



## **UNIVERSITY OF SALFORD STUDENTS' UNION**

Trustees' Report and Accounts  
16 months ended 31 July 2021

Registered charity number: 1189354  
Registered company number: 12532982

## UNIVERSITY OF SALFORD STUDENTS' UNION

### Reference & administrative details

Charity Name	University of Salford Students' Union
Registered Charity Number	1189354
Registered Company Number	12532982
Registered Office	University House The Crescent Salford M5 4WT

### Directors and Trustees

All directors of the company are also trustees of the charity, there are no other trustees. The trustees are:

Name	Appointed	Position
Abbie Storan	1 July 2021	
Akeem Adeniyi Ojetola	1 August 2020	
Cynthia Onyemuwa	1 July 2021	
Damilola Temidayo Faleke	1 July 2021	
Desrae Ogden	1 July 2021	
Emma Lawton	1 July 2021	
Eyad Abouelkhair	1 July 2021	
Festus Robert	1 July 2021	Chair (from 1/7/21)
Lee Hull	1 August 2020	
Naheed Nazir	1 July 2021	
Neil Crimes	1 August 2020	
Samantha Wilkinson	1 July 2021	
Walid Hammoud	1 July 2021	

### Resignations

The following resigned from their position as Trustees in the period:

Name	Appointed	Resigned	Position
Adedapo Oni Oluwalogbon	1 August 2020	30 June 2021	
Beth Hill	1 August 2020	30 June 2021	
Chris Hyams	1 August 2020	30 June 2021	
Harrison Pickard	1 August 2020	30 June 2021	
Hope Bragg	1 August 2020	30 June 2021	
Jessica Wilkinson	1 August 2020	30 June 2021	
Mousa Yusuf	1 August 2020	30 June 2021	
Shian Chaudhry	1 August 2020	30 June 2021	
Stephen Westgarth	24 March 2020	30 June 2021	Deputy Chair
Temiloluwa Adebayo	24 March 2020	30 June 2021	Chair

## UNIVERSITY OF SALFORD STUDENTS' UNION

### Company Secretary

Ed Moloney

### Key Management Personnel

Chief Executive Officer

Ed Moloney

Deputy CEO and Director of Engagement

Rhiannon Roberts

Director of Advocacy

Stevie Wise (to 30/06/21), Lauren Beckett (from 01/07/21)

### Advisors

#### Auditors

Dains LLP, Suite 2 Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke-On Trent, ST1 5RQ

#### Bankers

The Cooperative Bank PLC, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

#### Insurance

Endsleigh Business Insurance Services, Hadley House, Shurdington Road, Cheltenham Spa, Gloucestershire, GL51 4UE

## Trustees' Report

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the period end 31<sup>st</sup> July 2021.

The trustees have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

## Structure, Governance & Management

### Governing Document

The University of Salford Students' Union (the Union) is a students' union within the meaning of the Education Act 1994. The Union is devoted to the educational interests and welfare of its members. It is the independent representative body of the students at the University of Salford.

During the year an important and substantial change in the constitution under which the activities of the Union are carried out was completed. The Trustees determined that it was in the best interests of the Union to restructure to minimise risk to its assets whilst enabling the Union to achieve its charitable objectives.

The Union completed a process of incorporation by setting up a company limited by guarantee and without shares (Company number 12532982) and completed its registration as a charity (Charity number 1189354). At the close of business on 31 July 2020 the activities, funds, assets and liabilities of the Union were transferred to the new charitable company. The unincorporated Union was wound up in 2020/21.

We are governed by Articles of Association effective from the 1<sup>st</sup> of August 2020, a set of Bye-laws, the University of Salford and the Charity Commission. We also have a Memorandum of Understanding with the University of Salford. The Articles of Association state the Union's principle objectives as:

"The Union will seek at all times to:

- (i) ensure that the diversity of its Student Membership is recognised and that equal access is available to all Student Members of whatever origin or orientation;
- (ii) pursue its aims and objectives independent of any political party or religious group; and
- (iii) pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

## UNIVERSITY OF SALFORD STUDENTS' UNION

These Articles have been structured to give the Board of Trustees reasonable authority to manage the affairs of the Union in a professional manner. The Student Members enjoy the right, which must be exercised in accordance with charity law, to elect a proportion of the Trustees and to dismiss all of the Trustees. The Board of Trustees will give the utmost consideration to the views of Student Members.

Under the Education Act 1994, the University of Salford has a statutory duty to ensure that the Union operates in a fair and democratic manner and is held to proper account for its finances. The Union therefore works alongside the University of Salford in ensuring that the affairs of the Union are properly conducted and that the educational and welfare needs of the Union's Student Members are met."

### Public Benefit statement

The trustees have given due consideration to Charity Commission published guidance on the operation of the public benefit requirement and are satisfied that the charitable company meets these requirements.

