The Union receives a Block Grant from the University and part-occupies buildings owned by the University. This support is intrinsic to the relationship between the University and the Union.

Although the Union continues to generate supplementary funding from various trading activities, it is dependent on the University's financial support for which we are very grateful, and Solent University have confirmed their funding for the next financial year at an increase of 3% on the 2020-2021 figure. Although the Covid-19 pandemic continued to have an impact on the University Sector during the year, the University have agreed to include the Union Block Grant as part of their normal budget setting process. We will be involved in the discussions at a much earlier stage and they have given assurances that they will continue to provide additional funding to cover our pensions deficit liability.

Solent University exercises its duty under the Education Act 1994 to ensure that the Students' Union operates in a fair and democratic manner and is accountable for and manages its finances appropriately. The Education Act code of Practice was reviewed and updated during the year.

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The Union paid an annual affiliation to the National Union of Students (NUS) of £11,240. This affiliation ensures that the Union has an influence on national student matters and has access to specialist training and support. This affiliation is approved annually by members via the AGM and decided via referendum at appropriate times.

The Union paid a subscription of £1,000 to WonkHE for information, training and policy support.

The Union paid a subscription of £2,000 to Warner Goodman to provide Employment Law advice and HR support through their "Peace of Mind" package.

The Union paid a subscription of £3,800 to Alterline for student feedback and data analysis services.

As noted above, the charity has a wholly owned trading subsidiary to whom management charges amounting to £19,200 were charged.

FINANCIAL REVIEW

Our total incoming resources for the year were **£597,232**.

Our largest source of income continues to be our block grant and other grants from the University totalling £493,825. This was supplemented with a gift in kind of £61,026 applied as a rental charge to the building we occupy bringing the total income from the University to £554,851. Income from our charitable trading activities was £1,427 and additional income from the rental of space and advertising equated to £39,818 with interest on funds held amounting to £1,136.

Our total resources expended were **£516,896**.

Our largest expenditure was on charitable activities at £465,332 which includes support and governance costs of £142,648.

The free reserves level was reviewed by Trustees during the year and set at a range of £300,000 to £600,000 based on approximately three to six months of core expenditure plus creditors and contractual obligations, the annual SUSS pension's deficit liability and previously agreed reserves expenditure. Our free reserves level (which does not recognise the pension liability) is £614,067 and reserves are slightly above the safe levels set. There are additional restricted reserves held of £5,633, which are explained in more detail in note 19 of these financial statements.

Careful controls on expenditure and staff cost savings in the year resulted in the group returning a surplus of £80,336 in the year against the forecast surplus of £8,623. At the end of the year our general fund level is £278,827.

The Union accounts show a provision for the future liabilities due to the Students' Union Superannuation Scheme. The latest valuation of the liabilities as at 30 June 2019 show the amount available to pay pensions benefits in the future has declined when compared to its future liabilities. The Union in common with other participating students unions has to pay its share of the increased funding shortfall and is required to pay increased contributions based on previous contributions payable and the term has been extended. The University has historically given the Union

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

TRUSTEES' REPORT

additional funding to cover this pension deficit for which we are very grateful. It is anticipated that this financial support will continue but is not guaranteed in the future.

The Trustees have considered the impact that the COVID-19 pandemic will have on the charity's current and future financial position. As Solent University have confirmed their funding for the next financial year at similar level to 2020-21, the Trustees consider that the charity will be able to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

PLANS FOR FUTURE PERIODS

The Trustees will continue to plan in response to the pandemic and the increased financial risk to the Union. Although there is more clarity around our block grant, income generation remains difficult in the economic climate, but we will continue to explore options available in becoming less reliant on funding from the University.

The Trustees will consider what investment may be necessary in the Advice Service to manage the increase in demand.

We will aim to rebuild our student societies to ensure there are multiple opportunities for students to connect, socialise, build confidence, apply learning and develop skills which will ease their transition into employment. The Sustainability and Investment grant funding will remain ring-fenced for our societies and we will build on the success of the workshop Wednesday events.

