

**THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION
(LIMITED BY GUARANTEE)**

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 JULY 2009

REGISTERED COMPANY NUMBER 03934555

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

YEAR ENDED 31 JULY 2009

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YEAR ENDED 31 JULY 2009

REFERENCE AND ADMINISTRATIVE DETAILS**Trustees (and Directors)****Full-time (sabbatical) officers**

A Machin (President)	(resigned July 2009)
S Topazio (Education & Representation, President from August 2009)	
E Lawson (Societies)	(appointed August 2008, resigned July 2009)
T Worman (Communications)	(appointed August 2008, resigned July 2009)
S Leach (Sports)	(resigned July 2009)
C Bird (Welfare & Volunteering)	(appointed August 2008, resigned July 2009)
A Naik (Societies)	(appointed August 2009)
O Styles (Education & Representation)	(appointed August 2009)
E Shephard (Welfare & Volunteering)	(appointed August 2009)
J Leverett (Communications)	(appointed August 2009)
E Sperring (Sports)	(appointed August 2009)

University nominated trustee

P Jones	(appointed September 2005)
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Secretary

A Machin	(resigned July 2009)
S Topazio	(appointed August 2009)

Chief executive

D Miles

Registered Office

Student Centre
Cambridge Road
Portsmouth
Hampshire
PO1 2EF

Registered company number

03934555

Auditors

Haines Watts South LLP
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers

Barclays Bank Plc Leicester LE87 2BB	Charity Bank Limited 194 High Street Tonbridge Kent TN9 1BE
Abbey 301 St Vincent St Glasgow G2 5NB	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB

Solicitors

Blake Lapthorn
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire PO6 4ST

YEAR ENDED 31 JULY 2009

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of Section 46 of the Charities Act 1993 and Section 234 of the Companies Act 1985, together with the accounts for the year ended 31 July 2009. The trustees have complied with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, in preparing the financial statements of the charity.

STRUCTURE GOVERNANCE AND MANAGEMENT

The University of Portsmouth Student Union (the UPSU) is a charitable company limited by guarantee, incorporated on 14 July 1999. It is exempt from registration with the Charity Commission by virtue of its association with the University of Portsmouth, a Higher Education Institution regulated by HEFCE.

It is governed by a Memorandum and Articles of Association and is controlled by a board of trustees whose members are directors for the purposes of company law and trustees for the purposes of charity law. Decisions are made by simple majority vote.

The six Sabbatical trustees are elected annually by cross campus secret ballot of the UPSU membership. The six posts of President, VP Education and Representation, VP Societies, VP Communications, VP Sports and VP Welfare and Volunteering, or 'sabbatical', posts are remunerated as authorised by the Memorandum and Articles of Association and cannot exceed two years duration for each holder. The External trustee is appointed by the University of Portsmouth and in addition two student representatives are elected at Student Council to attend Trustees meeting without voting rights.

The UPSU operates on democratic principles, with advice from the UPSU Student Council. Where advice is provided to the Trustees by the Council, the Trustees shall take such advice into account and shall act upon it where they deem it to be in the best interests of the Union.

The UPSU Student Council membership comprises the Sabbatical Executive together with representatives of students' interests in the UPSU Clubs, Societies, Volunteering, Media, RAG, Equal Opportunities Groups and Academic Courses. The Board of Trustees, assisted by sub-committees where appropriate, has delegated the day-to-day running of the UPSU to a Chief Executive, named below. As the charity's trustees, all Sabbatical Officers receive an induction into their legal and administrative responsibilities, with an ongoing training programme as and when needed for issues arising during their term of office.

The Sabbatical Executive meets fortnightly to receive reports from the senior management team, to review the charity's performance and administration generally and to decide policy issues arising, subject to the UPSU Student Council's advice. The UPSU also employs a number of non-student full-time staff for the sake of continuity in the management of its many activities. Staff are accountable to the Chief Executive for the performance of their duties.

The board of trustees consists of the President, five sabbatical officers and one University of Portsmouth Nominee. The board is responsible for maintaining legal, financial and reputational integrity and for setting strategic direction. Two student representatives attend trustees' meetings.

The board of trustees is supported by the Finance and Staffing sub-committees. The Finance committee is responsible for monitoring financial management, development and services, while the Staffing committee is responsible for remuneration and staffing issues.

All trustees are provided with copies of the Charity Commission's guidance to trustees and given an introduction to the activities of the charity by the existing board. Trustees are provided with training as and when required.

