

Charity number: 1147242

UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

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UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)

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UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2013**

Trustees

Indi Hicks (resigned 28 June 2013)
Kelly McBride
Carl Salton-Cox (resigned 28 June 2013)
Kit Bradshaw (resigned 28 June 2013)
Richard Mashiter
Maria da Silva (resigned 28 June 2013)
Rachel Owhin (appointed 23 October 2012)
Ben Perkins (appointed 23 October 2012)
Roman Labbe (appointed 23 October 2012)
Christian Heeger
Matt Knight
Sally Hunt
Elsie Whittingham (resigned 23 October 2012)
Alon Avrian (resigned 23 October 2012)
Adam Cantwell Corn (resigned 23 October 2012)
Emily Holliday (appointed 28 June 2013)
Imogen Aide (appointed 28 June 2013)
Juliette Cule (appointed 28 June 2013)
Sophie van der Ham (appointed 28 June 2013)

Company registered number

07695765

Charity registered number

1147242

Registered office

Falmer House, University of Sussex, Brighton, East Sussex, BN1 9QF

Independent auditors

Knill James, One Bell Lane, Lewes, East Sussex, BN7 1JU

Bankers

Barclays Bank Plc, 77 South Road, Haywards Heath, West Sussex, RH16 4LB

UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The University of Sussex Students' Union (the union and the group) for the year ended 31 July 2013. The Trustees confirm that the Annual report and financial statements of the union and the group comply with the current statutory requirements, the requirements of the union and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Articles of Association

The Students' Union is a company limited by guarantee and a registered charity.

Method of appointment or election of trustees

Under the Articles of Association there are 12 trustees: six full-time 'sabbatical' officers (who are either recent graduates or intermitting students), three student trustees, and three lay trustees appointed by the Board for their specialist knowledge, professional experience and independent expertise. The Sabbatical Officers are elected by cross-campus ballot of Union members each February and hold office for the following academic year, with the possibility of re-election for one further year. The three student trustees are elected by cross-campus ballot every October and hold office for one year, also with the possibility of re-election for one further year if they are still a student at the University.

Policies adopted for the induction and training of trustees

All sabbatical trustees are given one week of training before taking office and a further three weeks of training once in office. The training covers basic governance and representation principles, such as legal requirements, constitutional protocols and lobbying. The first two weeks also includes shadowing the outgoing officers in their day-to-day activities. Student trustees are trained once in office on basic governance and legal requirements of their role.

Organisation structure and decision making

The trustee board is responsible for the good governance of the Students' Union. The overall policy of the Union is made by quorate Members Meetings and Referenda open to all members. Lapsed policy is reviewed by the members of the Union Council that consists of approximately 35 elected and representative students. The Council also maintains the Rules that govern the Students' Union.

The Trustee Board delegates most other decision making to the following committees:

Finance & Risk Committee
People & Remuneration Committee
Democracy & Constitution Committee
Executive Committee

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2013**

The following committees and steering groups report to the Executive Committee

Sports Committee
Societies Committee
Student Media Committee
Campaigns & Social Policy Steering Group
Ethical and Environmental Steering Group
Equality & Diversity Steering Group

Risk Management

The trustees have assessed the major risks to which the Union is exposed, and in particular have highlighted those related to the Union's finances, and in particular its core costs, along with the trading company's profitability. The trustees have now agreed a course of action intended to mitigate the organisation's exposure to both of these issues within the next year.

Objectives and Activities

Our Objects

The Union's objects (the "Objects") are the advancement of education of students at the University of Sussex for the public benefit by

- 1 representing its members and their interests in the University and in the wider community
- 2 promoting student participation in all areas of the Union and the University
- 3 facilitating communication, in order to ensure Union members are well informed of any issues affecting students and their community
- 4 promoting the welfare and individual development of members and providing advice services relating to educational and welfare issues
- 5 providing, facilitating and developing educational, scientific, artistic, cultural, athletic, political, religious and social activities amongst its members including the formation, organisation and operation of clubs and societies
- 6 promoting and facilitating students' involvement in their wider community
- 7 promoting and maintaining links between its members and other students regionally, nationally and internationally
- 8 establishing and operating commercial enterprises providing services and entertainment to its members
- 9 raising funds for other charitable organisations