The Safe Solent taxi scheme will continue, and we will explore additional funding opportunities to expand this service across the whole academic year rather than just during the 24-Hour Library period.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of the charity 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 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).

The Trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

SOLENT STUDENTS' UNION

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TRUSTEES' REPORT

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Godfrey Wilson Limited were re-appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the directors and signed on their behalf.



Vaios Koukouletsos
Trustee



Stephen Carter
Trustee

26 October 2021

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the consolidated financial statements of Solent Students' Union (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows 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 and parent charity's affairs as at 31 July 2021 and of its 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 parent charity 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 charity'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.

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.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

INDEPENDENT AUDITORS' REPORT

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 matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, 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 they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

Our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

INDEPENDENT AUDITORS' REPORT

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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Godfrey FCA

Senior Statutory Auditor

Date: 3 November 2021

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

		Restricted	Unrestricted	2021 Total	2020 Total
	Note	£	£	£	£
Income from:					
Donations and legacies	3	30,744	524,107	554,851	577,141
Charitable activities	4	-	1,427	1,427	7,301
Other trading activities	5	-	39,818	39,818	88,400
Investments		-	1,136	1,136	1,276
Total income		<u>30,744</u>	<u>566,488</u>	<u>597,232</u>	<u>674,118</u>
Expenditure on:					
Raising funds		-	51,564	51,564	74,688
Charitable activities		<u>9,012</u>	<u>456,320</u>	<u>465,332</u>	<u>576,829</u>
Total expenditure	6	<u>9,012</u>	<u>507,884</u>	<u>516,896</u>	<u>651,517</u>
Net income / (expenditure)		21,732	58,604	80,336	22,601
Transfers between funds		<u>(22,551)</u>	<u>22,551</u>	<u>-</u>	<u>-</u>
Net movement in funds	7	(819)	81,155	80,336	22,601
Reconciliation of funds:					
Total funds brought forward		<u>6,452</u>	<u>198,355</u>	<u>204,807</u>	<u>182,206</u>
Total funds carried forward		<u>5,633</u>	<u>279,510</u>	<u>285,143</u>	<u>204,807</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19 to the accounts.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Consolidated balance sheets

	Note	The group 2021 £	The group 2020 £	The charity 2021 £	The charity 2020 £
Fixed assets					
Tangible assets	10	683	2,093	683	2,093
Investments	11 & 12	-	-	1	1
		<u>683</u>	<u>2,093</u>	<u>684</u>	<u>2,094</u>
Current assets					
Stocks	13	6,876	8,143	6,876	8,143
Debtors	14	64,744	57,860	75,907	95,848
Cash at bank and in hand		<u>612,959</u>	<u>579,115</u>	<u>595,459</u>	<u>536,720</u>
		684,579	645,118	678,242	640,711
Liabilities					
Creditors: amounts falling due within 1 year	15	<u>(65,562)</u>	<u>(82,877)</u>	<u>(59,226)</u>	<u>(78,471)</u>
Net current assets		<u>619,017</u>	<u>562,241</u>	<u>619,016</u>	<u>562,240</u>
Total assets less current liabilities		619,700	564,334	619,700	564,334
Provisions for liabilities	17	<u>(334,557)</u>	<u>(359,527)</u>	<u>(334,557)</u>	<u>(359,527)</u>
Net assets	18	<u>285,143</u>	<u>204,807</u>	<u>285,143</u>	<u>204,807</u>
Funds	19				
Restricted funds		5,633	6,452	5,633	6,452
Unrestricted funds:					
Designated funds		683	2,093	683	2,093
General funds		<u>278,827</u>	<u>196,262</u>	<u>278,827</u>	<u>196,262</u>
Total charity funds		<u>285,143</u>	<u>204,807</u>	<u>285,143</u>	<u>204,807</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 26 October 2021 and signed on their behalf by



