

USWSU
Annual Report and Financial Statements
Year ending 30th June 2015



Company Number 8629047
Registered Charity Number 1153572

USWSU
Annual Report and Financial Statements
Year ending 30th June 2015

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USWSU

Annual Report

Administrative information

Company number 8629047

Registered charity number 1153572

USWSU is the recognised student body for the University of South Wales.

Trustee Board

| Officer Trustees | Date appointed | Date ceased |
|-------------------------|-----------------------|--------------------|
| Ellen Rose-Jones | 01/07/2014 | |
| Carys RhiannonThomas | | 30/06/2015 |
| Drew Burman | 01/07/2014 | 30/06/2015 |
| Rosalind Green-Innes | 01/07/2014 | 30/06/2015 |
| Jonathan Jones | 01/07/2015 | |
| Sam Senior | 01/07/2015 | |

External Trustees

| | | |
|----------------|------------|------------|
| Luke Young | | |
| Rachel Cable | | 26/01/2015 |
| Maureen Webber | | 12/03/2015 |
| Kim Brown | 12/03/2015 | |
| Hannah Pudner | 13/05/2015 | |

Student Trustees

| | |
|---------------|------------|
| Samayita Khan | 30/06/2015 |
|---------------|------------|

Alumni Trustee

| | |
|-----------|------------|
| Sajid Ali | 12/03/2015 |
|-----------|------------|

Principal Office

University of South Wales Student Union
Forest Grove
Treforest
Pontypridd
CF37 1UF

Chief Executive Officer

Sian Taylor

Auditor

West & Co
13 High Street
Hemel Hempstead
Herts
HP1 3AA

USWSU

Report of the Trustees for the year ended 30th June 2015

The Trustees present their report together with the audited financial statements for the year ended 30th June 2015 and confirm the latter comply with the requirements of the Charities Act and the Charities SORP 2005.

This trustees' report is a director's report as required by S415 of the Companies Act 2006.

The Trustees are shown on page 2.

Structure, governance and management

The USWSU is a students' union within the meaning of the Education Act 1994. The Union is devoted to promoting the education, interests and welfare of its Members, students at The University of South Wales. It is the recognised independent representative body of students at the University.

Governance

The Union is democratically controlled by its members through the annual election of a team of student and non-student representatives who form the Union's Trustee Board. The membership of the Trustee Board is as follows:

- Up to four Officer Trustees who are elected in accordance with the Constitution
- Up to three Student Trustees who are elected in accordance with the Constitution
- Up to three External Trustees who are appointed in accordance with the Constitution
- Up to two Alumni Trustees who are appointed in accordance with the Constitution

The Board of Trustees are responsible for the management and administration of the Union including;

- the governance and strategy of the Union; and
- the overall legal, financial and staffing responsibilities of the Union.

Policy

Policy is set by the Trustees, the Student Council or by the members at the Annual General Meeting. The Trustees have the power to veto or amend any policy that is passed by Student Council that has a negative legal, financial or governance implication. The Officer Trustees work with the employees of the Union to implement the policies. The employees are managed by the Chief Executive Officer, who advises the Officer Trustees, and who is accountable to the Board of Trustees for the performance of the Union.

Funding

USWSU is mainly funded by the University of South Wales who provide subvention grant monies on an annual basis. USWSU also undertakes commercial activities such as bars, catering, shops and other goods and services supplied to members and generate other income such as sponsorship which provides additional funds.

Related Party

The parent institution is the University of South Wales.

Risk management statement

The major strategic, business and operational risks are identified and reviewed by the Trustees, who have systems and reporting procedures in place to minimise risk.

Objectives for 2014-15

Advancement of the education of students through the provision of opportunities to engage in activities that are both academic and extra-curricular, such as sports, fundraising and volunteering, and political debate.

Contribute to the employability agenda of the University of South Wales by providing opportunities for students to develop key employability skills, through developing student jobs and volunteering opportunities throughout the regions. Engage with, and fully support, the University's employability initiatives, and work in partnership with them whenever possible.

Maintain a high level student experience across all campuses and strive, where possible, to create parity of student experience, irrespective of the place of study. The Union be mindful of the demographic of students, and strive to provide services that would contribute positively to, and enhance their student experience.

Financial Review

Total income from all sources for the year was £2,942,328. Total expenditure on all activities was £2,943,326 producing a deficit of £998.

Reserves

USWSU held Unrestricted Reserves of £40,200 at 30th June 2015 (2014, £41,198). The Union should hold some reserves to cover unexpected eventualities. The Union aims to maintain and eventually increase reserves in the future.

Future Funding

USWSU is confident of sufficient funds in the coming year to meet its obligations, mainly due to the subvention grant from the University. USWSU expects to break even for the coming year but wishes to increase its reserves in future years.

