

REGISTERED COMPANY NUMBER: 08629047 (England and Wales)  
REGISTERED CHARITY NUMBER: 1153572

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2020  
FOR  
USWSU**



Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

---

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 21

---

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2020**

---

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2020. The trustees have adopted the provisions of 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 2019).

**OBJECTIVES AND ACTIVITIES**

**Objective and aims**

The objectives of the University of South Wales Students' Union are:

- The advancement of education of students at the University of South Wales.
- Promoting the interests and welfare of students at the University during their course of study.
- Representing, advising and supporting students.
- Providing social, cultural, sporting and recreational activities, and forums for discussions and debate, for the personal development of our students.
- Campaign, influence public opinion, and seek to influence government and other institutions regarding the reform, development and implementation of appropriate policies.

The Students' Union planned to achieve this through:

- 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 is mindful of the demographic of students and strives to provide services that contribute positively to, and enhance their student experience.

The trustees of USWSU have had regard to the guidance issued by the Charity Commission on public benefit and maintain oversight of this through regular meetings.

**Contributions made by volunteers**

Student volunteers are key to the success and engagement of our student community. Our volunteers are responsible for running our sports teams, clubs and societies, therefore delivering weekly activities for over 1,000 students.

The academic representation network has over 700 Course Representatives and 20 Student Voice Representatives (school representatives) ensuring that the student voice remains at the heart of academic decisions.

The Student Council are a group of elected part-time officers who represent their specific demographic. At present, Student Council has thirteen elected part-time officers.

**ACHIEVEMENTS AND PERFORMANCE**

This year can be described as a year of two halves, with the first half of the academic year promising to be successful in terms of student engagement and commercial provision, and the second dealing with the COVID-19 pandemic. The Students' Union closed all physical premises on the 17 March and moved to homeworking and virtual support of our members.

The Students' Union continues to support and provide for the students at the University of South Wales, as well as benefitting the local community.

This year, the number of Course Representatives elected remained around 700, ensuring consistent academic support to our students. This continued throughout the academic year.

Prior to the onset of the pandemic, and the subsequent cessation of activities, over 1,000 students participated in extra-curricular activities facilitated by the Students' Union, providing a sense of community and belonging, in addition to promoting the need to look after their mental health and wellbeing. This continued virtually from March 2020, with activities, campaigns, and 1-2-1 support being delivered virtually.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2020**

---

**ACHIEVEMENTS AND PERFORMANCE**

The Students' Union is an annual supporter of the Rhondda Cynon Taff County Council Christmas Santa Appeal, which collect gifts for looked after children. This year over 300 gifts were collected and donated by USWSU, the largest amount donated by the Students' Union in seven years. This brings the total amount of presents gifted, since the Students' Union started supporting the Santa Appeal, to over 1,500.

Based on the success of last year's Trick or Treat campaign, Cardiff Students' Union asked to partner with USWSU, enabling the Students' Union to run the campaign in both Treforest and Cardiff. Instead of collecting sweets, the Students Union Officers and volunteers asked for a donation of a tin of food to donate to the local food banks. This enabled USWSU to collect over 165 kilos of food items, shared between food banks in Pontypridd and Cardiff.

Prior to lockdown, local community groups continued to use the Students' Union for their meetings and activities. The Pontypridd Soroptimists continued to hold bi-monthly meetings at the Students' Union's Treforest building, as well as the Citizen's Advice Pontypridd Board of Trustees holding their monthly meetings here.

Since March 2020 when the World Health Organisation confirmed the outbreak of Covid-19 to be a global pandemic, several measures were taken globally by governments to protect the population. From the perspective of USWSU this resulted in complete closure of all buildings and commercial services. The support work of the Students' Union moved on-line, and provision continued virtually. The Students' Union worked closely with the University of South Wales during this time, ensuring that the student voice was heard at all levels of the University. Weekly meetings were held with the Vice Chancellor, the President and CEO were members of the USW Operational Group, and Officers and Staff were involved in the development of the University's No Detriment Approach.

