



Trustees' Report and Financial Statements

for the year ended 31 July 2015

Registered Charity Number 1136115
Registered Company Number 03934555

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees (and Directors)

Full-time (Sabbatical) Officer Trustees

President	Grant Clarke (appointed 1 st July 2014, resigned 30 th June 2015)
President	Nick Johnson (from 1 st July 2015)
VP Activities	Emily Dell (appointed 1 st July 2014, resigned 30 th June 2015)
VP Activities	Orion Brooks (appointed 1 st July 2015)
VP Welfare & Community	Mario Oliveros Manrique (resigned 30 th June 2015)
VP Welfare & Community	Jamie Mitchell (appointed 1 st July 2015)
VP Sports	Nick Johnson (appointed 1 st July 2014 to 30 th June 2015)
VP Sports	Elisa Kanagarajah (appointed 1 st July 2015)
VP Education & Democracy	Kayleigh Teague (appointed 1 st July 2014, resigned 30 th June 2015)
VP Education & Democracy	Carla Watton (appointed 1 st July 2015)

Student Trustees

Non-Portfolio	Tomilola Deji-Fowokan (resigned 30 th June 2015)
Non-Portfolio	Kunal Shah (Co-opted 1 st July 2014, resigned 30 th June 2015)
Non-Portfolio	Hope Mgbeike (Co-opted 1 st July 2014)
Non-Portfolio	Joanna Miguens (co-opted 1 st July 2015)
Non-Portfolio	David Ayton (co-opted 1 st July 2015)

University Nominated Trustee

Non-Portfolio	David Franklin
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External Trustees

Non-Portfolio	Rhian Johns
Non-Portfolio	Ian Lockwood
Non-Portfolio	Ian Watson

Company Secretary

Grant Clarke (from 1st July 2014, to 30th June 2015)
Nick Johnson (from 1st July 2015)

Chief Executive

Anna Clodfelter

Registered Office

Student Centre
Cambridge Road
Portsmouth
Hants
PO1 2EF

Registered Company Number

03934555

Registered Charity Number

1136115

Auditors

Blue Spire Limited
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

Santander UK 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 Morgan LLP
Harbour Court
North Harbour
Portsmouth
Hants PO6 4ST

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TRUSTEES' REPORT

The Trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of Charities Act 2011 and Companies Act 2006, together with the accounts for the year ended 31st July 2015.

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 University of Portsmouth Students' Union (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.

The Union has twelve Trustees and are made up of the following persons:

- i. Five Officer Trustees, elected annually in accordance with the Union's Memorandum and Articles of Association and elections rules
- ii. Three Student Trustees, appointed in accordance with the Union's Memorandum and Articles of Association
- iii. One University Nominated Trustee, appointed in accordance with the Union's Memorandum and Articles of Association
- iv. 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 stewardship. The Board of Trustees is also responsible for setting the organisation's strategy, in line with student member priorities. The Board approves general policies and approving the annual budgets and accounts.

All Trustees are provided with the Charity Commission's Guidance to Trustees and are 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 individual and collective needs.

Although a full governance review has amended the committee structure and democratic processes for implementation from summer 2015 the structures for the 14/15 year are as follows:

Two sub committees, The Finance & Audit Committee and the Appointments & Remuneration Committee, support the Board of Trustees.

The Finance & Audit Committee members are: the President, two Officer or Student 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 members are: 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.

The political and campaigning policies of the Union are set by the Student Council and executed by the Officer Trustees and other elected student officers. The Board of Trustees maintains an oversight of these policies in accordance with the Board's duties to maintain legal, financial and reputational stewardship.

The Union's Student Council membership comprises the Officer Trustees together with representatives of the Union's Clubs, Societies, Volunteering, Media, RAG, Student Officers and Academic Course Representatives.

The Board of Trustees delegates the day-to-day running of the Union to a Chief Executive.

To ensure effective management the Chief Executive leads a Senior Management Team, with responsibility for operational management of the Union's activities and services.

