

READING UNIVERSITY STUDENTS' UNION
FINANCIAL STATEMENTS

31st JULY 2021

Registered Charity Number 1158523

READING UNIVERSITY STUDENTS' UNION

FINANCIAL STATEMENTS

YEAR ENDED 31st JULY 2021

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READING UNIVERSITY STUDENTS' UNION

TRUSTEE BOARD AND UNION INFORMATION

Charitable Status

Reading University Students' Union ('RUSU') is a company limited by guarantee registered in England and Wales (company number 8840709) which was formally registered as a charity with the Charity Commission in September 2014 (registration number 1158523).

Registered Office/Principle Address

Whiteknights Campus, Pepper Lane, Reading, RG6 6EH

The Board of Trustees

The Directors of RUSU are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees serving during the year and since the year end are as follows:

Officer Trustees

To 25.06.21

President (Co-Chair)	Rachel Osbourne
Education Officer	George Ingram
Welfare Officer	Bandana Karki
Activities Officer	Alexander Rose
Diversity Officer	Rachel Wates

From 26.06.21

President (Co-Chair)	Benjamin Knowles
Education Officer	Bethany Nugus
Welfare Officer	Grace Loweth
Activities Officer	Amy Sheffield

Student Trustees

To 26.06.21

Sheldon Allen
Cait Pilkington
James Wilson

From 29.06.20

Mike Phillips

From 26.06.21

Oscar Minto
Benjamin Cole

External Trustees

Frances McConnell	(until 26.10.20)
Mark Stoddart	(until 08.06.21)
Jack Maddock (Co-Chair)	(from 07.08.19)
Debra Soper	(from 26.10.20)
Tim Bertram	(from 26.10.20)
Ray Ellison	(from 26.10.20)

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TRUSTEE BOARD AND UNION INFORMATION

Auditor

Knox Cropper LLP
65 Leadenhall Street
London
EC3A 2AD

Bank

Barclays
4th Floor
Apex Plaza
Forbury Road
Reading
RG1 1AX

Solicitor

Barrett & Co.
Salisbury House
54 Queens Road
Reading
RG1 4AZ

Reading University Students' Union (RUSU) employs a Chief Executive, Ryan Bird, who supports the Officer Trustees and the Trustee Board. The day-to-day management of the organisation is delegated to the Chief Executive who manages RUSU by implementing the policy and strategy adopted by and within a budget approved by the Trustees and, where appropriate, advises the Trustees in relation to such policy, strategy, and budget. The Chief Executive is head of a Senior Leadership Team made up of Richard Lines (Head of Business Development & Operations), Kath Davey (Head of Student Voice & Engagement) and Gail Barclay (Head of Finance).

READING UNIVERSITY STUDENTS' UNION**TRUSTEES REPORT**

The Board of Trustees, who act as Directors for the purposes of Company Law, present their Annual Report for the year ended 31 July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act Purposes. The administrative information is set out on pages 1 and 2, together with the audited accounts for the year.

Structure, Governance and Management

RUSU operates on democratic principles, with policy and campaigns being acted upon by the five Officer Trustees.

During the academic year full members have the opportunity to bring forward ideas for policies and campaigns using the online 'Change It' portal. These submissions are reviewed in the first instance by the Ideas Feasibility Group, discussed at Management Committee and referred to the Trustee Board as necessary.

Policy and Campaigns submissions that are eligible are then put to an online vote. The policy that exceeds quorum and receives the highest number of votes becomes RUSU Policy for two years. The Officer Trustees are mandated to campaign on the winning campaign for at least two years or until the campaign aim is achieved.

Governance

RUSU is constituted under the Education Act and the Regulations of the University of Reading. The primary aim of RUSU is the advancement of education of students at the University of Reading for the public benefit. RUSU is governed by its Memorandum & Articles of Association (Constitution) and supporting Bye Laws.

The Board of Trustees is responsible for the strategic direction, governance and financial sustainability of RUSU. The Board is made up of five Officer Trustees, four Student Trustees and up to four External Trustees. The Officer Trustees and two of the Student Trustees are elected by and from the students of the University of Reading each year, through a cross-campus secret ballot, and serve in office for one year.

The External Trustees and the remaining two Student Trustees are recruited to the Board and are recommended to the Board by the Appointments Committee. The External Trustees are recruited to the Board to bring a wider perspective and skill set from outside RUSU. A term in office for an External Trustee lasts for up to three years and they may be reappointed for a second term up to a maximum total of six years.

The Student Trustees are appointed for a term in office of one year and they must be registered students for the duration of their term in office. They are selected on the basis of their skills, knowledge and experience, taking into account the demographics of the elected student Board members. Student Trustees can be appointed for a second year.

Upon appointment, all trustees receive an induction, which includes their legal obligations and other trustee responsibilities and is tailored according to their knowledge and experience. The Officer Trustees receive a more intensive and in-depth induction and training programme as they have a variety of responsibilities in the Students' Union, University and local community in addition to their unpaid Trustee roles.

READING UNIVERSITY STUDENTS' UNION

TRUSTEES REPORT

The Trustee Board has overall responsibility for the effective governance of the organisation. Trustees are collectively responsible for the following key decisions:

- Management, appraisal, and appointment of the Chief Executive
- Approving and monitoring progress towards the annual budget
- Ensuring that the organisation is working towards its strategic objectives
- Monitoring and taking action to mitigate organisational risks
- Reviewing the effectiveness of the Board
- Overseeing the work of its sub-committees

The Board of Trustees is supported in its work by its sub-committees which meet regularly throughout the year. The main committees and their roles are:

- The Finance & Risk Committee monitors financial performance against agreed budgets and investigates any significant variances. It is also responsible for making recommendations to the Trustee Board relating to the annual budget, major capital projects, investment decisions and the Reserves Policy. The Committee also reviews the annual cost of living award for the permanent staff team. The Committee take an active role in the monitoring of the risk register, with senior staff delegated to manage this on a day-to-day basis.
- The People & Culture Committee, set up in 2020/21 supports and assists the organisation to make sound decisions in relation to people, development and culture and advice the Trustee Board on appropriate courses of action in this area. The remuneration of all staff including key management personnel is linked to an organisational pay scheme. All staff are appraised annually and if they have achieved their objectives, they move up to the next salary point unless they have already reached the top of their band. This salary scale has been reviewed in 2020/21 by an external consultant to ensure that there is parity between the individual bands and to benchmark against key external groups.
- The Remuneration Committee oversee Officer Trustee and Chief Executive remuneration.
- The Elections Committee oversees the planning, promotion and administration of all elections to representative positions.
- The Appointments Committee oversees the recruitment of External Trustees, appointed Student Trustees and the Chief Executive as required. Recommendations for appointment are presented to the Board.
- The Appeals Committee meets as required to hear appeals relating to the removal from office of an appointed trustee.
- The Ideas Feasibility Group reviews the campaign and policy proposals submitted by students through the 'Change It!' portal to ensure that they are in the best interests of the organisation and its membership.