Future plans

- Develop strong, sustainable and satisfying relationships with our stakeholders whilst ensuring that the Union is actively engaging its stakeholders in setting strategy and operational plans.
- Continually improve what the Union does whilst equipping staff, officers and volunteers with the skills and knowledge they need to achieve the Union's Vision.
- Achieve financial stability through robust financial management, reviewing existing practices and investing in the Union's services to students.
- Ensure that the Union's systems, policies and procedures add value, enable greater student engagement and are easy to understand.

Trustees Statement on Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the 2011 Charities Act to have due regard to guidance published by the Charity Commission regarding Public Benefit.

Trustees' Responsibilities Statement

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper 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.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act.

Signed on behalf of the Board of Trustees on 21st September 2015



Ellen Rose-Jones
President and Chair of the Board of Trustees

INDEPENDENT AUDITORS' REPORT

Independent auditors's report to the trustees of USWSU

We have audited the financial statements of USWSU for the year ended 30th June 2015 which comprise Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of the Act.

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 charitable companies 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' Annual 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 charitable company's affairs as at 30 June 2015, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities ;
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

24th September 2015

Stephen West
Senior Statutory Auditor
for and on behalf of
West & Co
Chartered Accountants and Statutory Auditors

13 High Street
Hemel Hempstead
Hertfordshire
HP1 3AA

USWSU
Statement of Financial Activities
For the year to 30th June 2015

| | | Year to 30/06/2015 | | 13/09/2013 to 30/06/2014 | |
|--|-------|---------------------|-----------|--------------------------|-----------|
| | Notes | Unrestricted Income | | Unrestricted Income | |
| | | £ | £ | £ | £ |
| Incoming resources | | | | | |
| Voluntary income | 2 a | 1,161,111 | | 896,738 | |
| Activities to generate funds | 2 b | 415,487 | | 355,766 | |
| Charitable activities for students | 2 c | 1,365,310 | | 1,304,266 | |
| Other income | 2 d | 420 | | 51,453 | |
| | | | | | |
| Total incoming resources | | | 2,942,328 | | 2,608,223 |
| Resources expended | | | | | |
| Costs of generating funds | 3 a | 309,032 | | 244,698 | |
| Charitable activities for students | 3 b | 2,623,394 | | 2,312,774 | |
| Governance | 3 c | 10,900 | | 9,553 | |
| | | | | | |
| Total resources expended | | | 2,943,326 | | 2,567,025 |
| | | | | | |
| Net (expenditure) income for the year | 11 | | (998) | | 41,198 |
| Funds balances brought forward | | | 41,198 | | - |
| | | | | | |
| Fund balances carried forward | 11 | £ | 40,200 | £ | 41,198 |

The notes on pages 10 to 14 form part of these financial statements

USWSU
Balance Sheet
As at 30th June 2015

| | Notes | 2015 | | 2014 | |
|--|-------|----------------|-----------------|----------------|-----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 76,349 | | 88,721 |
| Current assets | | | | | |
| Stocks | | 68,547 | | 73,126 | |
| Debtors | 8 | 85,382 | | 99,633 | |
| Cash at bank and in hand | | 252,532 | | 268,549 | |
| | | <u>406,461</u> | | <u>441,308</u> | |
| Current liabilities | | | | | |
| Creditors: amounts due within one year | 9 | 282,748 | | 293,443 | |
| Net current assets | | | 123,713 | | 147,865 |
| Total assets less current liabilities | | | <u>200,062</u> | | <u>236,586</u> |
| Creditors due after one year | | | | | |
| Bank loan | 10 | | 159,862 | | 195,388 |
| Net assets | | | <u>£ 40,200</u> | | <u>£ 41,198</u> |
| Representing Charitable Funds:- | | | | | |
| Unrestricted income funds | 11 | | <u>£ 40,200</u> | | <u>£ 41,198</u> |

Approved on behalf of the Board of Trustees of USWSU on 21st September 2015



Ellen Rose-Jones

President and Chair of the Board of Trustees

The notes on pages 10 to 14 form part of these financial statements

Registered Charity number 1153572
Registered Company number 8629047

1 Accounting policies

(a) Accounting convention

These financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities' published in March 2005 (SORP 2005) and with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and the Companies Act 2006.

(b) Company status

The charity is a company limited by guarantee. The amount that each member undertakes to contribute to the assets of the Union in the event of the Union being wound up is limited to £1.

(c) Fund accounting

Unrestricted funds are general funds available for use as determined by the Trustees in accordance with general objectives and which have not been earmarked for specific purposes.

Designated funds are funds set aside by the Trustees for specific purposes.

Restricted funds are income received with restrictions imposed by the donor or revenue generated for specific purposes.