### The Trustee Board

The Union is democratically controlled through the annual election of a team of student representatives who form part of the Union's Board of Trustees. The membership of the Trustee Board is as follows:

- Five elected Sabbatical Trustees
- Four Student Trustees
- Four Lay Trustees

The Trustees determine policy for all areas of Union activity. The sabbatical trustees are full time officers of the organisation and work for the Union for a year either during or at the end of their degree course to represent students on a full-time basis. The Trustee Board remit can be summarised as follows:

<b>Strategy</b>	Formulating, monitoring and implementing plans
<b>Financial</b>	Providing effective financial management and oversight including the formation of budgets
<b>Performance</b>	Monitoring and evaluating the performance of staff, services and activities
<b>Line management</b>	Line managing and support the Chief Executive including performance monitoring
<b>Risk management</b>	Ensuring there are effective reporting and monitoring processes in place to effectively manage the risks of the Union
<b>Consultation</b>	Ensuring there is a comprehensive programme of member consultation in place
<b>Involvement</b>	Promoting the effective involvement of members
<b>Trustee recruitment</b>	Ensuring the effective election/selection, induction and appraisal of trustee board members
<b>Reporting</b>	Considering committee reports

The Sabbatical Trustees work alongside the permanent Union staff to implement and carry out the strategy and policies set by the Trustee Board. The permanent staff team is managed by the Chief Executive Officer, who is directly accountable to the Trustee Board for the Union's performance.

### Risk management statement

Risk management is the responsibility of the Trustee Board. The senior managers of the Union have delegated authority for identifying the risks facing the organisation and reporting these to the Trustees as they arise in relation to items of business at the Board. In addition, the senior managers provide the information to enable the Trustees to undertake an annual review.

The Trustee Board examines the major strategic, business and operational risks which the Union faces on an annual basis. The Trustees confirm that systems have been established to enable regular reports to be produced.

### Reserves

Details of the funds are set out below:

## UNIVERSITY OF SALFORD STUDENTS' UNION

Item	31 July 2021	31 July 2020
	£	£
Unrestricted funds	533,535	351,681
Designated Fixed Assets Fund – being a fund representing the net book value of fixed assets owned by the charitable company	377,014	447,884
Restricted funds	403,900	80,394
<b>Total Reserves</b>	<b>1,314,449</b>	<b>879,959</b>

(2020 reserves are shown for the predecessor charity for comparability).

### Appointment of Trustees

The Union's Articles of Association states there shall be *"not more than five Sabbatical officer Trustees, elected...; not more than four Student Trustees, appointed...; and not more than four Lay Trustees, appointed..."*

#### Sabbaticals

Up to five Sabbatical Officer Trustees are elected by secret ballot of the Members of the Union at an election held in accordance with the Election Regulations. They remain in post for a term of one year between the 1 July and the 30 June. They may be re-elected for a maximum of one further term of one year. This may be consecutive or non-consecutive; the total maximum term that can be served is twenty-four months. Each Officer Trustee must be a student or an Officer Trustee at the time of the election. An Officer Trustee becomes a member of the Union on commencement of their appointment or reappointment and this membership ceases when they cease to be an officer trustee.

#### Student trustees

Up to four student trustees are appointed by a panel drawn from the Trustee Board and then ratified by Student Council. Each Student Trustee must be a student at the time of their appointment. The role may be shorter or longer on a transitional basis to coincide with the alteration of the year start or end. A student trustee may serve a maximum of two years that may be consecutive or non-consecutive.

#### Lay Trustees

The trustees are required to appoint by a simple majority vote such persons as they consider suitable to be Lay Trustees. The ratio of elected student trustees to Lay Trustees, with the exception of any period which may not exceed four months, must be greater than or equal to two to one. Unless their appointment is terminated in accordance with the Articles of Association, External trustees remain in office for a term of up to four years. They are eligible for re-appointment by a simple majority vote of the Trustees for a further term of four years but are not eligible for re-appointment thereafter if they have served a total maximum term of eight years.

### Trustee Induction and Training

All new trustees engage in a comprehensive training programme which includes:

- The key roles and responsibilities of the trustee position
- Financial training
- Introductions to key staff and other trustees
- Copies of the Union's key policies

On-going training needs for Trustees are continually monitored by the Chief Executive Officer and President.

## UNIVERSITY OF SALFORD STUDENTS' UNION

### **The Students' Union**

The Union is involved in a wide range of activities. Its core purpose is to represent students and provide activities for them to enhance the student experience. To that end the Union organises campaigns on issues of concern to the generality of students, administers the work of approximately 100 different sports teams and societies, trains and develops over 600 student course representatives and operates a Student Advice Centre.

The Union's commercial activities includes Atmosphere which incorporates a café and licenced premises offering a social eating and drinking space. The Union also puts on social events for members. The union also receives financial contributions from its relationship with Chartwells, who operate the retail space on campus.

The majority of Union core activity is funded from the grant received from the University.

### **The staff teams**

There is a core staff team of 35 staff and approximately 60 casual student staff members. Union staff members work across five functional areas of the Union:

- Student Voice
- Student Opportunities and Wellbeing
- Marketing and Events
- Commercial services
- Finance

### **Related Parties**

The University of Salford is the parent institution of the USSU. The USSU received a revenue block grant in the year from the University of Salford of £1,197,474.

