

Charity Registration No. Exempt charity

Company Registration No. 3934555 (England and Wales)

UNIVERSITY OF PORTSMOUTH STUDENTS UNION
DIRECTORS REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 JULY 2003



UNIVERSITY OF PORTSMOUTH STUDENTS UNION

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	H Bennett L.J. Price E Woodfield M. Rule (Independent) J.T. Rutherford R Maclean C.J. Wildey
Charity number	Exempt charity
Company number	3934555
Principal address	Cambridge Road Portsmouth Hampshire PO1 2EF
Registered office	Cambridge Road Portsmouth Hampshire PO1 2EF
Auditors	Morley and Scott The Old Treasury, 7 Kings Road Portsmouth Hampshire PO5 4DJ

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

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UNIVERSITY OF PORTSMOUTH STUDENTS UNION

DIRECTORS REPORT FOR THE PERIOD ENDED 31 JULY 2003

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

The charity was established by Memorandum and Articles of Association on 14th July 1999. The charity's objects are the advancement of education; the relief of poverty and distress among persons attending the University; the provision of facilities for recreation; the promotion of equality and any other exclusively charitable purpose.

Six of the directors are elected sabbatical officers and one is an appointed independent director. The University of Portsmouth Student's Union wholly owns the shares of UPSU Trading Limited, a company that operates recreation and entertainment facilities within the students union.

Review of activities

The charity commenced trading on the 1st May 2002, when the assets of University of Portsmouth Student Union, an unincorporated association, were donated. Since that date the Student's Union has occupied new premises, in Cambridge Road, Portsmouth. The building is leased by UPSU Trading Limited, which recharges a percentage of its overhead and administration costs.

Directors

The Directors who served during the period were:

H Bennett
L.J. Price
E Woodfield
M. Rule (Independent)
J.T. Rutherford
R Maclean
C.J. Wildey

The Student Union's only source of grant income is from The University of Portsmouth.

Reserves policy

The charity receives grants and membership for each academic year; it is not the policy of the Students Union to carry significant reserves as each years' money is for the provision of services to students in that year.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The charity is limited by guarantee, each member is limited to £1. The members are students at Portsmouth University.

Related parties

There are no related charities.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

DIRECTORS REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2003

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morley and Scott be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board Directors



R Maclean

Director

Dated: 25.05.04.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

STATEMENT OF DIRECTORS RESPONSIBILITIES

Law applicable to charities in England and Wales requires the Directors to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis).

In preparing accounts giving a true and fair view, the Directors should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the accounts comply with the applicable law. 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.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF PORTSMOUTH STUDENTS UNION

We have audited the accounts of University of Portsmouth Students Union for the period ended 31 July 2003 set out on pages 5 to 11. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As described on page 3, you are responsible as trustees for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Directors Report is not consistent with the accounts, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Directors Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the charity's state of affairs as at 31 July 2003 and of its incoming resources and application of resources in the period then ended and have been properly prepared in accordance with the Charities Act 1993.

Morley and Scott

Chartered Accountants
Registered Auditor
The Old Treasury, 7 Kings Road
Portsmouth
Hampshire
PO5 4DJ



Dated:25.6.24

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 JULY 2003

	Notes	2003 £	2002 £
<u>Incoming resources</u>			
Activities in furtherance of the charity's activities	2	730,195	100,517
Total incoming resources		730,195	100,517
<u>Resources expended</u>			
Charitable expenditure			
Clubs & Societies		197,075	10,530
Student representation		190,156	36,799
Student activities centre		91,985	10,647
Safety buses and student travel		49,340	11,824
Management and Administration		211,153	14,555
Student Balls		12,708	-
Total resources expended	3	740,791	84,355
Net (expenditure)/income for the year/ Net movement in funds		(10,596)	16,162
Fund balances at 1 August 2002		16,162	-
Fund balances at 31 July 2003		5,566	16,162

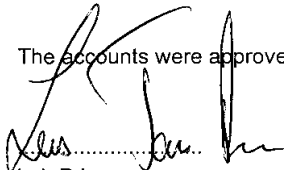
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

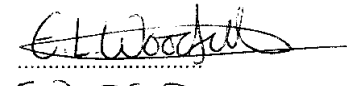
UNIVERSITY OF PORTSMOUTH STUDENTS UNION

BALANCE SHEET AS AT 31 JULY 2003

	Notes	2003		2002	
		£	£	£	£
Fixed assets					
Investments	6		100		100
Current assets					
Debtors	7	126,511		3,278	
Cash at bank and in hand		627		24,001	
		<u>127,138</u>		<u>27,279</u>	
Creditors: amounts falling due within one year	8	<u>(121,672)</u>		<u>(11,217)</u>	
Net current assets			<u>5,466</u>		<u>16,062</u>
Total assets less current liabilities			<u>5,566</u>		<u>16,162</u>
Income funds					
Unrestricted funds			<u>5,566</u>		<u>16,162</u>
			<u>5,566</u>		<u>16,162</u>

The accounts were approved by the Board on ...25.9.04...