(d) Incoming resources

Incoming resources are recognised in the financial statements when there is entitlement and the income has been received or is reasonably expected to be received, and the amount can be measured with sufficient reliability

(e) Resources expended

Expenditure is accounted for on an accruals basis, includes irrecoverable VAT, and is allocated under appropriate categories of activity. Liability for expenditure is recognised where a legal or constructive obligation exists.

(f) Going concern

The trustees consider that the going concern basis is appropriate in preparing the financial statements as the trustees have reasonable expectation that the charitable company will have adequate resources for the foreseeable future.

(g) Tangible fixed assets

Fixed assets are stated at cost less depreciation. Expenditure is not capitalised unless items are expected to be in use for more than one year. Expenditure by clubs and societies is written off in the year of acquisition. Depreciation is provided at one third per annum on reducing balance to write off the cost of fixed assets over their estimated useful lives.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value.

USWSU
Notes to the financial statements (continued)
Year ended 30th June 2015

1 Accounting policies (continued)

(i) Debtors

Debtors are stated net of amounts considered irrecoverable.

(j) Pension costs

USWSU participates in the Student Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the Trustees on the advice of the actuary. The Student Union is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme.

USWSU also makes pension contributions for certain employees to money purchase defined contribution schemes for which the annual contributions payable are included as expenditure.

(k) Leased assets

Rentals under operating leases are charged as expenditure over the period of the lease.

(l) Taxation

USWSU is a registered charity and therefore exempt from corporation tax on income and gains applied for charitable purposes.

2 Incoming resources

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| a Voluntary income | | |
| Subvention grant from the University | <u>1,161,111</u> | <u>896,738</u> |
| b Activities for generating funds | | |
| Travel and employment service | 277,374 | 247,945 |
| Sponsorship, membership, and other activities | <u>138,113</u> | <u>107,821</u> |
| | <u>415,487</u> | <u>355,766</u> |
| c Charitable activities for students | | |
| Bars | 434,352 | 350,897 |
| Shops | 617,593 | 672,860 |
| Catering | 248,936 | 225,777 |
| Other such activities | <u>64,429</u> | <u>54,732</u> |
| Total | <u>1,365,310</u> | <u>1,304,266</u> |
| d Other income | | |
| Investment income | 420 | 404 |
| Net assets transferred from the Union as an unincorporated association on 13th September 2013 | <u>-</u> | <u>51,049</u> |
| | <u>420</u> | <u>51,453</u> |

USWSU
Notes to the financial statements (continued)
Year ended 30th June 2015

3 Resources expended

| | Purchases | Staff | Other | 2015 | 2014 |
|---|------------------|------------------|----------------|------------------|------------------|
| | £ | £ | £ | Total | Total |
| | | | | £ | £ |
| a Costs of generating funds | | | | | |
| Travel and employment service | 89,138 | 164,584 | - | 253,722 | 217,098 |
| Other activities costs | 55,310 | - | - | 55,310 | 27,600 |
| | <u>144,448</u> | <u>164,584</u> | <u>-</u> | <u>309,032</u> | <u>244,698</u> |
| b Costs of charitable activities | | | | | |
| Bars | 205,717 | 206,518 | 53,730 | 465,965 | 366,907 |
| Shops | 432,252 | 147,265 | 11,421 | 590,938 | 653,681 |
| Catering | 101,438 | 148,578 | 10,083 | 260,099 | 233,309 |
| Other such activities | 65,553 | 26,884 | 864 | 93,301 | 66,499 |
| Sports and societies | 135,296 | - | - | 135,296 | 124,343 |
| Welfare, representation | - | - | 54,085 | 54,085 | 38,214 |
| Rent | - | - | 173,040 | 173,040 | 139,297 |
| Porters and cleaners | - | 95,691 | - | 95,691 | 95,947 |
| Staff costs | - | 515,799 | - | 515,799 | 393,411 |
| Trustees salaries | - | 71,963 | - | 71,963 | 57,712 |
| Affiliations | - | - | 37,892 | 37,892 | 30,409 |
| Depreciation | - | - | 38,175 | 38,175 | 35,367 |
| Other activities costs | - | - | 91,150 | 91,150 | 77,678 |
| | <u>940,256</u> | <u>1,212,698</u> | <u>470,440</u> | <u>2,623,394</u> | <u>2,312,774</u> |
| c Costs of governance | - | - | 10,900 | 10,900 | 9,553 |

Included in governance costs is the audit fee of £5,450 and accountancy fees paid to the auditors of £5,450.

4 Staff costs

| Staff costs for all employees (including trustees) | 2015 | 2014 |
|---|--------------------|--------------------|
| Wages and salaries | 1,173,527 | 1,037,973 |
| Social security | 63,227 | 52,174 |
| Pension costs | 140,528 | 99,134 |
| | <u>£ 1,377,282</u> | <u>£ 1,189,281</u> |

No employee earned over £60,000 per annum.