## **Objectives & Activities**

### **Summary of charity objectives and activities undertaken in relation to these objects**

The Union's Articles of Association identifies its charitable objects as:

*"The advancement of education of students at University of Salford for the public benefit by:*

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

# UNIVERSITY OF SALFORD STUDENTS' UNION

## Strategic Plan

The charitable organisation has set the following as it's strategic plan:

### Our Vision

*We will confront and overcome the barriers to learning to ensure all Salford students are unstoppable*

### Our Mission

*We empower students to make change and succeed*

### Our Values

- **Student-powered:** We are undeniably focussed on the needs of our members
- **Change-makers:** We are creative, progressive and kind
- **Straight-forward:** We are open, candid and proactive
- **Effective:** We are professional and collaborative
- **Inclusive:** Equity is at the heart of everything we do.

### Our Promises to students

*USSU promises that we will:*

1. Offer something for every student
2. Make the changes students want to see within three years
3. Nurture students' personal and professional development
4. Help students to be happy and healthy at University
5. Be an outstanding organisation focussed on students

These are our strategic themes that have been developed into operational plans for each of our service areas.

### Enablers

In order to be successful we will need to develop the following enabling strategies and frameworks:

- Prioritisation Framework
- Impact Framework
- People Strategy
- Finance Strategy
- Marketing and Communications Strategy

## Policies relating to grant making

To apply for funding, each Sport or Society group completes an online application which outlines their planned activity and funding requirements. Each application should meet the strategic aims of the organisation and focus on delivering involvement, diversity, innovation, personal development and broader success to the group. Applications are received and reviewed by the Societies & Sports Student Executive; comprising of the Societies & Sports Voluntary officer, up to four society representatives, up to four club sport representatives, one women's sport representative and one Sabbatical Officer. Any student volunteer on the funding panel associated to a particular group who have applied for budget or project funding must declare a conflict of interest. This individual can be involved in the discussion regarding the application but will be excluded from decision making element of allocation.

## UNIVERSITY OF SALFORD STUDENTS' UNION

### Achievements and performance

#### Key Performance Indicators

Indicator	2021 outcome
Student Officer Election turnout	11%
No of student representatives supported	650
No of Sports and Activity group members	425
% of students engaged in extracurricular activities	11%
National Student Survey - Student Satisfaction with their learning community	57%
National Student Survey- Student Satisfaction with Student Voice	60%

Please note that outturn performance across many indicators in 2021 were impacted by the Covid-19 pandemic.

#### Relationship with stakeholders

##### Students

The Sabbatical Officers continue to work closely with Course and School Representatives to identify the key issues facing students at course and school level. The officers are then able to represent these views at high level College and University committees and in discussion with the University Executive Group.

The organisation makes full use of social media to solicit opinion on a range of matters relating to the student experience and enjoys a dialogue with thousands of Salford students.

The organisation regularly consults with students as part of its representative function, as well as on service standards.

##### The University

The Union has a strong partnership relationship with the University. It acts as a 'critical friend', providing evidence on and challenging the University on key student issues. As part of their representational work the sabbatical officers sit on high level University Committees providing a student voice on the issues discussed. The Union meets with the University quarterly to discuss the progress of the Union. The Partnership Steering Group, co-chaired by the USSU President and the University Dean of Students, meets every eight weeks to co-ordinate partnership working. The Sabbatical Officers meet the Dean of Students weekly, and the President meets the Pro-Vice Chancellor for Student Experience monthly, the Vice-Chancellor quarterly, as well as presenting to the Vice-Chancellor's Executive Team (VCET) semi-annually. The President, alongside another Sabbatical Officer, are members of the University of Salford Council.

##### Other Unions

Both sabbatical officers and staff members meet with counterparts in other Students' Unions to share good practice and discuss the Higher Education landscape.

There is a North West regional meeting for staff and officers which the President, Chief Executive, and senior staff are encouraged to attend. Staff members are also part of electronic discussion groups.



## **UNIVERSITY OF SALFORD STUDENTS' UNION**

### **NUS**

The Union is a member of the National Union of Students (NUS) and as part of its annual elections the Students' Union provides students the opportunity to stand for a position as a delegate on the annual NUS conference.

### **Local Council**

The Students' Union staff and sabbatical officers have regularly participated in local community meetings which have included attendance by the local council, police and local residents.

The sabbatical officers discuss key student issues with the local MP, Greater Manchester Combined Authority Mayor and other political representatives of the city.

### **Financial Review**

The Union made a surplus or net movement in funds of £1,314,449 in the financial period (predecessor charity, 2020: surplus of £83,400). The principal income sources for the Union are the block grant provided by the University of Salford and funds generated through commercial activity. The Union also received a one-off transfer of funds from the predecessor charity of £879,959.

The result for the period includes items which must be shown through the statement of financial activities under SORP accounting rules and which are not shown through the monthly management accounts. These items include pension scheme valuation adjustments, capital grants received and restricted reserves movements.

Net assets at 31 July 2021 stood at £1,314,449 (Predecessor charity, 2020: £879,959).

During the year, the Union received £119,869 of income from the Coronavirus Job Retention Scheme. The Union is alert to the possible impact of further restrictions on its trading activities as a result of national efforts to combat the coronavirus pandemic, but believes that it is well placed to address these due to ongoing government support schemes and support from the University of Salford.

### **Plans for future periods**

#### **Aims, key objectives and planned activities**

The Union is continuing to embed its strategic plan (see above).