Our Values

Democratically-led
Empowering
Ethical
Friendly
Open
Progressive

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2013

Our Vision

As a union we aim to be more than a purely representative body providing services. A students' union should be integral to all students' social lives, personal development and their educational experiences. Students should not be passive consumers but active participants providing services, experiences and complementary education for themselves. Together we will help to set the social agenda, ensuring that students are equipped and inspired to make a positive difference to their university experience and society.

Our Mission

To enable students at Sussex to make a positive difference to their University experience

Our Aim

By 2014 we will become a leading organisation in the fields of student participation, representation, and engagement

Principal activities

The Union's activities during the year supported the aims, objects and values given above. The Union provided advice to students, support to sports clubs and a wide range of societies, representation, both individual and collective to Union members, information through its student-run media, along with employment, development and volunteering opportunities.

Achievements and performance

2012/13 saw the development of the new governance structure including the introduction of new election systems and an annual referendum. However it was a challenging year commercially with a new term structure that has reduced the number of trading weeks and the slower than anticipated growth of the new lettings business. The year ended on a positive note with the Students' Union being shortlisted once again for NUS Higher Education Students' Union of The Year award.

All of the Union's achievements would not be possible without the support and enthusiasm of our officers, permanent staff, volunteers and student staff. We currently have over 1,000 volunteers running sports clubs, societies, campaigning and community volunteering. We employ over 200 student staff on a part time basis and we employ 35 permanent staff.

The key achievements for the year included

Awards

We retained our Gold accreditation in the Green Impact Students' Unions Awards this year and we were one of 18 Student Unions nationally to achieve an 'Excellence' award,

Retained Best Bar None Bronze accreditation for Falmer Bar and East Slope Bar (the national standard for socially responsible alcohol retailing),

Runner-up for NUS Higher Education Students' Union of The Year award for the second year in a row,

Recognised by NUS as sector leaders in supporting student parents

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2013**

Governance and management

This year the Union reviewed its governance structures following the first full year as registered charity and introduced a new structure including new subcommittees of the trustees and a new election and referendum system. In total 43% of students voted in this year's elections and referenda, this was an increase of 20% with a record voter turnout of nearly 30% of Sussex students in our Spring term elections and 16% of all students voting in this year's referenda. We also saw 16% of the vote in this year's elections coming from postgraduate students, a 5% increase from 2012.

We also had our first full year of the restructured union. We created two new departments responsible for membership engagement and another for the existing areas, combining our membership services into one department, Membership Support & Activities.

This year also saw the creation of a Students' Union graduate employment scheme with four new, paid internship roles created and filled. These graduates will learn valuable skills, increasing their employability whilst providing much needed staff support for students involved in the Union.

Campaigning & Representation

This year we conducted extensive research, particularly amongst international and postgraduate students.

Campaigning wins in this area included the University announced that it was going to retract the 12.8% increase in tuition fees for international students and instead apply a 5% increase. All students were emailed about this and these refunds have now all been paid.

The University also subsequently announced a new policy for setting fees for international and postgraduate taught students starting their course at Sussex in 2013-14. The new policy gives a commitment to these students that any future increase in the fees they pay will be limited to between 5% and 8% a year.

This year the Students' Union launched our Time to Change campaign to help end mental health discrimination and our Zero Tolerance campaign against sexual violence.

As a result the Students' Union Welfare Officer now sits on the Brighton and Hove Sexual Violence Reference Group and has input into the city's strategy on sexual violence. University support services on campus are now more aware of the issues surrounding sexual violence with staff trained in how to support students who report an incident of sexual violence and the importance of offering appropriate support to students.

The University is now on the way to having a clear reporting system in place for incidents of sexual violence and is reviewing its disciplinary procedures in light of cases of sexual harassment and violence and has made several changes clarifying the process.

