

READING UNIVERSITY STUDENTS' UNION

FINANCIAL STATEMENTS

31st JULY 2022

**Registered Charity Number 1158523
Registered Company Number 08840709**

READING UNIVERSITY STUDENTS' UNION

FINANCIAL STATEMENTS

YEAR ENDED 31st JULY 2022

CONTENTS

	Page
Trustees and Union Information	1
Trustees Report	
A Structure, Governance & Management	2
B New Strategy	5
C 2021/22 Financial Review	6
D Finance Review	10
Independent Auditors' Report to the Members	14
Consolidated Statement of Financial Activities	17
Consolidated Balance Sheet	18
Consolidated Statement of Cash Flows	19
Notes to Financial Statements	20

Reading University Students' Union
Trustee and Administrative Information

Trustees

Jack Maddock
Debra Soper
Tim Bertram
Ray Ellison
Mike Phillips
Oscar Minto

Benjamin Knowles	until 24.06.22
Bethany Nugus	until 24.06.22
Grace Loweth	until 24.06.22
Amy Sheffield	until 24.06.22
Benjamin Cole	until 24.06.22
Ruth Adeniyi	From 08.09.21 - 24.06.22
Sheldon Allen	From 25.06.22
Harry Everitt	From 25.06.22
Eleanor Benford	From 25.06.22
Steve Cave	From 25.06.22
Charlie Dennis	From 25.06.22
Rusafa Karim	From 25.06.22
Poppy Lindsey	From 25.06.22
Jemima Mckenzie	From 25.06.22

The Co-Chairs of Trustees were Jack Maddock and Benjamin Knowles (until 24.06.22) and Sheldon Allen (from 25.06.22)

Charity registration number

1158523

Company registration number

8840709

Website

www.rusu.co.uk

Registered address

Whiteknights Campus
Pepper Lane
Reading
RG6 6EH

Chief Executive Officer

Ryan Bird

Company Secretary

Ryan Bird

Auditor

Knox Cropper LLP
65 Leadenhall Street
London EC3A 2AD

Bankers

Barclays
Apex Plaza
Reading RG1 1AX

Solicitors

Barrett & Co LLP
87 Castle Street
Reading RG1 7SN

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 2022 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 page 1, together with the audited accounts for the year.

A: Structure, Governance & Management

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 (charity registration number: 1158523). The Directors of RUSU are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. RUSU is governed by its Articles of Association which were amended on March 2022.

Governance

RUSU is a students' union within the meaning of the Education Act 1994 and its Articles of Association are approved by the governing body of the University of Reading, which has a statutory duty to ensure that the organisation operates in a fair and democratic manner and is held to proper account for its finances. RUSU is devoted to the educational interests and welfare of its student members and works alongside the University of Reading to achieve its aims.

The Articles of Association and supporting Bye-Laws have been structured to give the Trustees authority to manage the affairs of the organisation in a professional manner. The Trustees give the utmost consideration to the views of the student members.

The objects of RUSU are the advancement of education of Students at the University of Reading for the public benefit by:

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

In shaping RUSU's strategy and objectives the Trustees have considered the charity commission guidance on exercising of duty and power for the public benefit.

Board of Trustees

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 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 ballot, and serve in office for one year.

Reading University Students' Union **Trustees' Report**

The External Trustees and the remaining two Student Trustees are appointed by the Board via 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 up to four years and they may be reappointed for a second term of up to a total maximum of eight years.

The Student Trustees are appointed for a term in office of one year and they must be a registered student 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.

The Trustee Board holds a minimum of four meetings per academic year and are responsible for establishing and delegating to committees.

Committees

The financial year 2021/22 saw the first full year of a new set of committees, as outlined below:

Finance & Risk Committee has delegated responsibility from the Board of Trustees to oversee the finances of the organisation and to analyse and monitor risk management. Matters considered include financial and risk strategy, approval of annual budgets, ongoing monitoring of financial performance and quarterly review of the risk register.

People & Culture Committee has delegated responsibility from the Board of Trustees to oversee people, development and cultural matters of the organisation. Matters considered include RUSU's people strategy and associated plans, staff satisfaction, employee related policies and procedures and work to improve equality, diversity and inclusion.

Remuneration Committee is responsible for considering the remuneration of the Chief Executive and Officer Trustees.

Appointments Committee is responsible for overseeing the appointment of External Trustees, Student Trustees and other key governance roles, such as Student Voice Chair and Subsidiary Board Directors.

Elections Committee is responsible for overseeing the planning, promotion and administration of all elections to representative positions.

The Board delegates day-to-day oversight of Little Learners Nursery to a Subsidiary Company Board, with a reporting line to the Finance & Risk Committee.

More operational decisions are delegated to the **Leadership Team**, which consists of the Officer Trustees and members of the Senior Management Team.

Training of Trustees

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 within the organisation, University and local community in addition to their unpaid Trustee roles.

Reading University Students' Union **Trustees' Report**

Senior Management Team

RUSU employs a Chief Executive, Ryan Bird, who supports the Officer Trustees and the Board of Trustees. 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 supported by a senior management team consisting of:

- Richard Lines: Head of Business Development & Operations
- Kath Davey: Head of Student Voice & Engagement
- Annie Willmot: Head of Digital & Communications (from: 06.10.21)
- Gail Barclay: Head of Finance (until: 27.01.22)
- Jane Williams: Head of Finance & Resources (from: 08.11.21)

Student Voice

Student Voice is the democratic policy making body of RUSU, it has the authority to represent the voice of students and set our policy as outlined in the Bye-Laws. Student Voice receives updates from Officer Trustees and holds them accountable for their representative work. Student Voice considers ideas, campaigns and projects that impact the student experience.