L.J. Price
Director


E. WOODFIELD
Director

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 JULY 2003

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

1.2 Incoming resources

Incoming resources are valued using normally accepted accounting principles.

1.3 Investments

Investments are valued at their historic cost.

1.4 Pensions

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earning Related Pension Scheme. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of scheme. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid throughout the year.

2 Activities in furtherance of the charity's activities

	2003	2002
	£	£
Grants receivable for charitable activities	655,466	100,378
Membership and fees	74,729	139
	<u>730,195</u>	<u>100,517</u>

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2003

3 Total resources expended

	Total 2003 £	Total 2002 £
Charitable expenditure:		
Clubs & Societies	197,075	10,530
Student representation	190,156	36,799
Student activities centre	91,985	10,647
Safety buses and student travel	49,340	11,824
Management and administration	211,153	
Student balls	12,708	14,555
	<u>740,791</u>	<u>84,355</u>

The auditors fee of £3,500 (2002- £Nil) and other fees of £25,462 (2002 : Nil) were invoiced to UPSU Trading Limited.

Management and administration includes recharges of overheads and administration costs from UPSU Trading Limited of £105,534 (2002: £Nil).

4 Directors

The charity employs 6 full time elected sabbatical officers.

5 Employees

Number of employees

The average monthly number of employees during the period was:

	2003 Number	2002 Number
Student advisory	7	3
Sabbatical officers	6	6
	<u>13</u>	<u>9</u>

There were no employees whose annual emoluments were £50,000 or more.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2003

6 Fixed asset investments

Historical cost:	
At 31 July 2003	100
At 31 July 2002	100

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
UPSU Trading Limited	United Kingdom	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
UPSU Trading Limited	376,311	(229,631)

7 Debtors

	2003	2002
	£	£
Trade debtors	5,110	-
Other debtors	120,183	3,278
Prepayments and accrued income	1,218	-
	<u>126,511</u>	<u>3,278</u>

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2003

8 Creditors: amounts falling due within one year	2003	2002
	£	£
Bank overdrafts	11,816	-
Trade creditors	36,844	5,021
Taxes and social security costs	5,928	4,450
Other creditors	67,084	1,746
	<u>121,672</u>	<u>11,217</u>

9 Pension costs

The Union participates 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. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year.

The most recent valuation of the scheme was carried out as at 1 October 2001 and showed that the market value of the scheme's assets were £22,530,000 with these assets representing 46% of the benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £26,525,000.

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

The following assumptions applied:

The investment return would be 6.5% per annum before retirement and 5.5% per annum after retirement;

Salaries would increase at 4.5% per annum, equivalent to 2% per annum above inflation;

Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

In view of the funding position of the Scheme the Trustees have decided to amend the Scheme Rules with effect from 1st October 2003. This will change the scheme from a final salary basis to a Career Average Earnings basis (CARE). The combined rate payable from 1 October 2003 will be 22.5% of pensionable earnings with high rates payable in certain circumstances.

The contribution rate for the year ended 31 July 2003 applicable to this Union for the majority of members is 8.25% and 12.25% of Pensionable Earnings for the Union, (20.5% in aggregate).

Surpluses or deficits which arise at future valuations may impact on the Union's future contribution commitment. The next formal actuarial valuation is due as at 1 October 2004 when the above rates will be reviewed.

The contributions paid into the scheme in respect of eligible employees for the year ended 31st July amounted to £6,339 (2002: £Nil).

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

NOTES TO THE ACCOUNTS (CONTINUED) *FOR THE PERIOD ENDED 31 JULY 2003*

10 Related parties

The subsidiary, UPSU Trading Limited, suffered from a difficult trading year and as a result, the Charity has provided short term financial assistance totalling £110,828. The Trustees have reviewed the business plan of the subsidiary and are satisfied that this loan will be repaid over the next twelve months.