The average monthly number of employees during the year was 175 179

5 Trustees remuneration

Total salary and NI costs for the year £ 71,963 £ 57,712

There were four trustees who were full time sabbatical officers receiving salaries for the representation, campaigning and support work they undertake as distinct from their responsibilities as trustees.

Four trustees were reimbursed a total of £2,378 for the year (2014, £2,014 for the period) in respect of travel and subsistence expenses.

USWSU**Notes to the financial statements (continued)****Year ended 30th June 2015****6 Pension costs and commitment**

The pension contributions payable for the period comprised

| | 2015 | 2014 |
|------------------------------|------------------|-----------------|
| Money purchase schemes | 42,419 | 37,039 |
| Deficit | 93,549 | 58,581 |
| Pension protection fund levy | 4,560 | 3,514 |
| | <u>£ 140,528</u> | <u>£ 99,134</u> |

With effect from 30th September 2011 the Students Union Superannuation Scheme (SUSS) closed to further benefit accrual. All participating unions are required to make annual deficit contributions which are expected to eliminate the deficit by 1st October 2031. The most recent valuation of SUSS at 30th June 2013 showed assets of £81 million and liabilities of £155 million, a funding deficit of 48%. The annual deficit contributions which USWSU has to pay will be,

| | Per annum |
|--|------------------|
| From 1st October 2014 | £101,772 |
| From 1st October 2015 | £106,860 |
| From 1st October 2016 until 1st October 2031 | £112,200 |

7 Tangible fixed assets

| | Furniture, equipment, fixtures and fittings £ |
|-----------------------|--|
| Cost | |
| At 1st July 2014 | 124,088 |
| Additions | 25,803 |
| At 30th June 2015 | <u>149,891</u> |
| Depreciation | |
| At 1st July 2014 | 35,367 |
| Charge for the period | 38,175 |
| At 30th June 2015 | <u>73,542</u> |
| Net book value | |
| At 30th June 2015 | <u>£ 76,349</u> |
| At 30th June 2014 | <u>£ 88,721</u> |

8 Debtors

| | 2015 | 2014 |
|---|-----------------|-----------------|
| Trade debtors | 5,264 | 3,771 |
| Indebtedness from University of South Wales | 44,560 | 54,772 |
| Indebtedness from Glamorgan Student Letting Ltd (see note 12) | 31,418 | 30,845 |
| Prepayments and accrued income | 4,140 | 10,245 |
| | <u>£ 85,382</u> | <u>£ 99,633</u> |

USWSU**Notes to the financial statements (continued)****Year ended 30th June 2015****9 Creditors: amounts due within one year**

| | 2015 | 2014 |
|---------------------------------|------------------|------------------|
| Bank loan | 35,525 | 35,525 |
| Trade creditors | 93,303 | 145,179 |
| Social security and other taxes | 32,447 | 22,733 |
| Other creditors | 73,012 | 66,371 |
| Accruals and deferred income | 48,461 | 23,635 |
| | <u>£ 282,748</u> | <u>£ 293,443</u> |

10 Creditors: amounts due after one year

| | | |
|-----------|------------------|------------------|
| Bank loan | <u>£ 159,862</u> | <u>£ 195,388</u> |
|-----------|------------------|------------------|

The bank loan totalling £195,387 at 30th June 2015 (2014, £230,913) is repayable in quarterly installments until 2020 and bears interest at 4.2% per annum over LIBOR.

11 Funds

| | Unrestricted Funds | |
|--|---------------------------|-----------------|
| | 2015 | 2014 |
| At 1st July 2014 | 41,198 | - |
| Net (deficit) surplus for the year | (998) | 41,198 |
| Unrestricted funds balance at 30th June 2015 | <u>£ 40,200</u> | <u>£ 41,198</u> |

All of the funds are Unrestricted at 30th June 2015 as there were no Designated Funds or Restricted Funds

12 Related party transactions

USWSU received a subvention grant of £1,161,111 for the year (2014, £896,738 for the period) from the University of South Wales. The University charged rent of £168,000 for the year in respect of the building occupied by the Union, (2014, £139,297). The lease for the building represents a financial commitment to pay rent of £168,000 per annum plus VAT until 28th October 2021.

USWSU owns one £1 Ordinary Share being one half of the issued shares of Glamorgan Student Letting Ltd, a UK limited company that trades as a lettings agency. The accounts of this company show a profit of £11,561 for the year to 31st July 2014 (2013, £5,718 profit) and net liabilities of £16,408 (2013, £27,969) at 31st July 2014. Two of the employees of USWSU act as directors of this company.

13 Control

USWSU is controlled by the Trustees, but ultimate control is vested in the membership.