Our Rate Your Landlord survey was completed by over 1,800 students this year, receiving national recognition from NUS and Shelter and worked to establish a Letting Agents Awards Scheme to encourage good practice in the sector.

UNIVERSITY OF SUSSEX STUDENTS' UNION
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2013

Membership Support & Activities

Compared to 2011/12 this year we had a 41% increase in registered sports clubs and societies members and a 14% increase in students taking up placements in our Community Volunteering scheme. This year we also piloted Volunteering as an elective module for the first time together with the School for Social Work and Education as well as Careers and Employability Centre with 18 students volunteering 70 hours in the local community and getting 15 academic credits in return.

We improved our internal volunteer support and increased the opportunities open to students which meant that a total of 1,047 volunteers helped run Union societies, sports clubs, and a huge range of other volunteer roles. This is nearly double the numbers of volunteers we had in 2010 and these volunteers gave us over 105,231 hours of volunteering.

We continued to develop our well attended cultural events including Eid, Holi, Diwali and Chinese New Year and put on a high profile and well attended Freshers Programme with over 50% of the events non-alcoholic.

Based on student feedback we also established a Buddy Scheme and started work on a cross-cultural exchange strategy.

The Advice Centre dealt with around 100 more students this year, this included 300 housing enquiries, over 250 student funding enquiries and over 200 academic enquiries.

Environmental Impact

Our environmental impact continues to grow in importance to us and an organisation in line with student opinion. This year we calculated the Union's carbon footprint and published it on our website for everyone to see and we will be setting ourselves ambitious targets for reducing that figure in years to come. As part of this we undertook an large scale IT project swapping all our computers to more energy efficient ones and we started emailing payslips.

We introduced Environmental Champions into the Union for every department, led the way on campus with food composting and continued work on our free shop, the Sussex Switch-Off campaign and Green Week.

Local Community

This year saw the creation of the Union's first Community Engagement strategy and started the process of establishing a community rep scheme. We made better links with Brighton & Hove Council, with students now represented on the Alcohol Control Board, housing and transport planning partnerships.

Student volunteering within the local community is still a core activity and we continued our Link Up scheme linking student groups with volunteering opportunities and organised two pilot projects with Widening Participation to increase the number of volunteers in local primary and secondary schools.

Trading

2013 was once again a very challenging year for the Trading Company, with two new major areas of business bedding in and a new term structure that reduced the number of trading weeks on campus. The partnership with the Southern Co-operative has proved to be a challenging but rewarding endeavor with the store now being the most profitable one in TSC's estate and providing a healthy return for the company. The second new business centre was the Lettings Agency. Although we have still not seen a profit from this area the business grew by over 50 percent this year and assisted over a 1000 students via viewings or registering with us and housed 55 more students than in 2012, saving those students around £25,000 between them.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2013

We also developed and improved our shops and bars in line with student feedback including

- ensuring student ID accepted as a proof of age across all Union outlets including the Cooperative,
- working with our caterers on ensuring as varied menu as possible (vegan, halal, gluten free, etc) at affordable prices,
- adjusting opening hours at our shops and bars to meet student needs,
- making our venues child friendly,
- helped and assisted with over 40 student led event's in the bars

Overall, the Trading Company made a surplus of £92,000, which unfortunately was £XX,000 short of its target

This year the trading company developed a new strategy to ensure it remains sustainable going forward and reframe its purpose to meet the needs of the Students' Union

Financial review

Reserves policy

The Union's reserves policy is to maintain them at a level equal to 3 to 4 months of core operating costs. Any reserves above the level of 3 months operating cost may be used from time to time to maintain the Union's charitable activities. The Trustees may decide to build reserves above this level for capital investment projects or to take into account for any recognised potential risks.

Current core operating costs are approximately £70,000 per month. This figure and policy will be reviewed annually by the Trustees.

Union Affiliations

During the year USSU paid affiliation fees of £33,640 (2012 £37,431) to the NUS, £5,458 (2012 £4,622) to BUCS and a total of £2,248 (2012 £2,559) to other bodies.