The UPSU employs a Chief Executive to work closely with the Sabbatical officers and ensure effective management of the charity as head of a senior management team as follows:

Chief Executive (interim)	David Miles
Finance Manager	Tracey Anderson
Membership Services Manager	Steve Baker
Jobshop Manager	Christine McCann

Relationships with related parties

The relationship between the University of Portsmouth and the UPSU is established in the Financial Memorandum. The UPSU receives a Block Grant from the University of Portsmouth, based on teaching income, and makes use, at nil rent, of premises owned by the University of Portsmouth. This non-monetary support is intrinsic to the relationship between the University of Portsmouth and the UPSU.

Although the UPSU continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the University of Portsmouth's support.

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

Portsmouth Student Union Trading Company Ltd (PSUT) is the trading subsidiary of the UPSU enabling it to generate commercial income to support its charitable objectives.

The UPSU pays an annual affiliation to the NUS to ensure that University of Portsmouth Students have a voice on a national basis and receives training and operational support.

YEAR ENDED 31 JULY 2009

Risk management

The Trustees have examined the major strategic, business and operational risks faced by the UPSU. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants in all activities organised by the Union.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Trustees have identified the UPSU's mission as 'Democratically led by our members, the UPSU aims to enhance the experience of students whilst at the University of Portsmouth', with the following Constitutional Objects:

- (a) the advancement of education;
- (b) the relief of poverty and distress among, and the provision of financial assistance for the education of, persons attending the University;
- (c) the provision of facilities for recreation and other leisure occupations for students attending educational institutions and/or universities in England in the interests of their social welfare within the meaning of the Recreational Charities Act 1985 and as limited in that Act;
- (d) the promotion of equality of treatment and opportunity for all students; and
- (e) any other exclusively charitable purpose.

In pursuit of these aims for the public benefit, the UPSU will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University of Portsmouth and other organisations on behalf of students.

The UPSU continues to represent the students of the University of Portsmouth on relevant local, national and international issues by maintaining a high proportion of student representatives. Student representatives are present on all policy and strategy making boards.

When reviewing its objectives and planning its activities, the UPSU will have given due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

The UPSU has continued to deliver its objectives of providing student support and recreational services throughout the year under review.

The UPSU has shown a significant growth in democracy, media, student development, RAG, campaigns, student part-time recruitment, student representation, societies and sports clubs over the past year in accordance with our mission to provide open and fair access for all its members.

The UPSU did not publish objectives for 2008/09 but did set key goals which were:

Objective	Achievement
Develop a long term Strategy	All Union Departments now have development plans and we are in the final stage of completing our Union 5 year strategy.
Internal training to ensure staff and officers understand why the Union exists, its internal workings and have a good understanding of future directions	We have embarked on the Students Union Evaluation Initiative which will give us national accreditation in this area
Find more space to assist growth	Third Space has been approved
Conduct research and evaluate	We conducted our first Annual Survey of Students
Employ more staff. Highest priority to support the work of Academic Representation	We employed 3 new staff one solely dedicated to Academic Representation
Line Management Structure and Communications Structure need improvement - Includes appraisals, Sabbatical handovers, Pay Scales and overall Union Staffing requirement	We have restructured the management and communications and an improved sabbatical handover. An HR strategy is in development and a full review of HR practices has been implemented
Staff and Officer Job Roles to be reviewed to match current Union needs	All staff Job Descriptions have been reviewed and rewritten to match the UPSU's needs. Officers Job Roles are currently being reviewed

YEAR ENDED 31 JULY 2009

Some additional achievements in this time include:

- Winning the National Volunteering team of the year.
- Growing Society membership to a total figure now approaching 4,000.
- Continuation growth in participation for Sports clubs with over 4,000 members.
- 95% of courses now have an elected fully trained Course Representative, significantly improving academic representation
- Award nominations for our student led media.
- We have grown the amount of money raised ever year from our RAG projects, this year giving over £12,000 to our designated charities.
- We are engaged with a cumulative total of 75% of Portsmouth students.
- First cross campus election for Ethics, Equality and Diversity (EED) and nominated for best diverse Students' Union.
- BUCS Rankings improved from 37 to 25.

Volunteer Contribution

In achievement of all of the above objectives there has been a significant contribution from the UPSU Student volunteers. The UPSU has approximately 1000 key volunteers that organise the majority of the UPSU activities for all Portsmouth Students.

