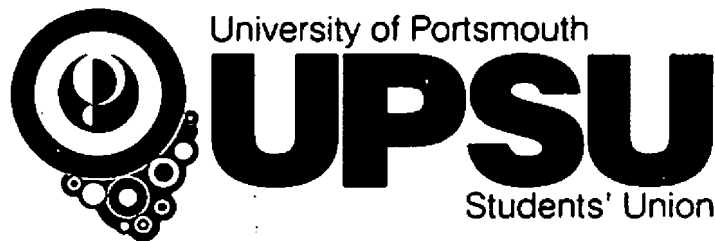
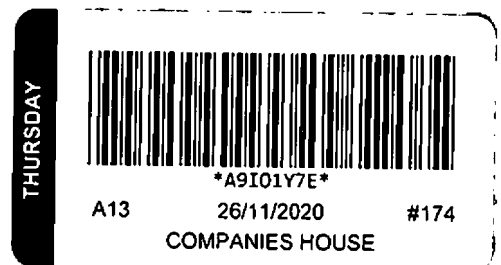


Registered Company Number: 03934555 (England and Wales)
Charity Registration No. 1136115



The University of Portsmouth Students' Union
Report and Consolidated Financial Statements
For the year ended 31 July 2020



**The University of Portsmouth Student's Union
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for the Year Ended 31 July 2020**

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The University of Portsmouth Student's Union
Report of the Trustees
for the Year Ended 31 July 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Full-time (Sabbatical) Officer Trustees

President	Helena Schofield (appointed 1st July 2019, resigned 30 June 2020)
VP Activities	Tom Plant (appointed 1st July 2019, resigned 30 June 2020)
VP Sports	Gez Matthews (appointed 1st July 2019, resigned 30 June 2020)
VP Welfare & Community	Hayley Turner-McIntyre (appointed 1st July 2019)
Welfare give a true	Hayley Turner-McIntyre (appointed 1st July 2020)
VP Education & Democracy	Rama Hilouneh (appointed 1st July 2019)
Learning Experience Officer	Rama Hilouneh (appointed 1st July 2020)
Development Officer	Micheal Kiddell (appointed 1st July 2020)
Academic Representation Officer	Edward Walls (appointed 1st July 2020)
Democracy and Campaigns Officer	Destiny Karakus (appointed 1st July 2020)

Student Trustees

Non-Portfolio	Mohammad Karmol (co-opted 13th September 2019, resigned 22nd June 2020)
Non-Portfolio	Zach Messer (co-opted 13th September 2019)
Non-Portfolio	Carole Myall (co-opted 13th September 2019, resigned 22nd June 2020)
Non-Portfolio	Savio Arinda (co-opted 22nd June 2020)
Non-Portfolio	Ayoola Johnson (appointed 14th August 2020)

University Nominated Trustee

Non-Portfolio	Jason Oakley (resigned 21st April 2020)
Non-Portfolio	Mary Williams (appointed 21st April 2020)

External Trustees

Non-Portfolio	Baldev Singh Gill (Appointed 24th October 2018)
Non-Portfolio	Victoria Turner (Appointed on 29th January 2019)
Non-Portfolio	Ian Robinson (Appointed on 29th January 2019)

Company Secretary

Helena Schofield (from 1st July 2019, resigned 30th June 2020)
Rama Hilouneh (from 1st July 2020)

Chief Executive

Anna Clodfelter

Registered Office

Student Union Building
Cambridge Road
Portsmouth
Hants
PO1 2EF

Registered Company Number

03934555

Registered Charity Number

1136115

Auditors

Morris Crocker
Station House,
North Street
Havant PO9 1QU

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

**The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020**

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Warner Goodman LLP
Colman House
2-4 Landport Terrace
Portsmouth PO1 2RG

Penningtons Manches LLP
125 Wood Street
London EC2V 7AW

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 2020.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and 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 are 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.

The current Governance Structure comprises of two subcommittees, Finance and Risk Committee and Student Focus & Governance Committee.

**The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2019**

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Student Focus and Governance Committee

The Student Focus and Governance Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

- a. maintains effective and influential representation
- b. maintains accessible, equitable and inclusive activity to proactively engage students from across the student community
- c. give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2020 and of the groups incoming resources and application of resources, including its income
- d. maintains student leadership through fit for purpose and effective governance and democratic structures
- e. maintains robust governance in relation to the Unions statutory requirements
- f. ensures the Union responds at Board level to democratic outcomes in a way that shows respect and a commitment to the Union as a student-led organisation

The Student Focus and Governance Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Sabbatical Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External or one University Trustee and one External trustee (appointed by Leadership Team with regard to skills and experience) the External Trustee will vice-chair.
- Two Student Trustees (appointed by Leadership Team with regard to skills and experience)
- Good Governance Officer or other appointed representative from UAB
- Head of Student Impact
- Student Focus Manager
- In an advisory capacity only ie non-voting members: The Chief Executive, Membership and Marketing Manager (or appointed function Lead), Projects and Groups Manager (or appointed function Lead), Insights Lead

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

Finance and Risk Committee

The Finance & Risk Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

- a. remains in sound financial health
- b. maintains effective risk management practices
- c. complies with relevant legislation and regulations

The Finance & Risk Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Sabbatical Officer):

- Two Sabbatical Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External and/or University Trustees (appointed by Leadership Team with regard to skills and experience) one of which will vice-chair.
- One student trustee (appointed by Leadership Team with regard to skills and experience)
- Deputy to the Chief Executive
- Finance & Central Administration Manager
- In an advisory capacity only - The Chief Executive and Union Financial Advisers

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

**The University Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020**

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

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 process was further reviewed during 16/17 and 17/18 to streamline and remove barriers to student participation. The democratic framework of UPSU is 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 submitting an idea through our Have Your Say platform. Ideas are then reviewed by Union Actioning Body (UAB) and actioned or put out to students to a vote if further student consultation is needed.