A referendum may be called on any issue by either a resolution of the Trustees, a majority vote of Student Voice or a petition by at least 4% of the student members.

Annually RUSU holds a Student Members meeting in accordance with the Bye-Laws. The meeting receives a report from the Trustees, formal presentation of the annual accounts, approving of affiliations, approval of the auditors and open questions to the Trustees by student members.

Relationship with the University of Reading

The relationship between the University of Reading (UoR) and RUSU is established in a Students' Union Code of Practice which has been agreed by the governing body of the University.

RUSU receives a financial contribution via an annual Block Grant which is subject to approval by the governing body of the University. RUSU occupies premises owned by UoR and provided free of charge. RUSU is responsible for the day-to-day maintenance of its buildings. RUSU also receives a range of administrative support which enable its operations to continue successfully.

RUSU continues to operate various trading activities, these are dependant of UoR's support, for which the organisation continues to be appreciative of.

There is no reason to believe that the support from UoR will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on UoR to ensure the financial viability of its student representative body.

Reading University Students' Union **Trustees' Report**

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 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. RUSU intends to undertake a referendum on its ongoing membership with NUS in 2022/23.

B: New Strategy

In 2021/22 RUSU undertook a full strategic review and has subsequently in the process of rolling out its new strategy, 'Helping Students have the Best Time'.

Purpose: Our top priority is making sure students at the University of Reading have the best time.

Vision: To be a strong, inclusive and dynamic students' union that is central to the student experience. To achieve this, RUSU is focusing on building communities, facilitating opportunities and harnessing the collective voice of students to effect positive change.

Values: How we do things is important and so underpinning our work will be five key values:

- i. *Student-led:* putting students at the heart of everything we do
- ii. *Purposeful:* being bold, principled and a force for good
- iii. *Inclusive:* challenge inequalities, create diverse spaces, activities and services that are accessible to all students from all backgrounds
- iv. *Sustainable:* championing sustainability in all that we do and harnessing opportunities to collectively make a difference
- v. *Accountable:* ensuring we are transparent and fair in what we say and do. Ensuring democracy drives us.

RUSU's work will be focused around **four strategic themes**, which will drive our work and allocation of resources over the coming years.

- i. *Being the voice of students:* We will ensure an effective voice on the issues facing students and harness the collective power we have to achieve positive change
- ii. *Supporting students to succeed:* We want to help students on their journey. We will do this through providing support, advice, employment and personal development opportunities.
- iii. *Creating a sense of belonging and community:* We will facilitate opportunities for students to come together and encourage participation in our activity. We know it takes time to feel part of a community and we recognise our role in helping to make this happen in an inclusive way.

Reading University Students' Union **Trustees' Report**

- iv. *Making university life fun:* We want to ensure students have the best time at Reading, making memories for life.

To transform the way we work and to underpin the strategic themes, we have outlined **eight foundations**.

- i. People & Culture
- ii. Wellbeing
- iii. Digital Transformation
- iv. Engaging Communications
- v. Resources & infrastructure
- vi. Partnership
- vii. Engagement & Outreach
- viii. Good Governance & Democracy

As part of the strategy RUSU has committed to two overarching measures of success:

1. % of students that agree we have had a positive impact on their life during their time at the University of Reading (2021: 41%)
2. % of students that are satisfied with the students' union (2020: 49%, 2021: 56%)

A KPI scorecard is in development and will support Trustees in reviewing progress of the strategy.

Reading University Students' Union **Trustees' Report**

C: Review of 2021/22

As with 2020/21, the COVID-19 pandemic continued to have a significant impact on the work of the organisation, the University of Reading and the wider Higher Education sector. After a turbulent time, students were able to return to campus for the start of the academic year in September 2021, although significant disruptions continued to both formal and informal learning. RUSU continued to prioritise supporting and representing students, working closely with the University of Reading to mitigate the ongoing impacts of the pandemic.

2021/22 saw an increase in engagement levels across the board, with all services and activities coming back online. In many areas there was a step change in engagement following the suspension of much activity the year before. Following a staff recruitment freeze put in place during the pandemic, RUSU started the year with a number of staff vacancies and in many areas, it was not until Christmas that teams were back to full capacity.

Achievements

Being the voice of students:

- 14,157 votes were cast by 2,193 students, an increase of 35% from 2020/21
- Over 1000 students were elected to represent students' interests throughout the year
- As a result of our EDI work, our full-time officer elections candidate diversity increased significantly with 14% identifying as disabled, 19% as mature students, 36% as BAME, 25% as international and 22% as LGBTQ+.

Reading University Students' Union **Trustees' Report**

- 62% of our reps felt their employability had either increased or greatly increased as a result of undertaking the role, with 86% of reps feeling that they had increased their personal development.
- RUSU worked closely with the University of Reading to introduce self-certification for the exceptional circumstances process. If students have a minor illness or situation that gaining evidence for will be difficult, then they can complete a form and be granted a two-day extension for coursework.
- Course reps achieved a range of local successes, from introduction of pre-study modules, to improving transition from sixth form or college to university and from adjusting assessment timetables to creating community on their course.
- We celebrated excellence in teaching through 267 nominations for the Excellence Awards.
- 25 ideas were submitted and debated our student voice, including committing to hold a referendum on NUS membership next year.
- Based on student feedback, our elections processes have undergone an overhaul, with a focus on making them more accessible and engaging.

