

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

DRAFT - CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 JULY 2011

**REGISTERED COMPANY NUMBER 03934555
REGISTERED CHARITY NUMBER 1136115**

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

YEAR ENDED 31 JULY 2011 - DRAFT

INDEX

	Page
Reference and administrative details	1
Trustees' report	2
Independent auditors' report	7
Statement of financial activities	8
Balance sheet	9
Accounting policies	10
Notes to the financial statements	11

YEAR ENDED 31 JULY 2011 - DRAFT

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees (and Directors)

Full-time (Sabbatical) Officer Trustees

President (to June 2011)	Aakash Naik (resigned June 2011)
VP Activities	Camilla Youngman (appointed July 2011)
VP Welfare and Volunteering	Amy Baker (appointed August 2010, President from July 2011)
VP Welfare and Community	Stephen Roberts (appointed July 2011)
VP Sports	Lauren Ryan (appointed August 2010, resigned June 2011)
VP Sports	Daniel Black (appointed July 2011)
VP Democracy & Communications	Laura Stevenson (appointed August 2010, resigned June 2011)
VP Education and Democracy	Godfrey Atuahene (appointed July 2011)
VP Societies & Community	Matthew Blackall (appointed August 2010, resigned June 2011)
VP Academic Affairs	Samantha Jones (appointed August 2010, resigned June 2011)

Student Trustees

Non-Portfolio	Christal O'Reilly (appointed August 2010, resigned June 2011)
Non Portfolio	Richard Davies (appointed August 2010, resigned February 2011)

University Nominated Trustee

Non-Portfolio	David Franklin
---------------	----------------

External Trustees

Non-Portfolio	Christina Munslow
Non-Portfolio	Fraser Whyte
Non-Portfolio	Ian Piper

Company Secretary

Aakash Naik (to June 2011), Amy Baker (July 2011 -)

Chief Executive

Daniel Palmer

Registered Office

Student Centre
 Cambridge Road
 Portsmouth
 Hants
 PO1 2EF

Registered Company Number

03934555

Registered Charity Number

1136115

Auditors

Blue Spire 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 National Plc Abbey National House 2 Triton Square Regents Place London NW1 3AN
--	--	--

Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB	Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN
---	---

Solicitors

Blake Laphorn
 Harbour Court
 North Harbour
 Portsmouth
 Hants PO6 4ST

YEAR ENDED 31 JULY 2011 - DRAFT

TRUSTEES' REPORT

The Trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report, together with the accounts for the year ended 31 July 2011. 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 Union.

STRUCTURE GOVERNANCE AND MANAGEMENT

The Union is a registered charity (Charity No: 1136115) linked to the University of Portsmouth (the University). The Union is also a company limited by guarantee registered in England and Wales (Company No: 3934555).

The Union is constituted by its Memorandum and Articles of Association and is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made by simple majority vote.

The Union is a students' union, as defined in the Education Act 1994, with internal regulations and rules approved by its Board of Trustees and the Board of Governors of the University of Portsmouth.

The Union has Twelve Trustees in total and are made up of the following persons:

- Five Officer Trustees, elected annually in accordance with the Union's Memorandum and Articles of Association and elections rules
- Three Student Trustees, nominated and elected in accordance with the Union's Memorandum and Articles of Association
- One University Nominated Trustee, appointed in accordance with the Union's Memorandum and Articles of Association
- Three External Trustees, appointed in accordance with the Union's Memorandum and Articles of Association

The Union's Board of Trustees meets at least quarterly and is responsible for maintaining legal, financial and reputational integrity whilst setting the organisation's strategy, approving general policies and approving the annual budgets and accounts.

Two sub committees, The Finance & Audit Committee and the Appointments & Remuneration Committee, support the Board of Trustees. The Finance & Audit Committee consists of two Officer Trustees and two External Trustees. The committee meets on a quarterly basis and is responsible for monitoring financial management and organisational risk. The Appointments & Remuneration Committee consists of one External Trustee and the University Nominated Trustee. The committee meets on an annual basis and is responsible for appointments to the Board and remuneration of the Chief Executive and the Officer Trustees.