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 10 Faculty Reps, 2 Union zone Reps, 5 Networks Chairs representing hard to reach and those least engaged with Union activity and a UAB Chair.

Day to day running of the Union is delegated by The Board of Trustees to a Chief Executive (CEO).

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

During 2019/20 there were significant changes, ultimately merging the SMT team from three to two with enhanced roles in the Operational Manager structure to support:

- i. Chief Executive – Anna Clodfelter
- ii. Deputy Chief Executive – Fern Lewis - (Acting role to be made permanent 1st September 2020)
- iii. Head of Student Impact – Fern Lewis - combined with DCE role
- iv. Head of Business and Marketing- Richard Leader (Appointed 15th March 2019, contract terminated 10th November 2019 - role combined into CEO role)

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 mid-level performance of the organisation, approve operational policies and coordinate ongoing activities in accordance with the Union's strategy and directions from the Board of Trustees. The full terms of reference for the Leadership Team can be seen within the Union's byelaws.

The Union employs 37 permanent staff and a further 40 occasional staff for the sake of quality delivery, continuous improvement and for 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.

Salary bandings for all staff were reviewed against sector comparators and last agreed by Trustees in 2018. The Union operates a performance related pay framework for all staff including the Strategic Management Team. Staff are appraised against agreed annual objectives by line managers and pay awards are agreed annually by the Finance and Risk Committee. The CEO objectives and pay award are approved by the Board of Trustees, CEO appraisal is undertaken by a panel of Trustees.

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 non-monetary support is intrinsic to the relationship between the University and the Union and the associated benefits to the student body.

**The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020**

RELATIONSHIP WITH RELATED PARTIES (Continued)

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, subject to their financial health.

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 Infrastructure and Finance Committee.

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 2019/20 PSUT generated an operating profit of £69,349 from its activities, of which £69,349 was gifted to the Union.

The Union was affiliated to the following organisations for the year 19/20 as agreed by the Annual members Meeting December 2019:

- i. National Union of Students (NUS) to 31st December 2019 only due to 2019 disaffiliation vote

In addition, as directed by Annual Members Meeting in December 2018, the Union held a referendum on affiliation to the National Union of Students (NUS) in March 2019. Trustees approved the result of this referendum in April 2019. The referendum confirmed disaffiliation from NUS from 31st December 2019.

Note: Through 19/20 the Union finalised the partnership with University of Portsmouth Sport and Recreation to take over the management of 24 BUCS Sporting clubs. As of 1st August 2019, University of Portsmouth Sport and Recreation are the affiliate with BUCS in place of UPSU, therefore historical affiliation with BUCS is no longer applicable.

These were the affiliation resolutions during the year 19/20 as defined within the provisions of 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 quarterly and fully reviewed annually with exceptions and occurrences reported quarterly to the Finance and Risk Committee. 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. Health & Safety processes and frameworks and Finance processes are continually reviewed and updated by staff teams resulting in the 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 University of Portsmouth's Student Union
Report of the Trustees
For the Year Ended 31 July 2020

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

2019/20 saw the delivery of year 2 of the Unions 2018-21 strategic plan that set out the following:

Our Vision:

The Union's Vision – as set with student consultation in 2011, 2014 and 2018 is: 'A positive impact for every Portsmouth student'.

Our Values:

Inclusive. Enriching and Pioneering

Our Guiding Principles:

- I. Students Democratically guide us
- II. Equity of Opportunity for students
- III. Our independent status is paramount
- IV. Partnerships strengthen our work
- V. Relevant and resilient for current and future students

Our Commitments:

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:

1. promoting the interests and welfare of Students at the University of Portsmouth during their course of study and representing, supporting and advising Students; being the recognised representative channel between Students and the University of Portsmouth and any other external bodies; and
2. 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 implementing activity for and 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 University of Portsmouth's Student Union
Report of the Trustees
For the Year Ended 31 July 2020**

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

To deliver the organisations targets the Union continues with the three strategic focusses running in parallel:

- 1 We will be working towards having a positive impact with every Portsmouth Student.
- 2 We will understand and have agreed a way forward to bridge any gaps in the equity of benefit for every UoP student to fulfill their rights,needs and wants.
- 3 We will have the resources in place to achieve our 2025 aims and have made progress towards our sustainable future.