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More operational decisions are delegated to the Management Committee which consists of the Officer Trustees and members of the Senior Management Team by invitation.

The Trustee Board has overall governance responsibility for the charity with Co-Chairs acting as line manager for the Chief Executive (senior staff member). The core functions of RUSU alongside its fund-raising activities are managed and run by a team of experienced and dedicated staff who work towards fulfilling the organisation's charitable objects. A number of departments also employ teams of student staff which alongside providing valuable income and employability skills for students also ensure that our services remain student focused.

Relationship with Subsidiary Companies

Little Learners at RUSU Ltd (company number 03723877) and **RUSU Trading Limited** (company number 08308331) are both limited liability companies wholly owned by Reading University Students' Union. Little Learners at RUSU Ltd operates a day nursery which provides childcare for students and staff at the University of Reading. With effect from January 2021, the Nursery has also been marketed to the wider community. RUSU Trading Limited operates a number of services for non-students which are classed as non-primary purpose trading.

Relationship with the University of Reading

Under the Education Act 1994, the University of Reading has a statutory duty to take such steps as are reasonably practicable to ensure that RUSU operates in a fair and democratic manner and is held to account for its finances. A code of practice within the University Calendar governs the formal interaction between the two organisations. RUSU is also required to seek University Council approval, through the Student Experience Committee for any changes to its Memorandum and Articles of Association (Constitution), its budget, audited accounts and Officer Trustee elections report.

Relationship with the National Union of Students

RUSU is a member of the NUS and pays an annual affiliation fee to access training, resources and centrally negotiated purchasing agreements. RUSU, where appropriate works, with the NUS in pursuit of some of its charitable objects mainly related to campaigning on national student issues.

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TRUSTEES REPORT

Financial Review

The Consolidated Statement of Financial Activities (page 18) outlines the income and expenditure for RUSU during the financial year of 2020-21. Total income was £3,357k (2019-20: £4,382k) and total expenditure before movement in Pension Deficit was £3,092k (2019-20: £4,425k), resulting in a surplus of £264k. When including movement in Pension Deficit, RUSU has reported an overall surplus of £324k for 2020-21 (2019-20: £558k deficit).

COVID-19 had a significant impact on our operations throughout 2020-21, with the majority of our commercial areas closed for parts of the year or operating at reduced capacity.

The Student Social Venues and Events had reported a deficit of £539k, largely due limited events (including the summer ball) taking place. Income was £507k (2019-20: £1,180k) and expenditure of £1,046k (2019-20: £1,443k). Despite running at a loss the decision was made to continue operating student social venues and events where possible to support the wider student experience.

The Business Development department, which focuses on generating new income from the RUSU facilities delivered an income level of £78k (2019-20: £164k). Overall, the department delivered a deficit of £22k (2019-20: £10k surplus). The income for the Marketing and Sponsorship department was £31k (2019-20: £33k) but the contribution to Overhead Support resulted in a deficit for the year of £198k (2018-19: £259k). A significantly reduced freshers period contributed to the lower income levels in this area.

Little Learners Nursery improved its position following several challenging years. A surplus of £74k (2019-20: 31k deficit) when including the management charge levied by RUSU. The nursery is now seeing the benefit of the staffing restructure that was undertaken in 2019-20. COVID has continued to make the management of this area particularly challenging and so the positive financial result is credit to the team delivering this service.

The net cost of Student Activities groups was £346k (2019-20: £524k). The support offered in terms of Student Democracy and Representation and Advice Services also decreased in cost due in staffing shortages.

The Support Services department, which provides the majority of non-student facing activities and ensures the organisation is able to effectively support its members. The department reduced its costs to £825k (2020-21: 1,204k) with a number of factors contributing to this including staffing shortages and less activity due to COVID.

READING UNIVERSITY STUDENTS' UNION**TRUSTEES REPORT****Reserves Policy**

The RUSU Reserves Policy is reviewed on a periodic basis by the Finance Committee and any recommendations for change are discussed at Trustee Board level. The policy states that RUSU should hold reserves equivalent to three months operating expenses which equates to approximately £550k.

The current level of net current assets is £2,531k (2019-20: £2,204k) which does not take into account the Fixed Assets of £504k (2019-20: 620k) as these are only accessible following the sale of these assets. The inclusion of the overall pension deficit and the outstanding loans to the University reduce the overall net assets to £1,270k (2019-20: 946k).

The General Reserve amounts to £1,986k and Restricted Funds amount to £15k. Designated Reserves are made up of the following: Student Activity Groups balances, funds set aside for development of the building and the funds tied up in existing fixed assets. There is also a negative designated pension reserve representing the long-term pension deficit provision. In total, these leave a negative reserve of £730k.

The current level of the general reserve is above target. This figure is monitored by the Finance Committee and planned expenditure, such as the RUSU contribution toward the costs of the building developments are designated from this excess to ensure that we are able to continually improve the quality of the services and facilities we provide to the membership. This will be reviewed in 2021-22.

Funding

A significant funding source is the University of Reading which provides a grant payment each year based on student numbers, a Retail Price Index calculation and the inclusion of any additional funds to cover special projects. The total grant for the current year is £1,555k and this income is used alongside the surplus from Charitable Activities to provide support, services and extra-curricular activities for Reading students in line with our Charitable Objects. This is the final year of additional funding agreed as part of the closure of RUSU's retail unit.