Supporting students to succeed:

- 1,071 students were supported by our Advice Service
- After engaging with our Advice Service, students were £75,409.38 better off.
- We helped 299 students through an Academic Misconduct process
- We gave advice to 74 students on their housing contracts
- We supported 30 students with Council Tax Issues
- Introduced a new 'help yourself' shelf, to provide self-care items to students for free. Items include sanitary products, pronoun badges, information packs, sexual health products and much more
- Support 28 students with childcare through our on-campus nursery, Little Learners.
- 49% of our staff on the payroll were students, with over £260k paid directly to students who work with us in a part-time capacity.

Reading University Students' Union **Trustees' Report**

Creating a sense of belonging and community:

- 3023 students involved in societies (a 95% increase from 2020/21), 2368 involved in sports (a 100% increase from 2020/21) and 182 involved in volunteering (a 34% decrease from 2020/21).
- Across our clubs and societies, we had 368 society committee members, 207 sports committee members and 28 volunteering committee members, all undertaking critical voluntary roles to enhance the student experience.
- Our Raising and Giving society (RAG) raised £1216 for their chosen charities alongside £2130 for other charities, so a total of £3,346.
- Developed a new Student Life Rep scheme, which will focus on improving the halls experience for students, this will be taken forward through the recruitment of a new staff role who will focus on creating community in halls.
- Introduced Equality, Diversity & Inclusion Representatives and training into sports and society committees, enabling a shift to focus on inclusivity in our student-led activity groups.

Reading University Students' Union **Trustees' Report**

- As part of our ongoing aim to increase space for clubs and societies, we have refurbished and redesignated part of the RUSU building into a new Student Opportunities Hub, the space will provide a new dedicated resource for student groups.

Making university life fun:

- We delivered a year-long programme of diverse range events, which included our regular club nights, BBC introducing live, comedy nights, patio sessions, jazz nights, quiz nights, karaoke nights, film screenings, roller discos, LGBTQ+ events and much more. Across over events we had a total attendance of over 88,000.
- A variety of themed weeks enabled our events programme to link to our wider campaigning work, including highlights such as Pride Week, Black History Month and Disability Awareness Month.
- The highlight of our calendar is the annual summer ball, with had over 3500 attendees and enabled students to celebrate the end of the academic year on the Whiteknights campus.
- To support students engaging in our events programme, a new free bus service has been introduced for our big club nights. The set-up of the service was supported financially by the University of Reading and RUSU has now taken on the cost moving forward. The service is run by Reading Buses and has a bespoke route to serve key student accommodation areas.
- Over 1500 students took part in our annual varsity sports competition between the University of Reading and Oxford Brookes, the event hosted in Reading included a wide range of indoor and outdoor sports complemented by a strong crowd on the side-lines. Unfortunately, the results did not go in Reading's favour, but nevertheless a great day of sporting activity.

Services for Students

RUSU has continued to provide 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, Knights Café, Mojos Bar and the flexible Monterey Lounge. 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.

The main building is host to a number of franchise spaces including a hairdresser, food outlets, a shop and a postal shop. These facilities provide a range of services to students and also provide a consistent income stream to support our strategic aims.

RUSU also operates a 106 place day nursery, providing childcare for students alongside staff and the wider community.

Change Programme & Future Plans

Critical to driving forward our new strategy has been the appointment of two new senior managers, our Head of Finance & Resources and Head of Digital & Communications. These appointments alongside our existing senior managers will lead an exciting programme of change which will enable RUSU to renew and develop to best serve its members over the coming years. Trustees have agreed a change programme consisting of the following five themes, which support the delivery of the strategy:

Reading University Students' Union **Trustees' Report**

1. Spaces
2. Brand & Identity
3. Digital Systems
4. Student Voice & Support
5. Building Community

Resources have been allocated across three phases (1) summer 2022, (2) academic year 2022/23 and (3) academic year 2023/24. These will be reviewed annually as part of a revised approach to reserves.

The priority for 2022/23 will be to progress the change programme themes above, including developing a capital investment plan for the building, creating a new brand and identify and commencing an upgrading our digital systems.

Reading University Students' Union **Trustees' Report**

D: Financial Review

The Consolidated Statement of Financial Activities (page 17) outlines the income and expenditure for RUSU during the financial year of 2021-22. Total income was £5,076,135 (2020-21 £3,358,058) and total expenditure before movement in pension deficit was £4,665,945 (2020-21 £3,093,786). The significant increase in income and expenditure between the two years is as a result of 2020-21 being severely affected by Covid; commercial operations were closed for parts of that year or operated on reduced capacity. The financial performance improved throughout 2021-22 as operations recovered and came up to full operational capacity. As a result, RUSU had another strong financial performance in 2021-22, with the income and expenditure outlined below resulting in a net surplus of £410,910, when excluding restricted funds (held by clubs & societies) the operational surplus is £370,983

There are a number of factors contributing to this operational surplus. During 2020-21 there had been a recruitment freeze which resulted in a number of staff vacancies (12) which took a while to fill resulting in salaries ending the year £85,083 below budget. The effect of lower numbers of staff and the ongoing uncertainty around Covid also resulted in charitable expenditure being underspent by £137,605. A further contributing factor was the Block Grant was £70,362 above the budgeted figure.