The 7 key objectives driving the work of the Union to achieve those aims :

- I. Have developed and embedded an effective Insights function that: provides analysed actionable data, trends and is progressing towards acting as a single source of truth
 - A. Outcome: Exceeded. The Insights function. embedded in year one of the Strategy, continues with proven impact in data driven decision making across the organisation.
- II. Be moving towards an 'equity of voice' by: increasing data from non-engaged students, maintaining data from engaged students and partner working with the University.
 - A. Outcome: Exceeded. Insights functionality development ensured focussed and bespoke communication in year one - with year two delivering activity and service development targeted to distinct student communities through the implementation of the Segmentation project which enhances this work.
- III. Be moving towards an 'equity of benefit' across the student community by establishing mechanisms to assess student need and prioritise activity
 - A. Outcome: Success. Union wide use of smart tools for analysing student engagement continue to grow the ability for the delivery of activity to so-called 'hard to reach' student communities. Resulting in deep impacts for some student groups including student parents and PG students.
- IV. Have developed and established an effective mechanism that supports the knowledge transfer between interdependent Union workstreams.
 - A. Outcome: Exceeded. The development of a reactive, Elected Officer Led, process (The Lab) brings together collective intelligence from Insights with the reactive projects, campaigning and communication functions. The Student Focus Team must be credited with this impactful and insightful piece of work which has transformed the way the Union operates and significantly increased the impact for students.
- V. Have developed and established an effective Agile culture that supports the ability to respond to current cohort rights, needs and wants.
 - A. Outcome: Exceeded. The Agile structure and culture continues to provide business critical frameworks for Union wide activity and whole organisation expertise in project management leadership across agile taskforce delivery of student led activity.

The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

VI Be delivering Enabling programmes that sustain our Agile organisation including: Membership Engagement, Technology, People, Finance, Spaces.

A. Outcome: Success. The Technology roadmap is ahead of programme. Finance planning remains robust with concerns regarding C-19 impact, pensions liabilities, the future of PSUT and future funding. Membership engagement has stalled in year due to a delay in the Segmentation project and key staff issues. People strategy implementation continues year one of implementation. Spaces roadmap is on hold pending the re-ignition of the Union Building development.

VII. Have a trading arm that maximises sustainable profit that benefits the Students' Union in delivering its charitable objects.

A. Outcome: Success. Despite C-19 the Trading company still generated a small profit, supported by furlough and much of its profit being generated early in the financial year. As a result of C-19, Directors have instructed a full review of PSUT to be completed by Feb 2021.

In addition the enabling objectives are:

1. To achieve an increase of at least 4% on the Union's 2018 National Student Survey (NSS) question 26 score to 65%.

A. Not achieved - Drop to 58% from 61% maintained although in a difficult climate - UPSU rose slightly in the league table as other Unions saw a decline in their NSS scores.

2. To achieve the overall budget for the Union for 2019/20.

A. Not achieved with a deficit of £48,114 against a surplus of £20,068 on the overall budget. However, core budget was achieved with a surplus of £170,597 compared to a budgeted surplus of £108,735. The core budget excludes movements on the pension deficit and other exceptional items.

3. To achieve the overall budgeted surplus for PSUT for 2019/20.

A. Not achieved with a surplus of £69,349 against a budget of £91,052

4. To maintain a 5 year forward financial plan in-line with Future Union strategic aims

A. The 5 year Financial plan that was fully reviewed and updated during 18/19, approved by Finance and Risk Committee was updated for C-19 and approved by Finance and Risk Committee in May 2020

5. Business as usual - quality outcomes for UoP students

A. Of the KPI's across a range of representative, welfare and development objectives for the organisation:

- i. 92% Success or exceeded
- ii. 7% Partial or working towards
- iii. 1% Not met

The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2019

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 800 volunteers that are supported to facilitate and participate in the majority of student groups and community volunteering projects as well as Union Actioning Body, Course Reps, Faculty Reps and Advice centre volunteers (including peer supporters and mediators).

Due to the transition of competitive sport to UoP, we have seen a reduction in volunteers this year, as the committee's for sports clubs made up a lot of these volunteer numbers. The groups that have remained at UPSI tend to have only 3 core committee roles.

FINANCIAL REVIEW

The group's gross income from all sources totalled £1,843,205 (2019: £2,278,913). Core expenditure was £1,672,608 (2019: £2,163,316) plus a further movement in Pension deficit liability of loss of £218,711 (2019: £153,759) giving a 2020 total of £1,891,319 (2019: £2,317,075) and was broadly within the stated budget with the following exceptions:

1. Decrease in management charge income of £32k
2. Decrease in PSUT income of £21k
3. £57k underspend in Salaries of which £6k were casual staff
4. £3.5k underspend on Central due to overspend of £3.2k on legal & professional for mem Arts review, strategy structure review and contract checks for Wild Rocket and £1k for NUS backfill and printing & stationery, offset by an underspend of £6.5k on online charges and overspend on recruitment of £4k and an underspend on staff welfare, training and travel of £6k
5. £18.7k underspend for Marketing mainly due to closure of the building and not being able to rebrand
6. £21k underspend for Projects made up from underspend on Freshers of £4.6k, underspend on welcome activities £6.2k, underspend on Stable projects of £3.6k due to ticket sales & donation, underspend of £2.5k for Internal Conferences due to delayed delivery of training, underspend of £3.3k for Agile pot due to income received for hire of event techs
7. £5.7k underspend for Groups due to underspend of VAT of £2.7k, underspend of % costs to run of £1k, underspend of development grant of £1.7k partially due to activity having to cease during lockdown
8. £6.2k underspend for Student Focus due to a change in the training programme.
9. £5.4k underspend for Insights due to cancellation of focus groups

The union budgeted an overall surplus in 19/20 approved by Trustees of £20,068. This overall budget includes movement on the pension deficit and other exceptional items forecast in the year. Compared to the overall budget, £68,182 was overspent resulting in a deficit £48,114. This overspend is mainly the net effect of increased liabilities on the pension deficit and the underspends mentioned above.