Investments

The RUSU Investments Policy which was agreed during the 2015/16 financial year and has the following investment objectives:

- To increase the capital value of any investment with a minimum level of risk;
- To ensure that any investment provides a higher return than the main deposit account;
- and
- To ensure that any invested assets are readily available to meet the requirements of the Reserves Policy

Environmental Investment Policy

The policy includes a commitment to investing responsibly to ensure that the student membership is satisfied that the funds are being invested in line with our commitment to ensuring high standards of ethical and environmental behaviour. The policy is based on negative screening model to exclude companies, such as tobacco, arms and fossil fuels, that RUSU either has policy against or are not in line with our Ethical & Environmental policy.

READING UNIVERSITY STUDENTS' UNION**TRUSTEES REPORT****Pension Liabilities**

The defined benefit pension provision is included on the Balance Sheet to comply with the Charities SORP (FRS 102). The overall impact of this inclusion is a liability of £1,472k (2019-20: £1,824k. Despite the inclusion of this substantial amount the considerable level of the accumulated reserves, noted above, ensure that RUSU remains a going concern.

Risk Management

The Board of Trustees reviews the major strategic, operational and reputational risks faced by the organisation on an annual basis or as required. The Risk Management Policy notes the major risks and identifies both their probability and likely impact on the organisation. On behalf of the Trustees, senior managers regularly review major risks and mitigating measures.

In 2020-21 the Trustee Board has continued to respond to the impact of COVID-19 on RUSU and its sustainability. During this period a significant focus has been on continuing to deliver services for members.

Financial and control risks are mitigated through a robust budget management process and supporting Financial Procedures for the authorisation and processing of transactions. Procedures are also in place to ensure the health and safety of staff, volunteers and participants in all activities organised by RUSU. The Trustees believe that all major risks are appropriately addressed. The Risk Register is reviewed at each Finance & Risk Committee and annually at the Trustee Board.

Aims, Objectives and Activities

The primary aim of RUSU is the advancement of education of students at the University of Reading for the public benefit. RUSU achieves this through:

- promoting the interests and welfare of students of the University of Reading during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and the University of Reading and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of students.

In order to achieve these aims RUSU focuses on its mission and values.

RUSU is a student-led charity which exists to support students and enhance their University experience.

- We are accountable to our members;
- We aim to provide inclusive services and facilities;
- We are a dynamic forward-thinking organisation; and
- We act with integrity.

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The Trustees have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The three-year Strategic Operating Plan created and approved by the Trustee Board is based on the organisation's Charitable Objects.

RUSU provides a variety of services and activities for students including:

Student Advice

RUSU provides a free and confidential specialist advice service to our members in the areas of Academic, Housing and Money issues. The level of demand continues to increase in all areas with a particular focus on Academic issues. The Advice Service continued to operate a virtual service in 2020/21, providing advice via email, telephone and Teams. They are looking at resuming face to face provision in the 2021/22 academic year.

The team are professionally trained staff and members of a number of professional bodies including: Advice UK, National Association of Student Money Advisers (NASMA), and National Homelessness Advice Service (NHAS). The Money Advisers undertake relevant training to ensure that they meet the Money Advice Standards (MAS) relating to debt advice.

The Advice Service was initially awarded the Advice Quality Standard (AQS) in 2013 and has maintained this accreditation to date, with the next reassessment due in January 2022. The AQS is awarded to organisations who give advice to members of the public on legal issues and is reassessed every two years. The Advice Service is also registered with the Financial Conduct Authority, which enables it to provide debt advice to students.

During 2020/21 our advisers supported 250 Postgraduate students and 687 undergraduate students and students 977 in total. Overall, the impact of the service meant that students were better off by just over £101k. The Advice Service responded to 1,266 emails via their email address or their online client form.

Advice cases opened in 2020/21 fall in to three main categories:

- 51% Academic advice. The majority of Academic Advice cases were related to supporting students with academic misconduct issues;
- 29% Housing advice. Of these, the majority are related to proving contract advice to students; and
- 17% Money advice. The main issue students sought Money advice for was concerning general student money issues.

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Student Activities

RUSU provides support and funding to a diverse mix of activity groups which range from traditional sports and student media to cultural and academic societies. Overall, 1,185 students were involved in sports, 1,548 in societies, 279 in volunteering to support 20 projects. 46 students were involved in Student Media and 38 signed up to help RAG and their fundraising projects. This was a significant decrease across sport, society and media memberships but interestingly an increase for RAG and volunteering memberships.

The largest groups of students amongst societies were signed up to our Academic & Career groups as usual with over 600 but they were fairly closely followed by the Culture & Faith and Hobbies & Interests groups; each with close to 450 students involved. Societies were hit the hardest through restrictions as no university rooms were able to be booked for them for the entirety of the academic year. Only online activity could go ahead. Sports were more fortunate as outdoor activity was permitted and in spring and summer even indoor sport returned with restrictions in place and NGB guidance being closely followed.

Sadly, we said goodbye to Junction11 Radio but this wasn't due to Covid. Unfortunately, no students came forward to run the station towards the end of the year (2019/20) and the station didn't operate throughout 2020/21. An opportunity for a local community station to take over the space arose in the summer and in consultation with previous students from Junction11, they took on the space and have opportunities for student volunteers to get involved.

The Spark newspaper was not printed as the university had stipulated that papers, magazines etc should not be put out (touch points) for distribution during the pandemic. This meant the students couldn't access the space to create the newspaper at all.

RAG managed to raise a total of £2,967 for local and national causes even with restrictions severely limiting their ability to hold events.

Representation and Campaigning

RUSU is led by a team of five full-time Officer Trustees who undertake this role after graduating or by taking a sabbatical year during their degree. The Officers listen to the views of the thousands of students on campus and represent the student voice on campus, in the local community and nationally.

Each year the Officer Trustee team develop a list of priorities based on their individual manifestos that represent the core issues for their year in Office. The Officer Trustee priorities for the 2020-21 academic year were largely reactive and focused around supporting students during the COVID pandemic, key areas are included below.