All Trustees are provided with copies of the Charity Commission's Guidance to Trustees and given an introduction to the activities of the Union by the existing Board and the Chief Executive. Trustees are provided with training as and when required, based on an assessment of their existing skills set.

The political and campaigning policies of the Union are set by the Student Council and executed by the Officer Trustees and other elected officers. The Board of Trustees maintains a veto on these policies in accordance with the Board's duties. The Union's Student Council membership comprises the Officer Trustees together with representatives of the Union's Clubs, Societies, Volunteering, Media, RAG, Part-Time Officers and Academic Course representatives. The Board of Trustees, assisted by sub-committees where appropriate, delegates the day-to-day running of the Union to a Chief Executive. All Union Trustees 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 Union's Leadership Team meets fortnightly to receive reports from the Senior Management Team. The role of the Leadership Team is to review the operational performance of the organisation, approve operational policies and coordinate ongoing activities. The Union's Leadership Team consists of:

- The five Officer Trustees
- The Chief Executive
- The Financial Controller
- The Student Activities Manager
- The Representation & Volunteering Manager

The Union employs a Chief Executive to ensure effective management of the Union and to lead the Senior Management Team. During 2010/11 they were:

Chief Executive	Daniel Palmer
Representation & Volunteering Manager	Lorna Reavley (Commenced on 1 st October 2010)
Student Activities Manager	Joanne Hodgson (Commenced on 11 th October 2010)
Financial Controller	Tracey Anderson (Ceased on 30 th June 2011)

The Union employs approximately 25 full-time staff for the sake of continuity in the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties.

RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in a Memorandum of Understanding and the Union receives a Block Grant from the University, based on a central allocation percentage. The Union also part-occupies buildings owned by the University and this non-monetary support is intrinsic to the relationship between the University and the Union.

Although the Union continues to generate supplementary funding from various mutual-trading activities, it is dependant on the University's financial support. There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future.

YEAR ENDED 31 JULY 2011 - DRAFT

The 1994 Education Act imposes a duty on the University to ensure that the Union operates in a fair and democratic manner and is accountable for its finances.

Portsmouth Students' Union Trading Company Ltd (PSUT) is a wholly owned trading subsidiary company of the Union, which generates commercial income to support the Union's charitable objectives.

The Union pays an annual affiliation to the National Union of Students (NUS) of £49,304 to ensure that it is represented on national student matters, whilst receiving specialist training and support.

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union. The Union maintains a risk register that is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the Union. All other types of risk have specific mitigation activities that are delegated to senior managers of the Union.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Trustees have identified the Union's mission as having 'A positive impact with every Portsmouth student', with the following Constitutional objects:

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

- (a) Promoting the interests and welfare of students at the University of Portsmouth during their course of study and representing, supporting and advising students;
- (b) Being the recognised representative channel between students and the University of Portsmouth and any other external bodies; and
- (c) Providing social, cultural, sporting and recreational activities and forums for discussion and debate for the personal development of its students."

The Union's charitable objects under the Education Act 1994 are to advance the University's educational purposes by providing representation and support for students of the University. These are supplemented by the further object of helping members to develop their own charitable activities as active participants in civil society.

In pursuit of these aims for the public benefit, the Union has established departments and services for use by its members and works with the University and other organisations on behalf of students. The Union ensures diversity of its membership is recognised by monitoring its participation from all sections of the student community and by electing and supporting students as champions of liberation campaigns. The Union holds Investors in Diversity (IID) status at level one and is actively pursuing level 2 status.

The Union represents students of the University 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 bodies.

When reviewing the Union's objectives and planning the Union's activities, the Union gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

The Union continues to deliver its objectives of providing student support and recreational services throughout the year under review. In addition, the Union has shown a significant growth in student activities and representation participation.