When comparing against the core budget only, which excludes the pension movement, the union achieved a surplus of £170,597 compared to a budget of £108,735.

The Union has continued to benefit from the recognition and support of the University, and for 2019/20 the Union received £1,247,554 in block grant plus the on-going agreement to prepay the Unions Pension deficit for three years attracting a 4% discount (prepaid Pension deficit - finishing at end 2019/20).

The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020

FINANCIAL REVIEW (Continued)

The Union last reviewed its reserves requirements during 18/19 assessing the required amount of charitable funds allocated to Reserves and Development funds - the reserves and development funds policy is as follows:

"It shall be the policy of the Union to maintain a minimum of £200k to include working capital, commercial and other contingencies. At this level UPSU believes that it would be able to continue the student-facing activities of the organisation in the event of a significant decline in funding, whilst allowing time to reestablish or re-focus income generating activities.

Amounts held above the minimum level are held as a Development Fund available flexibly for use of future agreed projects which help the Union to support a high standard of service for students."

Trustees (or those with designated authority) may assign amounts from within the Development Fund for specific projects or activities agreed within the framework as set out in the Financial Procedures:

The Union's free reserves stood at £591,717 (2018: £448,204) at the year-end which meets the Union's desired reserve levels. Reserves have been calculated as follows:

Total reserves	(916,158)
Less: Restricted reserves	(96,970)
Add: Pension deficit	1,643,049
Less: Fixed assets	(38,203)
	<u>591,717</u>

The Union's accounts show an updated provision for the future liabilities due to the Students' Union Superannuation Scheme based on the 30 June 2019 valuation. The valuation of the liabilities show the amount available to pay pension benefits in the future has declined when compared to its future liabilities. The Union in common with other participating student unions has to pay its share of the increased funding shortfall and is required to pay increased contributions based on previous contributions payable and the term has been extended. A separate reserve has been created in the accounts due to the long-term nature of the liability.

The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £133,867 (2019: £98,254) and expenditure of £144,987 (2019: £106,079) in addition to the grant-supported funds disbursed to them as shown in the accounts.

Students and Staff at the Union raised £2,700 for local and national charities. All of this fundraising was paid direct to charity, online, through websites such as JustGiving and MyRaising. There was a significant reduction in funds raised during 19/20 due to the transition of sports clubs to sport and recreation.

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 20/21 has been confirmed at £1,122,799 and the Union is very grateful for the Block Grant funding from the University. The commercial activities for 20/21, through PSUT, are budgeted to break even.

**The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020**

FINANCIAL REVIEW (Continued)

COVID-19 REPORT

As a result of the Agile working set up at UPSU, from March lock down the organisation pivoted seamlessly to remote working but were able to support student beneficiaries remotely.

The pandemic has affected income, including a 10% reduction in Block Grant and as a result a deficit of circa £63k has been budgeted for 2020/2021. The organisation has sufficient reserves to meet this deficit whilst continuing to provide the same, or remote alternative, services to our student beneficiaries and retain the required reserves level for the following financial year at least.

The trading subsidiary closed during lockdown and at the close of the trading year 20/21 requires short term working capital funding to assist with cash flow which has been agreed, in principle by Trustees, as a loan from the Charity. The Trustees of the Charity and Directors of the company will monitor the going concern criteria for the Company as the financial year progresses.

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.

With Elected Officer direction, supported by Trustee Board and escalated by Covid-19 - the Union undertook a review of 2018-21 Strategic Commitments in Spring 2020 resulting in a new 18-24 month interim strategy to take the Union through the C-19 landscape from 2020-22.

The Union is now primarily a representative, lobbying and campaigning organisation focussed on working with UoP to ensure quality learning & teaching and the wider student experience through the following commitments:

1 Empowering a Network of Students

we give power, confidence and a voice to students, enabling them to influence, change and uphold their rights, needs and wants.

Develop and maintain strong and effective student leadership within UPSU - led by elected Officers and student leaders and supported by our high quality Student Focus function

Develop and maintain a 'student voice framework', in partnership with the University, that:

- ensures that students are enshrined as active partners in all decision making
- enables, empowers and embeds a network of 'student action-takers' across the entire UoP student community
- establishes and embeds robust mechanisms that capture issues and actions to ensure effective outcomes, effective communications and effective sharing

**The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020**

FUTURE PLANS (Continued)

2 Collective Representation

We harness student leadership through the collective student voice to bring power and influence; we are a representative & campaigning SU

Develop and maintain a 'collective representation framework' for UPSU that embeds a culture where students are engaged at all different levels, around a common purpose, playing a key role in deciding what needs to be decided:

- establishing collective intelligence as the core of decision-making, combining quality research with active student participation (not just elected reps)
- embedding a strengthened role for minority voices

Develop a 'campaign and action framework' to mobilise, enable and empower students to be doing what needs to be done, in university life or society as a whole, including:

- influence and claim their rights, needs and wants
- defend their interests
- bring about changes in systems, policies, attitudes, knowledge, and behaviors regarding issues affecting university life or society at large

Develop and maintain clear and effective ways of working to ensure:

- The curation of an influential, collaborative relationship with UoP
- University wide engagement with the student voice, that delivers active delegation of power and decision making

3 Quality Student Experience

We establish beneficial relationships with our student members, we enrich their Portsmouth experience and we support them to be future ready

Establish defined best practice elements for Quality Student Experience that enable both internal and UoP action planning to achieve it.