- Wellbeing: involving support students mental health through the creation of wellbeing champions across academic schools, welfare representatives in sports clubs and societies, a 'lets talk about mental health campaign' focusing on groups such as international, BAME, LGBTQ+ and disabled students.
- Student Experience of COVID: involving developing regular surveys to enable representative feedback that could be used to improve policy and practice across the University

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- Representing students on various key projects including: a Race Equality Review and the student submission for the Office for Students Access and Participation Plan.
- Social Experience: providing opportunities for students to safely socialise through a pop-up venue for the summer term
- The overall theme is sustainability: RUSU will be environmentally, economically and socially sustainable. RUSU will meet the needs of current students without compromising the needs of future students.

The Officer Trustees are supported in their role by a team of Part Time Officers who represent and campaign for the rights of students who are under-represented or discriminated against.

RUSU also supports the work of 445 undergraduate and postgraduate Course Representatives alongside 48 undergraduate and postgraduate School level Representatives who are elected by their peers each year to work with the University to improve the academic experience.

Outlets and Services

RUSU provides a variety of services from many different outlets in and around the Students' Union building. The main entertainment venues are the 3sixty venue, Café Mondial, Mojos Bar and the flexible Monterey Lounge space. These venues give RUSU an overall capacity of 2,600 people which enable the venue team to provide a wide range of student focused events from small activity group sessions to running the largest and most successful night time venue in Reading. For a significant proportion of 2020/21 many of RUSU's entertainment venues were closed or operating a significantly reduced capacities.

The main building also includes a number of Franchise Spaces including a hairdresser, food outlets, a shop and a dissertation binding service. These facilities provide a range of services to students and also provide a consistent income stream to support the student facing facilities.

Little Learners at RUSU

RUSU also operates a 106 place nursery. The most recent Ofsted inspection rated the setting, which takes children from 3 months to 5 years, as Good.

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2020-21 Review

COVID-19 had a significant impact on RUSU during this financial year, particularly on trading activities. Given the continued challenges facing the organisation, the strategic review was put on hold and an interim operational plan was put in place.

This plan outlined the following objectives which were both used to support the navigation of COVID-19 and to ensure we continued to provide a focused service to our members. These plans were supported by an interim financial plan for the remainder of the year. Objectives were progressed via departmental and individual plans.

- To support students through their journey at the University of Reading
- To ensure students have an effective voice and the power to achieve positive change
- To enable students to connect with each other, the wider community and to develop as individuals
- To take action on creating a more inclusive student experience
- To take action on creating a more sustainable student experience

As part of our response to COVID-19, RUSU continued to be led by its values based approach agreed in 2019/20:

- We will always focus on doing the right thing for our students, staff and wider community.
- We will continue to be accountable to our members, inclusive in our approach, dynamic and forward thinking and always act with integrity.
- We will work as one team and support each other the best we can.

Despite the financial challenges presented by COVID-19, RUSU continued to support its members through campaigning, representation and advice services. The social aspects of student life were at points very limited but where possible activity was shifted online and RUSU took an agile approach when restrictions were lifted to get activity up and running again.

Future Plans

The year ahead includes a number of challenges and opportunities for RUSU as it continues to improve the quality and range of services it offers to an increasingly diverse membership in light of the ongoing impact of COVID-19. RUSU will undertake a full strategic review in 2021/22 with the intention of rolling out a new strategy, supported by a range of change projects including improvements to its representative structures, investment in digital infrastructure, increased staffing levels to delivery core charitable activity and a refinement of its brand and communications strategy.

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TRUSTEES REPORT

Custodian Activities

RUSU acts as a custodian for several activities

- There is a balance of £46,804 in designated reserves for funds previously raised by JCR's. RUSU intends to utilise some of these funds through the development of a pilot project to support students in halls during 2021-22.
- Funds raised by students under the Raising and Giving (RAG) initiative for distribution to nominated local and national charities. £2,967 was raised in the year.

Declaration

The Trustees who held office at the date of approval of this trustees' report confirm that they are aware of all the relevant audit information and that there is no relevant audit information which has not been supplied to the charity's auditors.

We wish to thank all staff and volunteers at RUSU for their continued commitment and hard work to make this another successful year for our members.

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TRUSTEES REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Reading University Students' Union for the purposes of Company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Company law and Charity law requires the trustees to prepare financial statements for each financial year which 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 apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document.

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.

The Trustees confirm that, in the case of each of the persons who are Trustees at the date of this report, the following applies:

- So far as each Trustee is aware there is no relevant audit information (information needed by the Charity's auditors in connection with preparing their report) of which the Charity's auditors are unaware; and
- Each Trustee has taken all the steps necessary to make herself/himself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees and signed by order of the Board:

.....
Jack Maddock- External Trustee

.....
Date

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INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Reading University Students' Union (the 'charitable company') for the year ended 31st July 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows and 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 parent charitable company's affairs as at 31st July 2021 and of its group's incoming resources and application of resources 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 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 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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, 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 has been prepared in accordance with applicable legal requirements.

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INDEPENDENT AUDITORS REPORT

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 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 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charitable Company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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.

READING UNIVERSITY STUDENTS' UNION

INDEPENDENT AUDITORS REPORT

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken, so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.

Stephen Anderson (Senior Statutory Auditor)
For and on behalf of Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

READING UNIVERSITY STUDENTS' UNION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st JULY 2021

