



Trustees' Report and Consolidated Financial Statements

for the year ended 31 July 2016

Registered Charity Number 1136115
Registered Company Number 03934555

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees (and Directors)

Full-time (Sabbatical) Officer Trustees

President	Nick Johnson (appointed 1 st July 2015, resigned 30 th June 2016)
President	James Belmonte (from 1 st July 2016)
VP Activities	Orion Brooks (appointed 1 st July 2015, resigned 30 th June 2016)
VP Activities	Alexandra Paschali (appointed 1 st July 2016)
VP Welfare & Community	Jamie Mitchell (appointed 1 st July 2015, resigned 30 th June 2016)
VP Welfare & Community	Bethany Moody (appointed 1 st July 2016)
VP Sports	Elisa Kanagarajah (appointed 1 st July 2015, resigned 30 th June 2016)
VP Sports	Ben Conway (appointed 1 st July 2016)
VP Education & Democracy	Carla Watton (appointed 1 st July 2015, resigned 30 th June 2016)
VP Education & Democracy	Oludolapo Bolaji (appointed 1 st July 2016)

Student Trustees

Non-Portfolio	Joanna Miguens (co-opted 1 st July 2015, resigned 30 th June 2016)
Non-Portfolio	David Ayton (co-opted 1 st July 2015)
Non-Portfolio	Ryan Edge (co-opted 8 th December 2015)

University Nominated Trustee

Non-Portfolio	David Franklin (co-opted 24 th March 2010, resigned 22 nd March 2016)
Non Portfolio	Jason Oakley (co-opted 22 nd March 2016)

External Trustees

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

Company Secretary

Nick Johnson (from 1st July 2015, to 30th June 2016)
James Belmonte (from 1st July 2016)

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 2016.

The Trustees have adopted the updated provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRSSE), 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.

A full governance review amended the committee structure and democratic processes for implementation from summer 2015; from July 15 to May 2016 included Appointments and Remunerations Committee which was removed and its responsibilities devolved through the remaining committees from June 2016 – the structure is as follows:

Sub committees; The Student Focus and Governance Committee, Operations Committee, Finance & Risk Committee and the Appointments & Remuneration Committee (part year), support the Board of Trustees.

Student Focus and Governance Committee

The Student Focus & Governance Committee has responsibility as delegated by the Board of Trustees for ensuring that the Union: has in place and maintains a high quality, relevant and inclusive representation, co-curricular and student support provision; maintains student leadership through fit for purpose and effective governance and democratic structures; complies with relevant legislation and regulations.

- Membership (quoracy is 50% + 1 to include an External Trustee and a Sabbatical Officer):
- One External or University Trustee (elected by Leadership) who will vice-chair.
- Two Sabbatical Officers (elected by Leadership) one of which will Chair.
- One student trustee (elected by Leadership)
- Head of Student Opportunities
- Student Experience Manager
- Marketing and Communications Manager
- The Good Governance Officer
- In an advisory capacity only - The Chief Executive

There shall be at least two meetings in each academic year, at least one before Christmas.

Operations Committee

The Operations Committee has responsibility as delegated by the Board of Trustees for ensuring that the Union: has in place and operates effectively, appropriate and robust procedures and business planning processes to deliver the union strategic aims; maintains fit for purpose personnel, technology and space resource; complies with relevant legislation and regulations.

- Membership (quoracy is 50% + 1 to include an External Trustee and a Sabbatical Officer):
July 2016
- One External or University Trustee (elected by Leadership) who will vice-chair.
- Two Sabbatical Officers (elected by Leadership) one of which will Chair.
- One student trustee (elected by Leadership)
- Head of Operations, Deputy to the Chief Executive
- Finance & Central Administration Manager
- In an advisory capacity only - The Chief Executive

There shall be at least two meetings in each academic year, at least one before Christmas.

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TRUSTEES' REPORT

Finance and Risk Committee

The Finance & Risk Committee has responsibility as delegated by the Board of Trustees for ensuring that the Union: remains in sound financial health; maintains effective risk management practices; complies with relevant legislation and regulations

- Membership (quoracy is 50% + 1 to include an External Trustee and a Sabbatical Officer):
- One External or University Trustee who will vice-chair.
- Two Sabbatical Officers one of which will Chair.
- One student trustee
- Head of Operations, Deputy to the Chief Executive
- Finance & Central Administration Manager
- In an advisory capacity only - The Chief Executive.

The committee meets on a quarterly basis in line with financial quarter reporting framework.