Stephen Carter
Trustee



Vaios Koukouletsos
Trustee

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Consolidated statement of cash flows

	2021 £	2020 £
Cash used in operating activities:		
Net movement in funds	80,336	22,601
Adjustments for:		
Depreciation charges	1,410	1,640
Interest from investments	(1,136)	(1,276)
Decrease / (increase) in stock	1,267	(1,139)
Decrease / (increase) in debtors	(6,884)	32,999
Increase / (decrease) in creditors	(17,315)	(45,243)
Increase / (decrease) in provision for liabilities	(24,970)	17,288
Net cash provided by operating activities	32,708	26,870
Cash flows from investing activities:		
Interest from investments	1,136	1,276
Net cash provided by investing activities	1,136	1,276
Increase in cash and cash equivalents in the year	33,844	28,146
Cash and cash equivalents at the beginning of the year	579,115	550,969
Cash and cash equivalents at the end of the year	612,959	579,115

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Solent 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.

b) Group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned (controlled) subsidiary, Solent Students' Union Trading Limited, on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of advertising and events is deferred until criteria for income recognition are met.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

1. Accounting policies (continued)

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

The Solent Students' Union building is owned by Solent University and provided at £nil consideration. Therefore a donation in kind and corresponding expenditure is recorded in the financial statements for rent in kind assessed as the market rate of the square metres provided (see note 3).

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

g) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the basis of staff costs, as follows:

	2021	2020
Raising funds	12%	14%
Charitable activities	88%	86%

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

1. Accounting policies (continued)

j) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Welcome Centre	20% straight line
Union furniture	20% straight line
Motor vehicles	20% straight line

Items of equipment are capitalised where the purchase price exceeds £500.

k) Investment in subsidiary undertakings

The charitable company has one wholly owned subsidiary, Solent Students' Union Trading Limited, (registered company number 10353271). The subsidiary is used for non-primary purpose trading activities. The subsidiary undertaking is valued at cost less any cumulative impairment losses in the charitable company's accounts.

l) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The group and charitable company only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

q) Defined contribution pension scheme

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

1. Accounting policies (continued)

r) Defined benefit pension scheme

Solent Students' Union participates in the Students' Union Superannuation Scheme, a defined benefit pension scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the pension scheme trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to Solent Students' Union. Under the terms of FRS102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

With effect from 30 September 2011, the scheme was closed to future accrual. Payments to the Students' Union Superannuation Scheme continued after the closure of the scheme in the form of deficit funding and levies.

s) Accounting estimates and key judgements

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1j to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Defined benefit pension scheme

As described in note 1r to the financial statements, the Union recognises a liability for their share of the Students' Union Superannuation Scheme as the discounted present value of future cash flows. The assumptions behind the valuation of this scheme are set out in full in note 17 to the accounts.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2020 Total £
Income from:			
Donations and legacies	39,065	538,076	577,141
Charitable activities	-	7,301	7,301
Other trading activities	-	88,400	88,400
Investments	-	1,276	1,276
Total income	39,065	635,053	674,118
Expenditure on:			
Raising funds	-	74,688	74,688
Charitable activities	16,314	560,515	576,829
Total expenditure	16,314	635,203	651,517
Net income / (expenditure)	22,751	(150)	22,601
Transfers between funds	(21,474)	21,474	-
Net movement in funds	1,277	21,324	22,601

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

3. Income from donations and legacies

	Restricted £	Unrestricted £	2021 Total £
Block grant from Solent University	-	428,196	428,196
Other grants from Solent University	30,744	34,885	65,629
Donations in kind	-	61,026	61,026
Total income from donations and legacies	30,744	524,107	554,851

Prior period comparative:

	Restricted £	Unrestricted £	2020 Total £
Block grant from Solent University	-	428,196	428,196
Other grants from Solent University	39,065	41,033	80,098
Donations in kind	-	68,847	68,847
Total income from donations and legacies	39,065	538,076	577,141