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS						
Grant Income						
Annual Grant		1,555,577	-	-	1,555,577	1,496,568
Additional Funding		-	-	-	-	75,000
Charitable Activities						
Student Social Venues and Events	2	507,200	-	-	507,200	1,179,844
Student Activities (Clubs and Societies)	3	14,094	155,353	-	169,447	500,691
Little Learners (Nursery)	4	679,375	-	-	679,375	679,877
Other Trading Activities						
Franchised Space	5	32,652	-	-	32,652	46,795
Business Development	7	78,388	-	-	78,388	164,303
Commercial Trading	8	-	-	-	-	37,646
Marketing & Sponsorship	6	30,875	-	-	30,875	32,792
Interest Receivable		2,108	-	-	2,108	10,572
Other		300,900	-	-	300,900	158,190
Total Income		<u>3,201,169</u>	<u>155,353</u>	<u>-</u>	<u>3,356,522</u>	<u>4,382,278</u>
EXPENDITURE						
Charitable Activities						
Student Social Venues and Events	2	1,046,441	-	-	1,046,441	1,443,447
Student Democracy and Representation	9	233,383	-	-	233,383	336,543
Student Activities (Clubs and Societies)	3	370,235	144,992	-	515,227	1,025,329
Advice Services	11	279,097	-	-	279,097	350,246
Affiliations	10	43,301	-	-	43,301	59,559
Little Learners (Nursery)	4	605,682	-	-	605,682	710,430
Raising Funds						
Franchised Space	5	21,313	-	-	21,313	10,092
Marketing and Sponsorship	6	228,925	-	-	228,925	291,685
Business Development	7	100,545	-	-	100,545	154,404
Commercial Trading	8	18,335	-	-	18,335	43,313
Total Operating Expenditure		<u>2,947,257</u>	<u>144,992</u>	<u>-</u>	<u>3,092,250</u>	<u>4,425,048</u>
Net Operating Income/(Expenditure)		253,912	10,361	-	264,272	(42,770)
Movement in Pension Deficit		-	59,467	-	59,467	(515,208)
Transfers between Funds		(194,928)	194,928	-	-	-
Net Movement in Funds		<u>58,984</u>	<u>264,755</u>	<u>-</u>	<u>323,739</u>	<u>(557,978)</u>
Reconciliation of Funds						
Total Funds brought Forward		1,926,913	(995,041)	14,602	946,474	1,504,452
Funds Carried Forward		<u>1,985,897</u>	<u>(730,286)</u>	<u>14,602</u>	<u>1,270,213</u>	<u>946,474</u>

All transactions noted above derive from continuing operations.

A full Comparative SOFA for 2019 is included in note 31.

READING UNIVERSITY STUDENTS' UNION**CONSOLIDATED BALANCE SHEET****AS AT 31st JULY 2021**

		Consolidated		Parent	
		2021	2020	2021	2020
	Note	£	£	£	£
Fixed Assets	14		504,069	620,083	502,672
Investments	15		-	-	4
				620,083	502,676
CURRENT ASSETS					
Stocks	16	95,726	113,716	95,467	112,699
Debtors	17	157,019	140,243	148,009	177,821
Cash at Bank and In Hand		2,737,142	2,739,178	2,674,411	2,717,465
		<u>2,989,887</u>	<u>2,993,137</u>	<u>2,917,887</u>	<u>3,007,985</u>
CREDITORS : Amounts falling due within one year					
	18	(459,372)	(788,908)	(389,586)	(732,274)
NET CURRENT ASSETS		<u>2,530,514</u>	<u>2,204,229</u>	<u>2,528,301</u>	<u>2,275,711</u>
CREDITORS : Amounts falling due more than one year					
	19	(1,764,371)	(1,877,838)	(1,764,371)	(1,877,838)
NET ASSETS		<u>£1,270,212</u>	<u>£946,474</u>	<u>1,266,606</u>	<u>£1,016,565</u>
RESERVES	26				
General funds		1,985,897	1,926,913	1,982,290	1,997,000
Designated Fund		(730,286)	(995,041)	(730,286)	(995,041)
Restricted Fund		14,602	14,602	14,602	14,602
Total Reserves		<u>1,270,212</u>	<u>£946,474</u>	<u>1,266,606</u>	<u>£1,016,561</u>

These financial statements were approved by the Board of Trustees on
are signed on their behalf by:

and

.....
R. Bird - Chief Executive

.....
Jack Maddock- External Trustee

Company Number 08840709

READING UNIVERSITY STUDENTS' UNION**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st JULY 2021**

	Note	2021 £	2020 £
Cash Flows from Operating Activities			
Net movement of funds for the period		323,739	(557,978)
Adjustments for:			
Depreciation		158,591	225,844
Fixed assets written off		-	-
Loan waived		-	-
Interest received from investments		(2,108)	(10,572)
(Increase)/Decrease in Stock		17,990	(22,673)
(Increase)/Decrease in Debtors		(16,776)	59,001
Increase/(Decrease) in Pension Provision		(351,514)	515,208
Increase/(Decrease) in Other Creditors		(37,489)	15,688
Net Cash provided by Operating Activities		<u>92,434</u>	<u>224,518</u>
Cash Flows from Investing Activities			
Interest received from investments		2,108	10,572
Payments to acquire fixed assets		(42,577)	(71,937)
Net Cash provided by Investing Activities		<u>(40,469)</u>	<u>(61,365)</u>
Cash Flows from Financing Activities			
Loan Repaid		(54,000)	(54,000)
Additional Loans in year		-	-
Net Cash provided by Financing Activities		<u>(54,000)</u>	<u>(54,000)</u>
Change in cash and equivalents in the period		(2,035)	109,153
Cash and equivalents at the start of the period		<u>2,739,178</u>	<u>2,630,025</u>
Cash and equivalents at the end of the period		<u>2,737,142</u>	<u>2,739,178</u>

READING UNIVERSITY STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st JULY 2021

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Practice "Accounting by Charities", the Companies Act 2006 and UK Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Union is a public benefit entity as defined by FRS 102.

Going Concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. As detailed in the Trustees Report, in forming this opinion, they have considered the impact of the COVID-19 pandemic on both its income and expenditure for at least a period of twelve months from the date of approval of these financial statements.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset as follows:

Other Equipment	5 – 10 years
Bars	5 – 10 years
Shops	5 – 10 years
Office and Facilities	3 – 10 years
Motor Vehicles	3 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The Union participated in the Student Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. This scheme is now closed to future accrual. The fund continues to be valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable in respect of the past deficit being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under FRS 102 the discounted value of contributions payable in respect of past service deficit have been provided for.

The National Union of Students Pension Scheme (NUSPS), and the National Employment Savings Trust (NEST) are defined contribution schemes and are accounted for in the year in which they are due.

Investments

Investments are stated at cost less any provision for diminution in value.

Taxation

No provision is made in these accounts for tax as the Union is entitled to the exemptions available to charities provided all income is applied for charitable purposes.

Consolidation

The Statement of Financial Activities and Balance Sheet consolidate the results of the two subsidiary companies, Little Learners @ RUSU Ltd and RUSU Trading Ltd.