#### **Investment policy and performance**

The Investment Policy of the Union is to hold the majority of its reserves in cash, spreading deposits between financial institutions in order to mitigate counterparty risk. Cash deposits are either instant access or fixed term with the balance being determined by cash flow requirements. Within the framework of managing risk, liquidity and ethical standards, the highest interest rates are selected to maximise investment return.

#### **Pay Policies for Senior Staff**

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of the remuneration policy is reviewed regularly including reference to comparisons with other student organisations to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere.

## UNIVERSITY OF SALFORD STUDENTS' UNION

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The charity trustees (who are also the directors of the Union for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law in England and Wales 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 of the charity for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

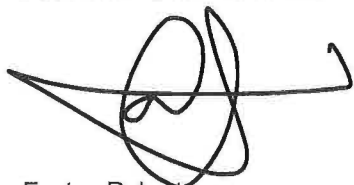
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Trustees' statement of disclosure of information to the auditors**

In so far as the trustees are aware at the date of approval of this report:

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

Approved by the Trustees of the University of Salford Students' Union and signed on its behalf by:



Festus Robert  
Chair of the Board of Trustees

Date: 24/11/2021

# UNIVERSITY OF SALFORD STUDENTS' UNION

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### University of Salford Students' Union (A company limited by guarantee)

#### Opinion

We have audited the financial statements of University of Salford Students' Union (the 'charitable company') for the 16 month period ended 31 July 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 July 2021, and of its incoming resources and application of resources, including its income and expenditure, for the 16 month period 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 trustee's annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report 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 trustees' report.

## UNIVERSITY OF SALFORD STUDENTS' UNION

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 directors' 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 the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

## UNIVERSITY OF SALFORD STUDENTS' UNION

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1(p) were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.



**Jonathan Dudley**  
(Senior statutory auditor)  
For and behalf of  
**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Stoke on Trent  
Staffordshire  
ST1 5RQ

Date... 24 November 2021

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**16 MONTHS ENDED 31 JULY 2021**

		Unrestricted Funds		Restricted Funds	2021
	Note	General Funds	Designated Funds	Funds	Total
		£	£	£	£
<b>Income from:</b>					
Donations and Legacies	2	2,077,433	60,000	300,000	2,437,433
Charitable Activities	3	241,278	-	42,337	283,615
Other Trading Activities	4	94,662	-	-	94,662
Investments	5	4,795	-	-	4,795
Other Income	6	35,880	-	119,869	155,749
<b>Total income</b>		<b>2,454,048</b>	<b>60,000</b>	<b>462,206</b>	<b>2,976,254</b>
<b>Expenditure on:</b>					
Raising Funds		80,779	4,742	-	85,521
Charitable Activities		1,352,466	96,187	18,831	1,467,484
<b>Total expenditure</b>	7	<b>1,433,245</b>	<b>100,929</b>	<b>18,831</b>	<b>1,553,005</b>
<b>Net income/(expenditure)</b>	8	<b>1,020,803</b>	<b>(40,929)</b>	<b>443,375</b>	<b>1,423,249</b>
Transfers between funds	21	(378,468)	417,943	(39,475)	-
Actuarial loss on defined benefit pension scheme	26	(108,794)	-	-	(108,794)
<b>Net Movement in Funds</b>		<b>533,535</b>	<b>377,014</b>	<b>403,900</b>	<b>1,314,449</b>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>	21	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funds carried forward</b>	21	<b>533,535</b>	<b>377,014</b>	<b>403,900</b>	<b>1,314,449</b>

All amounts relate to continuing operations. All gains and losses recognised in the year are included above.

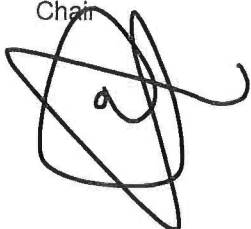
The notes on pages 16 to 31 form part of the financial statements.

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**BALANCE SHEET**  
**AS AT 31 JULY 2021**

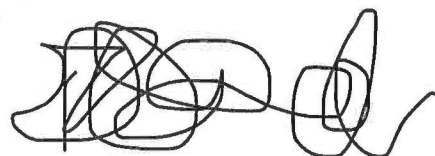
	Notes		As at 31-Jul-21
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	13		<u>377,014</u>
			377,014
<b>CURRENT ASSETS</b>			
Stock	14	10,563	
Debtors	15	93,448	
Investments	16	183,857	
Cash at bank and in hand		<u>763,787</u>	
		1,051,656	
<b>CREDITORS</b>			
Amounts falling due within one year	17	<u>(114,221)</u>	
<b>NET CURRENT ASSETS</b>			<u>937,435</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			1,314,449
Defined benefit pension scheme liability	26		-
<b>NET ASSETS</b>			<u><u>1,314,449</u></u>
<b>THE FUNDS OF THE CHARITY:</b>			
Restricted Income Funds	21		403,900
Unrestricted Income Funds	21		
General Fund			533,535
Designated Funds	21		
Fixed Asset Fund			377,014
			<u><u>1,314,449</u></u>

The notes on pages 16 to 31 form part of the financial statements. Approved by the trustees of the University of Salford Students' Union on the 24<sup>th</sup> of November 2021.