During 2014/15 they were:

- i. Chief Executive – Anna Clodfelter
- ii. Head of Business & Marketing – Tom Worman (role amended to be Head of Operations, Deputy to the Chief Executive, May 15)
- iii. Head of Student Opportunities – Fern Lewis

The five Officer Trustees and the Senior Management Team are members of the Union's Leadership Team.

The role of the Leadership Team is to review the operational performance of the organisation, approve operational policies and coordinate ongoing activities in accordance with the Union's strategy and actions of the Board of Trustees. The full terms of reference for the Leadership Team can be seen within the Union's byelaws.

The Union employs approximately 26 permanent staff and a further 40 occasional 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, via a line-management structure of delegated authority.

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 enjoys a positive and supportive relationship with the institution; this nonmonetary support is intrinsic to the relationship between the University and the Union and the associated benefits to the student body.

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Although the Union continues to generate supplementary funding from various mutual-trading activities, it is dependent on the University's financial support. The Union is very grateful for the University increasing the Block grant for 2014/15 and confirming that they will provide continued financial support at similar levels for the foreseeable future.

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.

The Union's trading company; 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. In 2014/15 PSUT generated an operating profit of £148,775 from its activities, of which £148,635 was gifted to the Union.

The Union is affiliated to the following organisations, as ratified by the Annual Members Meeting in December 2014:

- i. British Universities and Colleges Sport (BUCS)
- ii. the National Student Television Association (NaSTA) and;
- iii. the Student Radio Association (SRA).

In addition, the Union held a referendum on affiliation to the National Union of Students (NUS) in March 2015 that ratified continued affiliation.

All affiliation resolutions in 2014/15 were conducted in accordance with the provisions stated within the 1994 Education Act.

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

The Union became the highest rated Union on the south coast through the NSS in August 2014 and entered the top 20 nationally with a 79% satisfaction rating.

2014/15 saw the completion of the Year One objectives of the Unions three year strategic plan that sets out the following aims:

Our Vision:

The Unions Vision – as set with student consultation in both 2011 and 2014 is: 'A positive impact for every Portsmouth student'.

Our Values:

Student-Led, Fun, Approachable, Effective, Positive, Innovative

Our Commitments:

1. Making Life Easier

Students Will Say:

- The Union has simple processes and is easy to access
- The Union provides visible and independent support for students
- The Union communicates effectively with helpful information

2. Life Changing Opportunities

Students will say:

- The Union is the 'go to' place for life outside their course
- The Union helps students exceed their expectations
- The Union is always developing fun and engaging opportunities

3. Empowering the Student Voice

Students will say:

- The Union representatives are making a difference
- The Union is a mouthpiece for all students
- The Union listens, consults and acts on student views

Enablers

Students will say:

- The Union champions excellence in everything we do
 - The Union has the right staff, with the right skills in the right places to deliver and excellent service
 - All students have the freedom to use the Union spaces to benefit their University experience
 - Our funding is allocated fairly and financial decisions are student led.
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TRUSTEES' REPORT

- The Union remains financially stable and able to invest in new ideas.
- The Union is ground-breaking in its use of technology to benefit students
- The Union works with partners to influence, benefit and improve student life.

Staff will say:

- The Union makes them happy at work, supports their development and inspires them.
- The Union workspaces are fun, innovative and effective places to be

Full strategy available at <http://www.upsu.net/your-union/strategy/>

The Union is committed to the fulfilment of its charitable objects for the public benefit through the advancement of education of students at the University of Portsmouth for the public benefit by:

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

These are supplemented by the further object of;

'helping members to develop their own charitable activities as active participants in civil society'

These objects are wholly consistent with the Union's Constitutional objects.

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.