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****2. STUDENT SOCIAL VENUES AND EVENTS**

	2021	2020
	£	£
INCOME		
Sales	506,481	1,171,691
Events	297	6,662
Games Machines	422	1,492
	<u>507,200</u>	<u>1,179,844</u>
EXPENDITURE		
Cost of Sales	293,137	520,053
Direct Staff Costs	367,113	487,387
Other Direct Costs	135,400	76,075
Contribution to Overhead Support	250,790	359,932
	<u>1,046,441</u>	<u>1,443,447</u>
Deficit for Year	<u>£(539,241)</u>	<u>£(263,603)</u>

Events includes Summer Ball extracted from management accounts.

3. STUDENT ACTIVITIES

	2021	2020
	£	£
INCOME		
Subs and Other Self-Generated Income	155,353	460,248
Other Income	14,094	32,443
Grant Income	-	8,000
	<u>169,447</u>	<u>500,691</u>
EXPENDITURE		
Activity Groups	139,270	247,394
Other Direct Costs	38,240	96,796
Expenditure from Self Generated Income	144,992	393,729
Grant Expenditure	-	19,984
Contribution to Overhead Support	192,726	267,426
	<u>515,227</u>	<u>1,025,329</u>
Net Cost	<u>£(345,780)</u>	<u>£(524,638)</u>

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****4. LITTLE LEARNERS NURSERY**

	2021	2020
	£	£
INCOME		
Nursery Fees	583,906	485,921
Local Authority Funding	62,548	65,719
Other Income	32,921	128,237
	<hr/> 679,375	<hr/> 679,877
EXPENDITURE		
Permanent Staff Costs	510,827	594,979
Other Costs	80,497	71,319
Support Cost Recharge	14,358	44,132
	<hr/> 605,682	<hr/> 710,430
Surplus/(Deficit) for Year	<hr/> £73,693	<hr/> £(30,552)

The Nursery is operated by a subsidiary company, Little Learners, which is 100% owned by Reading University Students' Union.

5. FRANCHISE SPACE

	2021	2020
	£	£
INCOME		
Rental Income	32,652	46,795
	<hr/> 32,652	<hr/> 46,795
EXPENDITURE		
Direct Costs	13,901	-
Contribution to Overhead Support	7,413	10,092
	<hr/> 21,314	<hr/> 10,092
Surplus for Year	<hr/> £11,338	<hr/> £36,703

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****6. MARKETING AND SPONSORSHIP**

	2021	2020
	£	£
INCOME		
	30,875	32,792
	<u>30,875</u>	<u>32,792</u>
EXPENDITURE		
Staff Costs	69,589	102,386
Other Direct Costs	40,735	17,742
Contribution to Overhead Support	118,600	171,557
	<u>228,925</u>	<u>291,685</u>
Expenditure for the Year		
	<u>£(198,049)</u>	<u>£(258,893)</u>

7. BUSINESS DEVELOPMENT

	2021	2020
	£	£
INCOME		
Freshers Fayre	-	34,433
Totum Cards	11,706	15,686
Other Income	66,682	114,184
	<u>78,388</u>	<u>164,303</u>
EXPENDITURE		
Direct Staff Costs	31,650	14,818
Other Direct Costs	34,303	89,128
Contribution to Overhead Support	34,592	50,458
	<u>100,545</u>	<u>154,404</u>
Surplus/(Deficit) for Year	<u>£(22,157)</u>	<u>£9,899</u>

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****8. COMMERCIAL TRADING**

	2021 £	2020 £
INCOME	-	37,646
	-	37,646
EXPENDITURE		
Staff Costs	14,609	13,609
Other Direct Costs	20	21,294
Support Cost Recharge	3,706	8,410
	18,335	43,313
Surplus/(deficit) for the Year	£(18,335)	£(5,667)

9. STUDENT DEMOCRACY AND REPRESENTATION

	2021 £	2020 £
INCOME	1,537	31
	1,537	31
EXPENDITURE		
Staff Costs	124,346	171,347
Other Direct Costs	14,830	26,468
Contribution to Overhead Support	95,745	138,759
	234,921	336,574
Net Cost for the Year	£(233,384)	£(336,543)

10. AFFILIATIONS

	2021 £	2020 £
EXPENDITURE		
NUS Affiliation	33,081	50,408
BUCS Affiliation	10,220	9,151
	43,301	£59,559

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****11. ADVICE SERVICES**

	2021	2020
	£	£
EXPENDITURE		
Staff Costs	168,123	190,539
Other Direct Costs	4,111	5,811
Contribution to Overhead Support	106,864	153,896
	<u>279,097</u>	<u>£350,246</u>

12. OVERHEAD SUPPORT COSTS

	Support Staff	Repairs Maintenance and Cleaning	Office Costs	Other Costs	2021	2020
	£	£	£	£	£	£
Student Social Venues and Events	138,704	37,922	35,209	38,956	250,790	359,933
Student Activities	106,590	29,142	27,057	29,936	192,726	267,426
Little Learners	14,358	-	-	-	14,358	44,132
Franchised Space	4,100	1,121	1,041	1,151	7,413	10,092
Marketing & Sponsorship	65,594	17,933	16,651	18,422	118,600	171,557
Business Development	19,132	5,231	4,856	5,373	34,592	50,458
Commercial Trading	2,050	560	520	576	3,706	8,410
Student Democracy & Representation	52,953	14,478	13,442	14,872	95,745	138,759
Advice Services	59,103	16,159	15,003	16,599	106,864	153,896
	<u>462,583</u>	<u>122,546</u>	<u>113,780</u>	<u>125,886</u>	<u>824,794</u>	<u>£1,204,663</u>

Governance costs, including the audit fee of £9,156 (2020: £9,156), are included above under other costs.