4. Income from charitable activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
NUS Extra / Totum Card income	-	877	877	2,579
Events income	-	550	550	4,722
Total income from charitable activities	-	1,427	1,427	7,301

All income from charitable activities in the prior period was unrestricted.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

5. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Welcome Centre sales	-	1,544	1,544	5,533
Rental and advertising income	-	38,274	38,274	82,867
Total income from other trading activities	-	39,818	39,818	88,400

All income from other trading activities in the prior period was unrestricted.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

6. Total expenditure

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2021 Total £
Cost of rental and advertising sales	798	-	-	-	798
Welcome Centre costs	2,222	-	-	-	2,222
Event costs	-	9,012	-	-	9,012
Sabbatical officer salaries (inc. employers' NI and pension)	-	77,622	-	-	77,622
Comms costs	-	11,996	-	-	11,996
Communities / student involvement	-	14,240	-	-	14,240
Project costs	-	4,734	-	-	4,734
Rent - donation in kind	-	61,026	-	-	61,026
Staff wages	29,883	144,054	-	96,747	270,684
Other staff costs	-	-	-	3,075	3,075
Printing, postage and stationery	-	-	-	3,296	3,296
Other office costs	-	-	-	28,284	28,284
Affiliation fees	-	-	-	11,240	11,240
Pension deficit and levy	-	-	-	(355)	(355)
Depreciation	-	-	-	1,410	1,410
Bad debt provision	-	-	-	(1,392)	(1,392)
Audit and accountancy	-	-	7,965	-	7,965
Legal and professional fees	-	-	1,840	-	1,840
Trustee expenses	-	-	-	1,692	1,692
Irrecoverable VAT	-	-	-	7,507	7,507
Sub-total	32,903	322,684	9,805	151,504	516,896
Allocation of support and governance costs	18,661	142,648	(9,805)	(151,504)	-
Total expenditure	51,564	465,332	-	-	516,896

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

6. Total expenditure (continued)

Prior period comparative:

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2020 Total £
Cost of rental and advertising sales	36	-	-	-	36
Welcome Centre costs	3,796	-	-	-	3,796
Event costs	-	16,314	-	-	16,314
Sabbatical officer salaries (inc. employers' NI and pension)	-	70,057	-	-	70,057
Comms costs	-	14,879	-	-	14,879
Communities / student involvement	-	18,823	-	-	18,823
Project costs	-	3,803	-	-	3,803
Rent - donation in kind	-	68,847	-	-	68,847
Vending machine costs	-	15,661	-	-	15,661
Staff wages	38,997	171,281	-	103,380	313,658
Other staff costs	-	-	-	5,562	5,562
Printing, postage and stationery	-	-	-	3,514	3,514
Other office costs	-	-	-	25,388	25,388
Affiliation fees	-	-	-	17,128	17,128
Pension deficit and levy	-	-	-	41,552	41,552
Depreciation	-	-	-	1,640	1,640
Bad debt provision	-	-	-	3,704	3,704
Audit and accountancy	-	-	8,035	-	8,035
Legal and professional fees	-	-	5,108	-	5,108
Trustee expenses	-	-	-	3,515	3,515
Irrecoverable VAT	-	-	-	10,497	10,497
Sub-total	42,829	379,665	13,143	215,880	651,517
Allocation of support and governance costs	31,859	197,164	(13,143)	(215,880)	-
Total expenditure	74,688	576,829	-	-	651,517

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

7. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Depreciation	1,410	1,640
Payments under operating leases	3,830	3,830
Trustees' remuneration (see note 20)	36,672	66,571
Trustees' reimbursed expenses (see note 20)	1,692	3,515
Auditors' remuneration:		
▪ Statutory audit (excluding VAT)	7,965	8,035
▪ Other services	600	1,558
	<u>36,672</u>	<u>66,571</u>

8. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	312,993	342,388
Social security costs	19,529	22,210
Pension costs	15,784	19,117
	<u>348,306</u>	<u>383,715</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the Trustees, Chief Executive, Finance Manager, Activities, Events & Income Manager, Representation Advice & Democracy Manager, and Communications Manager. The total employee benefits of the key management personnel were £171,237 (2020: £176,810).