Operationally, commercial provision stopped, and the Students' Union took advantage of the Government support available and furloughed around 80% of staff. In addition, a six-month payment holiday was requested from our bank for the outstanding amount of the loan. In April, due to cash-flow pressures, the Students' Union successfully applied for a Coronavirus Business Interruption Loan (CBILS), which was approved extremely quickly.

Plans are being made in order to ensure staff and officers can return to work safely at the start of the new academic year in September. The Student's Union continues to follow government guidance to safeguard our people and everyone who comes into contact with it.

**Financial review**

The total income for the year was £2,516,841 (2019 - £2,768,009). £1,232,611 of this is the subvention grant received from the University of South Wales, further grants of £113,662 were received through the government job retention scheme for those employees placed on furlough. Income from charitable activities was £908,430, a reduction of £270,790 due to the enforced closure in the last quarter of the year. Other trading activities also decreased to give a total of £261,914 (2019 - £355,542).

Expenditure for the year totalled £2,416,516 (2019 - £2,736,709) which results in a surplus for the year of £100,325 before accounting for the unwinding for the discounting of the pension provision of £803,769 (2019 - £74,898), which creates a deficit of £703,444 (2019 - £43,598). The significant increase arising as a result of the planned 24.1% increase to deficit payments in October 2021.

The balance sheet position at 30 June shows negative unrestricted funds of £2,955,586 (2019 - £2,252,142) the majority of this relates to the provision for the defined pension liability of £2,842,137 (2019 - £2,184,452). There are no free reserves at 30 June 2020.

**Reserves policy**

The Board of Trustees have reviewed USWSU's reserve requirement and recognises that a liquidity cash reserve reflective of the cash trading position is required for troughs in our funding. The Trustees recognise that reserves are part of USWSU's unrestricted funds, which are freely available to spend on any of USWSU's charitable purposes. When deciding on the level of reserves, the Board recognise that reserve levels which are too high could limit the amount USWSU spends on charitable activities thereby reducing the benefits to USWSU members. Likewise, the Board recognises a risk to USWSU and its future activities if reserves are too low. USWSU's reserves cover an operating surplus, designated capital commitments, and designated service investment.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2020**

---

**Pension liabilities**

The Students' Union is part of a closed pension scheme, and as such must make annual deficit contributions which are expected to eliminate the deficit by August 2035. The most recent valuation of SUSS showed assets of £119.1m and liabilities of £260.0m, a funding deficit of 46%.

This year's accounts demonstrate the full impact of the pension's deficit provision under FRS102, which means the Students' Union has to show provision for our proportion of the above funding deficit.

**Going concern**

The trustees have assessed the Students' Union's ability to continue as a going concern, taking into account the financial impacts of Covid-19. They have considered several factors when forming their conclusions including liquidity, cash resources, liabilities, support available from government initiatives and support from the University of South Wales.

Like many organisations, our financial position has been, and will continue to be impacted by the financial impact of recent events.

After assessing the impact of possible different scenarios, which assume that support from the University will continue, the trustees have concluded that there is a reasonable expectation that adequate resources are available to continue to operate for at least 12 months from the date of signing the financial statements and have therefore continued to prepare the financial statements on a going concern basis.

**Principal funding**

USWSU's funding is derived in two main ways: through a subvention from the University of South Wales, and through income from commercial services.

**Principal risks and uncertainties**

This year, a global pandemic became the principle risk facing the charity. Keeping staff and students safe, whilst ensuring the charity remained viable became the main focus of the Trustees and the Senior Management Team. This remains the key focus, whilst continuing to operate, as long as the Covid-19 virus remains active.

The Students' Union Superannuation Scheme, the closed pension scheme of which USWSU was a member, continues to be a risk to the Students' Union. The pension fund is closed to future accrual, therefore previous members are responsible for the deficit payments to the scheme. The deficit payments are increasing year on year, which pose a financial risk to both USWSU and all other Students' Unions who are members.

- 1) The national decrease in students entering Higher Education is also a principal risk to the charity. This has a twofold effect on the Students' Union:
- 2) The subvention is based on student numbers, and therefore a decrease in numbers equals a decrease in funding from the University.

Decreasing student numbers results in a decrease in income as less students use the Students' Union facilities.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2020**

---

**FUTURE PLANS**

- Develop strong sustainable and satisfying relationships with our stakeholders whilst ensuring that the Union 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.