13. NET INCOMING RESOURCES

The net incoming resources is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	158,591	225,844
Operating Lease rentals	200	200
Audit Fees	<u>9,156</u>	<u>9,156</u>

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****14. TANGIBLE FIXED ASSETS**

	Venues	Other	Shop	Office and Facilities	Nursery	Total
	£	£	£	£	£	£
Cost						
At 1 st August 2020	480,703	885,966	40,850	804,280	20,258	2,232,057
Additions	-	36,873	-	4,804	900	42,577
Disposals	-	-	-	-	-	-
Transfers	16,533	(5,850)	(10,683)	-	-	-
At 31st July 2021	497,236	916,989	30,167	809,084	21,158	2,274,634
Depreciation						
At 1 st August 2020	326,862	581,462	32,565	652,222	18,863	1,611,974
Charge for the Year	48,555	67,131	988	41,019	898	158,591
Disposals	-	-	-	-	-	-
Transfers	(32,829)	58,024	(3,386)	(21,808)	-	-
At 31st July 2021	342,588	706,617	30,167	671,433	19,761	1,770,565
NET BOOK VALUE						
At 31st July 2021	154,648	210,372	-	137,651	1,397	504,069
At 31 st July 2020	153,841	304,504	8,285	152,059	1,395	620,083

15. INVESTMENTS

	2021	2020
	£	£
Subsidiary Companies:		
Little Learners @ RUSU Limited	2	2
RUSU Trading Limited	2	2
	<u>4</u>	<u>4</u>
Total Parent Investments	<u>4</u>	<u>4</u>

Little Learners at RUSU Limited (Company Number: 03723877) operates a nursery. The results of the subsidiary are consolidated in these accounts and are set out in note 5. The net assets of the company at the year end amounted to £3,607.

RUSU Trading Limited (Company Number: 08308331) was incorporated on 27th November 2012 and commenced to trade on 1st August 2015. The company was dormant throughout 2020/21. The net assets of the company at the year end amounted to £2.

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****16. STOCKS**

	Consolidated		Parent	
	2021	2020	2021	2020
	£	£	£	£
Bars	31,777	48,407	31,777	48,407
Merchandise	28,033	25,104	28,029	25,104
Sports Kit	30,864	34,194	30,864	34,194
Catering	4,797	4,994	4,797	4,994
Nursery	255	1,017	-	-
	<u>£95,726</u>	<u>£113,716</u>	<u>£95,467</u>	<u>£112,699</u>

17. DEBTORS

	Consolidated		Parent	
	2021	2020	2021	2020
	£	£	£	£
Trade Debtors	48,630	24,284	41,529	18,745
Other Debtors	39,446	57,556	40,429	57,556
Intercompany Balance	-	-	(2,760)	43,249
Gift Aid from Subsidiary Company	-	-	-	-
Prepayment and Accrued Income	68,943	58,403	68,811	58,271
	<u>£157,019</u>	<u>£140,243</u>	<u>£148,009</u>	<u>£177,821</u>

18. CREDITORS: Amounts falling due within one year

	Consolidated				Parent			
	2021	2020	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£	£	£
University Loans		54,000		54,000		54,000		54,000
Trade Creditors		129,252		70,685		102,115		52,595
University Creditor		4,332		-		4,332		-
Other Creditors including Taxation:								
PAYE Social Security	26,065		46,467		26,065		46,467	
VAT	-		-		-		-	
Other Creditors	56,229		59,341		30,109		36,198	
Pension Liability	-		292,047		-		292,047	
Holiday Pay accrual	31,681		48,710		31,681		48,710	
Accruals and Deferred Income	157,814		217,658		141,284		202,257	
		<u>271,789</u>		<u>664,223</u>		<u>229,138</u>		<u>625,679</u>
		<u>459,372</u>		<u>788,908</u>		<u>389,586</u>		<u>732,274</u>

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****19. CREDITORS:** Amounts falling due after one year

	Consolidated		Parent	
	2021	2020	2021	2020
	£	£	£	£
Pension Provision	1,472,371	1,531,838	1,472,371	1,531,838
University Loans	292,000	346,000	292,000	346,000
	<u>£1,764,371</u>	<u>£1,877,838</u>	<u>£1,764,371</u>	<u>£1,877,838</u>

The Union currently has two interest free loans with the University which are repayable in instalments. As at July 2021, £101,000 is repayable in instalments until 2031 and £245,000 is repayable in instalments until 2029.

21. STAFF COSTS AND KEY MANAGEMENT PERSONNEL

	2021	2020
	£	£
Permanent Staff		
Gross Salaries	1,436,259	1,764,579
Employers N.I.	125,220	132,753
Employers Pension	51,262	62,704
Part Time Students	205,024	223,105
Total Staff Costs	<u>1,817,765</u>	<u>2,183,141</u>

The average number of permanent staff in the year was 64 (2020: 74)

The average number of temporary student staff in the year was 59 (2020: 79)

Employer pension contributions amount to between 3% and 6% of gross salary which is in line with amounts paid for other employees. Key management personnel consist of 4 managers who earn a combined salary of £212,759 (2020: 5 managers, £314,222).

No travel expenses were paid to trustees during the period (2020: £32).

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****22. PENSIONS**

The Union participated 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 country. Benefits in respect of service up to 30th September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1st October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30th September 2011 the scheme closed to future accrual.

The most recent valuation of the scheme was carried out as at 30th June 2019 and showed that the market value of the scheme's assets was £119.1m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £140.9m.

The assumptions which have the most significant effect upon the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The 2019 valuation recommended a contribution requirement by each Union expressed in monetary terms intended to clear the on-going funding deficit over a period of 16 years and will increase by 8% in October 2021 and at least 5% each year from October 2022. These contributions also include an allowance for cost of the on-going administrative and operational expenses of running the scheme. These rates applied with effect from 1 October 2020. In accordance with FRS 102 provision has been made for the discounted value of contributions receivable. Surpluses and deficits which arise at future valuations will also impact on the Unions future contribution commitment. In addition to the above contributions, the Union also pays its share of the schemes levy to the Pension Protection Fund. The discount rate applied was 2.6%.

The total contributions paid into the scheme in respect of the funding deficit for the period ended 31st July 2021 amounted to £292,047 (2020: £nil) as the Union took advantage of a discount being offered by the SUSS in 2017 and have paid three years of contributions up front.

From 1st October 2011 the Union has participated in the National Union of Students Pension Scheme, NUSPS, which is a defined contribution scheme. This scheme was closed to new entrants on 31st January 2014. From 1st February 2014 new staff are automatically enrolled in the National Employment Savings Trust (NEST). Contributions to these schemes are accounted for in the year in which they are due and amounted to £31,856 (2020: £45,356).