	2021 No.	2020 No.
Average number of employees (full-time equivalent)	<u>15</u>	<u>17</u>

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

10. Tangible fixed assets

The group and the charity	Welcome Centre £	Union furniture £	Motor vehicles £	Total £
Cost				
At 1 August 2020 and at 31 July 2021	<u>6,382</u>	<u>11,151</u>	<u>16,187</u>	<u>33,720</u>
Depreciation				
At 1 August 2020	4,289	11,151	16,187	31,627
Charge for the year	<u>1,410</u>	<u>-</u>	<u>-</u>	<u>1,410</u>
At 31 July 2021	<u>5,699</u>	<u>11,151</u>	<u>16,187</u>	<u>33,037</u>
Net book value				
At 31 July 2021	<u>683</u>	<u>-</u>	<u>-</u>	<u>683</u>
At 31 July 2020	<u>2,093</u>	<u>-</u>	<u>-</u>	<u>2,093</u>

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Notes to the financial statements

11. Subsidiary undertakings

Solent Students' Union Trading Limited

The charitable company owns the whole of the issued share capital (1 ordinary £1 share) of Solent Students' Union Trading Limited, a company registered in England and Wales. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are donated to the charitable company. A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	34,576	82,842
Cost of sales	<u>(798)</u>	<u>(36)</u>
Gross profit	33,778	82,806
Administrative expenses	<u>(19,351)</u>	<u>(42,408)</u>
Profit on ordinary activities before taxation	14,427	40,398
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
Profit for the financial year after taxation	<u>14,427</u>	<u>40,398</u>

The aggregate of the assets, liabilities and funds was:

	2021 £	2020 £
Assets	22,364	48,510
Liabilities	<u>(22,363)</u>	<u>(48,509)</u>
Funds	<u>1</u>	<u>1</u>

12. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	596,283	668,719
Results for the year	<u>80,336</u>	<u>22,601</u>

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Notes to the financial statements

13. Stock

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Shop stock	<u>6,876</u>	<u>8,143</u>	<u>6,876</u>	<u>8,143</u>

14. Debtors

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	5,564	4,657	2,300	3,030
Accrued income	40,321	35,950	40,321	35,950
Prepayments	18,859	16,469	18,859	16,469
Intercompany	-	-	14,427	40,399
Other debtors	-	784	-	-
	<u>64,744</u>	<u>57,860</u>	<u>75,907</u>	<u>95,848</u>

15. Creditors : amounts due within 1 year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	14,718	18,169	14,718	17,149
Taxation and social security	9,403	8,736	7,502	8,736
Other creditors	4,819	3,225	4,819	3,225
Accruals	29,452	51,289	27,952	49,163
Deferred income (see note 16)	7,170	1,458	4,235	198
	<u>65,562</u>	<u>82,877</u>	<u>59,226</u>	<u>78,471</u>

16. Deferred income

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 August 2020	1,458	58,835	198	22,100
Deferred during the year	7,170	1,458	4,235	198
Released during the year	<u>(1,458)</u>	<u>(58,835)</u>	<u>(198)</u>	<u>(22,100)</u>
At 31 July 2021	<u>7,170</u>	<u>1,458</u>	<u>4,235</u>	<u>198</u>

Deferred income relates to events and advertising income received in advance.

SOLENT STUDENTS' UNION

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Notes to the financial statements

17. Provisions for liabilities: defined benefit pension scheme liability

The group and the charity

The Union is a Participating Employer in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the United Kingdom. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis.

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119,100,000 (2016: £101,131,000) excluding AVC's and insured pensioners with these assets representing 46% (2016: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £140,900,000 (2016: £119,700,000).