Festus Robert  
Chair



Desrae Ogden  
Trustee



**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**STATEMENT OF CASH FLOWS FOR THE**  
**16 MONTHS ENDED 31 JULY 2021**

		2021
	Note	Total
		£
<b>Net cash provided by/(used in) operating activities</b>	<b>23</b>	<b>544,213</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets		<u>(30,059)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(30,059)</u>
<b>Change in cash and cash equivalents in the period</b>		<u>514,154</u>
Donation	12	433,490
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	<b>24</b>	<u><u>947,644</u></u>

The notes on pages 16 to 31 form part of these financial statements



**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**1 Accounting Policies**

The University of Salford Students' Union, which is a charitable company limited by guarantee and limited to £1 per member has adopted the following accounting policies:

**a) Basis of accounting**

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and Generally Accepted Accounting Practice.

The University of Salford Students' Union meets the definition of a public benefit charity under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charitable company and rounded to the nearest £.

**b) Incoming resources**

Incoming resources are included in the Statement of Financial Activities (SoFA) when the charitable company has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted for when incurred.

Investment income relates to interest earned through holding assets on deposit.

**c) Donated services and facilities**

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

Donated services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent benefit on the open market, a corresponding amount is recognised in the expenditure for the period.

**d) Support costs allocation**

Support costs are those that assist the work of the charitable company but do not directly represent charitable activities and include office & admin costs, facility costs and supporting marketing costs which are allocated to activity based on the proportion of that activity's direct costs to total costs.

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**e) Governance costs allocation**

Governance costs are those costs related to the governance of the entity, to allow it to operate, and to generate information for public accountability. Direct costs will include audit and accountancy, legal advice to trustees and costs of trustees meetings.

**f) Funds**

The entity has the following funds which are shown separately in the accounts:

i) **Restricted funds** are funds that are used in accordance with specific restrictions imposed by donors or that have been raised by the entity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. Details of the restricted funds held are given in note 21 to the financial statements.

ii) **Unrestricted funds** are funds which are available for use at the discretion of the Trustees in furtherance of the objects of the entity and which have not been designated for other purposes.

iii) **Designated funds** are unrestricted funds that are allocated for specific purposes as set out in note 21 to the financial statements

**g) Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated 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:

Fixtures, Fittings & Equipment: 10% to 33% straight line per annum

Building Improvements: 4% to 10% straight line per annum

Motor Vehicles: 33% straight line per annum

**h) Stocks**

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

**i) Debtors**

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

**j) Current asset investments**

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

**k) Cash at bank and in hand**

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

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**l) Creditors and provisions**

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

**m) Financial instruments**

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

**n) Pension costs**

The Union operates two defined benefit pension schemes for all qualifying employees.

The Greater Manchester Pension fund operates on a pooled arrangement with contributions agreed centrally. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS102, in these circumstances, contributions can be accounted for as if the scheme was a defined contribution scheme based on actual contributions paid throughout the year.

The Union of Salford Students Union Pension and Life Assurance Scheme contributions are accounted for on a full actuarial valuation basis as at the year-end.

Following the introduction of auto enrolment a National Employment Savings Trust (NEST) has now been set up in order to provide pension arrangements for any staff that now become eligible jobholders.

**o) Taxation**

The charitable company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable entity for UK corporation tax purposes.

**p) Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include assumptions around the financial assets and liabilities of pension scheme commitments, and the discount rate applied thereto, and the valuation of stock.

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

	General Funds £	Designated Funds £	Restricted Funds £	2021 £
<b>2 Donations and legacies</b>				
University Block Grant	1,197,474	-	-	1,197,474
University Capital Grant	-	60,000	-	60,000
Pension Deficit Contribution	-	-	300,000	300,000
Donation received (see note 12)	879,959	-	-	879,959
	<b>2,077,433</b>	<b>60,000</b>	<b>300,000</b>	<b>2,437,433</b>
<b>3 Income from charitable activities</b>				
Bar	192,520	-	-	192,520
Catering	39,691	-	-	39,691
Totum Commission	1,428	-	-	1,428
Student Services e.g. Society Memberships	7,639	-	-	7,639
Net Clubs & Societies Income	-	-	8,213	8,213
Santander re Rafiki	-	-	1,500	1,500
International Student Engagement	-	-	32,624	32,624
	<b>241,278</b>	<b>-</b>	<b>42,337</b>	<b>283,615</b>
<b>4 Income from other trading activities</b>				
Franchise Income	89,800	-	-	89,800
Media Sales	4,862	-	-	4,862
	<b>94,662</b>	<b>-</b>	<b>-</b>	<b>94,662</b>
<b>5 Investments</b>				
Interest received from Bank & Building Society Accounts	4,795	-	-	4,795
	<b>4,795</b>	<b>-</b>	<b>-</b>	<b>4,795</b>
<b>6 Other income</b>				
BI Insurance Claim	10,880	-	-	10,880
Robert Stanley Armitage Trust Fund	25,000	-	-	25,000
Coronavirus Job Retention Scheme	-	-	119,869	119,869
	<b>35,880</b>	<b>-</b>	<b>119,869</b>	<b>155,749</b>

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**7 Analysis of Expenditure**