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's top level targets for 2014/15 are listed below alongside the actual performance against those targets:

- 1. To produce a Communications Strategy by end July 2015, to include strands for; visibility, digital & physical information, student research and consultation mechanisms, communicating successes, challenges & changes, internal communications and branding**
Strategy completed with student, staff and Trustee consultation for implementation from 15/16 year under the themes of: Raising Our Profile, Fun & Engaging Environments and Effective Information.
- 2. To consult students, student volunteers, staff and stakeholders in reviewing and renewing all our policies and processes to ensure they are understandable & accessible, in line with a new Keep it Simple Charter, by July 2015**
Charter completed with student, staff and Trustee consultation for implementation from 15/16 year with commitments of: Plain English, less words-more bullets/pictograms, clear definition of how policy/process affects you and ease of access.
- 3. To work with our students, staff and stakeholders to develop and implement a Service Excellence Charter for all our student and external facing services by end July 2015.**
Charter completed with student, staff and Trustee consultation for implementation from 15/16 year with commitments of: we will value each person as an individual, take responsibility when we get things wrong, seek and respond to feedback and aim to exceed expectations each day.
- 4. To achieve an increase of at least 2% on the Union's 2014 National Student Survey (NSS) question 23 score of 79%, by 31st July 2014.**
79% score retained with a rise in national placing of 1 to 18th
- 5. To complete a full governance review of all Sabbatical officer positions, democratic structures, committee structures, bye laws and Board composition by end May 2015 to enable implementation from September 2015.**
Governance review completed with student, staff, sector, NUS and Trustee consultation for implementation from 15/16 year. The Board and Sabbatical Officer positions remained unchanged after review. Committees will reform to add a Governance & Student Focus Committee and Operations Committee to the existing Finance & Risk Committee and Appointments & Remuneration Committee. Our Democratic structure has transformed from the traditional Student Council model to a more accessible model of student voice zones called Have Your Say zones. There will be 7 related to areas of interest such as Sport, RAG and Halls plus 5 located and branded for each Faculty to ease the engagement of previously unengaged parts of the student community.

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TRUSTEES' REPORT

- 6. To achieve the Green Impact Gold Excellence award by May 2015**
Achieved with the second highest score nationally and commendation from the awarding body in NUS. The project brought together the university, Union and community through delivering a number of environmentally focused interactive workshops for local schools here on campus – delivered by our students.
- 7. To agree a development plan for the Union building with the University, including the Union's plans for the vacated 'Student IT Help' outlet, by July 2015**
The Union is involved in both the Student Hub and Masterplan projects of the University looking at the wider planning for the future of the estate, including the Union.
- 8. To establish a mechanism for the capture of skills and experience gained through student involvement in Union opportunities – as part of a new 'Do more, Be more' capture project. Mechanism to be agreed by July 2015**
Agreed through student, staff, University and sector consultation. The Union launches a Do More, Be More initiative in Sept 15, designed to both ensure students recognise where they are gaining employability skills to enable translation for graduate employment, by badging 22 agreed skills on our existing opportunities and also to encourage student seeking skills to engage with opportunities for that purpose.
- 9. To ensure the continued growth of the Union's student opportunities, with particular mind to diversity and accessibility, through the development of a Student Opportunities Strategy by July 2015**
Strategy completed with student, staff, sector and Trustee consultation for implementation from 15/16 year under the themes of: Changing perceptions (Growth of offer, Inclusivity, support to make change, information flow, link with University experience), Empowering students (personal development, training, collaboration, reward and recognition) and Incredible student experience (ability to bespoke, wellbeing, impressing yourself)
- 10. To develop and agree a new HR strategy, by Easter 2015.**
Strategy completed with student, staff and Trustee consultation and support from the University with year one actions already completed under the themes of: Right People Right Place, Resources, Development & Training, Reward and Recognition, Innovation & Being Brave, Wellbeing & Happiness)
- 11. To develop and agree a technology development and investment plan, by Easter 2015.**
A technology roadmap has been completed with student & staff consultation and expert Trustee support and guidance with year one actions already implemented 6 month early – the roadmap is: Setting our technological ambitions, ageing next steps, establish our vision for cloud based application of our ambitions, physical attribute investment plan, set principles for development of our digital environments.
- 12. To achieve the overall budgeted surplus for the Union for 2014/2015**
Achieved with surplus of £41,723 when excluding pension contributions in advance of £135,051 vs a budgeted deficit figure of £34,636
- 13. To achieve the overall budgeted surplus for PSUT for 2014/2015**
Achieved with £148,635 vs a budgeted figure of £112,186
- 14. To achieve the overall budgeted cash reserves target for 2014/2015**
Achieved with £317,680 vs a budgeted figure of £255,000

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 1,380 volunteers that are supported to facilitate and participate in the majority of sports, societies, student media and community volunteering projects.