The Appointments & Remuneration Committee – active from August 2015 to May 2016

Members are: The president, 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 were fully reviewed and updated through full student consultation and approval by referendum in May 2015. The updated democratic framework was implemented from 1st August 2015 as follows:

'Have your say' is the democratic process at the Union that enables students to get their voice heard and changes made. Every student can have a say on the Union and the University by attending and/or submitting an idea to one of our 'Have your say' zones. These are regular meetings that allow students to discuss and vote on ideas that improve the student experience. There are five Faculty and seven Union zones.

Ideas passed at 'Have your say' zones are then passed to the Union Actioning Body for final approval and execution 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 Union Actioning Body membership comprises the 5 Faculty Reps, 7 Union zone Reps, 10 Student Officers and a Good Governance Officer.

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 2015/16 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 until commencing Maternity Leave in September 2015
- iv. Senior Department Manager for Student Opportunities (Maternity Cover)

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 employed approximately 32 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. 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.

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 appreciative of the University's on-going investment in the Union and for 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. A Financial Memorandum of Understanding exists between the two organisations which is reviewed annually and approved by the Union Finance & Risk Committee and University Governors.

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 2015/16 PSUT generated an operating profit of £125,595 from its activities, of which £125,455 was gifted to the Union.

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The Union is affiliated to the following organisations, as ratified by the Annual Members Meeting in December 2015:

- 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 2016 that ratified continued affiliation.

All affiliation resolutions in 2015/16 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. A significant review of; Health & Safety processes and frameworks and Finance processes were conducted during the 2015/16 year resulting in embedding of excellent practice across the organisation.

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 and operational 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 remains the highest rated Union on the south coast through the NSS and stays in the top 20 nationally with a 79% satisfaction rating.

2015/16 saw the completion of the Year Two 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 2016 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.
- 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

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TRUSTEES' REPORT

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 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 2015/16 are listed below alongside the actual performance against those targets:

- 1. To implement the 15/16 actions from the Communications Strategy, Technology Roadmap, Opportunities Strategy and HR Strategy by end July 2016.**
The objectives were achieved as set for all the sub strategies this year. Communications strategy achieved: industry leading digital first communications platforms, a full website review, implementation of content driven student communications, data analysis frameworks to enable targeted communications and a full internal communications review. Technology Roadmap achieved: implementations of new cloud based accounting package, accessible membership management system, interactive information screens across campus, cloud based retail systems and a digital democratic platform. Opportunities strategy achieved: new development focus for sport, significant interventions regarding reduction of alcohol culture on sport, increase of women's participation, digital accessibility for committee training on a new committee hub. HR Strategy achieved: complete review and implementation of fit for purpose HR policies, procedures and a contract review, staff structure review resulting in investment in four new roles, significant increase in staff undertaking training and development opportunities and a 98% satisfaction rate from staff in the June 2016 staff survey.
- 2. To ensure the Unions compliance with the approved Keep it Simple Charter and Service Excellence Charter by July 2016**
All departments' compliant and bespoke service excellence frameworks have been set for each service to ensure continuing increases in student satisfaction and efficient and high quality delivery.
- 3. To implement, against agreed success criteria, the new 'Have your say' democratic structures and review them by year end July 2016**
Democratic structure launched successfully and reviewed in line with plans at Easter 2016. Zones all operational (bar Halls zone which has been reviewed). We set a target of 85 student led ideas being submitted through the process for the year 2015/16 and far exceed that target with students submitting 222 ideas of which 67 were passed and became Union policy or activity.
- 4. To achieve an increase of at least 1% on the Union's 2016 National Student Survey (NSS) question 23 score to 80%.**
79% retained
- 5. To complete the governance review of all Sabbatical and student officer positions by Dec 2016.**
The review is planned and the working group is operational to achieve this target. An achievement for the year was to undertake Student Officer elections in the spring – thus enabling the new Union Actioning Body team to be trained and developed together over the summer for the first time. Early indications are that this will have significant positive impact and will therefore be repeated in the coming year.
- 6. To agree a development plan for the Union buildings within the University Student Hub and Masterplan projects, by July 2016**
The CEO has been part of a 'Student Hub' building working group during the year 2015/16. The inclusion of a new building to house both the Union and some University support services has been approved in principle as part of the wider University master-planning process. The vision and scope for the building was submitted in June 2016 and final proposals will be delivered in October 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**
A skills badging framework was agreed and applied to all existing Union roles (student staff, committee positions, course reps, officers etc) allowing students to capture and recognise the employability skills that the gain in those roles. A digital platform was also delivered allowing the capacity for online training and skills development to be developed in the coming year.