<b>2021</b>	<b>Cost of Sales £</b>	<b>Staff Costs £</b>	<b>Other Costs £</b>	<b>Gov'ce Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Raising Funds	-	47,516	6,258	2,887	28,859	85,521
Charitable Activities:						
Bar	54,214	193,966	30,510	14,964	149,566	443,221
Catering	20,081	68,194	16,884	5,646	56,436	167,242
Student Services incl. societies	-	408,724	118,318	28,299	282,850	838,191
Rafiki	-	-	1,500	-	-	1,500
International Student Engagement	-	-	17,331	-	-	17,331
	<u>74,295</u>	<u>670,884</u>	<u>184,543</u>	<u>48,910</u>	<u>488,853</u>	<u>1,467,484</u>
	<u>74,295</u>	<u>718,400</u>	<u>190,801</u>	<u>51,797</u>	<u>517,713</u>	<u>1,553,005</u>

Of the total expenditure £1,534,174 was unrestricted and £18,831 was restricted.

The support costs and governance costs are allocated to activity based on the proportion of that activity's direct costs to total costs.

Governance and support costs can be analysed as follows:

	<b>2021 £</b>
Staff costs	<b>303,034</b>
Defined Benefit Scheme Costs	-
Staff Recruitment, training & social costs	<b>9,704</b>
Facility Costs	<b>33,945</b>
Office & finance costs	<b>24,837</b>
Travel, subsistence & conference costs	<b>2,229</b>
Legal, professional & consultancy	<b>92,125</b>
Marketing/Website costs	<b>1,338</b>
Irrecoverable VAT	<b>19,681</b>
Depreciation	<b>79,609</b>
Sundry costs	<b>3,008</b>
	<u><b>569,510</b></u>

**8 Net income/(expenditure) for the year**

This is stated after charging:

	<b>2021 £</b>
Depreciation	<b>100,929</b>
Coronavirus Job Retention Scheme receipts	<b>(119,869)</b>
Bad debts incurred/(recovered)	<b>827</b>
Auditors remuneration	<u><b>6,000</b></u>

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**9 Analysis of staff costs and the cost of key management personnel**

	2021 £
Staff costs were as follows:	
Salaries and wages	923,135
Social Security costs	72,390
Termination Payments	839
Employer's contribution to a defined contribution pension	14,697
Operating costs of defined benefit pension schemes	9,149
Other employee benefits	1,225
	<u>1,021,435</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2021 No
£60,000 - £69,999	<u>1</u>

The total employee benefits including pension contributions of the key management personnel were £258,304. Key management personnel include the employees and trustees noted on pages 1 and 2 of the accounts.

**10 Trustees' remuneration and expenses**

	2021 £
Trustees' remuneration and employer's NI	103,166
Trustees' expenses	4,139
	<u>107,305</u>

Each of the sabbatical officers received a salary of £19,133 per annum as authorised in the Articles of Association of the University of Salford Students' Union for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. The work includes voicing student opinion with the University and local community, defending and extending the rights of students through petitions, and discussions with local MP's.

The trustees expenses were incurred by 5 trustees in respect of travel and subsistence costs in the course of their duties.

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**11 Staff Numbers**

The average number of employees (head count based on number of staff employed) during the year was made up as follows:

	<b>2021 No</b>
Raising Funds	3.5
Bar	28.6
Catering	3.9
Student Services	19.5
Governance	0.5
Support Services	10.2
	<hr/> <b>66.2</b> <hr/>

**12 Donation**

On 31 July 2020 a donation was received from the University of Salford Students' Union ('Predecessor Charity'), an unincorporated charity with similar objects to the Charitable Company.

The donation comprised the following net assets:

	<b>£</b>
Tangible Fixed Assets	447,884
Stock	15,128
Debtors	122,264
Current asset investments	369,486
Cash at bank and in hand	64,004
Creditors due within 1 year	(138,807)
	<hr/> <b>879,959</b> <hr/>

The Charitable Company started to trade on 1<sup>st</sup> August 2020. No fair value adjustments were required to the book values of the above assets transferred.

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**13 Tangible Fixed Assets**

	<b>Building Improvements</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 24 March 2020	-	-	-	-
Transferred from Predecessor Charity	1,037,906	267,885	17,607	1,323,398
Additions	-	30,059	-	30,059
Disposals	-	-	-	-
At 31 July 2021	<b>1,037,906</b>	<b>297,944</b>	<b>17,607</b>	<b>1,353,457</b>
<b>Depreciation</b>				
At 23 March 2020	-	-	-	-
Transferred from Predecessor Charity	642,683	226,963	5,868	875,514
Charge for the year	77,397	17,663	5,869	100,929
Disposals	-	-	-	-
At 31 July 2021	<b>720,080</b>	<b>244,626</b>	<b>11,737</b>	<b>976,443</b>
<b>Net Book Value</b>				
At 31 July 2021	<b>317,816</b>	<b>53,318</b>	<b>5,870</b>	<b>377,014</b>

Assets are only capitalised if they have a value above £500.