FINANCIAL REVIEW

The group's gross income from all sources totalled £2,055,843 (2014: £1,973,412) Total expenditure was £2,149,171 (2014: £1,896,553) and was broadly within the stated budget.

The Union's strong income revenues generated a positive surplus for the year of £41,723 (2014: £76,859) before the deduction of pension deficit contributions paid in advance totalling £135,051 resulting in an overall reduction of the Union's total reserves to £547,000 from £640,328.

The Union has continued to benefit from the recognition and support of the University, and for 2014/15 the Union received £1,030,000 in block grant plus a generous agreement to prepay the Unions Pension deficit contributions for three years attracting a 7% discount.

The Union reviewed its reserves requirements during 2014/15 to reduce the required amount of charitable funds allocated to reserves - with the amended reserves policy as follows:

'It shall be the policy of the Union to maintain a level of free reserves that could sustain the expenditure of three months core activity (salaries, student opportunities activity (creditors), insurances, banking and professional fees) such amount to be determined annually by Trustees in line with budgeting procedures.

In addition to this, designated funds of £25,000 will be maintained to allow new student led projects to be funded for an initial period of twelve months. No new project shall be funded from Reserves for more than one year, after this time the Project is either to become funded from on-going income or to be dissolved.'

The Union's free reserves, being unrestricted funds not represented by fixed assets, stood at £317,680 (2014: £410,585) at the year-end. This level now meets the Union's minimum requirement of 3 months activity costs from unrestricted funds (approximately £255,000 plus a £25,000 student development fund vs £365,000 under the prior policy) to cope with any unexpected downturn in funding or additional calls on our resources. The Trustees have approved an investment budget for 15/16 and will further develop a five year financial plan.

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The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £185,534 (2014: £266,469) and expenditure of £177,434 (2014: £265,886) in addition to the grant-supported funds disbursed to them as shown in the accounts.

The Union, through student volunteer RAG (Raise and Give) activity, was custodian of money for 501 charities totalling £34,771, this money was held for distribution to charities on 31st July 2015 unless a formal request was made prior to this date.

The five largest beneficiaries of the Unions custodian money were; Meningitis Research Foundation (£8,795), Action Against Hunger (£2,924) Breast Cancer Campaign and Breakthrough Breast Cancer (£2,766), Islamic Relief (£1,760) and Cystic Fibrosis Trust (£1,746).

Students and Staff at the Union raised an additional £163,255 (making a grand total of £198,026 raised vs £223,589 in 2014 & £142,296 in 2013) for various local and national charities. The majority of this fundraising was direct to charity, online, through websites such as JustGiving and MyRaising.

The Union did not make any grants to other organisations during this or the preceding year, apart from the administration of RAG (Raise and Give) funds.

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2015/16 has been confirmed at £1,050,600 and the commercial activities, through PSUT, are budgeted to generate profit of approximately £135,000.

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.

During 2011/12 the Union began implementing its strategic plan which was entitled; 'A Positive Impact with Every Portsmouth Student - 2011-2014'. As the existing plan was at the end of its life, the Union undertook the process of creating the new 2014-2017 plan in from November 2013 to May 2014. The new plan is built based on the student voice, with more than 3400 students involved in its creation.