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- 8. To undertake a full review of student group funding and establish a clear and transparent funding model by May 2016**
A full review was undertaken, establishing a number of options which were taken to student consultation to decide the preferred model in May 2016. A model has been agreed and associated policies/processes have been reviewed in parallel to implement in time for 2017 budgeting process
- 9. To achieve the overall budget for the Union for 2015/2016**
Achieved an actual surplus of £42,297 vs a budgeted deficit budget of £59,199 with a further investment budget of £201,535 vs an actual investment spend of £183,576.
- 10. To achieve the overall budgeted surplus for PSUT for 2015/2016**
Achieved an overall surplus of £125,595 vs a budget £110,095.
- 11. To achieve the overall budgeted cash reserves target for 2015/2016**
Achieved with £485,006 vs a budgeted figure of £280,000 including the £25,000 student development fund
- 12. To develop and agree a financial plan, covering at least 3 years, by May 2016**
Due to the implementation of a Business Review and resultant change programme – Project 25 (see below) – the future financial planning will now be undertaken in line with the project. Three year forward cash-flows have been completed however and are available from finance@upsu.net if required.

In addition to these planned targets, the Union has undertaken a significant business review in the year 2015/16:

As we approached our new strategic planning process, work with the University on the estates master-plan and have commenced our five year forward financial modelling process it felt like we were at a point where we needed some external help. ... to check where our next move should be...how do we know we're the best Union we can be now and for future Portsmouth students, how do we make the most of the master-planning project to potentially help transform the Union...and into what?

It was apparent that UPSU is fortunate to be in a strong position with: an embedded & student led strategy, good block grant levels, motivated staff, a robust and effective Board and strong relationship with the University. It became apparent through the external consultancy process that took place in January 2016 that the Union had somewhat lost touch with its charitable purpose.

The process identified a new focus and set of principles for the Union as follows:

1. UPSU will refocus its primary purpose: Listening and acting on the student voice will be its primary function – a model to develop research led conversation/representation leading to micro impacts for ALL students will be implemented by 2025.
2. UPSU' secondary purpose will then be: To act on student need through a portfolio of: in house services, partner services, signposting, peer support or supported self-delivery.
3. UPSU will retain services to impact the student needs of: support and advice when things go wrong and opportunities to develop the skills and experience for their chosen next steps.
4. UPSU will, however, outsource all and any services that others can do better or that will release resource to allow UPSU to deliver its primary purpose.
5. UPSU and PSUT would benefit from adopting a model of more separate strategic decision making, operation and governance – this will be reviewed as part of the project.

In April 2016 the UPSU Board of Trustees approved an 18 month change management project – Project 25 – to deliver the plan to achieve the above principles. The plan to be in place by July 2017 and implementation finalised with associated structure and financial plans by March 2018. A fixed term Project Manager will oversee the project from September 2016 to March 2018.

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 1,400 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 £2,127,054 (2015: £2,055,843) Total expenditure was £2,249,801 (2015: £2,149,171) and was broadly within the stated budget.

The Union budgeted for investment from reserves, approved by Trustees in 15/16 of £201,535 of which £17,959 was unspent due to recruitment gaps and extending the technology roadmap to an 18 month project instead of 12 months resulting in an overall reduction of the Union's total reserves to £424,253 from £547,000.

The Union has continued to benefit from the recognition and support of the University, and for 2015/16 the Union received £1,050,000 in block grant plus the on-going agreement to prepay the Unions Pension deficit for three years attracting a 7% discount.

The Union reviewed its reserves requirements during 2015/16 assessing the required amount of charitable funds allocated to reserves - the reserves policy is 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.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

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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 £210,061 (2015: £317,680) at the year-end. The current level of reserves is below the Union's minimum requirement of 3 months' essential activity costs from unrestricted funds (approximately £250,000 plus a £25,000 student development fund). The Union Trustees will be reviewing the financial position in the first quarter of 16/17. The Trustees have approved a break even budget for 16/17 and will further develop a five-year financial plan informed by Project 25.

The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £161,575 (2015: £185,534) and expenditure of 143,044 (2015: £177,434) 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 47 charities totalling £22,653.95 this money was held for distribution to charities on 31st July 2016 unless a formal request was made prior to this date.