**14 Stock**

	<b>2021 £</b>
Bars	<b>5,613</b>
Catering	<b>1,947</b>
Coffee Cups	<b>3,003</b>
	<b>10,563</b>

**15 Debtors**

	<b>2020 £</b>
Trade debtors	<b>6,553</b>
Other debtors	<b>6,639</b>
Prepayments & accrued income	<b>80,256</b>
	<b>93,448</b>



**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

	2021 £
<b>16 Current Investments</b>	
Carrying value at beginning of the period	-
Transferred from Predecessor Charity	369,486
Additions to investments at cost	1,003,324
Disposals at carrying value	(1,188,953)
Carrying value at end of the period	<u>183,857</u>

**17 Creditors: amounts falling due within one year**

	2021 £
Trade creditors	19,596
Social Security and other taxes	18,667
Other creditors	30,323
Accruals & deferred income	45,635
	<u>114,221</u>

**18 Deferred Income**

Deferred income comprises Welcome Week and PA insurance contributions received in advance

	2021 £
Carrying value at beginning of the period	-
Transferred from Old Company	1,357
Amounts released during the period	(1,357)
Carrying value at end of the period	<u>-</u>

**19 Capital Commitments**

At 31 July 2021 the Charitable Company was committed to completing an outside decking area to Atmosphere costing £60,000. A down payment had been made before the year end of £33,755.

The project has been funded by a capital grant received before the year end of £60,000 from the University of Salford which has been included in designated funds.

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**20 Financial Instruments**

	2021 £
Financial assets measured at amortised cost	15,354
Financial assets measured at fair value	947,644
Financial liabilities measured at amortised cost	45,635
Financial liabilities measured at fair value through the Statement of Financial Activities	-

Financial assets held at amortised cost comprise trade debtors and other debtors excluding prepaid costs.  
Financial assets measured at fair value comprise short term investments and cash at bank and in hand.  
Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.  
Financial liabilities measured at fair value through the Statement of Financial Activities comprise the pension deficit liability.

The charitable company's income, expense, gains and losses in respect of financial instruments are:

	2021 £
Total interest income for financial assets held at amortised cost	4,795
Total interest expense for financial liabilities held at amortised cost	1,586

**21 Statement of funds movement**

	24-Mar 2020	Movement in Funds		Pension Deficit Loss	Transfer Between Funds	Balance 31-Jul 2021
	£	Income	Expenditure	£	£	£
<b>Unrestricted funds:</b>						
General Fund	-	2,454,048	(1,433,245)	(108,800)	(378,468)	533,535
<b>Designated funds:</b>						
Fixed Assets Fund	-	60,000	(100,929)	-	417,943	377,014
<b>Restricted Funds:</b>						
Clubs & Societies funds	-	8,213	-	-	80,394	88,607
CJRS Funds	-	119,869	-	-	(119,869)	-
Rafiki	-	1,500	(1,500)	-	-	-
International Student Engagement	-	32,624	(17,331)	-	-	15,293
Pension deficit contribution	-	300,000	-	-	-	300,000
<b>TOTAL FUNDS</b>	-	2,976,254	(1,553,005)	(108,800)	-	1,314,449

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**Designated funds**

The designated funds are unrestricted funds that are created by the trustees for specific purposes.

- The fixed asset fund is the net book value of assets purchased with unrestricted funds.

**Restricted funds**

The restricted funds comprise:

- The clubs & societies funds represent the balance on the clubs & societies own income accounts.
- The CJRS funds represent government funds received for furloughed staff during the Coronavirus pandemic.
- The Rafiki fund represents funds received from Santander Bank as a contribution towards the training of volunteers for Rafiki.
- The International Student Engagement Fund represents funding received from the University and includes the support of international students who were required to quarantine when arriving in the UK.
- The Pension Deficit Contribution was funding received from the University specifically aimed at reducing the deficit.

**Reserve transfers**

Transfers are made from general reserves to other reserves in order to ensure that adequate funds are available in order to fulfil the purpose of each fund.

**22 Analysis of Net Assets between funds**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Tangible Fixed Assets	-	377,014	-	377,014
Cash & short term investments	543,744	-	403,900	947,644
Other net current assets/(liabilities)	(10,209)	-	-	(10,209)
	<hr/> 533,535	<hr/> 377,014	<hr/> 403,900	<hr/> 1,314,449

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**23 Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2021 £
Net movement in funds	1,314,449
Donation from predecessor charity	(879,959)
Add back depreciation charge	100,929
(Increase)/decrease in stocks	4,565
(Increase)/decrease in debtors	28,816
(Decrease)/increase in creditors	(24,586)
	<hr/> 544,213 <hr/>

**24 Analysis of cash and cash equivalents**

	2021 £
Cash in hand	650
Current accounts	763,137
Deposit accounts	183,857
	<hr/> 947,644 <hr/>

**25 Related Party Transactions**

The following have been identified as related party transactions per the requirements of FRS 102.

- The University of Salford: In the year the University of Salford Students' Union received total grants of £1,197,474 from the University of Salford, there was £34,816 of purchase recharges and £30,339 of sales recharges. The net year end debtor with the University, including funds on deposit was £100,168.
- Trustees of the University of Salford Students' Union: see note 10 – Trustees' remuneration and expenses.
- National Union of Students Services Ltd (NUSSL): The University of Salford Students' Union is an affiliated member of NUSSL who operate a purchasing consortium within the students' union movement.

