

Charity Registration No. Exempt charity

Company Registration No. 3934555 (England and Wales)

**UNIVERSITY OF PORTSMOUTH STUDENT UNION**  
**DIRECTORS REPORT AND ACCOUNTS**  
**FOR THE PERIOD ENDED 31 JULY 2004**



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# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors</b>	E Woodfield J. Hudson H Bennett G. Waters N. Morris C. Kasuba M. Rule (Independent)
<b>Charity number</b>	Exempt charity
<b>Company number</b>	3934555
<b>Principal address</b>	Cambridge Road Portsmouth Hampshire PO1 2EF
<b>Registered office</b>	Cambridge Road Portsmouth Hampshire PO1 2EF
<b>Auditors</b>	Morley and Scott St Andrews House, 4400 Parkway Whiteley Fareham PO15 7FJ Hampshire

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# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## CONTENTS

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	<b>Page</b>
Directors report	1 - 2
Statement of Directors responsibilities	3
Auditors' report	4
Statement of financial activities	5
Balance sheet	6
Notes to the accounts	7 - 11

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# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## DIRECTORS REPORT FOR THE PERIOD ENDED 31 JULY 2004

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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 University of Portsmouth Students' Union was established by Memorandum and Articles of Association on 14th July 1999. The University of Portsmouth Students' Union'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 Students' Union wholly owns the shares of UPSU Trading Limited, a company that operates commercial trading within the students' union.

### **Review of activities**

The charity commenced trading on the 1st May 2002, when the assets of the University of Portsmouth Student Union, an unincorporated association, were donated. Since that date the University of Portsmouth Students' 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:

E Woodfield	
C Wildey	(Resigned 1 August 2004)
L Price	(Resigned 1 August 2004)
H Bennett	
J Rutherford	(Resigned 1 August 2004)
R Maclean	(Resigned 1 August 2004)
M. Rule (Independent)	

### **Review of financial position**

The University of Portsmouth Students' Union's only source of income is from the University of Portsmouth.

### **Reserves policy**

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

### **Risk factors**

The directors have assessed the major risks to which the University of Portsmouth Students' Union is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The University of Portsmouth Students' Union is limited by guarantee, each member is limited to £1. The members are students at the University of Portsmouth.

### **Related parties**

There are no related charities.

# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## DIRECTORS REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2004

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### 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 of Directors

**C. Kasuba**

Director

Dated: .....   
26 July 2005

# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## STATEMENT OF DIRECTORS RESPONSIBILITIES

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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 STUDENT UNION

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF PORTSMOUTH STUDENT UNION

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We have audited the accounts of University of Portsmouth Student Union for the period ended 31 July 2004 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 2004 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  
St Andrews House, 4400 Parkway  
Whiteley  
Fareham  
PO15 7FJ  
Hampshire

Dated: .....26 July 2005

## UNIVERSITY OF PORTSMOUTH STUDENT UNION

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 JULY 2004

	Notes	2004 £	2003 £
<b><u>Incoming resources</u></b>			
Activities in furtherance of the charity's activities	2	912,858	730,195
<b>Total incoming resources</b>		<b>912,858</b>	<b>730,195</b>
<b><u>Resources expended</u></b>			
<b>Charitable expenditure</b>			
Clubs & Societies		236,982	213,540
Student representation		225,582	215,029
Student activities centre		236,194	202,781
Safety buses and student travel		29,409	49,340
Management and Administration		79,361	60,101
<b>Total resources expended</b>	3	<b>807,528</b>	<b>740,791</b>
<b>Net income/(expenditure) for the year/</b>			
<b>Net movement in funds</b>		<b>105,330</b>	<b>(10,596)</b>
Fund balances at 1 August 2003		5,566	16,162
<b>Fund balances at 31 July 2004</b>		<b>110,896</b>	<b>5,566</b>

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




# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## BALANCE SHEET AS AT 31 JULY 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Investments	6		100		100
<b>Current assets</b>					
Debtors	7	233,517		126,511	
Cash at bank and in hand		929		627	
		<u>234,446</u>		<u>127,138</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(123,650)</u>		<u>(121,672)</u>	
<b>Net current assets</b>			<u>110,796</u>		<u>5,466</u>
<b>Total assets less current liabilities</b>			<u><u>110,896</u></u>		<u><u>5,566</u></u>
<b>Income funds</b>					
Unrestricted funds			<u>110,896</u>		<u>5,566</u>
			<u><u>110,896</u></u>		<u><u>5,566</u></u>

The accounts were approved by the Board on 26<sup>th</sup> July 2005.



Director

# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 JULY 2004

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### 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 University of Portsmouth Students' Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings 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 the 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 University of Portsmouth Students' 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

	2004	2003
	£	£
Grants receivable for charitable activities	857,854	655,466
Membership and fees	55,004	74,729
	<hr/>	<hr/>
	912,858	730,195
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# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2004

### 3 Total resources expended

	Total 2004 £	Total 2003 £
Charitable expenditure:		
Clubs & Societies	236,982	213,540
Student representation	225,582	215,029
Student activities centre	236,194	202,781
Safety buses and student travel	29,409	49,340
Management and administration	79,361	60,101
	<u>807,528</u>	<u>740,791</u>

The auditors fee of £3,750 (2003: £3,500) and other fees of £12,578 (2003: £25,462) were invoiced to UPSU Trading Limited.

Management and administration includes recharges of overheads and administration costs from UPSU Trading Limited of £175,589 (2003: £105,534).

### 4 Directors

The University of Portsmouth Students' Union employs 6 full time elected sabbatical officers.

### 5 Employees

#### Number of employees

The average monthly number of employees during the period was:

	2004 Number	2003 Number
Sabbatical officers	6	6
Administration	4	4
	<u>10</u>	<u>10</u>

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

# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2004

### 6 Fixed asset investments

Historical cost:	
At 31 July 2004	100
At 31 July 2003	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	%
<b>Subsidiary undertakings</b>			
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	189,185	(187,127)

The principal activity of the UPSU Trading is the operation of commercial activities within the students' union.

7 Debtors	2004	2003
	£	£
Trade debtors	1,354	5,110
Other debtors	227,898	120,183
Prepayments and accrued income	4,265	1,218
	<u>233,517</u>	<u>126,511</u>

# UNIVERSITY OF PORTSMOUTH STUDENT UNION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2004

8	Creditors: amounts falling due within one year	2004	2003
		£	£
	Bank overdrafts	4,755	11,816
	Trade creditors	7,663	36,844
	Taxes and social security costs	6,865	5,928
	Sports and Societies intercompany account	20,617	-
	Other creditors	83,750	67,084
		<u>123,650</u>	<u>121,672</u>

### 9 Pension costs

The University of Portsmouth Students' 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 University of Portsmouth Students' 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 higher rates payable in certain circumstances.

The contribution rate for the year ended 31 July 2004 applicable to the University of Portsmouth Students' Union for the majority of members is 8.25% and 14.25% of Pensionable Earnings for the University of Portsmouth Students' Union, (22.5% in aggregate).

Surpluses or deficits which arise at future valuations may impact on the University of Portsmouth Students' 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 £11,277 (2003: £6,339).

## UNIVERSITY OF PORTSMOUTH STUDENT UNION

### NOTES TO THE ACCOUNTS (CONTINUED) *FOR THE PERIOD ENDED 31 JULY 2004*

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#### 10 Related parties

During the year, expenses of £175,589 (2003: £105,534) were recharged by UPSU Trading Limited to the University of Portsmouth Students' Union. At the year end, UPSU Trading Limited owed £177,867 (2003: £110,828) to the University of Portsmouth Students' Union.