The five largest beneficiaries of the Unions custodian money were; Meningitis Research Foundation (£7,773.18) Breast Cancer Now (£2,539.81) Cystic Fibrosis (£1,276.45) Pompey in the Community (£873.94) and St Barnabas House (£873.40)

Students and Staff at the Union raised an additional £148,269.01 (making a grand total of £170,922.96 raised vs £198,026 in 2015) 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 2016/17 has been confirmed at £1,150,600 and the Union is very grateful for the increase in Block Grant funding from the University. The commercial activities, through PSUT, are budgeted to generate profit of approximately £117,115.

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.

To deliver the organisations targets the Union will see two strategic focusses running in parallel for 2016/17:

1. Project 25 as described above will focus on reviewing the organisation and taking steps to future proof the Union model. The objectives will be to deliver the project in budget and to time and to deliver quick wins for implementation through the 2017 budgeting process followed by a robust plan for implementation from August 2017.
2. The delivery of the third year targets of the existing strategy, which include:
 1. **To implement the 16/17 actions from the Communications Strategy, Technology Roadmap, Opportunities Strategy and HR Strategy by end July 2016.**
 2. **To undertake a full Student Rep Review in collaboration with the University, delivering a new and improved agreed model by July 2017**
 3. **To implement, against agreed success criteria, the updated 'Have your say' democratic structures and implement any significant required changes, with student consultation, ready for September 2017.**
 4. **To achieve an increase of at least 1% on the Union's 2016 National Student Survey (NSS) question 23 score to 80%.**
 5. **To undertake a campus wide NUS affiliation referendum.**
 6. **To agree a final plan and timeline for the new Union building**
 7. **To deliver the 16/17 objectives of the Do More, Be More initiative for the capture of skills and experience gained through student involvement in Union opportunities by July 2017**
 8. **To complete and implement the agreed student group funding model in line with 2017 budgeting procedures**
 9. **To achieve the overall budget for the Union for 2016/2017**
 10. **To achieve the overall budgeted surplus for PSUT for 2016/2017**
 11. **To achieve the overall budgeted cash reserves target for 2016/2017**
 12. **To update the forward 3 year cash-flow plan at year end July 2017 to ensure its robust informing of the 5 year planning within Project 25**

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TRUSTEES' REPORT

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;
- 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 for a three-year contract. The appointment was approved by the Unions Leadership Team in June 2015 and ratified by Board of Trustees on 25th August 2015.

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.

James Belmonte
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 2016 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 2016, 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

Date

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.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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

	Note	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	1,123,100	-	1,123,100	1,102,498
Other trading activities	3	204,233	-	204,233	213,039
Investments	5	536	-	536	79
Charitable activities	6	637,610	161,575	799,185	740,227
Total		<u>1,965,479</u>	<u>161,575</u>	<u>2,127,054</u>	<u>2,055,843</u>
EXPENDITURE ON:					
Raising funds	7	77,022	-	77,022	47,746
Charitable activities	8	2,029,735	143,044	2,172,779	2,101,425
Total		<u>2,106,757</u>	<u>143,044</u>	<u>2,249,801</u>	<u>2,149,171</u>
Net Income/(expenditure)		(141,278)	18,531	(122,747)	(93,328)
TRANSFERS					
Gross transfers between funds	20	-	-	-	-
Net movement in funds		(141,278)	18,531	(122,747)	(93,328)
RECONCILIATION OF FUNDS					
Total funds brought forward	20	464,271	82,729	547,000	640,328
Total funds carried forward	20	<u>322,993</u>	<u>101,260</u>	<u>424,253</u>	<u>547,000</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.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

GROUP AND CHARITY BALANCE SHEETS AS AT 31 JULY 2016

	Note	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
FIXED ASSETS					
Tangible assets	14	112,932	146,591	112,932	146,591
Investments	15	-	-	1	1
		<u>112,932</u>	<u>146,591</u>	<u>112,933</u>	<u>146,592</u>
CURRENT ASSETS					
Stock - clothing and memorabilia	16	24,927	18,652	-	-
Debtors	17	107,949	113,971	210,766	428,959
Cash at hand and in bank		<u>485,006</u>	<u>653,954</u>	<u>332,100</u>	<u>277,045</u>
Total current assets		<u>617,882</u>	<u>786,577</u>	<u>542,866</u>	<u>706,004</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	18	(306,561)	(386,168)	(231,546)	(305,596)
Net current assets/(liabilities)		<u>311,321</u>	<u>400,409</u>	<u>311,320</u>	<u>400,408</u>
Net assets/(liabilities)		<u>424,253</u>	<u>547,000</u>	<u>424,253</u>	<u>547,000</u>
THE FUNDS OF THE CHARITY					
Restricted funds	20	101,260	82,729	101,260	82,729
Unrestricted funds	20	322,993	464,271	322,993	464,271
Total charity funds		<u>424,253</u>	<u>547,000</u>	<u>424,253</u>	<u>547,000</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the trustees and signed on their behalf.