To commence the current plan's targets the Union will focus on the following organisational objectives for 2015/16:

1. To implement the 15/16 actions from the Communications Strategy, Technology Roadmap, Opportunities Strategy and HR Strategy by end July 2016
2. To ensure the Unions compliance with the approved Keep it Simple Charter and Service Excellence Charter by July 2016
3. To implement, against agreed success criteria, the new 'Have Your Say' democratic structures and review them by year end July 2016
4. To achieve an increase of at least 1% on the Union's 2014 National Student Survey (NSS) question 23 score to 80%.
5. To complete the governance review of all Sabbatical and student officer positions by Dec 2015
6. To agree a development plan for the Union buildings within the University Student Hub and Masterplan projects, by July 2016
7. To deliver and capture the success measures of the Do More, Be More initiative for the capture of skills and experience gained through student involvement in Union opportunities by July 2016
8. To undertake a full review of student group funding and establish a clear and transparent funding model by May 2016
9. To achieve the overall budgeted surplus for the Union for 2015/2015
10. To achieve the overall budgeted surplus for PSUT for 2015/2016
11. To achieve the overall budgeted cash reserves target for 2015/2016
12. To develop and agree a financial plan, covering at least 3 years, by May 2016

STATEMENT OF 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 that period. 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;
-

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TRUSTEES' REPORT

- 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.

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

APPOINTMENT OF AUDITORS

In accordance with the union's financial procedures a formal tender process was undertaken in June 2015 to appoint auditors. The appointment was approved by the Unions Leadership Team in June 2015 and ratified by Board of Trustees on 25th August 2015.

The tender process from the Financial Procedures was commenced in April 2015 and four organisations were invited to tender for a three year contract:

- 1 incumbent
- 1 recommended by NUS
- 2 local and/or charity specialist

All four invitees provided a tender and they were reviewed against the criteria in the tender document.

Blue Spire Limited (formally Blue Spire South LLP) are the successful tender due in particular to:

- understanding of the Union and its complexities
- proven sector experience
- cost

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.

Nick Johnson
President, Company Secretary and Chair of the Board of Trustees

Date

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INDEPENDENT AUDITORS REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES 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 2015 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and the charitable company's members as a body and its trustees 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 group's and the parent charitable company'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and the parent charitable company's affairs as at 31 July 2015, 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Geoffrey Frost BSc(Hons) FCA, Senior Statutory Auditor
For on behalf of Blue Spire Limited, Statutory Auditor

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

	Note	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary Income	2	1,102,498	-	1,102,498	1,026,299
Activities for generating funds	3	213,039	-	213,039	196,922
Investment income	4	79	-	79	461
Incoming resources from charitable activities	5	554,693	185,534	740,227	749,730
Total incoming resources		1,870,309	185,534	2,055,843	1,973,412
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading	3	47,746	-	47,746	98,801
Charitable activities	6	1,817,453	177,434	1,994,887	1,689,661
Governance costs	7	106,538	-	106,538	108,091
Total resources expended		1,971,737	177,434	2,149,171	1,896,553
Net Income/(expenditure)		(101,428)	8,100	(93,328)	76,859
TRANSFERS					
Gross transfers between funds	17	-	-	-	-
Net movement in funds		(101,428)	8,100	(93,328)	76,859
RECONCILIATION OF FUNDS					
Total funds brought forward	17	565,699	74,629	640,328	563,469
Total funds carried forward	17	464,271	82,729	547,000	640,328

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.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

GROUP AND CHARITY BALANCE SHEETS AS AT 31 JULY 2015

	Note	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
FIXED ASSETS					
Tangible assets	12	146,591	155,114	146,591	155,114
Investments	13	-	-	1	1
		<u>146,591</u>	<u>155,114</u>	<u>146,592</u>	<u>155,115</u>
CURRENT ASSETS					
Stock - clothing and memorabilia		18,652	8,163	-	-
Debtors	14	113,971	56,056	428,959	403,579
Cash at hand and in bank		653,954	625,334	277,045	260,115
Total current assets		<u>786,577</u>	<u>689,553</u>	<u>706,004</u>	<u>663,694</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	15	(386,168)	(204,339)	(305,596)	(178,481)
Net current assets/(liabilities)		<u>400,409</u>	<u>485,214</u>	<u>400,408</u>	<u>485,213</u>
Net assets/(liabilities)		<u>547,000</u>	<u>640,328</u>	<u>547,000</u>	<u>640,328</u>
THE FUNDS OF THE CHARITY					
Restricted funds	17	82,729	74,629	82,729	74,629
Unrestricted funds	17	464,271	565,699	464,271	565,699
Total charity funds		<u>547,000</u>	<u>640,328</u>	<u>547,000</u>	<u>640,328</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.