Plans for future periods

Dealing with our deficit

As part of our funding agreement with the University we have agreed to look at our long-term sustainability and to review our services and management structures to see where costs could be cut. Part of this will be securing the final year of our engagement project funding.

Developing and implementing a new strategy

This year is the last year of our current three-year strategy and with the University's planned expansion comes new challenges and the Students' Union needs to be able to meet the needs of an expanding student population. As such we will be formulating a new strategic direction but more importantly we will be led by our members through this process via an extensive consultation process and referendum.

Complete our governance review

This year we intend to finish developing our governance systems by reviewing our democratic processes, in particular the role of the Union Council and Student Reps.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2013

Expanding our current commercial activity into the city

Feedback from students is overwhelmingly in favour of expanding our licensed trade into the city. Over two thirds of our membership live and play in the city of Brighton & Hove and there is a very real need for a safe and affordable venue. Housing is also a huge issue for students and we hope to make real improvements to student housing through the expansion of our lettings business.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The University of Sussex 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2013

AUDITORS

Knill James were appointed as auditor during the year in place of Mazars LLP

The auditors, Knill James, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 12/12/13 and signed on their behalf by



Kelly McBride

UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)

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

We have audited the financial statements of University of Sussex Students' Union for the year ended 31 July 2013 set out on pages 12 to 26. The financial reporting framework that has been applied in their preparation is applicable law and the 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 union's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable union's members those matters we are required to state to them in an Auditors' 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 union and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable union 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 as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you 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 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 union's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable union's affairs as at 31 July 2013 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.


UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)

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

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 union 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 union financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' report



David W Martin (Senior statutory auditor)

for and on behalf of

Knill James

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes

East Sussex
BN7 1JU

Date 20 December 2013

Knill James are eligible to act as auditors in terms of section 1212 of the Companies Act 2006

UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 JULY 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds	2,3	3,975,922	25,000	4,000,922	3,736,717
Incoming resources from charitable activities	4	417,753	-	417,753	450,914
Other incoming resources	5	82,829	-	82,829	46,729
TOTAL INCOMING RESOURCES		4,476,504	25,000	4,501,504	4,234,360
RESOURCES EXPENDED					
Costs of generating funds					
Trading activities	3	2,686,949	-	2,686,949	2,636,587
Charitable activities	6	1,754,049	27,111	1,781,160	1,677,148
Governance costs	7	17,992	-	17,992	24,541
TOTAL RESOURCES EXPENDED		4,458,990	27,111	4,486,101	4,338,276
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR		17,514	(2,111)	15,403	(103,916)
<i>Total funds at 1 August 2012</i>		<i>177,106</i>	<i>32,181</i>	<i>209,287</i>	<i>313,203</i>
TOTAL FUNDS AT 31 JULY 2013		194,620	30,070	224,690	209,287

The notes on pages 15 to 26 form part of these financial statements

UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER 07695765

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	11		67,720		78,054
Investments	12		1,260		1,260
			<u>68,980</u>		<u>79,314</u>
CURRENT ASSETS					
Stocks		66,662		65,456	
Debtors	13	210,272		213,878	
Cash at bank and in hand		311,373		268,072	
		<u>588,307</u>		<u>547,406</u>	
CREDITORS: amounts falling due within one year	14	(432,597)		(417,433)	
NET CURRENT ASSETS			<u>155,710</u>		<u>129,973</u>
NET ASSETS			<u>224,690</u>		<u>209,287</u>
CHARITY FUNDS					
Restricted funds	15		30,070		32,181
Unrestricted funds	15		194,620		177,106
TOTAL FUNDS			<u>224,690</u>		<u>209,287</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Trustees on 12 December 2013 and signed on their behalf, by

Kelly McBride

Kelly McBride

The notes on pages 15 to 26 form part of these financial statements

UNIVERSITY OF SUSSEX STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 07695765