It is also worth noting, that budgeting was challenging given the ongoing degree of uncertainty with COVID.

	2022	2021
Total income	£5,076,135	£3,358,058
Total expenditure	£4,665,945	£3,093,786
Surplus/(Deficit)	£410,910	£264,272

Custodian Activities

RUSU acts as a custodian for several activities

- There is a balance of £40,566 in restricted 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. £3,147 was raised in the year.

Reserves Policy

The Reserves Policy was reviewed during 2021-22 and a new approach was reviewed by the Finance & Risk Committee and approved at Board level.

RUSU sets the level of reserves which reflects circumstances based on:

- forecasts for levels of income for the current and future years, taking into account the reliability of each source of income and the prospects for developing new income sources
- forecasts for expenditure for the current and future years on the basis of planned activity
- analysis of any future needs, opportunities, commitments or risks, where future income alone is likely to fall short of the amount of the anticipated costs

Reading University Students' Union **Trustees' Report**

- assessment, on the best evidence reasonably available, of the likelihood of a shortfall arising which means that reserves are necessary, and the potential consequences for RUSU not being able to make up the shortfall

The risks identified and the suggested requirement are detailed in the table below:

Risk	Risk Assessment	Suggested Requirement
Block Grant	Medium	£ 70,000
Commercial Contribution	High	£ 298,000
Working Capital	Low	£ 210,000
Student Clubs & Societies	Low	£ 20,000
Pension Deficit	Medium	£ 300,000
Future Plans	Low	£ 50,000
Reserves policy		£ 948,000

This will be reviewed and agreed by the Board on an annual basis

The General Reserve amounts to £2,324,412 of which £459,365 is tied up in Fixed Assets which is only accessible following the sale of these assets. After the £948,000 reserves this leaves a balance of £917,047.

It was agreed by the Trustee Board to transfer £647,225 from Unrestricted reserves to Designated for the Change Priorities projects as part of the Strategic Plan. It was also agreed to transfer the balance of £257,526 held by the Student Clubs and Societies from Designated to Restricted Funds. Included in the Designated Reserves is the £1,510,653 long-term pension deficit provision resulting in a Designated negative reserve of £996,246.

The Restricted Reserves totalling £313,955 now includes the balances on Student activities which was transferred from Designated and the JCR accounts.

Investments

RUSU surpluses are held in Barclays Deposit accounts, which is low risk and therefore relatively low return. Interest rates remained low during the financial year and interest received was £1,872. RUSU does not have any other investments. Trustees intend to develop an investment policy in 2022-23.

Fundraising

The charity has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

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 £1,511k (2020-21 £1,472k.) Despite the inclusion of this substantial amount the considerable level of the accumulated reserves, noted above, ensure that RUSU remains a going concern.

Reading University Students' Union **Trustees' Report**

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.

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.

A Risk Assessment Policy has now been developed which requires each department to maintain their own Risk Register. This will be reviewed and monitored at Senior Leadership team level and then the top five risks will be taken to the Finance & Risk committee twice a year.

Future Funding and Going Concern Assessment

The Trustee Board reviewed the going concern assumption by:

- Evaluating principal risks and uncertainties which includes the residual effect of Covid-19 and inflation
- Preparing a provisional three year financial forecast based on current business as usual
- Looking at the impact on cash flow of the three year financial forecast

In evaluating the going concern assumption, stress tests were applied to assess the potential impact of identified uncertainties. These were a reduction of £250K in commercial income every year over the three years, the Block Grant not increasing and the pension deficit increasing by a further £300K. In the unlikely event that all of these should crystallise together the total financial impact on reserves could total c£940K.

The uncertainties identified above, do not individually or collectively cast significant doubt on RUSU's ability to continue as a going concern.

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.

Reading University Students' Union
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

Reading University Students' Union **Independent Auditors' Report**

Opinion

We have audited the financial statements of Reading University Students' Union (the 'charitable company') for the year ended 31st July 2022 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 2022 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.

Reading University Students' Union **Independent Auditors' Report**

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.

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.

Reading University Students' Union **Independent Auditors' Report**

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.