Develop our membership engagement work to:

- Know confidently who our members are in the diverse community of UoP students across the globe
- Gain a relationship with non-engaged students or under-represented students
- Maintain our relationship with engaged students
- Ensure that all UoP Students know we exist and have the opportunity to shape their involvement in ways that benefit them.
- Work in close partnership with students, the University and the wider community to capture, communicate, replicate and celebrate the impact our students have

Develop and maintain a programme of work that empowers students to experience

University with:

- Positive wellbeing - the presence of good mental, physical & social health, basic needs, fulfillment and satisfaction with life
- Respect for climate and environment - the ability to make climate positive choices and live a sustainable life at University
- Diverse, supportive connections and social interaction - the ability for students, from all backgrounds, to seek out and nurture strong support networks and partnerships to help meet their academic, career and personal needs.

**The University of Portsmouth Student's Union
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For the Year Ended 31 July 2020**

FUTURE PLANS (Continued)

3 Quality Student Experience (continued)

we establish beneficial relationships with our student members, we enrich their Portsmouth experience and we support them to be future ready

Develop and maintain a pioneering and inclusive offer for Student Development - to include:

- social, cultural, sporting and academic opportunities
- opportunities specifically to enhance global citizenship, professional skills, knowledge and experience
- a University partnership approach to Student Development

A detailed annual operational plan supports the delivery of these strategic objectives and can be obtained by request by emailing hello@upsu.net

**The University of Portsmouth Student's Union
Report of the Trustees
For the Year Ended 31 July 2020**

Trustees' responsibilities in relation to the financial statements

We have audited the financial statements of The University of Portsmouth Student's Union (the 'charitable company') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting

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 2015 (FRS 102);
- 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.

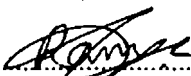
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Appointment of Auditors

In accordance with the union's financial procedures a formal tender process was undertaken in April 2018 to appoint auditors for (2017/18) a one year contract with possibility to extend to a three-year contract. The appointment of Auditors was extended for the extra two years as approved by Finance & Risk Committee in November 18.

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.

Approved by order of the board of trustees on07/11/20..... and signed on its behalf by:

.....

Rama Hilounah (Learning Experience Officer Trustee, Company Secretary)

**Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union**

We have audited the financial statements of The University of Portsmouth Student's Union (the 'charitable company') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company's affairs as at 31 July 2020 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- Develop and maintain strong and effective student leadership within UPSU - led by elected Officers and student leaders and supported by our high quality Student Focus function

**Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

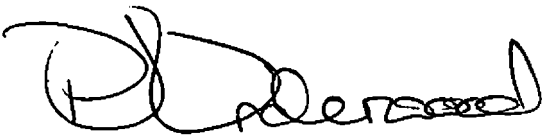
**Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union**

Our responsibilities for the audit of the financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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. Our audit work has been undertaken so that we might state to the charitable company'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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 23 November 2020

The University of Portsmouth Student's Union
Consolidated Statement of Financial Activities
For the year ended 31 July 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,329,154	-	1,329,154	1,341,384
Other trading activities	3	287,546	-	287,546	489,700
Income from investments	4	833	-	833	1,496
Charitable activities	5	86,736	95,769	182,505	438,060
Other income	6	5,069	38,098	43,167	8,273
Total income		1,709,338	133,867	1,843,205	2,278,913
EXPENDITURE ON					
Raising funds	9	79,058	-	79,058	180,849
Charitable activities	7	1,448,563	144,987	1,593,550	1,982,467
Total		1,527,621	144,987	1,672,608	2,163,316
Net income/(expenditure)		181,717	(11,120)	170,597	115,597
Other recognised gains/(losses)					
Actuarial gains/ (losses) on defined benefit schemes	21	(218,711)	-	(218,711)	(153,759)
Net movements in funds		(36,994)	(11,120)	(48,114)	(38,162)
Reconciliation of funds					
Total funds brought forward		(976,134)	108,090	(868,044)	(829,882)
Total funds carried forward		(1,013,128)	96,970	(916,158)	(868,044)

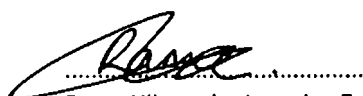
All incoming resources and resources expended are derived from continuing activities.

The University of Portsmouth Student's Union
Balance Sheet - Consolidated and Charity
As at 31 July 2020

	Notes	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Fixed assets					
Tangible assets	14	38,203	53,812	38,203	53,812
Investments	13	-	-	1	1
Total fixed assets		38,203	53,812	38,204	53,813
Current assets					
Stocks	15	53,347	50,726	-	-
Debtors	16	30,433	48,772	139,539	105,002
Cash at bank and in hand		691,615	676,375	633,401	608,453
Total current assets		775,394	775,873	772,939	713,455
Liabilities					
Creditors falling due within one year	17	(86,706)	(273,391)	(84,252)	(210,974)
Net current assets/(liabilities)		688,688	502,482	688,687	502,481
Total assets less current liabilities		726,891	556,294	726,891	556,294
Provisions for liabilities	22	(1,643,049)	(1,424,338)	(1,643,049)	(1,424,338)
Net (liabilities)/assets		(916,158)	(868,044)	(916,158)	(868,044)
Funds					
Pension deficit		(1,643,049)	(1,424,338)	(1,643,049)	(1,424,338)
General funds		629,921	448,204	629,921	448,204
Unrestricted funds	20	(1,013,128)	(976,134)	(1,013,128)	(976,134)
Restricted funds		96,970	108,090	96,970	108,090
Total charity funds		(916,158)	(868,044)	(916,158)	(868,044)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 07/11/20 and were signed on its behalf by:



Rama Hilounah - Learning Experience Officer Trustee

The notes form part of these financial statements

The University of Portsmouth Student's Union
Statement of Cash Flows and Consolidated Statement of Cash Flows
for the year ending 31 July 2020

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash flows from operating activities					
Cash generated from operations	1	14,407	1,119	24,947	63,106
Net cash provided by (used in) operating activities		14,407	1,119	24,947	63,106
Cash flows from investing activities					
Interest income		833	1,496	-	1,636
Purchase of tangible fixed assets		-	-	-	-
Cash provided by (used in) investing activities		833	1,496	-	1,636
Change in cash and cash equivalents in the reporting period		15,240	2,615	24,948	64,742
Cash and cash equivalents at the beginning of the reporting period		676,375	673,760	608,453	543,711
Total cash at the end of the year		691,615	676,375	633,401	608,453

The University of Portsmouth Student's Union
Notes to the Cash Flow Statement
for the year ended 31 July 2020

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Net income for the reporting period (as per the the statement of financial activities)	(48,114)	(38,162)	(48,114)	(38,162)
Adjustments for:				
Depreciation charges	15,609	18,110	15,609	18,110
Interest income	(833)	(1,496)	-	(1,636)
Finance cost of pension deficit	218,711	153,759	218,711	153,759
Pension deficit repayments	-	-	-	18,109
Decrease/(increase) in stocks	(2,621)	(4,559)	-	-
Decrease/(increase) in debtors	18,339	541	(34,537)	35,942
(Decrease)/increase in creditors	(186,684)	(127,074)	(126,722)	(104,907)
Net cash provided by (used in) operating activities	<u>14,407</u>	<u>1,119</u>	<u>24,947</u>	<u>63,106</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2020

Accounting Policies

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

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 the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity. The Charitable company does participate in a defined benefit scheme and at the date of this report the liability on this scheme was £1,643,049 which is repayable by annual instalments. This liability is currently ring-fenced in the unrestricted reserves. The trustees have considered this factor in their assessment and they do not consider there to be any significant concern in being able to continue as a going concern.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Portsmouth Students' Union Trading on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

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 and 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 the use of resources.

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2020

1 Accounting Policies continued

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by Charities SORP (FRS 102), the donation of these facilities is included as an incoming resource within note 2 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.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

University of Portsmouth Students' Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of 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 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 Student's Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles	25% on cost
Fixtures and fittings	10% and 20% on cost
AU Equipment	33% on cost

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.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable ordinary shares.

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2020

1 Accounting Policies - continued

Trade and other debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Donations and legacies

	2020	2019
	£	£
Block grant received	1,247,554	1,214,751
Donated Facilities	81,600	126,633
	<u>1,329,154</u>	<u>1,341,384</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2020

3 Other trading activities

	2020	2019
	£	£
Income from trading subsidiary		
Commercial partnerships	152,393	196,164
Retail Income	118,071	251,365
Other income	17,082	42,171
	<u>287,546</u>	<u>489,700</u>

4 Income from investments

	2020	2019
	£	£
Bank deposit interest	833	1,496
	<u>833</u>	<u>1,496</u>

5 Income from charitable activities

	2020	2019
	£	£
Development - Charity events	-	25,594
Development - Group income	182,505	412,466
	<u>182,505</u>	<u>438,060</u>

6 Other Income

	2020	2019
	£	£
Grant Income	38,098	-
Other income	5,069	8,273
	<u>43,167</u>	<u>8,273</u>

The charitable company received grants from the Government amounting to £38,098 in relation to the Coronavirus Job Retention Scheme.

7 Charitable activities costs

	Direct Costs £	Support costs (note 8) £	Totals £
Development	229,692	370,454	600,146
Representation	164,955	378,355	543,310
Welfare	35,368	363,255	398,623
Other charitable activities	-	51,471	51,471
	<u>430,015</u>	<u>1,163,535</u>	<u>1,593,550</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2020

8 Support costs

	Central Operations	Governance Costs	Totals
	£	£	£
Development	370,231	223	370,454
Representation	378,132	223	378,355
Welfare	363,032	223	363,255
Other charitable activities	21,066	30405	51,471
	<u>1,132,461</u>	<u>31,074</u>	<u>1,163,535</u>

Support costs have been apportioned on a basis that is consistent with use of resources.