UNION BALANCE SHEET
AS AT 31 JULY 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	11		29,459		19,818
Investments	12		1,262		1,262
			<u>30,721</u>		<u>21,080</u>
CURRENT ASSETS					
Debtors	13	152,594		138,405	
Cash at bank and in hand		213,139		164,649	
		<u>365,733</u>		<u>303,054</u>	
CREDITORS: amounts falling due within one year	14	(171,763)		(114,847)	
NET CURRENT ASSETS			<u>193,970</u>		<u>188,207</u>
NET ASSETS			<u>224,691</u>		<u>209,287</u>
CHARITY FUNDS					
Restricted funds	15		30,070		32,181
Unrestricted funds	15		194,621		177,106
TOTAL FUNDS			<u>224,691</u>		<u>209,287</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Trustees on 12 December 2013 and signed on their behalf, by

KMcBride

Kelly McBride

The notes on pages 15 to 26 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the union and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the union alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Company status

The union is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the union being wound up, the liability in respect of the guarantee is limited to £- per member of the union.

1.3 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 union 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 which have been raised by the union for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the statement of financial activities when the union has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the union where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the union and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the union and compliance with constitutional and statutory requirements.

1.6 Going concern

The Union has prepared forecasts up to July 2014. The Trustees have reviewed the forecasts and consider the going concern basis of preparing financial statements to be appropriate.

1.7 Basis of consolidation

The financial statements consolidate the accounts of University of Sussex Students' Union and all of its subsidiary undertakings ('subsidiaries').

The union has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the union was £5,903 profit (2012 - £103,918 loss).

1.8 Turnover

Turnover comprises revenue recognised by the union in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.9 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

The policy with respect to impairment reviews of fixed assets is to carry out a review where there is an indication that impairment has taken place.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20-33% straight line
Office equipment	-	20-33% straight line
Computer equipment	-	20-33% straight line
Societies and clubs equipment	-	20-33% straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

1. ACCOUNTING POLICIES (continued)

1.10 Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.12 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.13 Taxation

The Union is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Union is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Union is the parent of University of Sussex Students Union Trading Limited who generally gift aids its profits to the Union.

1.14 Pensions

The union operates a defined contribution pension scheme and the pension charge represents the amounts payable by the union to the fund in respect of the year.

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2. INCOMING RESOURCES FROM GENERATED FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
University grant - general funds	757,000	-	757,000	666,294
University - other funding	110,000	-	110,000	-
University - accommodation, utilities and cleaning	325,475	-	325,475	325,668
University grant - restricted funds	-	25,000	25,000	21,698
	<u>1,192,475</u>	<u>25,000</u>	<u>1,217,475</u>	<u>1,013,660</u>

3. INCOMING/OUTGOING RESOURCES FROM TRADING ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Incoming resources				
Sales	2,023,300	-	2,023,300	2,230,356
Other operating income	760,147	-	760,147	492,701
	<u>2,783,447</u>	<u>-</u>	<u>2,783,447</u>	<u>2,723,057</u>
Outgoing resources				
Trading company costs	1,615,597	-	1,615,597	1,647,159
Wages and salaries	975,074	-	975,074	895,758
Employers NIC	48,532	-	48,532	42,041
Pension costs	14,760	-	14,760	13,762
Depreciation of tangible fixed assets	32,986	-	32,986	37,867
	<u>2,686,949</u>	<u>-</u>	<u>2,686,949</u>	<u>2,636,587</u>
Net income from incoming/outgoing resources from trading activities	<u>96,498</u>	<u>-</u>	<u>96,498</u>	<u>86,470</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Publications and advertising	77,589	-	77,589	70,658
Activities, clubs and societies	251,447	-	251,447	304,756
Catering and management charges	15,639	-	15,639	10,531
Membership fees	73,078	-	73,078	64,969
	<u>417,753</u>	<u>-</u>	<u>417,753</u>	<u>450,914</u>

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Miscellaneous income	82,829	-	82,829	46,728
Subtotal	<u>82,829</u>	<u>-</u>	<u>82,829</u>	<u>46,728</u>
Other other incoming resources	-	-	-	1
	<u>82,829</u>	<u>-</u>	<u>82,829</u>	<u>46,729</u>