James Belmonte
Trustee/director
President, Company Secretary and Chair of the Board of Trustees

Date

The notes on pages 16 to 26 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
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

GROUP AND PARENT CHARITY STATEMENT OF CASH FLOWS

	Note	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
Net cash flow from operating activities (see below)		(169,484)	48,512	54,379	36,682
Cash flow from investing activities					
Dividends, interest and rents from investments		536	79	676	219
Purchase of fixed assets	14	-	(19,971)	-	(19,971)
Net cash flow from investing activities		<u>536</u>	<u>(19,892)</u>	<u>676</u>	<u>(19,752)</u>
Net increase/(decrease) in cash and cash equivalents		(168,948)	28,620	55,055	16,930
Cash and cash equivalents at 1 August 2015		653,954	625,334	277,045	260,115
Cash and cash equivalents at 31 July 2016		<u>485,006</u>	<u>653,954</u>	<u>332,100</u>	<u>277,045</u>
Cash and cash equivalents consist of:					
Cash at bank and in hand		485,006	653,954	332,100	277,045
Cash and cash equivalents at 31 July 2016		<u>485,006</u>	<u>653,954</u>	<u>332,100</u>	<u>277,045</u>

Reconciliation of net income to net cash flow from operating activities

	Note	Group		Charity	
		2016 £	2015 £	2016 £	2015 £
Net income/(expenditure) for the year		<u>(122,747)</u>	<u>(93,328)</u>	<u>(122,747)</u>	<u>(93,328)</u>
Adjusted for:					
Depreciation and impairment of tangible fixed assets	14	33,659	28,494	33,659	28,494
Dividends, interest and rents from investments		(536)	(79)	(676)	(219)
Decrease/(increase) in stocks	16	(6,275)	(10,489)	-	-
Decrease/(increase) in debtors	17	6,022	(57,915)	218,193	(25,380)
Increase/(decrease) in creditors due in less than one year	18	(79,607)	181,829	(74,050)	127,115
		<u>(46,737)</u>	<u>141,840</u>	<u>177,126</u>	<u>130,010</u>
		<u>(169,484)</u>	<u>48,512</u>	<u>54,379</u>	<u>36,682</u>

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Scope and basis of the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSSE) (effective 1 January 2015), the Charities Act 2011, the Financial Reporting Standard for Smaller Entities (the FRSSSE) and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted Charities SORP 2015 (FRSSE) in the current year and an explanation of how transition to Charities SORP 2015 (FRSSE) has affected the reported financial position and performance is given in note 25.

Consolidation

The results of the charity's wholly owned subsidiary (Portsmouth Students' Union Trading Limited) are consolidated on a line by line basis with any intragroup balances and transactions eliminated in full.

The charity and its subsidiary have a uniform reporting date and reporting period. Where necessary, appropriate adjustments are made to the subsidiary's financial statements for differences in accounting policies as part of the consolidation process.

The charity has taken advantage of the concession which allows it to publish only a consolidated statement of financial activities rather than one for the charity alone. The results of the charity for the year under review are shown in note 1 of these financial statements.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income generated by the charity's trading subsidiary. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and cash deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds; which includes the costs of the charity's trading subsidiary

Expenditure on charitable activities; which includes costs in furtherance of the charity's objects and costs to support those activities

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Resources expended (continued)

Governance costs

Governance costs comprise the costs associated with the governance arrangements of the charity and include audit fees, legal advice (if any) for trustees, costs associated with constitutional and statutory requirements and any costs associated with the strategic as opposed to the day to day management of the charity's assets.

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by SORP 2015, 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.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

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 pension scheme 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.

Taxation

The charity is considered to pass the tests set out in sections 466 to 493 Corporation Tax Act 2010 (CTA 2010), as such no income tax is payable on the charity's activities.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Motor vehicles	25% straight line
Fixtures & Fittings	10%-20% straight line
AU equipment	33 % straight line

Fixed asset investments

Fixed asset investments comprise the entire share capital of the charity's subsidiary trading company, Portsmouth Students' Union Trading Limited. The investment is valued at cost on the basis there is no available fair value for the share capital.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Going concern

The consolidated financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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
 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Results of the charity