The Union's top 20 targets for 2010/11 are listed below alongside the actual performance against those targets:

Objective	Outcome
1. Produce a glossy annual report, including a social responsibility and student impact report, by 31st August 2010	Achieved , although not published until December 2010
2. Achieve year-on-year improvement in overall ratings and in the proportion of responses from the staff and student satisfaction surveys by 30 th June 2011	Achieved in the staff satisfaction survey (Dec 2010) and student satisfaction survey (November 2010)
3. Develop and implement an annual stakeholder satisfaction survey by 30 th March 2011	Achieved . Survey distributed in March 2011
4. Develop the Union's democratic structures, evidenced by a voter turnout in excess of 4000 votes, with an average of 3 sabbatical candidates for each post in the March elections by 31 st March 2011	Achieved , making the Union's elections the biggest for a post-1992 University Students' Union in the UK
5. Coordinate the development of new organisational Vision, Mission and Values statements with fresh branding by 31 st January 2011	Achieved
6. Develop and launch a new organisational strategy that is approved by the Board of Trustees by 31 st January 2011	Achieved , but not approved by the Board of Trustees until June 2011

YEAR ENDED 31 JULY 2011 - DRAFT

7. Develop an organisational training plan and ensure that all permanent staff have an active training and development plan by 28 th February 2011	Achieved
8. Ensure that the course rep system is developed, evidenced by full recruitment of faculty reps and production of an annual academic support report by 30 th June 2011	Achieved
9. Achieve Investors in People (IIP) accreditation and improve the Union's overall score in the Sound Environmental Impact assessment by 31 st July 2011	Achieved
10. Complete a student impact review of all student-facing services and achieve Investors in Volunteers (IIV) accreditation by 31 st July 2011	Not achieved. The IIV process takes 18 months to complete and was not achieved. However, this target has been included again in 2011/12. The impact reviews for each department have been included in individual departmental plans, completed in July 2011.
11. Develop customer service standards for all student facing services and service level agreements for support departments and train all staff against those standards by 31 st December 2010	Not achieved. All staff received customer service training in December 2010, but departmental standards were not published. However, agreed standards are due to be published in September 2011.
12. Achieve the overall budgeted surplus for UPSU for 2010/2011	Achieved
13. Achieve the overall budgeted surplus for PSUT for 2010/2011	Achieved
14. Achieve the overall budgeted income revenues for PSUT for 2010/2011	Not achieved, due to poor clothing sales
15. Review the financial procedures and all operational processes within the finance department by 31 st January 2011	Achieved
16. Produce management account within 8 working days of each period end for at least 10 (out of 12) periods by 31 st July 2011	Achieved
17. Review all existing policies and develop and implement a plan to review them over the next 3 years, by 31 st December 2010	Achieved
18. Ensure that all 'red risks' from the organisational risk register are reviewed quarterly and that all stated actions are completed by 31 st May 2011	Achieved
19. Develop and adopt a Job Evaluation Scheme and ensure that all posts are reviewed under the scheme by 31 st July 2011	Not Achieved. All posts have been agreed except those disrupted by internal changes to the Finance department and two further other roles. All outstanding roles are expected to be reviewed by 30 th September 2011
20. Reach an agreement with the University to redevelop the ground floor of the Student Centre before February 2012, with improved UPSU retail and reception services by 31 st July 2011	Achieved

Some additional achievements in this time included:

- Securing of £20,000 of external grants for intergenerational projects in the City, engaging with 190 elderly residents and 85 students, with 450 volunteer hours being committed.
- The launch of the Union's new Academic Casework Unit – to help students understand and use the University's formal procedures.
- An overall rating of 'Good' for the Union's finance and Governance controls, as rated by the University's internal auditors, BDO.
- An increase in membership of sports clubs, rising from 2,313 in 2010 to 2,850 in 2011.
- A significant increase in fundraisings by students for charities, increasing from £7,976 in 2009/10 to £26,031 in 2010/11
- The first ever 'student volunteering week' and 'academic support week' organised by the Union.
- After years of campaigning, the University finally accepted the Union's recommendation for adopting 24-hour library services during exam periods, from April 2011 onwards.