Support costs, included in the above, are as follows:

Central Operations

	2020 Total activities	2019 Total activities
	£	£
Salaries and training	805,908	781,822
Strategic development	1,011	17,209
Membership engagement	71,318	91,726
Central admin and overheads	196,412	238,152
NUS Affiliation	28,632	45,196
Irrecoverable VAT	13,570	19,776
Central depreciation	15,609	18,110
	<u>1,132,460</u>	<u>1,211,991</u>

Governance costs

	2020 Total activities	2019 Total activities
	£	£
Audit	10,836	10,922
Central Admin	6,644	12,652
Management accounts	12,950	10,895
Training & development	-	6,379
Trustee Expenses	644	1,082
	<u>31,074</u>	<u>41,930</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2020

9 Raising funds expenditure

	2020	2019
	£	£
Other activities	<u>79,058</u>	<u>180,849</u>

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration - current auditors audit fees	12,950	10,895
Auditors' remuneration - previous auditors audit fees	-	-
Depreciation - owned assets	15,609	18,110
	<u>28,559</u>	<u>29,005</u>

11 Staff costs

	2020	2019
	£	£
Wages and salaries	887,442	854,073
Social security costs	67,562	61,509
Other pension costs	21,185	19,456
	<u>976,189</u>	<u>935,038</u>

The average monthly number of employees during the year for the group was as follows:

2020	2019
68	60
<u>68</u>	<u>60</u>

There average number of employees with emoluments (excluding employer pension costs) above £60,000 in this or the preceding year is as follows:

	2020	2019
£60,001 - £70,000	<u>1</u>	<u>-</u>

The key personnel management of The University Portsmouth Student's Union are considered to be the CEO, Deputy CEO, Head of Student Impact, Head of Business & Marketing and the Finance Manager. The total remuneration paid in the year ended 31 July 2020 amounted to £175,098 (2019: £190,518).

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2020

Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Portsmouth Students' Union Trading Limited.

The summary financial performance of the charity alone is:

	2020	2019
	£	£
Turnover	1,762,404	2,073,713
Expenditure on charitable activities	(1,810,518)	(2,111,875)
Net Income	(48,114)	(38,162)
 Total funds brought forward	 (868,044)	 (829,882)
 Total funds carried forward	 <u>(916,158)</u>	 <u>(868,044)</u>
 Represented by:		
Unrestricted funds		
General Funds	629,921	448,204
Pension Deficit	(1,643,049)	(1,424,338)
Restricted funds	96,970	108,090
	<u>(916,158)</u>	<u>(868,044)</u>

13 Financial Performance of the subsidiary

Portsmouth Students' Union Trading Company Limited is a wholly owned trading subsidiary incorporated in the United Kingdom (company number 6320382). A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2020	2019
	£	£
Turnover	287,152	491,179
Cost of sales and administration costs	(80,942)	(205,341)
Management charges	(136,861)	(139,956)
	<u>69,349</u>	<u>145,882</u>
 Gift aid payment to UPSU	 (69,349)	 (145,882)
 Net profit	 <u>-</u>	 <u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

The assets and liabilities of the Portsmouth Students' Union Trading Company Limited were:

	2020	2019
	£	£
Total assets	133,316	164,369
Total liabilities	(133,315)	(164,368)
Total net assets	<u>1</u>	<u>1</u>
 Aggregate share capital and reserves	 <u>1</u>	 <u>1</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2020

14 Tangible fixed assets – Charity and group

	AU Equipment £	Fixtures & fittings £	Motor Vehicles £	Total £
Cost				
At 1 August 2019	-	215,248	-	215,248
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 July 2020	-	215,248	-	215,248
Depreciation				
At 1 August 2019	-	161,436	-	161,436
Charge for year	-	15,609	-	15,609
On disposals	-	-	-	-
At 31 July 2020	-	177,045	-	177,045
Net book value				
At 31 July 2020	-	38,203	-	38,203
At 31 July 2019	-	53,812	-	53,812

15 Stocks

	2020 £	2019 £
Stocks	53,347	50,726

16 Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	16,382	44,807	162	-
VAT recoverable	-	-	-	-
Prepayments and accrued income	9,638	914	9,388	-
Other debtors	4,413	3,051	11,413	10,051
Intercompany	-	-	118,576	94,951
	30,433	48,772	139,539	105,002

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17 Creditors: Amounts Falling due within one year

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade creditors	9,909	17,680	9,909	2,944
Social security and other taxes	16,986	-	16,986	-
Accruals and deferred income	54,953	236,130	47,214	201,256
Other creditors	4,667	3,897	4,667	3,897
VAT payable	189	15,684	5,474	2,877
	<u>86,704</u>	<u>273,391</u>	<u>84,250</u>	<u>210,974</u>

18 Deferred income

Deferred income relates to additional block grant income received in advance for funding of the pension deficit.

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Balance as at 1 August 2019	104,043	174,106	104,043	174,106
Amount released to incoming resources	(104,043)	(174,106)	(104,043)	(174,106)
Amount deferred in year	-	104,043	-	104,043
	<u>-</u>	<u>104,043</u>	<u>-</u>	<u>104,043</u>
Balance as at 31 July 2020	-	104,043	-	104,043

19 Analysis of net assets between funds - Group

	Unrestricted fund	Restricted fund	2020 Total funds	2019 Total funds
	£	£	£	£
Fixed assets	38,203	-	38,203	53,812
Current assets	678,423	96,970	775,394	775,873
Current liabilities	(86,706)	-	(86,706)	(273,391)
Pension deficit	(1,643,049)	-	(1,643,049)	(1,424,338)
	<u>(1,013,129)</u>	<u>96,970</u>	<u>(916,158)</u>	<u>(868,044)</u>

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20 Movement in funds - Group