FINANCIAL REVIEW

The UPSU's gross income from all sources this year totalled £1,751,288. Total expenditure of £1,732,882 on the wide-ranging student benefits it provides within a broadly balanced budget, as well as on the modest fundraising and other revenue-generating activities it undertakes, left a surplus for the year of £18,406, increasing the UPSU's total reserves from £205,079 to £223,485.

The UPSU has continued to benefit from the recognition and support of the University of Portsmouth, and this year the annual block grant was £949,141.

We have reviewed the UPSU's reserves requirements. Free reserves stood at £186,342 at the year-end. This level falls well short of our minimum requirement of 3 months' activity costs (approximately £435,000) in hand in order to be able to cope with any unexpected downturn in funding or additional calls on our resources without immediately curtailing activities.

In order to grow our representative work and to build up the UPSU's free reserves to the desired level, we are therefore considering ways of raising additional general-purpose funding. The UPSU is currently affiliated only to the NUS, for which our total subscription costs amounted to £44,651 for the year, and no donations were made during the year to any external institutions out of the UPSU's own resources.

Apart from its administration of RAG funds, the charity did not make any grants to other organisations during this or the preceding year.

PLANS FOR FUTURE PERIODS

We recently carried out our first Annual Student Survey and despite our numerous successes; we still need to continue our quest for excellence. We must address some core problems.

Firstly, the democratic nature of the UPSU is not understood by students. We clearly need to communicate how the UPSU works and the different functions of staff and elected officers. Students feel that we are doing a good job in representing them but there is room for improvement, especially in consulting the membership on actions that we take on their behalf.

Secondly, communication has changed. Students expect to have instant information and interact with their community immediately.

Thirdly, students have become more demanding and more diverse. Postgraduates, International Students, EU, home students, part-times students, foundation students, satellite colleges and distance learners. Students are increasingly mobile, studying, working and volunteering to equip themselves for an increasing competitive employment market. We will represent these students and help them gain the skills they need for their time after University.

TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the University of Portsmouth Students' Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for 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;
- 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that 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. They 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.

In so far as the trustees are aware:

- 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.

YEAR ENDED 31 JULY 2009

APPOINTMENT OF AUDITORS

During the post year end period the charity's auditors underwent a reorganisation with the result that HWCA Limited has resigned as auditor to the charity and Haines Watts South LLP has been appointed to fill the vacancy arising.

A resolution proposing Haines Watts South LLP be reappointed will be put forward at the AGM of the charity.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006. was approved by the Board on _____ and signed on its behalf.

Secretary

YEAR ENDED 31 JULY 2009

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

We have audited the financial statements of the University of Portsmouth Students' Union for the year ended 31 July 2009 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the University of Portsmouth Students' Union for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company and group's affairs as at 31 July 2009, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

James Ragg FCA, Senior Statutory Auditor

For and on behalf of Haines Watts South LLP, Statutory Auditors

Date

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

YEAR ENDED 31 JULY 2009

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted Funds £	2009 Total Funds £	2008 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	1	1,015,874	-	1,015,874	906,473
Activities for generating funds	1	118,850	-	118,850	116,328
Investment income		2,811	-	2,811	3,496
Incoming resources from charitable activities		281,444	397,309	678,753	601,577
Total incoming resources		1,418,979	397,309	1,816,288	1,627,874
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: CoGS and other	2	38,628	-	38,628	31,915
Charitable activities	3	1,204,935	406,138	1,611,073	1,410,121
Governance costs	4	148,181	-	148,181	139,068
Total resources expended		1,391,744	406,138	1,797,882	1,581,104
Net Income		27,235	(8,829)	18,406	46,770
RECONCILIATION OF FUNDS					
Total funds brought forward	14	185,837	19,242	205,079	158,309
Total funds carried forward	14	213,072	10,413	223,485	205,079

None of the charity's other activities were acquired or discontinued during the above two financial years.