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 1,000 volunteers that are supported to facilitate and participate in the majority of sports, societies, student media and volunteering projects.

FINANCIAL REVIEW

The Union's gross income from all sources totalled £1,668,157. Total expenditure was £1,602,409 and was broadly within the stated budget. The Union's strong income revenues, coupled with below-budget expenditure generated a positive surplus for the year of £65,748, increasing the Union's total reserves from £301,853 to £367,601.

YEAR ENDED 31 JULY 2011 - DRAFT

The Union has continued to benefit from the recognition and support of the University, and for 2010/11 the annual block grant was £910,800.

The Union's has reviewed its reserves requirements. Unrestricted reserves stood at £283,998 at the year-end. This level falls short of the Union's minimum requirement of 3 months activity costs from unrestricted funds (approximately £350,000) in order to be able to cope with any unexpected downturn in funding or additional calls on our resources. In order to meet the Union's reserves policy the Union has a stated aim of generating budget surpluses over the next four years to reach the minimum level. It is intended that efficiencies in on-going expenditure and the generation of additional commercial reserves through PSUT will achieve this.

The Union acts as custodian for funds raised by the students' many Clubs and Societies amounting to income of £149,716 and expenditure of £142,261, in addition to the grant-supported funds disbursed to them as shown in the accounts. The Union is also custodian of the annual Raising & Giving (RAG) proceeds from fundraising events organised by students for distribution to the intended charities.

The funds raised by this years RAG amounted to £26,031 and were distributed among many charities including SOS Africa, SEWA International, the Cystic Fibrosis Trust and Portsmouth Sports and Education Foundation.

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

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2010/11 has been confirmed at £910,800 and the commercial activities, through PSUT, are expected to generate profit of approximately £79,000.

FUTURE PLANS

The Union remains committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students.

The external environment for higher education in 2011/12 remains uncertain. Further cuts to the Government's higher education budget are expected, with probable expenditure cuts for the University of Portsmouth, which may affect the level of funding the Union receives from the University. In addition, 2011/12 is the last academic year before the introduction of significantly increased tuition fees for students. The impact on future student recruitment is unknown, but may cause significant change to the Union's block grant allocation in future years.

During 2010/11 the Union launched its new strategic plan for 2011-2014. The Union intends to review the document once a year during the life of the plan. The Union's top 20 targets for 2011/12, as detailed in the plan are listed below.

Top-level operational objectives 2011/12**Stakeholders**

Maintain strong, sustainable and satisfied relationships with our stakeholders whilst ensuring that the Union is actively working towards a 'Positive impact with Every Portsmouth student' - 2011-14

1. Produce a glossy annual report, including a full breakdown of engagement statistics by 30th September 2011
2. Achieve at least 2,000 responses in the biannual Student Satisfaction Survey with over 73% satisfaction according to the SUEI Killer question by 31st December 2011
3. Achieve year-on-year improvement in overall ratings in the staff and stakeholder satisfaction surveys by 30th June 2012
4. Develop the Union's democratic structures, evidenced approval of a democracy strategy, a voter turnout in excess of 4,200 votes, with an average of 3 sabbatical candidates for each post in the annual elections by 31st March 2012
5. Develop mutually beneficial partnership agreements with the University's department of Employability and the Sport and Recreation department by 28th February 2012

Learning and Development

Continually improve what the Union does whilst equipping staff, officers and volunteers with the skills and knowledge they need to achieve the Union's Vision