The 2019 valuation shortfall recovery plan requires a monthly contribution requirement by each Participating Employer up to 30 June 2033 increasing by 5% each year, but with a one-off 8% increase for 2021/22. This is to cover additional liabilities resulting from the discovery of a historical change to the pension benefits which had not been documented correctly. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2019 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2022. 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.

The total amount of contributions paid into the Scheme by Solent Students' Union in respect of eligible employees during the year ended 31 July 2021 amounted to £Nil (2020: £Nil).

At the balance sheet date the charity had commitments to pay deficit funding contributions starting at £1,902 per month. This monthly payment is scheduled to increase by 5% per annum at October each year until 30 June 2033.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

SOLENT STUDENTS' UNION

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Notes to the financial statements

17. Provisions for liabilities: defined benefit pension scheme liability (continued)

Present value of provision

	2021	2020
	£	£
Present value of provision	<u>334,557</u>	<u>359,527</u>

Reconciliation of opening and closing provisions

	2021	2020
	£	£
Provision at the start of the year	359,527	342,239
Deficit contributions paid	(22,552)	(21,474)
Unwinding of the discount factor (interest expense)	6,841	9,559
Impact of (increase) / decrease in discount rate	(9,259)	19,980
Impact of one-off 8% contribution rise in 2021-22	-	9,223
Provision at the end of the year	<u>334,557</u>	<u>359,527</u>

Income and expenditure impact

	2021	2020
	£	£
Interest expense	6,841	9,559
Remeasurement movement charged to statement of financial activities	<u>(9,259)</u>	<u>29,203</u>

Assumptions

	2021	2020
	%	%
Rate of discount	<u>2.51</u>	<u>2.03</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

18. Analysis of net assets between funds

The group

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	683	-	683
Current assets	5,633	-	678,946	684,579
Current liabilities	-	-	(65,562)	(65,562)
Provisions for liabilities	-	-	(334,557)	(334,557)
Net assets at 31 July 2021	5,633	683	278,827	285,143

Prior period comparative

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	2,093	-	2,093
Current assets	6,452	-	638,666	645,118
Current liabilities	-	-	(82,877)	(82,877)
Provisions for liabilities	-	-	(359,527)	(359,527)
Net assets at 31 July 2020	6,452	2,093	196,262	204,807

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

18. Analysis of net assets between funds (continued)

The charity

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	683	-	683
Investments	-	-	1	1
Current assets	5,633	-	672,609	678,242
Current liabilities	-	-	(59,226)	(59,226)
Provisions for liabilities	-	-	(334,557)	(334,557)
Net assets at 31 July 2021	5,633	683	278,827	285,143

Prior period comparative

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	2,093	-	2,093
Investments	-	-	1	1
Current assets	6,452	-	634,259	640,711
Current liabilities	-	-	(78,471)	(78,471)
Provision for liabilities	-	-	(359,527)	(359,527)
Net assets at 31 July 2020	6,452	2,093	196,262	204,807

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

19. Movements in funds

	At 1 August 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 July 2021 £
Restricted funds					
Pensions contributions fund	5,433	21,732	-	(22,551)	4,614
Freshers' Marquee	<u>1,019</u>	<u>9,012</u>	<u>(9,012)</u>	<u>-</u>	<u>1,019</u>
Total restricted funds	<u>6,452</u>	<u>30,744</u>	<u>(9,012)</u>	<u>(22,551)</u>	<u>5,633</u>
Unrestricted funds					
<i>Designated funds:</i>					
Capital reserve	<u>2,093</u>	<u>-</u>	<u>-</u>	<u>(1,410)</u>	<u>683</u>
<i>Total designated funds</i>	<u>2,093</u>	<u>-</u>	<u>-</u>	<u>(1,410)</u>	<u>683</u>
General funds	196,262	531,912	(487,735)	38,388	278,827
Solent Students' Union Trading	<u>-</u>	<u>34,576</u>	<u>(20,149)</u>	<u>(14,427)</u>	<u>-</u>
Total unrestricted funds	<u>198,355</u>	<u>566,488</u>	<u>(507,884)</u>	<u>22,551</u>	<u>279,510</u>
Total funds	<u><u>204,807</u></u>	<u><u>597,232</u></u>	<u><u>(516,896)</u></u>	<u><u>-</u></u>	<u><u>285,143</u></u>