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 Accounts)
For the Year Ended 31st July 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS					
Grant Income					
Grants and Donations	2	1,580,362	-	1,580,362	1,555,577
Charitable Activities					
Student Social Venues and Events	3	1,868,932	-	1,868,932	507,200
Student Activities (Clubs and Societies)	3	36,198	463,202	499,400	169,447
Student Democracy and Representation	3	2,489	-	2,489	1,536
Little Learners (Nursery)	3	781,543	-	781,543	679,375
Other Trading Activities					
Franchised Space	4	54,236	-	54,236	32,652
Business Development	4	226,071	-	226,071	78,388
Commercial Trading	4	59,565	-	59,565	-
Marketing & Sponsorship	4	-	-	-	30,875
Interest Receivable		1,872	-	1,872	2,108
Other		1,665	-	1,665	300,900
Total Income		<u>4,612,933</u>	<u>463,202</u>	<u>5,076,135</u>	<u>3,358,058</u>
EXPENDITURE					
Charitable Activities					
Student Social Venues and Events	5	1,942,594	-	1,942,594	1,046,441
Student Activities (Clubs and Societies)	5	534,990	423,995	958,985	515,227
Student Democracy and Representation	5	284,103	-	284,103	234,920
Advice Services	5	281,739	-	281,739	279,097
Digital and Communications	5	285,218	-	285,218	-
Affiliations	5	47,039	-	47,039	43,301
Little Learners (Nursery)	5	640,871	-	640,871	605,682
Raising Funds					
Franchised Space	6	7,467	-	7,467	21,313
Business Development	6	158,687	-	158,687	100,545
Commercial Trading	6	59,242	-	59,242	18,335
Marketing and Sponsorship	6	-	-	-	228,925
Total Operating Expenditure		<u>4,241,950</u>	<u>423,995</u>	<u>4,665,945</u>	<u>3,093,786</u>
Net Operating Income/(Expenditure)		370,983	39,207	410,910	264,272
Movement in Pension Deficit		(38,282)	-	(38,282)	59,467
Transfers between Funds		(260,146)	260,146	-	-
Net Movement in Funds		<u>72,555</u>	<u>299,353</u>	<u>371,908</u>	<u>323,739</u>
Reconciliation of Funds					
Total Funds brought Forward		1,255,611	14,602	1,270,213	946,474
Funds Carried Forward		<u>1,328,166</u>	<u>313,955</u>	<u>1,642,121</u>	<u>1,270,213</u>

All transactions noted above derive from continuing operations.

A full Comparative SOFA for 2021 is included in note 26.

Reading University Students' Union
Consolidated Balance Sheet
As At 31st July 2022

		Consolidated		Parent	
		2022	2021	2022	2021
		£	£	£	£
Fixed Assets	10		459,365		504,069
Investments	11		-		-
			<u>459,365</u>		<u>504,069</u>
					<u>447,334</u>
					<u>502,672</u>
					<u>4</u>
					<u>502,676</u>
CURRENT ASSETS					
Stocks	12	102,288	95,726	102,033	95,467
Debtors	13	158,211	157,019	172,185	148,009
Cash at Bank and In Hand		3,183,636	2,737,142	2,973,991	2,674,411
		<u>3,444,135</u>	<u>2,989,887</u>	<u>3,248,209</u>	<u>2,917,887</u>
CREDITORS : Amounts falling due within one year	14	(512,726)	(459,372)	(449,049)	(389,586)
		<u>2,931,409</u>	<u>2,530,515</u>	<u>2,799,160</u>	<u>2,528,301</u>
CREDITORS : Amounts falling due in more than one year	15	(238,000)	(292,000)	(238,000)	(292,000)
PROVISION FOR LIABILITIES	16	(1,510,653)	(1,472,371)	(1,510,653)	(1,472,371)
NET ASSETS		<u>1,642,121</u>	<u>£1,270,213</u>	<u>1,497,841</u>	<u>1,266,606</u>
RESERVES					
General funds	21	2,324,414	1,985,897	2,180,134	1,982,290
Designated Fund	21	(996,248)	(730,286)	(996,248)	(730,286)
Restricted Fund	22	313,955	14,602	313,955	14,602
Total Reserves		<u>1,642,121</u>	<u>1,270,213</u>	<u>1,497,841</u>	<u>1,266,606</u>

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

and are

.....
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 2022

Note	2022 £	2021 £
Cash Flows from Operating Activities		
Net movement of funds for the period	371,908	323,739
Adjustments for:		
Depreciation	166,886	158,591
Fixed assets written off	-	-
Loan waived	-	-
Interest received from investments	(1,870)	(2,108)
(Increase)/Decrease in Stock	(6,562)	17,990
(Increase)/Decrease in Debtors	(1,192)	(16,776)
Increase/(Decrease) in Pension Provision	38,282	(351,514)
Increase/(Decrease) in Other Creditors	53,355	(37,489)
Net Cash provided by Operating Activities	620,807	92,434
Cash Flows from Investing Activities		
Interest received from investments	1,870	2,108
Payments to acquire fixed assets	(122,183)	(42,577)
Net Cash provided by Investing Activities	(120,313)	(40,469)
Cash Flows from Financing Activities		
Loan Repaid	(54,000)	(54,000)
Additional Loans in year	-	-
Net Cash provided by Financing Activities	(54,000)	(54,000)
Change in cash and equivalents in the period	446,494	(2,035)
Cash and equivalents at the start of the period	2,737,142	2,739,178
Cash and equivalents at the end of the period	3,183,636	2,737,142

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

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 a period of at least 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.

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

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.

2. DONATIONS AND GRANTS

	2022	2021
	£	£
Annual Grant	1,580,362	1,555,577
Additional Funding	-	-
	<u>1,580,362</u>	<u>1,555,577</u>

3. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Student Social Venues and Events	1,868,932		1,868,932	507,200		507,200
Student Activities	36,198	463,202	499,400	14,094	155,353	169,447
Democracy & Representation	2,489	-	2,489	1,536	-	1,536
Little Learners Nursery	781,543	-	781,543	679,375	-	679,375
	<u>2,689,162</u>	<u>463,202</u>	<u>3,152,364</u>	<u>1,202,205</u>	<u>155,353</u>	<u>1,357,558</u>

The Nursery is operated by a subsidiary company, Little Learners Ltd, which is 100% owned by Reading University Students' Union. Included in Little Learner's income is £1,840 received as part of the government's coronavirus job support scheme.

4. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Franchised Space	54,236	32,652
Business Development	266,071	78,388
Commercial Trading	59,565	-
Marketing & Sponsorship	-	30,875
	<u>339,872</u>	<u>141,915</u>

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs	Support Costs	2022 Total	Direct Costs	Support Costs	2021 Total
	£	£	£	£	£	£
Student Social Venues and Events	1,625,845	316,749	1,942,594	795,651	250,790	1,046,441
Student Activities	774,577	184,408	958,985	322,501	192,726	515,227
Democracy and Representation	174,050	110,053	284,103	139,175	95,745	234,920
Advice Services	181,147	100,592	281,739	172,233	106,864	279,097
Digital and Communication	163,820	121,398	285,218	-	-	-
Affiliations	47,039	-	47,039	4,301	-	4,301
Little Learners Nursery	613,071	27,800	640,871	591,324	14,358	605,682
	<u>3,579,549</u>	<u>861,000</u>	<u>4,440,549</u>	<u>2,025,185</u>	<u>660,483</u>	<u>2,685,678</u>

6. EXPENDITURE ON OTHER TRADING ACTIVITIES

	Direct Costs	Support Costs	2022 Total	Direct Costs	Support Costs	2021 Total
	£	£	£	£	£	£
Franchised Space	4,378	3,089	7,467	13,900	7,413	21,313
Business Development	126,757	31,930	158,687	65,953	34,592	100,545
Commercial Trading	47,000	12,242	59,242	14,629	3,706	18,335
Marketing and Sponsorship	-	-	-	110,325	118,600	228,925
	<u>178,135</u>	<u>47,261</u>	<u>225,396</u>	<u>204,807</u>	<u>164,311</u>	<u>369,118</u>

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

7. SUPPORT COSTS

	Support Staff	Repairs, Maintenance & Cleaning	Office Costs	Other Costs	2022 Total	2021 Total
	£	£	£	£	£	£
Student Social Venues and Events	161,051	44,394	49,696	61,808	316,749	250,790
Student Activities	102,682	23,303	26,085	32,338	184,408	192,726
Democracy and Representation	56,509	15,267	17,090	21,187	110,053	95,745
Advice Services	58,322	12,053	13,492	16,725	100,592	106,864
Digital and Communication	62,922	16,673	18,665	23,138	121,398	-
Little Learners Nursery	27,800	-	-	-	27,800	14,358
Franchised Space	3,089	-	-	-	3,089	7,413
Business Development	19,953	3,415	3,823	4,739	31,930	34,592
Commercial Trading	3,788	2,411	2,698	3,345	12,242	3,706
Marketing and Sponsorship	-	-	-	-	-	118,600
	496,116	117,516	131,549	163,080	908,261	824,794

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

8. NET INCOMING RESOURCES

The net incoming resources is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	166,886	158,591
Operating Lease rentals	200	200
Audit Fees	<u>10,600</u>	<u>9,156</u>

9. STAFF COSTS AND KEY MANAGEMENT PERSONNEL

	2022	2021
	£	£
Permanent Staff		
Gross Salaries	1,139,977	1,436,259
Employers N.I.	109,251	125,220
Employers Pension	46,349	51,262
Part Time Students	<u>260,235</u>	<u>205,024</u>
Total Staff Costs	<u>1,555,812</u>	<u>1,817,765</u>

The average number of permanent staff in the year was 68 (2021: 64)

The average number of temporary student staff in the year was 73 (2021: 59)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £70,000 was one (2021: one). During the year the contribution to the personal pension plan for this member of staff amounted to £2,873 (2021: £2,027)

The total employee benefits (including employer pension and employer national insurance costs) of the key management personnel which consists of 5 managers was £274,912 (2021: 4 managers, £212,759).

Expenses totalling £683 were paid to trustees during the period (2021: nil).

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

10. TANGIBLE FIXED ASSETS

	Venues £	Other £	Shop £	Office and Facilities £	Nursery £	Total £
Cost						
At 1 st August 2021	497,236	916,989	30,167	809,084	21,158	2,274,634
Additions	41,718	64,047	-	3,531	12,887	122,183
Disposals	(175,762)	(56,728)	(30,167)	(52,961)	-	(315,618)
At 31st July 2022	363,192	924,308	-	759,654	34,045	2,081,199
Depreciation						
At 1 st August 2021	342,588	706,617	30,167	671,432	19,761	1,770,565
Charge for the Year	53,624	67,484	-	43,529	2,249	166,886
Disposals	(175,762)	(56,728)	(30,167)	(52,960)	-	(315,617)
At 31st July 2022	220,450	717,373	-	662,001	22,010	1,621,834
NET BOOK VALUE						
At 31st July 2022	142,742	206,935	-	97,653	12,035	459,365
At 31 st July 2021	154,648	210,372	-	137,651	1,397	504,069

Included within this balance is the Net Book Value of all assets purchased using the designated Future Projects fund, which is £159,182 at 31 March 2022 (2021: £223,390).

11. INVESTMENTS

	2022 £	2021 £
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 notes 3 and 5. The net assets of the company at the year end amounted to £144,279.

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 2021/22. The net assets of the company at the year end amounted to £2.