**Plans to deal with Covid-19:**

- Ensure all buildings are Covid secure in line with Government guidelines.
- Health and safety training, with an emphasis on Covid-19, to be delivered to all staff.
- On-line ordering developed and implemented for food and beverages, to be used in the pub and coffee shop.
- Three team rota to be developed to minimise the amount of time on campus, along with minimum face-to-face contact.
- Provide PPE to all staff.
- Ensure daily 'fogging' of all areas, paying particular attention to toilets and shop.
- Ensure staff have appropriate IT equipment, where required, to facilitate home working.
- Maintain weekly meetings with the University.
- Remain cognisant of sector practise and ensure parity with this.
- Remain up-to-date with Welsh Government and UK Government guidance.

**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.

The charity is a registered charitable company that is limited by guarantee.

**Trustee selection methods**

Up to four Officer Trustees are elected by secret ballot of the Members of the Students' Union, at elections held in accordance with the Standing Orders. The Officer Trustees shall be elected to sabbatical posts within the Students' Union. Officer Trustees remain in office for a term of one year, although this may be shorter or longer on a transitional basis to coincide with an alteration of the year start or end.

Up to three Student Trustees are elected by the Students' Union Student Council, provided that the appointment of each Student Trustee is ratified by a 2/3 majority. Each Student Trustee must be a Student at the time of their election. Student Trustees shall remain in office for a term of two years commencing in accordance with the Standing Orders. The term of office may be shorter or longer on a transitional basis to coincide with the alteration of the year start or end. A Student Trustee may serve a maximum of two consecutive years.

Up to five External Trustees shall be appointed by a simple majority vote of the Appointments Committee, provided that the appointment of each External Trustee is ratified by a 2/3 majority vote of the Student Council. Such appointment shall not take effect until it has been ratified by Student Council. External Trustees shall remain in office for a term of four years commencing in accordance with the Standing Orders. External Trustees may serve for a maximum of two terms which may be either consecutive or non-consecutive.

**Trustee induction and training**

New trustees are trained at the beginning of each academic year to ensure they understand their roles and responsibilities. This forms part of a comprehensive in-house training programme and focuses in depth on their full responsibilities, accountability and Nolan Principles.

**Organisational structure**

The Students' Union is run by students for students, supported by a number of staff, and overseen by a Board of Trustees.

Elections are held annually for the students at the University of South Wales to vote for their full-time and part-time student officers. These form Student Council, who are responsible for the representation and campaigning function of the Students' Union.

The Board of Trustees are responsible for the legal, financial and governance arrangements of the Students' Union, and delegates day-to-day responsibility of their duties to the Chief Executive Officer and Senior Management Team.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2020**

---

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The Students' Union is affiliated to the National Union of Students, and through them, works closely with the National Union of Students in Wales. The student officers regularly meet with the officers of NUS Wales to collaborate on campaigns and activities.

**Pay and remuneration**

The arrangements for setting pay and remuneration of the Union's key management are in line with sector practice and take in to account the financial performance of the Union. Normally, a 1% cost of living increase is agreed annually by the Board of Trustees, however this is dependent on future financial forecasts. The Students' Union is a Living Wage Employer and ensures all employees are paid in accordance with relevant legislation governing pay.

**Risk management**

The trustees have identified and reviewed the risks to which the charity is exposed and ensured appropriate controls are in place to provide reasonable assurance against fraud and error.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

08629047 (England and Wales)

**Registered Charity number**

1153572

**Registered office**

University of South Wales  
Students' Union  
Forest Grove  
Rhondda Cynon Taff  
CF37 1UF

**Officer Trustees**

Mishan Wickremasinghe  
Oliver Banks  
Lois Jones  
Shannon Rosa Gibbs Lee  
Niall O'Reilly  
Rhys-Llywelyn Pewtner  
Liam Powell  
Kay Dennis  
Ali Akthar Surov

Resigned 1 October 2020  
Appointed 15 August 2019 & Resigned 30 June 2020  
Appointed 15 August 2019  
Appointed 15 August 2019  
Resigned 15 August 2019  
Resigned 15 August 2019  
Resigned 15 August 2019  
Appointed 1 July 2020  
Appointed 1 October 2020