1. To work with the School of Architecture to redevelop the Union Shop into an overall welcome centre, cash office and gift shop by using student designs by 31st July 2012
2. To benchmark the Union's performance in student engagement against other Students' Unions within the University Alliance Group by 30th November 2011
3. To achieve Investors in Diversity status at level 2 by 31st January 2012, whilst ensuring the maintenance of Green impact Students' Union 'Gold' status and an improvement in overall score compared to 2010/11 by 30th April 2012
4. Complete the Representation & Volunteering department office re-fit and create of a staff room in Gun House by 16th September 2011
5. Achieve Investors in Volunteering status and successfully put 20 students through the ASDAN certificate in Community volunteering by 31st July 2012

Financial Management and Control

Achieve financial stability through robust financial management, reviewing existing practices and consistently working towards the Union's reserves target of £350,000 by August 2015

1. Achieve the overall budgeted surplus for the Union for 2011/2012

YEAR ENDED 31 JULY 2011 - DRAFT

2. Achieve the overall budgeted surplus for PSUT for 2011/2012
3. Achieve the overall budgeted income revenues and for PSUT for 2011/2012
4. Produce a tendering procedure and a due-diligence procedure by 31st December 2011
5. Review the operational processes and financial procedures of the finance department, including outsourcing arrangements by 31st March 2012

Systems, Policies and Procedures

Ensure that the Union's systems, policies and procedures add value, enable greater student engagement, are easy to understand and enable the Union to achieve its Vision

1. Complete the NUS Good Governance self-assessment, achieving an overall standard of level 2 by 31st January 2012
2. Agree and sign a redeveloped relationship agreement with the University of Portsmouth by 31st March 2012
3. Develop a comprehensive Governance section of UPSU.net, including Trustees reports and Trustees information by 31st December 2011
4. Integrate of the 'Maximiser' monitoring system within the Representation and Volunteering department, evidenced by 200 academic casework contacts, 2,000 community volunteer hours and contact details for at least 600 course reps
5. To develop an Innovation Scheme framework to be accessed by volunteers and staff by 30th September 2011

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 charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- 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 adequate 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.

APPOINTMENT OF AUDITORS

During the post year end period the charity's auditors, Haines Watts South LLP, changed their name to Blue Spire South LLP. Blue Spire South LLP have expressed their willingness to be reappointed as auditors to the charity.

A resolution proposing Blue Spire 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 and was approved by the Board and signed on its behalf.

Amy Baker
President, Company Secretary and Chair of the Board of Trustees
27th October 2011

YEAR ENDED 31 JULY 2011 - DRAFT

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 2011 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 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 charity 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 auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charity 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity and group's affairs as at 31 July 2011, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report

James Ragg FCA FCIE DChA, Senior Statutory Auditor
For and on behalf of Blue Spire South LLP, Statutory Auditors

Date

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

YEAR ENDED 31 JULY 2011 - DRAFT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted Funds	Restricted Funds	2011 Total Funds	2010 Total Funds
	Note	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	2	983,300	20,722	1,004,022	1,013,010
Activities for generating funds	3	173,834	-	173,834	186,572
Investment income	4	365	-	365	412
Incoming resources from charitable activities	5	340,220	149,716	489,936	531,590
Total incoming resources		<u>1,497,719</u>	<u>170,438</u>	<u>1,668,157</u>	<u>1,731,584</u>
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading	3	48,012	-	48,012	42,613
Charitable activities	6	1,292,200	162,326	1,454,526	1,502,878
Governance costs	7	99,871	-	99,871	107,725
Total resources expended		<u>1,440,083</u>	<u>162,326</u>	<u>1,602,409</u>	<u>1,653,216</u>
Net Income/(expenditure)		57,636	8,112	65,748	78,368
TRANSFERS					
Gross transfers between funds	17	657	(657)	-	-
Net movement in funds		58,293	7,455	65,748	78,368
RECONCILIATION OF FUNDS					
Total funds brought forward	17	281,621	20,232	301,853	223,485
Total funds carried forward	17	<u>339,914</u>	<u>27,687</u>	<u>367,601</u>	<u>301,853</u>