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Total incoming resources	1,823,524	161,575	1,985,099
Total resources expended	<u>(1,964,802)</u>	<u>(143,044)</u>	<u>(2,107,846)</u>
Net incoming resources of the charity	(141,278)	18,531	(122,747)
Transfers between funds	-	-	-
Net movement in funds	<u>(141,278)</u>	<u>18,531</u>	<u>(122,747)</u>
Reserves brought forward	<u>464,271</u>	<u>82,729</u>	<u>547,000</u>
Reserves carried forward	<u><u>322,993</u></u>	<u><u>101,260</u></u>	<u><u>424,253</u></u>

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

2. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Block grant received	1,050,600	-	1,050,600
Donated facilities	<u>72,500</u>	<u>-</u>	<u>72,500</u>
	<u><u>1,123,100</u></u>	<u><u>-</u></u>	<u><u>1,123,100</u></u>

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Block grant received	1,029,998	-	1,029,998
Donated facilities	<u>72,500</u>	<u>-</u>	<u>72,500</u>
	<u><u>1,102,498</u></u>	<u><u>-</u></u>	<u><u>1,102,498</u></u>

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

3. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Income from subsidiary company (see note 4)	203,544	-	203,544
Other trading income	689	-	689
	<u>204,233</u>	<u>-</u>	<u>204,233</u>
	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Income from subsidiary company (see note 4)	213,039	-	213,039
Other trading income	-	-	-
	<u>213,039</u>	<u>-</u>	<u>213,039</u>

4. Portsmouth Students' Union Trading Company Limited - Unrestricted

UPSU owns 100% of the issued share capital

	Charitable Activities		Fundraising Other Activities £	2016 Total Funds £
	Trips & Tours £	Events & Dinners £		
Turnover	-	202,196	203,544	405,740
Cost of sales	-	(64,933)	(73,313)	(138,246)
Gross profit	<u>-</u>	<u>137,263</u>	<u>130,231</u>	<u>267,494</u>
Administrative expenses	-	(70,911)	(70,988)	(141,899)
Operating profit	<u>-</u>	<u>66,352</u>	<u>59,243</u>	<u>125,595</u>
Loan interest payable to UPSU	-	-	(140)	(140)
Gift aid payment to UPSU	-	(66,352)	(59,103)	(125,455)
<i>Profit for the year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Reserves</i>				
Brought forward	-	-	-	-
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Management charges payable to UPSU of £138,190 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
 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

4. Portsmouth Students' Union Trading Company Limited - Unrestricted (continued)

UPSU owns 100% of the issued share capital

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

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.

5. Income from investments

	Unrestricted Funds	Restricted Funds	2016 Total Funds
	£	£	£
Bank interest receivable	536	-	536
	<u>536</u>	<u>-</u>	<u>536</u>
	Unrestricted Funds	Restricted Funds	2015 Total Funds
	£	£	£
Bank interest receivable	79	-	79
	<u>79</u>	<u>-</u>	<u>79</u>

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION
 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

6. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Balls, dinners and events (including those in note 4)	221,661	-	221,661
Membership, Match fees and training income	353,700	-	353,700
Sports and society income			
Social kit	1,104	27,371	28,475
Tours (including those in note 4)	-	1,928	1,928
Other sports and society income	59,147	132,276	191,423
Other income from charitable activities	1,998	-	1,998
	<u>637,610</u>	<u>161,575</u>	<u>799,185</u>
	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Balls, dinners and events (including those in note 4)	162,264	-	162,264
Membership, Match fees and training income	314,296	-	314,296
Sports and society income			
Social kit	-	20,395	20,395
Tours (including those in note 4)	40,147	27,999	68,146
Other sports and society income	37,986	137,140	175,126
Other income from charitable activities	-	-	-
	<u>554,693</u>	<u>185,534</u>	<u>740,227</u>

7. Raising funds

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Costs of subsidiary company (see note 4)	77,022	-	77,022
	<u>77,022</u>	<u>-</u>	<u>77,022</u>
	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Costs of subsidiary company (see note 4)	47,746	-	47,746
	<u>47,746</u>	<u>-</u>	<u>47,746</u>

THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

8. Expenditure on charitable activities

	Activities directly undertaken £	Support costs £	Governance costs £	2016 Total Funds £
Student support activities	382,868	358,879	37,164	778,911
	<u>382,868</u>	<u>358,879</u>	<u>37,164</u>	<u>778,911</u>
Recreational activities				
Sports and societies expenditure	646,070	57,500	35,251	738,821
Balls and dinners expenditure (including those in note 4)	64,933	-	3,253	68,186
Other recreational costs	17,690	343,880	18,116	379,686
	<u>728,693</u>	<u>401,380</u>	<u>56,620</u>	<u>1,186,693</u>
Other charitable activities	13,714	183,576	9,885	207,175
	<u>1,125,275</u>	<u>943,835</u>	<u>103,669</u>	<u>2,172,779</u>
Unrestricted funds	982,231	943,835	103,669	2,029,735
Restricted funds	143,044	-	-	143,044
	<u>1,125,275</u>	<u>943,835</u>	<u>103,669</u>	<u>2,172,779</u>
	Activities directly undertaken £	Support costs £	Governance costs £	2015 Total Funds £
Student support activities	347,147	436,521	41,852	825,520
	<u>347,147</u>	<u>436,521</u>	<u>41,852</u>	<u>825,520</u>
Recreational activities				
Sports and societies expenditure	631,053	57,500	36,773	725,326
Balls and dinners expenditure (including those in note 4)	65,833	-	3,516	69,349
Other recreational costs	17,593	421,522	23,451	462,566
	<u>714,479</u>	<u>479,022</u>	<u>63,740</u>	<u>1,257,241</u>
Other charitable activities	17,717	-	946	18,663
	<u>1,079,343</u>	<u>915,543</u>	<u>106,538</u>	<u>2,101,424</u>
Unrestricted funds	901,910	915,543	106,538	1,923,991
Restricted funds	177,434	-	-	177,434
	<u>1,079,344</u>	<u>915,543</u>	<u>106,538</u>	<u>2,101,425</u>

Included within support costs of 2015 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
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NOTES TO THE FINANCIAL STATEMENTS

9. Governance costs

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Sabbaticals remuneration	22,032	-	22,032
NUS affiliation	48,795	-	48,795
Trustee expenses	2,913	-	2,913
Administration	29,929	-	29,929
	<u>103,669</u>	<u>-</u>	<u>103,669</u>

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Sabbaticals remuneration	21,406	-	21,406
NUS affiliation	46,930	-	46,930
Trustee expenses	224	-	224
Administration	37,978	-	37,978
	<u>106,538</u>	<u>-</u>	<u>106,538</u>

10. Net income is stated after charging - Group

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Auditors' remuneration - current year	7,450	-	7,450
Auditors' remuneration - other services	20,775	-	20,775
Depreciation	33,659	-	33,659
	<u>61,884</u>	<u>-</u>	<u>61,884</u>

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Auditors' remuneration - current year	7,450	-	7,450
Auditors' remuneration - other services	18,352	-	18,352
Depreciation	28,494	-	28,494
	<u>54,296</u>	<u>-</u>	<u>54,296</u>

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NOTES TO THE FINANCIAL STATEMENTS

11. Wages and salary cost - Group

	2016	2015
	Total	Total
	Funds	Funds
	£	£
Gross wages	831,115	714,438
Employer's national insurance costs (inclusive of employment allowance)	65,320	59,238
Employer's pension contributions	21,713	17,517
Pension deficit contributions	-	198,339
	<u>918,148</u>	<u>989,532</u>

	2016	2015
The average number of employees, calculated on an average headcount basis, was:	<u>57</u>	<u>47</u>
	<u>57</u>	<u>47</u>

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

12. Related party transactions

The charity's trustees, as detailed on page 1, were reimbursed or had expenses paid on their behalf totalling £8,324 (2015: £6,941) in respect of travel, subsistence and training.

Additionally the sabbatical officers were provided with free tickets to the graduation ball. In total 15 tickets priced at £35 (inclusive of VAT) were distributed to the sabbatical officers.

As authorised under section 6 of the Articles of Association, a total of £98,264 (2015: £99,909) was paid in remuneration to 10 (2015: 9) sabbatical officer trustees as follows:

	£
J Belmonte	2,243
O Bolaji	2,243
O Brooks	17,512
B Conway	2,243
N Johnson	17,862
E Kanagarajah	17,365
J Mitchell	16,798
B Moody	2,243
A Paschali	2,243
C Watton	17,512
	<u>98,264</u>

Pension contributions paid by the Union on behalf of three of the trustees listed above totalled £1,729 (2015: £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 charity in respect of the operation and administration of this company. Further information on the income and expenditure of PSUT is available in note 4 of these accounts.

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 2015 was £7,000. Interest is charged on the balance outstanding at 1.5% over base. The charge for the year was £140 (2015: £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 £1,050,600 (2015: £1,029,998) from the University of Portsmouth.

Costs of £1,075 (2015: £939) 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 £1,075 (2015: £998) is included within trade creditors.

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NOTES TO THE FINANCIAL STATEMENTS

13. 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.