**26 Pensions**

**University of Salford Students' Union Pension and Life Assurance Scheme**

The Union operated a defined benefit pension scheme which was closed to future accrual of service on 1 April 2006. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 July 2020 and updated at 31 July 2021. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation showed a funding shortfall of £895,000. However, allowance for the impact of actual experience from the valuation date to 26 April 2021 resulted in a funding surplus of £46,000 as at 26 April 2021. No recovery contributions are therefore payable from June 2021 onwards. Prior to June 2021 recovery plan payments were payable at £86,000 per annum (payable monthly), increasing at 3% per annum with the first increase applied on 1 October 2019. In addition, prior to June 2021, the company paid £18,000 per annum towards expenses charged to

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

the scheme. From June 2021, the company has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund directly.

The contributions paid into the scheme by the company during the period in respect of eligible employees amounted to £108,794.

All disclosure information below relates to the movement in the pension scheme since the donation of all assets and liabilities to the Union from the Predecessor Charity on 31 July 2020.

**Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability):**

	2021 £
Fair value of plan assets	6,497,700
Present value of defined benefit obligation	5,953,100
Surplus/(deficit) in plan	544,600
Unrecognised surplus	544,600

**Reconciliation of opening and closing balances of the defined benefit obligation, since the donation from the Predecessor Charity:**

	Period ended 31 July 2021 £
Defined benefit obligation at start of period	6,601,700
Interest expense	97,100
Actuarial losses/(gains)	(487,800)
Benefits paid & expenses	(257,900)
Losses/(gains) due to benefit changes	-
Defined benefit obligation at end of period	<u>5,953,100</u>

**Reconciliation of opening and closing balances of the fair value of plan assets, since the donation from the Predecessor Charity:**

	Period ended 31 July 2021 £
Fair value of plan assets at start of period	6,675,500
Interest income	99,000
Actuarial gains/(losses)	(127,700)
Contributions by the Union	108,800
Benefits paid & expenses	(257,900)
Fair value of plan assets at the end of period	<u>6,497,700</u>

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**There are no defined benefit costs recognised in the SOFA during the year.**

**Defined benefit costs recognised in other comprehensive income:**

	<b>Period ended 31 July 2021</b>
Return on plan assets (excluding amounts included in net interest cost) – (loss)/gain	<b>(127,700)</b>
Experience gains and losses arising on the plan liabilities – (loss)/gain	<b>223,900</b>
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	<b>263,900</b>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/(loss)	<b>(468,900)</b>
 Total amount recognised in other comprehensive income – gain/(loss)	 <b><u>(108,800)</u></b>

**Assets:**

	<b>2021 £</b>
UK Equities	<b>713,700</b>
Overseas Equities	<b>1,550,800</b>
Corporate Bonds	<b>239,900</b>
Government Bonds	<b>247,500</b>
Alternatives	<b>458,600</b>
Property	<b>187,500</b>
Cash	<b>76,700</b>
Insured Pensioners	<b>3,023,000</b>
 Total assets	 <b><u>6,497,700</u></b>

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the Union.

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

**Assumptions:**

	<b>31 July 2021 % per annum</b>
Discount rate	<b>1.65</b>
Inflation (RPI)	<b>3.30</b>
Inflation (CPI)	<b>2.50</b>
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	<b>2.50</b>
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 3% p.a.	<b>3.70</b>
Allowance for commutation of pension for cash at retirement	<b>100% of Post A Day</b>

The mortality assumptions adopted at 31 July 2021 imply the following life expectancies:

	<b>Life expectancy at age 62 (Years)</b>
Male retiring in 2021	<b>24.1</b>
Female retiring in 2021	<b>25.9</b>
Male retiring in 2041	<b>25.5</b>
Female retiring in 2041	<b>27.5</b>

**Greater Manchester Pension Fund (GMPF)**

The Union is a member of the GMPF, which is an externally funded defined benefit pension scheme, which is contracted out of the State Second Pension, where contributions payable are held in a trust separately from the Union.

The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 31 March 2019 using the project unit credit method in which the actuarial liability makes allowance for projected future earnings.

The following actuarial assumptions were applied:

Investment returns	3.6% per annum
Inflation	3.6% per annum
Salary growth	3.1% per annum
Pension increases	2.3% per annum

**UNIVERSITY OF SALFORD STUDENTS' UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**16 MONTHS ENDED 31 JULY 2021**

At the last actuarial valuation date the market value of the assets of the scheme were sufficient to cover 102% of the benefits that had accrued to members after allowing for the effect of future increases in earnings. The common rate of contributions payable by each employing authority as at 31 March 2019 is 19.4% of pensionable pay.

The contributions paid into the scheme in respect of eligible employees amounted to £11,725.

**National Employment Savings Trust (NEST)**

Following the Student Unions auto enrolment staging date in May 2014 the NEST scheme has been set up in order to provide pension arrangements for any staff that become eligible employees.

The contributions paid into the scheme during the year were £34,291.

**27 Contingent Liability**

There is an ongoing HMRC VAT challenge with Students' Unions relating to the decision by HMRC that VAT should be chargeable on catering to students from a bar. The dispute is likely to be settled by a Judicial Review. The charitable company is not under assessment and therefore it is not possible to quantify any potential liability that may arise.

**28 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. In the event of winding up the liability of each member is limited to £1.