**External Trustees**

Anna Morgan  
Richard Seymour  
Robert Simkins  
Isabel Anderson  
Caroline Smith  
Kim Brown  
Philip Bowen

Appointed 1 July 2017  
Appointed 1 October 2020  
Appointed 1 October 2020  
Appointed 1 October 2020  
Appointed 1 October 2020  
Resigned 14 August 2019  
Resigned 15 August 2019

**Key Management Personnel**

Sian Taylor  
Helen Thomas

CEO  
Central Resources Manager

**Company Secretary**

S Taylor

## REFERENCE AND ADMINISTRATIVE DETAILS

**Auditors**  
Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

## STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of USWSU for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 business.

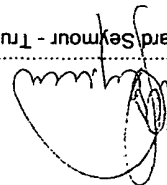
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 auditors are 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 auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 27/11/21 and signed on the board's behalf by:

Richard Seymour - Trustee



27/11/21



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF USWSU

---

### Opinion

We have audited the financial statements of USWSU (the 'charitable company') for the year ended 30 June 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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).

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 2020 and of its 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.

### 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### Opinions 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
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

### 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF USWSU

---

### **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.

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

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.

Julia Mortimer (Senior Statutory Auditor)  
for and on behalf of Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

28 January 2021

**USWSU**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 30 JUNE 2020**

		2020 Unrestricted funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	3	1,346,273	1,232,611
<b>Charitable activities</b>	6		
General		908,430	1,179,220
Other trading activities	4	261,914	355,542
Investment income	5	224	636
<b>Total</b>		<b>2,516,841</b>	<b>2,768,009</b>
<b>EXPENDITURE ON</b>			
Costs of other trading activities	7	190,611	230,780
<b>Charitable activities</b>	8		
General		<u>2,225,905</u>	<u>2,505,929</u>
<b>Total</b>		<b>2,416,516</b>	<b>2,736,709</b>
Actuarial loss/Unwinding of pension scheme provision		<u>(803,769)</u>	<u>(74,898)</u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(703,444)</b>	<b>(43,598)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>(2,252,142)</b>	<b>(2,208,544)</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>(2,955,586)</u></b>	<b><u>(2,252,142)</u></b>

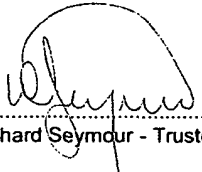
The notes form part of these financial statements

USWSU

**BALANCE SHEET  
AT 30 JUNE 2020**

		2020 Unrestricted funds £	2019 Total funds £
<b>FIXED ASSETS</b>	Notes		
Tangible assets	15	49,617	53,959
<b>CURRENT ASSETS</b>			
Stocks	16	60,286	56,684
Debtors	17	34,536	44,362
Cash at bank and in hand		<u>179,493</u>	<u>74,626</u>
		274,315	175,672
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(337,381)</u>	<u>(273,464)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(63,066)</u>	<u>(97,792)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(13,449)	(43,833)
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(100,000)	(23,857)
<b>PENSION LIABILITY</b>	23	<u>(2,842,137)</u>	<u>(2,184,452)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>(2,955,586)</u>	<u>(2,252,142)</u>
<b>FUNDS</b>	22		
Unrestricted general funds		(113,449)	(67,690)
Pension liability		<u>(2,842,137)</u>	<u>(2,184,452)</u>
<b>Unrestricted funds</b>		<u>(2,955,586)</u>	<u>(2,252,142)</u>
<b>TOTAL FUNDS</b>		<u>(2,955,586)</u>	<u>(2,252,142)</u>

The financial statements were approved and authorised for issue by the Board of Trustees on ..... and were signed on its behalf by:

  
Richard Seymour - Trustee

27/1/21

The notes form part of these financial statements

USWSU

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

		2020 £	2019 £
<b>Cash flows from operating activities:</b>	Notes		
Cash generated from operations	1	<u>42,256</u>	<u>(45,305)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>42,256</u>	<u>(45,305)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(5,783)	(33,095)
Sale of fixed asset investments		-	2
Interest received		224	385
Dividends received		<u>-</u>	<u>251</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(5,559)</u>	<u>(32,457)</u>
<b>Cash flows from financing activities:</b>			
New loans in year		100,000	-
Loan repayments in year		<u>(31,830)</u>	<u>(43,462)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>68,170</u>	<u>(43,462)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		104,867	(121,224)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>74,626</u>	<u>195,850</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>179,493</u>	<u>74,626</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(703,444)	(43,598)
Adjustments for:		
Depreciation charges	10,125	18,602
Unwinding of pension scheme	803,769	74,898
Interest received	(224)	(385)
Dividends received	-	(251)
(Increase)/decrease in stocks	(3,602)	674
Decrease in debtors	9,826	9,735
Increase in creditors	71,890	34,709
Difference between pension charge and cash contributions	(146,084)	(139,689)
<b>Net cash provided by (used in) operating activities</b>	<b><u>42,256</u></b>	<b><u>(45,305)</u></b>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/7/19 £	Cash flow £	At 30/6/20 £
<b>Net cash</b>			
Cash at bank and in hand	74,626	104,867	179,493
<b>Debt</b>			
Debts falling due within one year	(40,676)	7,973	(32,703)
Debts falling due after one year	(23,857)	(76,143)	(100,000)
	(64,533)	(68,170)	(132,703)
<b>Total</b>	<b><u>10,093</u></b>	<b><u>36,697</u></b>	<b><u>46,790</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

---

**1. STATUTORY INFORMATION**

USWSU is a registered charity and private company limited by guarantee, having no share capital, incorporated in Wales in the United Kingdom. The registered office is University of South Wales Students' union, Forest Grove, Treforest, Rhondda Cynon Taff, CF37 1UF. The nature of the company's operations and principal activities are disclosed within the Report of the Trustees.

In the event of the company being wound up the liability of its members is limited to a sum of £1.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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 2019)', 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.

There have been no material departures from Financial Reporting Standard 102.

**Going concern**

The Coronavirus pandemic has resulted in a number of uncertainties arising and the trustees have taken steps to minimise the effect on the charity and will continue to do so. These steps include taking advantage of, and continued monitoring of, any appropriate government financial support including the Furlough job retention scheme. During the year, the charity was able to take a six-month payment holiday on an existing bank loan and successfully applied for a Coronavirus Business Interruption loan to ease cash-flow pressures. Further details on the operational and financial impact of Covid-19 are outlined in the Report of the Trustees.

USWSU is confident of sufficient funds in the coming year to meet its obligations, mainly due to the continued support of the University of South Wales via the subvention grant. Internal forecasting and cashflow projections have been undertaken through to June 2022 and on the basis of the findings, the trustees have concluded that the going concern basis for preparation is appropriate and that the charity will be able to meet its liabilities as they fall due. Plans are currently being made in order to ensure staff and officers can return to work safely at the start of the new academic year in September 2021.

**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.

Donations and legacies income includes grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

It is not the policy of the charity to show income net of expenditure.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2020**

---

**2. ACCOUNTING POLICIES - continued****Basis of recognition of liabilities**

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. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

**Allocation and apportionment of costs**

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource.

**Tangible fixed assets**

Tangible fixed assets are initially recorded at cost.

Depreciation is provided at 20% on cost and 33.33% in reducing balance per annum.

**Investments**

Fixed asset investments are stated at cost.

**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.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**Operating lease commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. ACCOUNTING POLICIES - continued**

**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.

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Where a plan has been agreed to fund an identified deficit, a liability is recognised for the present value of the contributions payable that arise from that agreement with the resulting expense recognised in the Statement of Financial Activities.