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

12. STOCKS

	Consolidated		Parent	
	2022	2021	2022	2021
	£	£	£	£
Bars	43,722	31,777	43,722	31,777
Merchandise	23,910	28,033	23,910	28,029
Sports Kit	28,169	30,864	28,169	30,864
Catering	6,232	4,797	6,232	4,797
Nursery	255	255	-	-
	<u>102,288</u>	<u>95,726</u>	<u>102,033</u>	<u>95,467</u>

13. DEBTORS

	Consolidated		Parent	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	101,208	48,630	92,763	41,529
Other Debtors	10,235	39,446	10,235	40,429
Intercompany Balance	-	-	22,419	(2,760)
Gift Aid from Subsidiary Company	-	-	-	-
Prepayment and Accrued Income	46,768	68,943	46,768	68,811
	<u>158,211</u>	<u>157,019</u>	<u>172,185</u>	<u>148,009</u>

14. CREDITORS: Amounts falling due within one year

	Consolidated				Parent			
	2022		2021		2022		2021	
	£	£	£	£	£	£	£	£
University Loans		54,000		54,000		54,000		54,000
Trade Creditors		189,903		129,252		185,604		102,115
University Creditor		1,456		4,332		1,456		4,332
Other Creditors including Taxation:								
PAYE Social Security	65,218		26,065		65,218		26,065	
VAT	-		-		-		-	
Other Creditors	23,322		56,228		19,191		30,109	
Holiday Pay accrual	30,243		31,681		30,243		31,681	
Accruals and Deferred Income	148,584		157,814		93,336		141,284	
		<u>267,367</u>		<u>271,788</u>		<u>207,988</u>		<u>229,139</u>
		<u>512,726</u>		<u>459,372</u>		<u>449,048</u>		<u>389,586</u>

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

15. **CREDITORS:** Amounts falling due after one year

	Consolidated		Parent	
	2022	2021	2022	2021
	£	£	£	£
University Loans	238,000	292,000	238,000	292,000
	<u>238,000</u>	<u>292,000</u>	<u>238,000</u>	<u>292,000</u>

The Union currently has two interest free loans with the University which are repayable in instalments. As at July 2022, £63,000 is repayable in instalments until 2031 and £229,000 is repayable in instalments until 2029.

16. **PROVISION FOR LIABILITIES**

	Consolidated		Parent	
	2022	2021	2022	2021
	£	£	£	£
Pension Provision	1,510,653	1,472,371	1,510,653	1,472,371
	<u>1,510,653</u>	<u>1,764,371</u>	<u>1,510,653</u>	<u>1,764,371</u>

17. **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%.

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

The total contributions paid into the scheme in respect of the funding deficit for the period ended 31st July 2022 were nil (2021: £292,047) as the Union took advantage of a discount being offered by the SUSS in 2020 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 £46,349 (2021: £51,262).

18. COMMITMENTS UNDER OPERATING LEASES

At 31st July 2022 the company had total commitments under non-cancellable operating leases as set out below:

	2022		2021	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
<i>Operating Leases which expire</i>				
:				
Within 1 year	200	-	200	-
After more than 5 years	1,300	-	1,500	-
	<u>1,500</u>	<u>-</u>	<u>1,700</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.

19. 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.

20. RELATED PARTY TRANSACTIONS

The Union is in receipt of a recurrent grant from the University of Reading of £1,580,362 (2021: £1,555,577). The Union also received loans from the University in previous years, and in 2022 made repayments totalling £54,000 (2021: 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.

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

21. UNRESTRICTED FUNDS

	Balance B/F 2021	Income	Expenditure	Transfers	Balance C/F 2022
DESIGNATED FUNDS					
Capital Equipment Fund	156,672	-	(100,629)	103,139	159,182
University Loan Fund	-	-	-	(292,000)	(292,000)
Future Project Fund	327,887	-	-	(327,887)	-
Student Activities	257,526	-	-	(257,526)	-
Spaces	-	-	-	350,825	350,825
Brand and Identity	-	-	-	51,000	51,000
Digital Systems	-	-	-	72,600	72,600
Student Voice	-	-	-	68,700	68,700
Building Community	-	-	-	104,100	104,100
Pension Reserves	(1,472,371)	-	(38,282)	-	(1,510,653)
	<u>(730,286)</u>	<u>-</u>	<u>(138,911)</u>	<u>(127,049)</u>	<u>(996,246)</u>
UNRESTRICTED FUNDS					
General Funds	1,982,290	3,831,390	(3,500,450)	(133,097)	2,180,133
Little Learners Reserve	3,607	781,543	(640,871)	-	144,279
	<u>1,985,897</u>	<u>4,612,933</u>	<u>(4,141,321)</u>	<u>(133,097)</u>	<u>2,324,412</u>
	<u>1,255,611</u>	<u>4,612,933</u>	<u>(4,280,232)</u>	<u>(260,146)</u>	<u>1,328,166</u>

Funding of Capital Expenditure

The Capital Equipment Fund represents the Unions investments in fixed assets. All capitalised assets acquired from other designated funds (e.g. Future Project Fund, Spaces, etc) are represented by the Capital Equipment Fund and appropriate transfers are made. Fixed assets depreciation is charged against this fund.

University Loan Fund

The University Loan Fund represents the amount still owed to the University to repay loans which have financed fixed asset acquisitions.