Purposes of restricted funds and transfers between funds

Pension contributions fund Funds received from Solent University in support of pension deficit contributions to the Student Union Superannuation Scheme. The transfer to general funds represents contributions made during the year.

Freshers' Marquee Funds received from Solent University to cover the marquee costs of the Freshers' Fayre.

Purpose of designated funds and transfers between funds

Capital reserve This represents the net book value of the Union's fixed assets. The transfer to the general fund represents the movements on fixed assets during the year.

SOLENT STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Notes to the financial statements

19. Movements in funds (continued)

Prior year comparative

	At 1 August 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 July 2020 £
Restricted funds					
Pensions contributions fund	5,175	21,732	-	(21,474)	5,433
Freshers' marquee	-	17,333	(16,314)	-	1,019
Total restricted funds	5,175	39,065	(16,314)	(21,474)	6,452
Unrestricted funds					
<i>Designated funds:</i>					
Capital reserve	3,733	-	-	(1,640)	2,093
<i>Total designated funds</i>	3,733	-	-	(1,640)	2,093
General funds	173,298	552,211	(592,760)	63,513	196,262
Solent Students' Union Trading	-	82,842	(42,443)	(40,399)	-
Total unrestricted funds	177,031	635,053	(635,203)	21,474	198,355
Total funds	182,206	674,118	(651,517)	-	204,807

20. Related party transactions

The Union's 4 (2020: 8) sabbatical officers received total employee benefits, including employer pension contributions, totalling £77,622 (2020: £69,360). These payments are permitted under the charity's articles of association. Two sabbatical officers received remuneration, but these individuals were not trustees.

	Salary £	Pension £	2021 £
Vaios Koukouletsos	18,228	-	18,228
Teodor Mitsev	18,444	-	18,444
	36,672	-	36,672

During the year a total of £1,692 (2020: £3,515) was reimbursed to or paid on behalf of the sabbatical officers and other trustees for travel, subsistence, clothing and training.

SOLENT STUDENTS' UNION

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Notes to the financial statements

21. Relationship with Solent University

The Union receives a substantial part of its income by means of grant funding from Solent University. The core block grant amounted to £428,196 (2020: £428,196) in the year under review with an additional grant of £373 (2020: £3,021) being received to fund other projects, £9,012 (2020: £17,333) of restricted support for Freshers' Fayre costs, £21,732 (2020: £21,732) of restricted income received to fund the pension deficit, and a £34,512 (2020: £34,512) grant uplift for exclusivity over housing advertising and the gym. At the balance sheet date £35,748 (2020: £35,750) was outstanding. The trustee board are of the opinion that this financial assistance is not an influencing factor with regards to the formulation of Union policy nor does it have any effect on the internal management and decision making of the Union.

During the year under review other income and expenses recharged to the University amounted to £Nil (2020: £4,769), with a balance of £Nil (2020: £Nil) outstanding at the year end. Purchases of goods and services from the University amounted to £1,095 (2020: £3,779) with a balance of £Nil (2020: £Nil) outstanding at the year end. All transactions took place at commercial values.

The building the Union occupies is owned by Solent University and provided rent free. This free rent has been recognised as donation in kind in note 3 and note 6.

22. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Amount falling due:				
Within 1 year	3,830	3,830	3,830	3,830
Within 1 - 5 years	6,384	10,214	6,384	10,214
	<u>10,214</u>	<u>14,044</u>	<u>10,214</u>	<u>14,044</u>