**Significant accounting judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. DONATIONS AND LEGACIES**

	2020 £	2019 £
Subvention Grant	1,232,611	1,232,611
HMRC Job retention scheme grant	113,662	-
	<u>1,346,273</u>	<u>1,232,611</u>

Grants received, included in the above, are as follows:

	2020 £	2019 £
University of South Wales	<u>1,232,611</u>	<u>1,232,611</u>

**4. OTHER TRADING ACTIVITIES**

	2020 £	2019 £
Travel and employment service	218,380	256,963
Sponsorship and other trading activities	<u>43,534</u>	<u>98,579</u>
	<u>261,914</u>	<u>355,542</u>

**5. INVESTMENT INCOME**

	2020 £	2019 £
Shares in group undertakings	-	251
Deposit account interest	<u>224</u>	<u>385</u>
	<u>224</u>	<u>636</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**6. INCOME FROM CHARITABLE ACTIVITIES**

	2020 £	2019 £
Shop income	377,886	470,836
Bar income	314,272	435,731
Catering income	158,201	204,954
ENTS department income	58,071	67,699
	<u>908,430</u>	<u>1,179,220</u>

**7. COSTS OF OTHER TRADING ACTIVITIES****Other trading activities**

	2020 £	2019 £
Staff costs – Travel and employment service	138,117	135,047
Other costs - Travel and employment service	52,494	95,733
	<u>190,611</u>	<u>230,780</u>

**8. CHARITABLE ACTIVITIES COSTS**

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
General	<u>1,397,712</u>	<u>828,193</u>	<u>2,225,905</u>

**9. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2020 £	2019 £
Staff costs	478,298	524,634
Hire of plant and machinery	1,763	13,741
Rent - Campus Centre	168,975	172,833
Bar expenditure	177,110	233,003
Shop expenditure	282,725	363,601
Catering expenditure	82,786	86,597
ENTS department expenditure	81,883	86,499
SU Sport expenditure	96,451	111,180
Clubs & societies expenditure	-	33,411
Letting agency costs	-	18,401
Irrecoverable VAT	27,721	32,821
	<u>1,397,712</u>	<u>1,676,721</u>

**10. SUPPORT COSTS**

	Salaries £	Management £	Depreciation £	Governance costs £	Totals £
General	<u>576,347</u>	<u>150,770</u>	<u>10,125</u>	<u>90,951</u>	<u>828,193</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**11. NET INCOME/(EXPENDITURE)**

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

	2020	2019
	£	£
Auditors' remuneration	12,868	11,440
Depreciation - owned assets	10,125	18,602
Hire of plant and machinery	<u>1,763</u>	<u>13,741</u>

**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were four trustees (2019: four) who received remuneration in the year totalling £72,101 (2019: £69,071)

	Gross Pay	Pension
	£	£
Mishan Wickremasinghe	17,501	-
Oliver Banks	18,198	-
Shannon Lee	18,198	-
Lois Jones	<u>18,198</u>	<u>-</u>
	<u>72,101</u>	<u>-</u>

**Trustees' expenses**

Two trustees were reimbursed for a total of £793 (2018: £1,266 to four trustees) in respect of travel and subsistence in accordance with section 6.3 of the articles of association.

**13. STAFF COSTS**

	2020	2019
	£	£
Wages and salaries	1,135,334	1,152,166
Social security costs	61,089	62,690
Other pension costs	<u>73,463</u>	<u>71,697</u>
	<u>1,269,886</u>	<u>1,286,553</u>

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

2020	2019
<u>128</u>	<u>139</u>

No employees received emoluments in excess of £60,000.

Total remuneration paid to key management personnel in the year was £95,088 (2019 - £98,440).

**14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

All income and expenditure in the prior year related to unrestricted funds.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**15. TANGIBLE FIXED ASSETS**

Office fixtures  
& fittings  
£

**COST**

At 1 July 2019

217,688

Additions

5,783

At 30 June 2020

223,471**DEPRECIATION**

At 1 July 2019

163,729

Charge for year

10,125

At 30 June 2020

173,854**NET BOOK VALUE**

At 30 June 2020

49,617

At 30 June 2019

53,959**16. STOCKS**

2020

2019

£

£

Stocks

60,28656,684**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

2020

2019

£

£

Trade debtors

10,459

31,518

Prepayments and accrued income

24,07712,84434,53644,362**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

2020

2019

£

£

Bank loans and overdrafts (see note 20)

32,703

40,676

Trade creditors

144,218

75,389

Social security and other taxes

9,910

15,007

VAT

7,634

4,731

Other creditors

52,389

55,781

Accruals and deferred income

90,52781,880337,381273,464**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

2020

2019

£

£

Bank loans (see note 20)

100,00023,857

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**20. LOANS**

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Bank loans	<u>32,703</u>	<u>40,676</u>
Amounts falling between one and two years:		
Bank loan	<u>100,000</u>	<u>23,857</u>

One bank loan bears interest of 4.2% p.a. over LIBOR. Instalments are paid quarterly until 2020. The other bank loan bears interest of 4.42% p.a. over Base Rate. Instalments are paid monthly until 2025.