Nick Johnson
Trustee/director
President, Company Secretary and Chair of the Board of Trustees

Date

The notes on pages 13 to 19 form part of these financial statements.

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

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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, the Financial Reporting Standard for Smaller Entities (effective April 2008) 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. During the course of the year a review of the allocation of staff costs to activities was undertaken resulting in a reallocation of these costs within charitable activities.

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.

Pensions

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 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.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the Students' Union Superannuation Scheme continued after the closure of the scheme in the form of deficit funding and levies.

The union operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity in respect of the year. Any differences between the contributions payable and actually paid are shown as either accruals or prepayments.

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	33 % straight line

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

ACCOUNTING POLICIES

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.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Results of the charity

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Total incoming resources	1,740,530	185,534	1,926,064	1,735,430
Total resources expended	(1,841,958)	(177,434)	(2,019,392)	(1,658,571)
Net incoming resources of the charity	(101,428)	8,100	(93,328)	76,859
Transfers between funds	-	-	-	-
Net movement in funds	(101,428)	8,100	(93,328)	76,859
Reserves brought forward	565,699	74,629	640,328	563,469
Reserves carried forward	464,271	82,729	547,000	640,328

2. Voluntary income

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Block grant received	1,029,998	-	1,029,998	953,799
Donated facilities	72,500	-	72,500	72,500
	1,102,498	-	1,102,498	1,026,299

3. Activities for generating funds and costs of fundraising trading - Unrestricted Portsmouth Students' Union Trading Company Limited

UPSU owns 100% of the issued share capital

	Charitable Activities		Fundraising Other Activities £	2015 Total Funds £	2014 Total Funds £
	Trips & Tours £	Events & Dinners £			
Turnover	40,147	162,264	213,039	415,450	419,247
Cost of sales	(16,200)	(65,833)	(46,496)	(128,529)	(236,266)
Gross profit	23,947	96,431	166,543	286,921	182,981
Administrative expenses	(11,426)	(46,009)	(80,711)	(138,146)	(99,426)
Operating profit	12,521	50,422	85,832	148,775	83,555
Loan interest payable to UPSU	-	-	(140)	(140)	(140)
Gift aid payment to UPSU	(12,521)	(50,422)	(85,692)	(148,635)	(83,415)
Profit for the year	-	-	-	-	-
Reserves					
Brought forward	-	-	-	-	-
Profit for the year	-	-	-	-	-
Carried forward	-	-	-	-	-

Management charges payable to UPSU of £136,896 are included in administrative expenses above. These management charges together with the loan interest and gift aid are eliminated on consolidation in these group financial statements.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

NOTES TO THE FINANCIAL STATEMENTS

4. Investment income

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Bank interest receivable	79	-	79	461
	<u>79</u>	<u>-</u>	<u>79</u>	<u>461</u>

5. Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Balls and dinners (including those in note 3)	162,264	-	162,264	150,155
Membership, Match fees and training income	314,296	-	314,296	255,113
Sports and society income				
Social kit	-	20,395	20,395	83,607
Tours (including those in note 3)	40,147	27,999	68,146	107,520
Other sports and society income	37,986	137,140	175,126	152,525
Other income from charitable activities	-	-	-	810
	<u>554,693</u>	<u>185,534</u>	<u>740,227</u>	<u>749,730</u>

6. Resources expended on charitable activities

	Activities directly undertaken £	Support costs £	2015 Total Funds £	2014 Total Funds £
Student support activities	347,147	436,521	783,668	615,506
	<u>347,147</u>	<u>436,521</u>	<u>783,668</u>	<u>615,506</u>
Recreational activities				
Sports and societies expenditure	631,053	57,500	688,553	639,786
Balls and dinners expenditure (including those in note 3)	65,833	-	65,833	90,195
Other recreational costs	17,593	421,522	439,115	310,100
	<u>714,479</u>	<u>479,022</u>	<u>1,193,501</u>	<u>1,040,081</u>
Other charitable activities	17,717	-	17,717	34,074
	<u>1,079,343</u>	<u>915,543</u>	<u>1,994,886</u>	<u>1,689,661</u>
Unrestricted funds	901,910	915,543	1,817,453	1,423,775
Restricted funds	177,434	-	177,434	265,886
	<u>1,079,344</u>	<u>915,543</u>	<u>1,994,887</u>	<u>1,689,661</u>