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 2011 - DRAFT

BALANCE SHEETS AS AT 31 MARCH
2011

	Note	Group		Charity	
		2011 £	2010 £	2011 £	2010 £
FIXED ASSETS					
Tangible assets	12	55,916	67,144	55,916	67,144
Investments	13	-	-	1	1
		<u>55,916</u>	<u>67,144</u>	<u>55,917</u>	<u>67,145</u>
CURRENT ASSETS					
Stock - clothing and memorabilia		9,657	10,597	-	-
Debtors	14	46,276	26,508	109,334	109,535
Cash at hand and in bank		368,960	307,679	284,096	233,527
Total current assets		<u>424,893</u>	<u>344,784</u>	<u>393,430</u>	<u>343,062</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	(113,208)	(110,077)	(81,746)	(108,356)
Net current assets/(liabilities)		<u>311,685</u>	<u>234,707</u>	<u>311,684</u>	<u>234,706</u>
Net assets/(liabilities)		<u>367,601</u>	<u>301,851</u>	<u>367,601</u>	<u>301,851</u>
THE FUNDS OF THE CHARITY					
Restricted funds	17	27,687	20,232	27,687	20,232
Unrestricted funds	17	339,914	281,621	339,914	281,621
Total charity funds		<u>367,601</u>	<u>301,853</u>	<u>367,601</u>	<u>301,853</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.

Amy Baker
President, Company Secretary and Chair of the Board of Trustees
27th October 2011

The notes on pages 11 to 15 form part of these financial statements.

The University of Portsmouth Students Union
Registered Company Number: 03934555
Registered Charity Number: 1136115

YEAR ENDED 31 JULY 2011 - DRAFT

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 Officer Trustees' 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 University of Portsmouth Students' 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
Fixtures & Fittings	10%-20% straight line
AU equipment	33¼% straight line

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 2011 - DRAFT

NOTES TO THE ACCOUNTS

1. Results of the charity

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Total incoming resources	1,449,707	170,438	1,620,145	1,688,970
Total resources expended	(1,392,069)	(162,326)	(1,554,395)	(1,610,601)
Net incoming resources of the charity	57,638	8,112	65,750	78,369
Reserves brought forward	281,621	20,232	301,853	223,484
Reserves carried forward	<u>339,259</u>	<u>28,344</u>	<u>367,603</u>	<u>301,853</u>

2. Voluntary income

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Block grant received	910,800	-	910,800	947,836
Other grants received	-	20,722	20,722	-
Donated facilities	72,500	-	72,500	65,000
Life memberships	-	-	-	174
	<u>983,300</u>	<u>20,722</u>	<u>1,004,022</u>	<u>1,013,010</u>

3. Activities for generating funds and costs of fundraising trading - Unrestricted

NTR Trading Limited	2011 Total Funds £	2010 Total Funds £
Turnover	173,834	186,572
Cost of sales	(36,827)	(40,784)
Gross profit	<u>137,007</u>	<u>145,788</u>
Administrative expenses	(66,377)	(61,979)
Operating profit	<u>70,630</u>	<u>83,809</u>
Loan interest payable to UPSU	(140)	(153)
Gift aid payment to UPSU	(70,490)	(83,656)
<i>Profit for the year</i>	<u>-</u>	<u>-</u>
<i>Reserves</i>		
Brought forward	-	-
Profit for the year	<u>-</u>	<u>-</u>
Carried forward	<u>-</u>	<u>-</u>

Included with administrative costs are management charges of £55,191 (2010: £60,150) 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 £48,012 (2010: £42,613) in the consolidated statement of financial activities.