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

YEAR ENDED 31 JULY 2009

CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2009

	Note	Group		Charity	
		2009 £	2008 £	2009 £	2008 £
FIXED ASSETS					
Tangible assets	9	26,730	6,750	26,730	6,750
Investments	10	-	-	1	1
Total fixed assets		<u>26,730</u>	<u>6,750</u>	<u>26,731</u>	<u>6,751</u>
CURRENT ASSETS					
Stocks and work-in-progress		3,756	3,228	-	-
Debtors	11	14,942	9,064	48,950	37,133
Cash at bank and in hand		270,894	277,403	236,913	252,397
Total current assets		<u>289,592</u>	<u>289,695</u>	<u>285,863</u>	<u>289,530</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	12	(92,837)	(91,366)	(89,109)	(91,202)
Net current assets/(liabilities)		<u>196,755</u>	<u>198,329</u>	<u>196,754</u>	<u>198,328</u>
Net assets/(liabilities)		<u>223,485</u>	<u>205,079</u>	<u>223,485</u>	<u>205,079</u>
THE FUNDS OF THE CHARITY					
Restricted funds	14	10,413	19,242	10,413	19,242
Unrestricted funds	14	213,072	185,837	213,072	185,837
Total charity funds		<u>223,485</u>	<u>205,079</u>	<u>223,485</u>	<u>205,079</u>

These financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the trustees and signed on their behalf.

Director

Date

The notes on pages 10 to 14 form part of these financial statements.

YEAR ENDED 31 JULY 2009

ACCOUNTING POLICIES**Scope and basis of the financial statements**

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable accounting standards.

Consolidation

These group financial statements include the results of the charity's wholly-owned subsidiary company which have been consolidated on a line by line basis.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt once the amount can be measured with reasonable certainty. Income is deferred only where the donor has imposed restrictions on the resources which amount to pre-conditions for use e.g. the receipt in advance of a grant for expenditure in a future accounting period.

Resources expended

Resources expended are included in the Statement of Financial Activities (SoFA) on an accruals basis and are recognised at the point when a legal or constructive obligation arises.

The majority of costs are directly attributable to specific activities but certain shared costs are apportioned to activities in furtherance of the charity's objects. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. In the opinion of the trustees, the use of resources suggests that such costs, with the exception of certain financial administration costs, should be allocated equally between the charity's two main charitable activities. Financial administration costs are apportioned one third to each of the two main charitable activities and governance costs. The costs of sabbatical officers' salaries are allocated to activities according to their roles within the organisation as set out in note 8 to these accounts.

Governance costs

Governance costs comprise the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by SORP 2005, the donation of these facilities is included as an incoming resource and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity. This is a change in accounting policy compared to previous years however it has no net effect on the results and no adjustment to comparative figures has therefore been made.

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 Second Pension. 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. 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 FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year.

Cash flow statement

The financial statements do not include a cash flow statement as the charity has taken advantage of the exemption from preparing such a statement that are available to smaller entities.

Fixed assets

Fixed assets are stated at cost and depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

Motor vehicles	25% straight line
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Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

YEAR ENDED 31 JULY 2009

NOTES TO THE ACCOUNTS

1. Incoming resources from generated funds

	Unrestricted Funds £	Restricted Funds £	2009 Total Funds £	2008 Total Funds £
Voluntary income				
Grants receivable	949,191	-	949,191	904,141
Donated facilities	65,000	-	65,000	-
Life membership subscriptions	1,683	-	1,683	2,332
	<u>1,015,874</u>	<u>-</u>	<u>1,015,874</u>	<u>906,473</u>
Activities for generating funds				
Fundraising trading (see note 2)	118,850	-	118,850	116,328
	<u>118,850</u>	<u>-</u>	<u>118,850</u>	<u>116,328</u>
	<u>1,134,724</u>	<u>-</u>	<u>1,134,724</u>	<u>1,022,801</u>

2. Fundraising trading: cost of goods sold and other costs

Portsmouth Students' Union Trading Company Limited

	2009 Total £	2008 Total £
Turnover	118,850	116,328
Cost of sales	(38,628)	(31,415)
Gross profit	<u>80,222</u>	<u>84,913</u>
Administrative expenses	(60,213)	(58,068)
Operating profit/(loss)	<u>20,009</u>	<u>26,845</u>
Loan interest payable to UPSU	(268)	(329)
Gift Aid payment to UPSU	(19,741)	(26,516)
Net profit/(loss)	<u>-</u>	<u>-</u>
Reserves carried forward	<u>-</u>	<u>-</u>

Included with administrative costs are management charges of £60,213 (2008: £57,568) from the University of Portsmouth Students' Union. This management charge in addition to the loan interest and gift aid payment are eliminated on consolidation leaving a cost for generating funds of £38,628 (2008: £31,915) in the consolidated statement of financial activities.