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****23. COMMITMENTS UNDER OPERATING LEASES**

At 31st July 2021 the company had total commitments under non-cancellable operating leases as set out below:

	2021		2020	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
<i>Operating Leases which expire :</i>				
Within 1 year	200	-	200	-
After more than 5 years	1,500	-	1,700	-
	<u>£1,700</u>	<u>£-</u>	<u>£1,900</u>	<u>£-</u>

The above amount relates to the lease on the nursery building which was renewed during the prior year and runs until March 2024 and the lease on the Student Union building which runs until 2036. Other accommodation is provided free of charge by the University. Were the Union to pay for additional space it uses for its operations this charge would increase by up to £675,000.

24. DONATIONS

The Union made no donations to external bodies during the year except where collections were made on behalf of various charities and lodged with the Union prior to payment to the charity.

25. RELATED PARTY TRANSACTIONS

The Union is in receipt of a recurrent grant from the University of Reading of £1,555,577 (2020: £1,571,568). The Union also received loans from the University in previous years, and in 2021 made repayments totalling £54,000 (2020: 54,000).

In addition, the Union occupies its building under a lease from The University of Reading for a charge of £100 per year until 25th March 2036 under an agreement whereby the Union maintains the building in a good state of repair.

The trustees of the Union are the members of the Trustee Board. The Officer Trustees of the Trustee Board receive remuneration for their services as provided for within the Constitution (see note 21).

READING UNIVERSITY STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31st JULY 2021

26. UNRESTRICTED FUNDS

	General Reserve	Student Activities Balances	Capital Equipment	Future Project Fund	Pension Reserves
			-----Designated Reserves-----		
Balance Brought Forward	1,926,912	246,223	218,686	363,935	(1,823,885)
Income	3,201,169	155,353	-	-	-
Expenditure	(2,947,257)	(144,992)	-	-	59,467
Transfers:					
Capital Expenditure Funding	62,014	-	(62,014)	-	-
Future Project Fund	36,047	-	-	(36,047)	-
Clubs and Societies Adjustment	(943)	943	-	-	-
Adjustment to Pension Liability	(292,045)	-	-	-	292,045
Balance Carried Forward	1,985,898	257,526	156,672	327,888	(1,472,373)

Funding of Capital Expenditure

The Capital Equipment Fund represents the Unions investments in fixed assets. All capitalised assets acquired from general funds or other designated funds (e.g. Future Project Fund) are represented by the Capital Equipment Fund and appropriate transfers are made. Fixed assets depreciation is charged against this fund. To the extent loans which have financed fixed asset acquisitions are repaid, a transfer is made from general funds to the capital fund.

Pension Reserve

The Pension Reserve represents the pension provision in respect of the SUSS Scheme of £1,472,373. See note 22 for details of the pension liability and note 30 for further information on the additional liability.

27. RESTRICTED FUNDS

	Balance B/F	Income	Expenditure	Transfers	Balance C/F
Activities Balances	13,262	-	-	-	13,262
Volunteering	1,340	-	-	-	1,340
Other	-	-	-	-	-
	£14,602	-	-	-	£14,602

28. CONTROLLING PARTY

The Union is controlled by the Trustee Board, 9 members of which are subject to democratic election by the voting membership of the Union. The ultimate control of the Union is vested under the constitution in the membership in General meeting. As such no single person or entity controls the Union. The Trustee Board also contains a minimum 4 externally appointed Trustees.

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****29. CAPITAL COMMITMENTS**

At the year end the Union had committed to building refurbishment works and other capital projects totalling £nil (2020: £nil).

30. VAT ISSUE

During the prior year, HMRC challenged the treatment of catering at RUSU's bars and issued an assessment of £70,346, which was reflected as a creditor in the 2019/20 accounts. RUSU paid the amount in 2020 but disagree with the assessment and have commenced action to appeal the decision. The outcome of this is not yet known.

READING UNIVERSITY STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31st JULY 2021****31. COMPARATIVE SOFA 2020**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
INCOME AND ENDOWMENTS				
Grant Income	1,496,568	-	-	1,496,568
Additional Funding	75,000	-	-	75,000
Charitable Activities				
Student Social Venues and Events	1,179,844	-	-	1,179,844
Student Activities (Clubs and Societies)	32,443	460,248	8,000	500,691
Little Learners (Nursery)	679,877	-	-	679,877
Other Trading Activities				
Franchised Space	46,795	-	-	46,795
Business Development	164,303	-	-	164,303
Commercial Trading	37,646	-	-	37,646
Marketing & Sponsorship	32,792	-	-	32,792
Interest Receivable	10,572	-	-	10,572
Other	158,190	-	-	158,190
Total Income	<u>3,914,030</u>	<u>460,248</u>	<u>8,000</u>	<u>4,382,278</u>
EXPENDITURE				
Charitable Activities				
Student Social Venues and Events	1,443,447	-	-	1,443,447
Student Democracy and Representation	336,543	-	-	336,543
Student Activities (Clubs and Societies)	611,616	393,729	19,984	1,025,329
Advice Services	350,246	-	-	350,246
Affiliations	59,559	-	-	59,559
Little Learners (Nursery)	710,430	-	-	710,430
Raising Funds				
Franchised Space	10,092	-	-	10,092
Marketing and Sponsorship	291,685	-	-	291,685
Business Development	154,404	-	-	154,404
Commercial Trading	43,313	-	-	43,313
Total Operating Expenditure	<u>4,011,335</u>	<u>393,729</u>	<u>19,984</u>	<u>4,425,048</u>
Net Operating Income/(Expenditure)	(97,305)	66,519	(11,984)	(42,770)
Movement in Pension Deficit	-	(515,208)	-	(515,208)
Movement in Pension Deficit	-	(515,208)	-	(515,208)
Transfers between Funds	408,675	(408,675)	-	-
Net Movement in Funds	<u>311,370</u>	<u>(857,364)</u>	<u>(11,984)</u>	<u>(557,978)</u>
Reconciliation of Funds				
Total Funds Brought Forward	<u>1,615,543</u>	<u>(137,677)</u>	<u>26,586</u>	<u>1,504,452</u>
Funds Carried Forward	<u>1,926,913</u>	<u>(995,041)</u>	<u>14,602</u>	<u>946,474</u>