YEAR ENDED 31 JULY 2011 - DRAFT

4. Investment income

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Bank interest receivable	365	-	365	411
	<u>365</u>	<u>-</u>	<u>365</u>	<u>411</u>

5. Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Balls and dinners	76,890	-	76,890	77,561
Membership, Match fees and training income	259,432	-	259,432	233,135
Sports and society income				
Social kit	-	13,139	13,139	53,643
Tours	-	26,487	26,487	42,555
Other sports and society income	-	110,090	110,090	114,313
Other income from charitable activities	3,898	-	3,898	10,383
	<u>340,220</u>	<u>149,716</u>	<u>489,936</u>	<u>531,590</u>

6. Resources expended on charitable activities

	Activities directly undertaken £	Support costs £	2011 Total Funds £	2010 Total Funds £
Student support activities	208,914	254,223	463,137	649,069
	<u>208,914</u>	<u>254,223</u>	<u>463,137</u>	<u>649,069</u>
Recreational activities				
Sports and societies expenditure	595,843	49,015	644,858	622,729
Balls and dinners expenditure	78,722	-	78,722	75,435
Other recreational costs	23,969	190,927	214,896	134,109
	<u>698,534</u>	<u>239,942</u>	<u>938,476</u>	<u>832,273</u>
Other charitable activities	52,913	-	52,913	21,536
	<u>960,361</u>	<u>494,165</u>	<u>1,454,526</u>	<u>1,502,878</u>
Unrestricted funds	798,035	494,165	1,292,200	1,302,186
Restricted funds	162,326	-	162,326	200,692
	<u>960,361</u>	<u>494,165</u>	<u>1,454,526</u>	<u>1,502,878</u>

YEAR ENDED 31 JULY 2011 - DRAFT

7. Governance costs

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Sabbaticals remuneration	17,895	-	17,895	19,529
NUS affiliation	49,304	-	49,304	48,033
Trustee expenses	2,982	-	2,982	2,351
Legal & professional	-	-	-	9,950
Administration	29,690	-	29,690	27,862
	<u>99,871</u>	<u>-</u>	<u>99,871</u>	<u>107,725</u>

8. Net income is stated after charging - Group

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Auditors' remuneration - current year	7,335	-	7,335	6,800
Auditors' remuneration - previous year	223	-	223	(53)
Auditors' remuneration - other services	2,954	-	2,954	3,350
Depreciation	13,530	-	13,530	13,444

9. Wages and salary cost

	2011 Total Funds £	2010 Total Funds £
Gross wages	627,036	619,151
Employer's national insurance costs	51,830	54,168
Employer's pension contributions	7,099	9,152
	<u>685,965</u>	<u>682,471</u>

The average number of employees, calculated on a full-time equivalent basis, was:

	2011	2010
Full time	24	24
Part time	5	5
	<u>29</u>	<u>29</u>

There were no employees with emoluments (excluding employer pension costs) above £60,000 in this or the preceding year

YEAR ENDED 31 JULY 2011 - DRAFT

10. Related party transactions

A total of £531 (2010: £1,781) was paid as reimbursement of travel and subsistence expenses to 8 (2010: 7) trustees.

As authorised under section 6 of the Articles of Association, a total of £109,200 (2010: £109,770) was paid in remuneration to 10 (2010: 11) sabbatical officer trustees as follows:

A Naik	16,500
S Jones	16,431
M Blackall	16,500
L Stevenson	16,500
A Baker	18,000
L Ryan	16,500
D Black	2,192
G Atuahene	2,192
S Roberts	2,192
C Youngman	2,192
	109,200

The University of Portsmouth students' Union operates 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 Student's 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 2011 was £7,000. Interest is charged on the balance outstanding at 1.5% over base. The charge for the year was £140 (2010: £153).

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 £910,800 (2010: £947,836) from the University of Portsmouth.

Costs of £2,069 (2010: £8,540) 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.

11. Tax status

University of Portsmouth Students' Union is a registered charity and all of its activities fall within the exemptions afforded to charities under taxation legislation. No charge to taxation therefore arises.