Spaces

The Spaces fund is intended to be used to reconfigure several spaces in the summer of 2022, including:

- a new helpdesk
- repurposing the study to a student activities hub
- general uplift of the space
- upgrade of venues spaces
- reallocation of some outlets
- improved office space
- new furniture

Brand and Identity

The Brand and Identity fund has been designated for use in rebranding across the Union. It is intended to be used for the design, physical assets and cultural elements.

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

Digital Systems

The Digital Systems fund will cover the upgrade of the IT network and facilities, as well as the investment in a new online membership system and a range of improvements to membership services.

Student Voice

The Student Voice fund will be used to research project capacity and provide improvements to the Union's advice and policy systems. It will also help to make democratic improvements (linked to digital systems).

Building Community

The Building Community fund is a 2-year community engagement project with Halls, to provide targeted interventions for EDI.

Pension Reserve

The Pension Reserve represents the pension provision in respect of the SUSS Scheme of £1,510,655. See note 16 for details of the pension liability.

UNRESTRICTED FUNDS COMPARATIVE

	Balance B/F 2021	Income	Expenditure	Transfers	Balance C/F 2021
DESIGNATED FUNDS					
Capital Equipment Fund	218,686	-	-	(62,014)	156,672
Student Activities	246,223	155,353	(144,992)	942	257,526
Future Project Fund	363,935	-	-	(36,048)	327,887
Pension Reserves	(1,823,885)	-	59,467	292,047	(1,472,371)
	<u>(995,041)</u>	<u>155,353</u>	<u>(85,525)</u>	<u>194,927</u>	<u>(730,286)</u>
UNRESTRICTED FUNDS					
General Funds	1,997,000	2,521,794	(2,341,575)	(194,927)	1,982,290
Little Learners Reserve	(70,086)	679,375	(605,682)	-	3,607
	<u>1,926,914</u>	<u>3,201,169</u>	<u>(2,947,257)</u>	<u>(194,927)</u>	<u>1,985,897</u>
	<u>931,873</u>	<u>3,356,522</u>	<u>(3,032,782)</u>	<u>-</u>	<u>1,255,611</u>

22. RESTRICTED FUNDS

	Balance B/F 2022	Income	Expenditure	Transfers	Balance C/F 2022
Student Activities	-	450,567	(423,995)	257,526	294,099
Activities Balances	13,262	2,635	-	-	13,267
Sporting Balances	-	-	-	2,620	2,620
Volunteering	1,340	-	-	-	1,340
	<u>14,602</u>	<u>463,202</u>	<u>(423,995)</u>	<u>260,146</u>	<u>313,955</u>

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

RESTRICTED FUNDS COMPARATIVE

	Balance B/F 2021	Income	Expenditure	Transfers	Balance C/F 2021
Activities	13,262	-	-	-	13,262
Balances					
Volunteering	1,340	-	-	-	1,340
	<u>14,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,602</u>

23. SURPLUS FOR THE FINANCIAL YEAR

At permitted by section 408 Companies Act 2006, Reading University Students' Union's individual Statement of Financial Activities has not been included in these financial statements. The surplus for the year is made up as follows:

	2022 £	2021 £
Reading University Students' Union's individual surplus for the financial year	<u>231,235</u>	<u>250,046</u>

24. 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.

25. CAPITAL COMMITMENTS

At the year end the Union had committed to building refurbishment works and other capital projects totalling £nil (2021: £nil).

Reading University Students' Union
Notes to the Financial Statements
For the Year Ended 31st July 2022

26. COMPARATIVE SOFA 2021

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £
INCOME AND ENDOWMENTS				
Grant Income				
Annual Grant	1,555,577	-	-	1,555,577
Additional Funding	-	-	-	-
Charitable Activities				
Student Social Venues and Events	507,200	-	-	507,200
Student Activities (Clubs and Societies)	14,094	155,353	-	169,447
Little Learners (Nursery)	679,375	-	-	679,375
Other Trading Activities				
Franchised Space	32,652	-	-	32,652
Business Development	78,388	-	-	78,388
Commercial Trading	-	-	-	-
Marketing & Sponsorship	30,875	-	-	30,875
Interest Receivable	2,108	-	-	2,108
Other	300,900	-	-	300,900
Total Income	<u>3,201,169</u>	<u>155,353</u>	<u>-</u>	<u>3,356,522</u>
EXPENDITURE				
Charitable Activities				
Student Social Venues and Events	1,046,441	-	-	1,046,441
Student Democracy and Representation	233,383	-	-	233,383
Student Activities (Clubs and Societies)	370,235	144,992	-	515,227
Advice Services	279,097	-	-	279,097
Affiliations	43,301	-	-	43,301
Little Learners (Nursery)	605,682	-	-	605,682
Raising Funds				
Franchised Space	21,313	-	-	21,313
Marketing and Sponsorship	228,925	-	-	228,925
Business Development	100,545	-	-	100,545
Commercial Trading	18,335	-	-	18,335
Total Operating Expenditure	<u>2,947,257</u>	<u>144,992</u>	<u>-</u>	<u>3,092,250</u>
Net Operating Income/(Expenditure)	253,912	10,361	-	264,272
Movement in Pension Deficit	-	59,467	-	59,467
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>
Reconciliation of Funds				
Total Funds brought Forward	1,926,913	(995,041)	14,602	946,474
Funds Carried Forward	<u>1,985,897</u>	<u>(730,286)</u>	<u>14,602</u>	<u>1,270,213</u>