3. Charitable activities

	Activities undertaken directly £	Support Costs £	Total 2009 £	Total 2008 £
Student support activities	<u>520,358</u>	<u>101,315</u>	<u>621,673</u>	<u>538,936</u>
Recreational activities				
Sports and Societies - Unrestricted	347,405	50,000	397,405	302,115
Sports and Societies - Restricted	406,138	-	406,138	329,421
Balls	67,242	-	67,242	81,976
Other recreational costs	<u>17,510</u>	<u>86,315</u>	<u>103,825</u>	<u>148,316</u>
Total recreational activities	<u>838,295</u>	<u>136,315</u>	<u>974,610</u>	<u>861,828</u>
Other charitable activities	<u>14,790</u>	<u>-</u>	<u>14,790</u>	<u>9,357</u>
	<u>1,373,443</u>	<u>237,630</u>	<u>1,611,073</u>	<u>1,410,121</u>

YEAR ENDED 31 JULY 2009

4. Governance costs

	Unrestricted Funds £	Restricted Funds £	2009 Total Funds £	2008 Total Funds £
Sabbaticals' remuneration	19,238	-	19,238	18,924
NUS affiliation	44,651	-	44,651	44,467
NUS card costs	14,690	-	14,690	15,492
Trustee expenses	3,327	-	3,327	4,958
Legal and professional	21,575	-	21,575	5,457
Student Union Evaluation Initiative costs	-	-	-	6,290
Administration	44,700	-	44,700	43,480
	<u>148,181</u>	<u>-</u>	<u>148,181</u>	<u>139,068</u>

5. Net incoming/(outgoing) resources is stated after charging

	Unrestricted Funds £	Restricted Funds £	2009 Total Funds £	2008 Total Funds £
Audit fees	6,500	-	6,500	7,157
Depreciation	9,520	-	9,520	6,750
	<u>16,020</u>	<u>-</u>	<u>16,020</u>	<u>13,907</u>

6. Taxation

The University of Portsmouth Students' Union is an exempt charity and is eligible for the exemptions from taxation available to charities on their charitable activities. No charge to taxation therefore arises.

7. Salary Costs

	Unrestricted Funds £	Restricted Funds £	2009 Total Funds £	2008 Total Funds £
Gross pay	538,417	-	538,417	454,198
Employer's national insurance	43,621	-	43,621	37,110
Pension contributions	10,774	-	10,774	10,218
	<u>592,812</u>	<u>-</u>	<u>592,812</u>	<u>501,526</u>

There were no employees earning more than £60,000 during the year under review or the preceding year.

A total of £3,135 (2008: £4,958) was paid as reimbursement of travel and subsistence expenses to 6 (2008: 10) trustees.

During the year there were 19 (2008: 17) full time members of staff and part time staff equivalent to a further 10 (2008: 10) members of staff on a full time equivalent basis.

As authorised under section 5 of the Memorandum of Association, a total of £106,523 (2008: £106,072) was paid in remuneration to 11 (2008: 10) sabbatical officer trustee as follows:

	£
S Leach	17,119
A Machin	17,758
T Worman	16,788
E Lawson	16,788
C Bird	16,788
S Topazio	16,788
E Sperring	1,042
E Shephard	940
O Styles	885
J Leverett	830
A Naik	798
	<u>106,524</u>

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8. Related party transactions

At the start of the previous financial year The University of Portsmouth Students' Union established a trading subsidiary, Portsmouth Students' Union Trading Company Limited (PSUT). PSUT is wholly owned by The University of Portsmouth Students Union, and was established to handle the sales of clothing memorabilia, advertising and exhibition space on behalf of the students' union. A monthly management charge is made by the students' union in respect of the operation and administration of this company.

Shortly after its incorporation, The University of Portsmouth Students' Union made a loan to PSUT in order to provide it with essential working capital. The loan arrangement is documented in writing and is secured against the subsidiary company's assets. The balance outstanding as at 31 July 2009 was £7,597. Interest is charged on the balance outstanding at 1.5% over base. The charge in the year was £268 (2008: £329)

The University of Portsmouth is, by virtue of the provisions of section 22 of the Education Act 1994, required to take all practical steps to ensure that the charity operates fairly and democratically and accounts for its finances. During the year under review, the charity received grants totalling £949,191 (2008: £904,141) from the University of Portsmouth.

Costs of £15,293 (2008: £44,984) were accrued at the year end in respect of amounts charged or estimated to be charged by the University of Portsmouth in respect of utilities, vehicles and other supplies of goods and services.