YEAR ENDED 31 JULY 2011 - DRAFT

12. Fixed assets - Charity and group

	AU Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
<i>Cost</i>				
Brought forward	-	53,860	43,000	96,860
Additions	2,300	2	-	2,302
Disposals	-	-	-	-
Carried forward	<u>2,300</u>	<u>53,862</u>	<u>43,000</u>	<u>99,162</u>
<i>Depreciation</i>				
Brought forward	-	2,693	27,021	29,714
Charge for the year	383	5,772	7,375	13,530
On disposals	-	-	-	-
Carried forward	<u>383</u>	<u>8,465</u>	<u>34,396</u>	<u>43,244</u>
Net book value carried forward	<u>1,917</u>	<u>45,397</u>	<u>8,604</u>	<u>55,918</u>
Net book value brought forward	<u>-</u>	<u>51,167</u>	<u>15,979</u>	<u>67,146</u>

13. Investments

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.

14. Debtors

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	18,177	2,603	2,939	366
VAT recoverable	3,152	7,334	3,152	7,334
Prepayments	24,947	16,571	5,346	4,871
Intercompany	-	-	97,897	96,964
	<u>46,276</u>	<u>26,508</u>	<u>109,334</u>	<u>109,535</u>

Included within the intercompany balance is a loan. The balance of the loan at 31 July 2011 was £7,000 and this is secured against the assets of Portsmouth Students' Union Trading Company Limited.

15. Creditors

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Trade creditors	26,565	12,551	22,935	12,551
Wages and social security	13,287	17,269	13,287	17,269
Accruals	66,702	79,031	45,524	78,536
VAT Payable	6,654	1,226	-	-
	<u>113,208</u>	<u>110,077</u>	<u>81,746</u>	<u>108,356</u>

YEAR ENDED 31 JULY 2011 - DRAFT

16. Analysis of net assets between funds, group

	Unrestricted Funds £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Fixed assets	55,916	-	55,916	67,144
Net current assets	<u>283,998</u>	<u>27,687</u>	<u>311,685</u>	<u>344,784</u>
	<u><u>339,914</u></u>	<u><u>27,687</u></u>	<u><u>367,601</u></u>	<u><u>411,928</u></u>

17. Analysis of net movement in funds

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Total funds carried forward £
<i>Restricted funds</i>					
Sports and societies	20,232	149,716	(142,261)	-	27,687
Intergenerational projects	-	20,722	(20,065)	(657)	-
	<u>20,232</u>	<u>170,438</u>	<u>(162,326)</u>	<u>(657)</u>	<u>27,687</u>
<i>Unrestricted funds</i>					
General funds					
Charity	281,621	1,323,885	(1,336,739)	71,147	339,914
Portsmouth Students' Union Trading Company	-	173,834	(103,344)	(70,490)	-
Total unrestricted funds	<u>281,621</u>	<u>1,497,719</u>	<u>(1,440,083)</u>	<u>657</u>	<u>339,914</u>
Total funds	<u><u>301,853</u></u>	<u><u>1,668,157</u></u>	<u><u>(1,602,409)</u></u>	<u><u>-</u></u>	<u><u>367,601</u></u>

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

Intergeneration project funds were received to fund community projects in and around Portsmouth.

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

18. Control

The charity was controlled throughout the year by its trustees.

19. 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 students' 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 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme will close to future accrual.

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 value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £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

YEAR ENDED 31 JULY 2011 - DRAFT

- Salaries would increase at 5.2% per annum, equivalent to 2.0% per annum above inflation. Pensions accruing on the CARE basis would revalue at 3.2% per annum.
- 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 formally 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's 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 year ended 31 July 2011 applicable to the University of Portsmouth Students' 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 (17.3%/17.55% in aggregate).

The total contributions paid into the scheme by the University of Portsmouth Students' Union in respect of eligible employees for the year ended 31 July 2011 amounted to £16,447 (2010 - £18,342).