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Representation and democracy	395,967	27,111	423,078	339,286
Publications	148,378	-	148,378	130,554
Student advice centre	181,000	-	181,000	220,241
Activities, clubs and societies	1,028,704	-	1,028,704	987,067
	<u>1,754,049</u>	<u>27,111</u>	<u>1,781,160</u>	<u>1,677,148</u>

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6 EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Representation and democracy	3,569	419,509	423,078	339,286
Publications	-	148,378	148,378	130,554
Student advice centre	-	181,000	181,000	220,241
Activities, clubs and societies	7,423	1,021,281	1,028,704	987,067
	<u>10,992</u>	<u>1,770,168</u>	<u>1,781,160</u>	<u>1,677,148</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Direct costs - Governance	14,982	-	14,982	21,531
Support costs - Governance	3,010	-	3,010	3,010
	<u>17,992</u>	<u>-</u>	<u>17,992</u>	<u>24,541</u>

8. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the charitable group	43,979	57,554
Auditors' remuneration	11,100	14,370
Pension costs	14,760	13,762
	<u>69,839</u>	<u>85,686</u>

During the year, no Trustees received any benefits in kind (2012 - £NIL)

During the year, no Trustees received any reimbursement of expenses (2012 - £NIL)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

9. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2013 £	2012 £
Representation and democracy				
Permanent staff costs	128,242	-	128,242	79,357
Sabbatical officers	115,525	-	115,525	101,851
NUS affiliation	33,640	-	33,640	37,431
Campaigns and conferences	3,636	-	3,636	6,451
Support costs	114,924	27,111	142,035	114,195
Sub total	395,967	27,111	423,078	339,285
Publications				
Permanent staff costs	73,214	-	73,214	60,292
Administrative costs	518	-	518	572
Badger	18,619	-	18,619	15,164
Pulse	-	-	-	1,500
Union marketing	7,884	-	7,884	5,894
Website	1,026	-	1,026	293
Support costs	47,117	-	47,117	46,841
Sub total	148,378	-	148,378	130,556
Student advice centre				
Permanent staff costs	78,618	-	78,618	117,011
Administration	2,383	-	2,383	2,213
Publications	3,758	-	3,758	5,394
Membership/Affiliations	1,891	-	1,891	1,878
Support costs	94,350	-	94,350	93,745
Sub total	181,000	-	181,000	220,241
Activities, clubs and societies				
Permanent staff costs	186,373	-	186,373	193,479
Administration	32,388	-	32,388	50,433
Entertainments expenditure and events	59,190	-	59,190	44,786
Freshers' week events	65,163	-	65,163	58,756
Sport club expenditure	108,831	-	108,831	98,539
Sport club fundraising expenditure	77,391	-	77,391	49,842
Project V	2,441	-	2,441	1,285
Club and society expenditure	67,467	-	67,467	79,624
Club and society fundraising expenditure	100,470	-	100,470	82,235
BUSA and regional affiliation	5,837	-	5,837	7,068
Support costs	323,153	-	323,153	321,021
Total	1,754,049	27,111	1,781,160	1,677,150

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10 STAFF COSTS

	2013 £	2012 £
Wages and salaries	1,649,037	1,518,135
Social security costs	97,104	90,849
Other pension costs	67,925	66,720
	<u>1,814,066</u>	<u>1,675,704</u>

The average number of employees during the year was 32 (2012 - 35)

No employee received remuneration amounting to more than £60,000 in either year

Trustees remuneration in the year was £114,733 (2012 - £101,851)

11 TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 August 2012	424,570	297,311	31,289	753,170
Additions	19,976	3,011	10,658	33,645
At 31 July 2013	<u>444,546</u>	<u>300,322</u>	<u>41,947</u>	<u>786,815</u>
Depreciation				
At 1 August 2012	376,547	277,760	20,809	675,116
Charge for the year	26,893	10,052	7,034	43,979
At 31 July 2013	<u>403,440</u>	<u>287,812</u>	<u>27,843</u>	<u>719,095</u>
Net book value				
At 31 July 2013	<u>41,106</u>	<u>12,510</u>	<u>14,104</u>	<u>67,720</u>
At 31 July 2012	<u>48,023</u>	<u>19,551</u>	<u>10,480</u>	<u>78,054</u>