Included within support costs above is a payment of £186,993 in respect of pension deficit contributions for the three year period to 30 september 2017 to take advantage of an overall cash saving on monthly contributions over the three year period of £17,931. Had the charity not made this three year payment the charge for the year would have totalled £60,099.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

NOTES TO THE FINANCIAL STATEMENTS

7. Governance costs

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Sabbaticals remuneration	21,406	-	21,406	21,076
NUS affiliation	46,930	-	46,930	46,052
Trustee expenses	1,884	-	1,884	2,086
Administration	36,318	-	36,318	38,877
	<u>106,538</u>	<u>-</u>	<u>106,538</u>	<u>108,091</u>

8. Net income is stated after charging - Group

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Auditors' remuneration - current year	7,450	-	7,450	7,380
Auditors' remuneration - other services	18,352	-	18,352	16,144
Depreciation	28,494	-	28,494	13,530
	<u>28,494</u>	<u>-</u>	<u>28,494</u>	<u>13,530</u>

9. Wages and salary cost

	2015 Total Funds £	2014 Total Funds £
Gross wages	714,438	667,869
Employer's national insurance costs	59,238	56,165
Employer's pension contributions (exclusive of £2,000 employment allowance)	17,517	6,009
Pension deficit contributions	198,339	47,937
	<u>989,532</u>	<u>777,980</u>

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

	2015	2014
Full time	25	24
Part time	6	5
	<u>31</u>	<u>29</u>

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

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

NOTES TO THE FINANCIAL STATEMENTS

10. Related party transactions

A total of £516 (2014: £465) was paid as reimbursement of travel and subsistence expenses to 8 (2014: 8) trustees.

During the year under review the sabbatical officers were provided with free tickets to the graduation ball. In total fourteen tickets priced at £40 were distributed to the sabbatical officers.

As authorised under section 6 of the Articles of Association, a total of £99,909 (2014: £97,062) was paid in remuneration to 9 (2014: 9) sabbatical officer trustees as follows:

	£
G Clarke	17,769
E Dell	17,585
N Johnson	17,732
M Oliveros Manrique	17,879
K Teague	19,104
O Brooks	2,460
E Kanagarajah	2,460
J Mitchell	2,460
C Watton	2,460
	<u>99,909</u>

Pension contributions paid by the Union on behalf of three of the trustees listed above totalled £718.

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 2014 was £7,000. Interest is charged on the balance outstanding at 1.5% over base. The charge for the year was £140 (2014: £140).

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 £1,029,998 (2014: £953,799) from the University of Portsmouth.

Costs of £939 (2014: £5,013) 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. A further £998 (2014: £nil) is included within trade creditors.

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.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

NOTES TO THE FINANCIAL STATEMENTS

12. Fixed assets - Charity and group

	AU Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
<i>Cost</i>				
Brought forward	18,066	195,277	11,500	224,843
Additions	-	19,971	-	19,971
Disposals	-	-	-	-
Carried forward	<u>18,066</u>	<u>215,248</u>	<u>11,500</u>	<u>244,814</u>
<i>Depreciation</i>				
Brought forward	11,960	46,269	11,500	69,729
Charge for the year	2,959	25,535	-	28,494
On disposals	-	-	-	-
Carried forward	<u>14,919</u>	<u>71,804</u>	<u>11,500</u>	<u>98,223</u>
Net book value carried forward	<u>3,147</u>	<u>143,444</u>	<u>-</u>	<u>146,591</u>
Net book value brought forward	<u>6,106</u>	<u>149,008</u>	<u>-</u>	<u>155,114</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	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	84,306	45,376	12,891	11,586
VAT recoverable	5,760	1,906	5,760	891
Prepayments and accrued income	14,582	8,774	14,582	7,024
Other debtors	9,323	-	9,323	-
Intercompany	-	-	386,403	384,078
	<u>113,971</u>	<u>56,056</u>	<u>428,959</u>	<u>403,579</u>