**21. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	168,000	168,889
Between one and five years	<u>-</u>	<u>42,000</u>
	<u>168,000</u>	<u>210,889</u>

**22. MOVEMENT IN FUNDS**

	At 1/7/19 £	Net movement in funds £	At 30/6/20 £
<b>Unrestricted funds</b>			
General fund	(2,252,142)	(703,444)	(2,955,586)
<b>TOTAL FUNDS</b>	<u>(2,252,142)</u>	<u>(703,444)</u>	<u>(2,955,586)</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	2,516,841	(2,416,516)	(803,769)	(703,444)
<b>TOTAL FUNDS</b>	<u>2,516,841</u>	<u>(2,416,516)</u>	<u>(803,769)</u>	<u>(703,444)</u>

Comparatives for movement in funds

	At 1/7/18 £	Prior year adjustment £	Net movement in funds £	At 30/6/19 £
<b>Unrestricted Funds</b>				
General fund	(2,369,341)	160,797	(43,598)	(2,252,142)
<b>TOTAL FUNDS</b>	<u>(2,369,341)</u>	<u>160,797</u>	<u>(43,598)</u>	<u>(2,252,142)</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**22. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	2,768,009	(2,736,709)	(74,898)	(43,598)
<b>TOTAL FUNDS</b>	<u>2,768,009</u>	<u>(2,736,709)</u>	<u>(74,898)</u>	<u>(43,598)</u>

**23. PENSION COMMITMENTS**

	2020 £	2019 £
At 1 July 2019	2,184,452	2,249,243
Amounts paid	(146,084)	(139,689)
Unwinding of discounted scheme	<u>803,769</u>	<u>74,898</u>
At 30 June 2020	<u>2,842,137</u>	<u>2,184,452</u>

The above schedule shows the present value at the year end for the multi-employer defined benefit Students' Union Superannuation Scheme.

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £140.9m which reported an increase to the previous 2016 valuation deficit of £119.7m.

The assumptions which have the most significant effect upon the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The previous 2016 actuarial valuation recommended a monthly contribution requirement by each Union expressed in monetary terms intended to clear the ongoing funding deficit over a period of 16 years which was due to end in 2033. Given the already substantial level of contributions being made to the scheme by employers, the Trustees of the scheme concluded that extending the recovery period was the most appropriate option.

In summary, employer contributions will increase by 5% in October 2020 as planned under the previous valuation, and then by 24.1% from October 2021, and increase by 5% each year thereafter until the end of the deficit recovery period, which is now expected to be in August 2035. However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation.

In addition to the above contributions, the Union also pays its share of the scheme's levy and associated expenses to the Pension Protection Fund.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 30 June 2020 amounted to £146,084 which are all deficit contributions (2019: £139,689). At the year end a liability was recognised for the present value of the contributions payable of £2,842,137 (2019 - £2,184,452).

The Union also participates in the National Union of Students Pension Scheme, a defined contribution scheme. During the year ended 30 June 2020 the Union contributed a total of £73,463 into the scheme (2019: £71,697). At the year end there were outstanding contributions of £Nil (2019: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 30 JUNE 2020**

---

**24. RELATED PARTY DISCLOSURES**

During the year, there were no related party transactions that require disclosure.

During the prior year, a sum of £168 was paid to Tomas Taylor, who is a close family member of key management personnel, for work done at graduation.

**25. FINANCIAL INSTRUMENTS**

The charity has the following financial liabilities measured at fair value:

	2020	2019
	£	£
<b>Financial liabilities</b>		
Provision - pension liability	<u>2,842,137</u>	<u>2,184,452</u>
	<u><u>2,842,137</u></u>	<u><u>2,452,236</u></u>