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	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Union				
Cost				
At 1 August 2012	210,031	100,579	31,289	341,899
Additions	6,965	3,011	10,658	20,634
At 31 July 2013	216,996	103,590	41,947	362,533
Depreciation				
At 1 August 2012	202,894	98,378	20,809	322,081
Charge for the year	2,375	1,584	7,034	10,993
At 31 July 2013	205,269	99,962	27,843	333,074
Net book value				
At 31 July 2013	11,727	3,628	14,104	29,459
At 31 July 2012	7,137	2,201	10,480	19,818

12 FIXED ASSET INVESTMENTS

Group			Unlisted securities £
Cost			
At 1 August 2012 and 31 July 2013			1,260
Union		Unlisted securities £	Sub total carried forward £
Cost			
At 1 August 2012 and 31 July 2013		1,260	1,260
	Sub total brought forward £	Shares in group undertakings £	Total £
At 1 August 2012 and 31 July 2013	1,260	2	1,262

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13. DEBTORS

	<u>Group</u>		<u>Union</u>	
	2013 £	2012 £	2013 £	2012 £
Due after more than one year				
Prepayments and accrued income	4,077	4,077	-	-
Due within one year				
Trade debtors	153,172	107,939	34,879	18,228
Amounts owed by group undertakings	-	-	88,852	87,518
Other debtors	37,397	71,453	21,423	25,351
Prepayments and accrued income	15,626	30,409	7,440	7,308
	<u>210,272</u>	<u>213,878</u>	<u>152,594</u>	<u>138,405</u>

The balance owed by the group undertaking is a trading balance and not a loan. Therefore no interest is applied unless it falls outside arms length credit terms.

14. CREDITORS.

Amounts falling due within one year

	<u>Group</u>		<u>Union</u>	
	2013 £	2012 £	2013 £	2012 £
Bank loans and overdrafts	-	3,920	-	3,920
Payments received on account	13,415	-	13,415	-
Trade creditors	61,279	53,554	17,484	878
Other taxation and social security	59,236	59,680	4,430	4,059
Other creditors	184,333	114,705	113,999	85,025
Accruals and deferred income	114,334	185,574	22,435	20,965
	<u>432,597</u>	<u>417,433</u>	<u>171,763</u>	<u>114,847</u>

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Unrestricted funds				
General funds - all funds	177,105	4,476,504	(4,458,990)	194,619
Other general funds	1	-	-	1
	<u>177,106</u>	<u>4,476,504</u>	<u>(4,458,990)</u>	<u>194,620</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

Restricted funds

Restricted funds - all funds	32,181	25,000	(27,111)	30,070
Total of funds	<u>209,287</u>	<u>4,501,504</u>	<u>(4,486,101)</u>	<u>224,690</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	177,106	4,476,504	(4,458,990)	194,620
Restricted funds	32,181	25,000	(27,111)	30,070
	<u>209,287</u>	<u>4,501,504</u>	<u>(4,486,101)</u>	<u>224,690</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	67,720	-	67,720	78,053
Fixed asset investments	1,260	-	1,260	1,260
Debtors due after more than 1 year	4,077	-	4,077	4,077
Current assets	554,158	30,070	584,228	543,329
Creditors due within one year	(432,596)	-	(432,596)	(417,433)
Difference	1	-	1	1
	<u>194,620</u>	<u>30,070</u>	<u>224,690</u>	<u>209,287</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. OPERATING LEASE COMMITMENTS

At 31 July 2013 the group had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
Group		
Expiry date:		
Between 2 and 5 years	13,938	-
After more than 5 years	32,000	32,000

At 31 July 2013 the union had annual commitments under non-cancellable operating leases as follows

Union		
Expiry date:		
Between 2 and 5 years	13,938	-

18. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
University of Sussex Students' Union Trading Limited	UK	100	trading subsidiary