15. Creditors

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	28,891	7,543	24,249	7,501
Wages and social security	18,270	16,034	18,270	16,034
Accruals and deferred income (see analysis of deferred income below)	324,832	178,513	254,158	152,697
Other creditors	8,919	2,249	8,919	2,249
VAT Payable	5,256	-	-	-
	<u>386,168</u>	<u>204,339</u>	<u>305,596</u>	<u>178,481</u>

Analysis of movement in deferred income - Charity and Group

	Brought forward £	Deferred in year £	Released in year £	Carried forward £
Block grant in advance - Welcome Centre costs loan from UoP	60,000	-	(30,000)	30,000
Block grant in advance - Pension advance payment loan from UoP	-	124,662	-	124,662
	<u>60,000</u>	<u>124,662</u>	<u>(30,000)</u>	<u>154,662</u>

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

NOTES TO THE FINANCIAL STATEMENTS

16. Analysis of net assets between funds, group

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Fixed assets	146,591	-	146,591	155,114
Net current assets	317,680	82,729	400,409	485,214
	<u>464,271</u>	<u>82,729</u>	<u>547,000</u>	<u>640,328</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	72,337	185,534	(177,434)	-	80,437
Ring fenced funds	2,292	-	-	-	2,292
	<u>74,629</u>	<u>185,534</u>	<u>(177,434)</u>	<u>-</u>	<u>82,729</u>
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Athletic Union balances	7,566	-	-	(7,566)	-
Society balances	4,421	-	-	(4,421)	-
	<u>11,987</u>	<u>-</u>	<u>-</u>	<u>(11,987)</u>	<u>-</u>
<i>General funds</i>					
Charity	553,712	1,740,530	(1,841,958)	11,987	464,271
Portsmouth Students' Union Trading Company	-	415,450	(415,450)	-	-
Total unrestricted funds	<u>565,699</u>	<u>2,155,980</u>	<u>(2,257,408)</u>	<u>-</u>	<u>464,271</u>
Total funds	<u>640,328</u>	<u>2,341,514</u>	<u>(2,434,842)</u>	<u>-</u>	<u>547,000</u>

Included within the unrestricted income of the charity is income received from Portsmouth Students' Union Trading Company Limited (PSUT) totalling £285,671. This is eliminated on consolidation and comprises £136,896 of management charges, £140 for interest on a loan to PSUT and £148,635 in respect of a gift aid payment to the charity.

18. Control

The charity was controlled throughout the year by its trustees.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

NOTES TO THE FINANCIAL STATEMENTS

19. Pensions

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 closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% 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 £73,849,000.

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 30 June 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2013 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on University of Portsmouth Students' Union's future contribution commitment. In addition to the above contributions, University of Portsmouth Students' Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The total contributions paid into the Scheme by University of Portsmouth Students' Union in respect of eligible employees for the year ended 31 July 2015 amounted to £198,339 (2014: £47,937). The amount paid in the year under review includes a payment of three years' contributions, for the period October 2014 to September 2017, totalling £186,993, which represented an 8.75% saving on contributions payable for the same period.

At the balance sheet date the charity had unprovided commitments to pay £67,714 per annum, increasing by 5% each year, until 30 September 2031 to fund the scheme deficit in addition to the charity's share of the Pension Protection Fund levy. Please note, no payments are due for period until October 2017 due to the prepayment of contributions noted above.

Defined Contribution Pension Scheme

The charity operates a defined contribution pension scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £17,517 (2014: £6,009).

20. Commitments

	2015	2014
	Total	Total
	Funds	Funds
	£	£
UPSU has operating lease commitments for computer equipment expiring:		
Within one year	2,356	5,997
One to two years	3,196	2,356
Two to five years	4,732	5,631
	<u> </u>	<u> </u>