14. Fixed assets - Charity and group

	AU Equipment £	Fixtures & Fittings £	Motor Vehicles £	TOTAL £
<i>Cost</i>				
Brought forward	18,066	215,248	11,500	244,814
Additions	-	-	-	-
Disposals	-	-	-	-
Carried forward	<u>18,066</u>	<u>215,248</u>	<u>11,500</u>	<u>244,814</u>
<i>Depreciation</i>				
Brought forward	14,919	71,804	11,500	98,223
Charge for the year	3,147	30,512	-	33,659
On disposals	-	-	-	-
Carried forward	<u>18,066</u>	<u>102,316</u>	<u>11,500</u>	<u>131,882</u>
Net book value carried forward	<u>-</u>	<u>112,932</u>	<u>-</u>	<u>112,932</u>
Net book value brought forward	<u>3,147</u>	<u>143,444</u>	<u>-</u>	<u>146,591</u>

15. 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.

16. Stock

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Stock of goods for resale	24,927	18,652	-	-
	<u>24,927</u>	<u>18,652</u>	<u>-</u>	<u>-</u>

17. Debtors

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	76,406	84,306	35,594	12,891
VAT recoverable	9,293	5,760	2,292	5,760
Prepayments and accrued income	682	14,582	682	14,582
Other debtors	21,568	9,323	21,568	9,323
Intercompany	-	-	150,630	386,403
	<u>107,949</u>	<u>113,971</u>	<u>210,766</u>	<u>428,959</u>

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NOTES TO THE FINANCIAL STATEMENTS

18. Creditors

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	37,382	28,891	22,008	24,249
Wages and social security	18,297	18,270	18,297	18,270
Accruals and deferred income (see analysis of deferred income below)	224,440	324,832	164,799	254,158
Other creditors	26,442	8,919	26,442	8,919
VAT Payable	-	5,256	-	-
	<u>306,561</u>	<u>386,168</u>	<u>231,546</u>	<u>305,596</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 from UoP	30,000	-	(30,000)	-
Block grant in advance - Pension advance payment from UoP	124,662	-	(62,331)	62,331
	<u>154,662</u>	<u>-</u>	<u>(92,331)</u>	<u>62,331</u>

19. Analysis of net assets between funds - Group

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
Fixed assets	112,932	-	112,932	146,591
Net current assets	210,061	101,260	311,321	400,409
	<u>322,993</u>	<u>101,260</u>	<u>424,253</u>	<u>547,000</u>

20. 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	80,437	161,575	(143,044)	-	98,968
Ring fenced funds	2,292	-	-	-	2,292
	<u>82,729</u>	<u>161,575</u>	<u>(143,044)</u>	<u>-</u>	<u>101,260</u>
<i>General funds</i>					
Charity	464,271	1,823,524	(1,964,802)	-	322,993
Portsmouth Students' Union Trading Company	-	405,740	(405,740)	-	-
Total unrestricted funds	<u>464,271</u>	<u>2,229,264</u>	<u>(2,370,542)</u>	<u>-</u>	<u>322,993</u>
Total funds	<u>547,000</u>	<u>2,390,839</u>	<u>(2,513,586)</u>	<u>-</u>	<u>424,253</u>

Included within the unrestricted income of the charity is income received from Portsmouth Students' Union Trading Company Limited (PSUT) totalling £263,785. This is eliminated on consolidation and comprises £138,190 of management charges, £140 for interest on a loan to PSUT and £125,455 in respect of a gift aid payment to the charity.

Description of funds

Sports and societies

This fund represents amounts raised and expended by the Union's sport and society groups. The balance remaining is available for use in future years to support the relevant sports and societies.

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NOTES TO THE FINANCIAL STATEMENTS

21. Control

The charity was controlled throughout the year by its trustees.

22. 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 £nil (2015: £198,339). The amount paid in the comparative 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 £74,166 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 £21,713 (2015: £17,517).

23. Commitments

UPSU has operating lease commitments for computer equipment expiring:

	2016	2015
	Total	Total
	Funds	Funds
	£	£
Within one year	-	2,356
One to two years	-	3,196
Two to five years	7,060	4,732
	<u>7,060</u>	<u>4,732</u>

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24. Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is £10.

25. First time adoption of SORP 2015 (FRSSE)

The charity has adopted the Charities SORP 2015 (FRSSE) for the first time in the year ended 31 July 2016 and therefore the date of transition was 1 August 2014.

There is no effect on the financial statements of transition from SORP (2005) to SORP 2015 (FRSSE).