	At 1.8.19 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
Pension deficit	(1,424,338)	(218,711)	(1,643,049)
General funds	448,204	181,717	629,921
Total unrestricted funds	(976,134)	(36,994)	(1,013,128)
Restricted funds			
Sports and societies	105,798	(11,120)	94,678
Ring fenced funds	2,292	-	2,292
Total restricted funds	108,090	(11,120)	96,970
TOTAL FUNDS	(868,044)	(48,114)	(916,158)

Net movement in funds, included in the above are as follows:

	Incoming resources £	- expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(218,711)	(218,711)
General funds	1,709,338	(1,527,621)	-	181,717
Restricted funds				
Sports and societies	133,867	(144,987)	-	(11,120)
Ring fenced funds	-	-	-	-
Coronavirus Job Retention Scheme	38,098	(38,098)	-	-
	1,881,303	(1,710,705)	(218,711)	(48,114)

Comparative for movement in funds - Group

	At 1.8.18 £	Net movement in funds £	At 31.7.19 £
Unrestricted funds			
Pension deficit	(1,270,579)	(153,759)	(1,424,338)
General funds	324,782	123,422	448,204
Total unrestricted funds	(945,797)	(30,337)	(976,134)
Restricted funds			
Sports and societies	113,623	(7,825)	105,798
Ring fenced funds	2,292	-	2,292
Total restricted funds	115,915	(7,825)	108,090
TOTAL FUNDS	(829,882)	(38,162)	(868,044)

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20 Comparative for movement in funds - Group - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	261,158	72,650	333,808
General funds	2,133,878	(2,292,269)	-	(158,391)
Restricted funds				
Sports and societies	102,547	(90,809)	-	11,738
Ring fenced funds	-	-	-	-
	<u>2,236,425</u>	<u>(2,121,920)</u>	<u>72,650</u>	<u>187,155</u>

21 Pension Commitments

The charity operates a defined contribution scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £21,185 (2019: £19,456).

22 Provision for liabilities

	2020 £	2019 £
Provisions	<u>1,643,049</u>	<u>1,424,338</u>

The union is a Participating Employer 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 United Kingdom. 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 30th September 2011 the Scheme closed to future accrual.

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m (2016: £101.3m) excluding AVC's and incurred pensioners with these assets representing 46% (2016: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £140.9m (2016: £119.7m).

The assumptions used in the valuation are as follows:

Pre-retirement discount rate	4.0% pa
Post retirement discount rate	2.0% pa
RPI	3.6% pa
CPI	2.6% pa
Pension increase in payment	
Post 1997 (RPI min 3% max 5%)	3.7% pa
Post 2000 (RPI max 5%)	3.4% pa
Mortality projections	CMI 2018 projections with a long term rate of improvement of 1.25% pa and IAP of 1%

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22 Provision for liabilities continued

The 2019 Valuation funding shortfall recovery plan requires a monthly contribution requirement by each Participating Employer. Employer contributions will increase by 5% in October 2020 as planned and then by around 18%, on average, from 1 October 2021. Contributions will increase by 5% each year thereafter until the end of the deficit recovery period, which is expected to be in August 2035.

However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation. Surpluses or deficits which arise at future valuations will also impact on Union's future contribution commitments. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

During the year ended 31 July 2018, the University of Portsmouth Students' Union made a deficit contribution which amounted to £261,158. No further contributions were made this financial year. This payment covered three years of contributions for the period October 2017 to September 2020 and as it was paid up front, the Union was able to take advantage of a small saving when compared to paying annually.

At the balance sheet date the charity had monthly commitments to pay deficit funding contributions starting in October 2020 of £8,297, then deficit funding contributions starting in October 2021 of £10,145, then deficit funding contributions starting in October 2022 of £10,652, then increasing by 5% per annum each October until 31 July 2033.

	2020	2019
	£	£
Provision at start of the period	1,424,338	1,270,579
Effect of unwinding discount and changes in rate	218,711	153,759
Deficit contribution paid	-	-
Provision at the end of the period	<u>1,643,049</u>	<u>1,424,338</u>
Income and expenditure impact		
Effect of unwinding discount and changes in rate	218,711	153,759
	<u>218,711</u>	<u>153,759</u>

Assumptions

	31.07.20	31.07.19
	% per annum	% per annum
Rate of discount	2.58%	2.58%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

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23 Operating lease commitments

The following operating lease payments are committed to be paid:

	Other	
	Group	Group
	2020	2019
	£'000	£'000
Expiring:		
Within one year	2,080	2,544
Between one and five years	-	2,080
	2,080	4,624
	2,080	4,624

24 Related party transactions

The charity's trustees, as detailed on page 1, were reimbursed or had expenses paid on their behalf totalling £15,693 (2019: £20,574) in respect of travel, subsistence and training.

As authorised under section 6 of the Articles of Association, a total of £105,274 (2019: £108,838) was paid in remuneration to 11 (2019: 11) sabbatical officer trustees.

Pension contributions paid by the Union on behalf of five (2019: three) of the trustees listed above totalled £1,910 (2019: £669).

The University of Portsmouth Students' Union (UPSU) operates a trading subsidiary, Portsmouth Students' Union Trading Company Limited (PSUT). PSUT is wholly owned by UPSU and was established to handle the sales of clothing, merchandise, 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.

Shortly after its incorporation, UPSU 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 2020 was £7,000 (2019: £7,000). Interest is charged on the balance outstanding at 1.5% over base. The charge for the year was £140 (2019: £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 £1,247,554 (2019: £1,214,751) from the University of Portsmouth.