9. Tangible assets – Group and charity

	Motor vehicles £
Cost	
Brought forward	13,500
Additions	29,500
	<u>43,000</u>
Depreciation	
Accumulated brought forward	6,750
Charge for the year	9,520
	<u>16,270</u>
Net book value carried forward	<u>26,730</u>
Net book value brought forward	<u>6,750</u>

10. Investments

At the beginning of the previous financial year, the University of Portsmouth Students' Union established a wholly owned trading company. The University of Portsmouth Students' Union owns 1 ordinary share of £1, which represents 100% of the issued share capital of Portsmouth Students' Union Trading Company Limited.

11. Debtors

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	7,406	1,685	12,871	8,243
VAT recoverable	5,951	6,027	5,951	6,027
Other debtors	-	224	-	224
Prepayments	1,585	1,128	1,585	1,128
Intercompany	-	-	28,543	21,511
	<u>14,942</u>	<u>9,064</u>	<u>48,950</u>	<u>37,133</u>

Included within the intercompany balance is a loan. The balance of the loan at 31 July 2009 was £7,597 and this is secured against the assets of Portsmouth Students' Union Trading Company Limited.

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12. Creditors: amounts falling due within one year

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Trade creditors	34,955	2,028	34,242	2,028
Wages and social security	16,603	15,134	16,603	15,134
Accruals	39,346	59,304	38,264	59,303
Other creditors	-	359	-	359
Loan from the University of Portsmouth	-	14,378	-	14,378
VAT payable	1,933	163	-	-
	<u>92,837</u>	<u>91,366</u>	<u>89,109</u>	<u>91,202</u>

13. Analysis of net assets between funds

	Unrestricted	Restricted	2009	2008
	Funds	Funds	Total	Total
	£	£	£	£
Fixed assets	26,730	-	26,730	6,750
Cash at bank and in hand	260,481	10,413	270,894	277,403
Other current assets	18,698	-	18,698	12,292
Current liabilities	(92,837)	-	(92,837)	(91,366)
	<u>213,072</u>	<u>10,413</u>	<u>223,485</u>	<u>205,079</u>

14. Analysis of net movement in funds

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Total funds carried forward £
Restricted funds					
Sports and societies	19,242	397,309	(406,138)	-	10,413
Unrestricted funds					
General funds	185,837	1,418,979	(1,391,744)	-	213,072
Total funds	<u>205,079</u>	<u>1,816,288</u>	<u>(1,797,882)</u>	<u>-</u>	<u>223,485</u>

Sports and Societies funds are raised by each club or society for use in furtherance of its particular activity.

General funds are available for use in furtherance of any of the charity's objects.

15. Control

The charity was controlled throughout the year by its trustees.

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16. Pensions

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 student unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 onwards accruing on a Career Average Revalued Earnings (CARE) basis.

The most recent valuation of the scheme was carried out as at 1 October 2007 and showed that the market value of the scheme's assets was £56,318,000 with these assets representing 69% 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 £24,901,000.

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

The following assumptions applied at 1 October 2007:

- The investment return would be 7.3% per annum before retirement and 5.3% per annum after retirement;
- Salaries would increase at 5.2% per annum, equivalent to 2% per annum above inflation. Pensions accruing on the CARE basis would revalue at 3.2% per annum; and
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The 2007 valuation recommended a contribution requirement expressed in two parts: a rate of 17.3% of Earnings (with higher rates in certain circumstances) paying for future accrual, with additional monthly contributions expressed in monetary terms intended to clear the ongoing funding deficit over a period of 15 years. These rates applied with effect from 1 October 2008 and will be reviewed following completion of the next valuation due with an effective date of 1 October 2010. Surpluses or deficits which arise at future valuations will also impact on the University of Portsmouth Students' Union future contribution commitment. In addition to the above contributions, the University of Portsmouth Students' Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The contribution rate (excluding deficit contributions) for the period from 1 October 2008 to 31 July 2008 applicable to this Union for the majority of members is 8.25% of Earnings for members and 9.3% of Earnings for the University of Portsmouth Students' Union (17.55% in aggregate).

Prior to 1 October 2008, the contribution rates were based on the results of the 2004 actuarial valuation; a rate of 15.7% of Earnings (with higher rates in certain circumstances) paying for future accrual, with additional monthly contributions expressed in monetary terms in respect of the deficit.

The contributions paid into the Scheme by the University of Portsmouth Students' Union in respect of eligible employees for the year ended 31 July 2009 amounted to £22,950 (2008: £37,127)..