

The Students' Union at Bournemouth University
Financial Statements
31 July 2020

DRAFT

FILER KNAPPER LLP

Chartered accountant & statutory auditor
10 Bridge Street
Christchurch
Dorset
BH23 1EF

The Students' Union at Bournemouth University

Financial Statements

Year ended 31 July 2020

	Pages
Trustees' annual report	1 to 12
Independent auditor's report to the members	13 to 15
Consolidated statement of financial activities	16
Statement of financial position	17
Statement of cash flows	18
Notes to the financial statements	19 to 33

The Students' Union at Bournemouth University

Trustees' Annual Report

Year ended 31 July 2020

The Trustees present their report and the financial statements of the charity for the year ended 31 July 2020.

Reference and administrative details

Registered charity name	The Students' Union at Bournemouth University
Charity registration number	1144886
Principal address	Talbot Campus, Fern Barrow, Poole, Dorset BH12 5BB

The Trustees

The Trustees who served the charity during the year were as follows:

Officer

Abdurasheed Adeyinka Balogun	Tenure concluded 30.06.20
------------------------------	---------------------------

External

Catriona Cannon		
Jennifer Winter		
Martin James		
Olu Baptist	Tenure commenced 13.09.19	
Calvin McKenzie	Tenure commenced 01.11.19	Concluded 01.06.20
Sarah Lawrence	Tenure commenced 01.11.19	Concluded 01.06.20

Sabbatical

Abidemi Abiodun	Tenure commenced 01.09.19	Concluded 30.06.20
Lea Ediale	Tenure commenced 01.09.19	Concluded 30.06.20
Lenrick Greaves	Tenure commenced 01.09.19	Concluded 30.06.20
Joanna Ann	Tenure commenced 01.09.19	Concluded 07.07.20
Naomie Lebe (Chair & President)	Tenure commenced 01.07.20	
Chiko Angel Bwalya	Tenure commenced 15.07.20	
Deborah Toluwa Atilade	Tenure commenced 01.07.20	
Ugochukwu George Andy-Eke	Tenure commenced 15.07.20	

Student

Imuetinya Giwa-Osagie	Tenure concluded 08.06.20
Mark Stephenson	
Stephanie Njoaguani	Tenure concluded 05.06.19
Louise Facer	Tenure commenced 19.11.19

Staff

Sophie Nott	Tenure concluded 08.06.20
-------------	---------------------------

Senior Management

Alan James	General Manager	Resignation date	22.11.19
Samantha Leahy-Harland	Chief Executive Officer	Appointment date	09.09.19

Auditor

Filer Knapper LLP
10 Bridge Street
Christchurch
Dorset
BH23 1EF

Bankers

Barclays Bank Plc
Barclays House
Southampton
Hampshire
BX3 2BB

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

OBJECTIVES AND ACTIVITIES

Charitable Objects

The Students' Union at Bournemouth University Ltd. (SUBU) is devoted to the educational interests and welfare of its Student Members. The objects of the Union are the advancement of education of Students at BU for the public benefit by:

- promoting the interests and welfare of Students at Bournemouth University during their course of study and representing, supporting and advising Students;
- being the recognised representative channel between Students and Bournemouth University and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Students.

SUBU delivers the above through the following services:

- Advice Service – to provide free independent advice and information for BU students on a wide range of academic and non-academic issues.
- Student Voice and Policy – ensuring student feedback and sector insight drives SUBU's work and ensures the BU student experience is the best it can be.
- Representation – working in partnership with BU to run the 'Student Rep' system ensuring student reps are elected, trained and supported to feedback course level concerns to BU throughout the year.
- Lansdowne – a satellite office of SUBU supporting the interests of Lansdowne based students as well as students studying at BU partnership colleges / locations.
- Student Opportunities - The home of extra-curricular activities at SUBU; providing opportunities for students to join clubs and societies, take part in volunteering, embed themselves in the local community and be involved in Sustainability action.
- Democracy and Campaigns – to provide opportunities for students to have a direct say over the activities of the Union as well as to support the Liberation Campaigns with representing and providing extra and co-curricular opportunities to marginalised student communities.
- Commercial Services – runs an entertainment venue, restaurant, café and convenience store, as well as fundraising and sponsorship activities throughout the year utilising student staff and student friendly spaces.
- In addition to the above, SUBU as a whole is supported by a range of staff responsible for Finance, Marketing and Communications, HR and Health and Safety, and Corporate Governance.

More detail on the objectives and activities of the organisation are set out below.

Student Voice and Policy

Insight and Policy

Full and part-time elected officers work with Bournemouth University, through membership of its key committees and other consultation mechanisms, to represent the student experience and ensure student feedback and opinion influences decisions that impact on the student experience at BU. Full and part-time elected officers also work with national representative bodies such as the National Union of Students (NUS) to further influence both local and national government on student matters. The representation carried out by the elected officers is supported by the Insight and Policy department. Insight and Policy provide elected officers and staff with evidence-based research from various internal and external student feedback mechanisms and briefings before and after meetings. The department also works to inform elected officers and staff of the student experience and higher education policy in order to help identify priority areas of work, and to co-ordinate SUBU's responses to national consultations.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

Insight and Policy *(continued)*

The Insight and Policy department staff team comprise of the Head of Insight & Policy, a Policy Adviser and an Insight Analyst and the total spend in this area for 2019/20 was £726 (2018/19 - £13,166), not including staff costs.

Representation

The academic and overall student experience 'Rep' system is one of SUBU's key areas of work in partnership with the University. The total spend in this area was £14,457 (2018/19 - £17,008), not including staff costs. The staff team works with elected representatives (Student Reps, Department Reps and Faculty Reps) to facilitate them in representing the 'student voice' across the University to help enhance the student experience. During 2019/20, over 4,900 pieces of feedback were submitted to the online tool SimOn, which also sends relevant feedback directly to some BU Services, thus allowing feedback to be received by the relevant parties immediately.

Student Participation

Democracy and Campaigns

The Democracy and Campaigns Department started in 2019/20. During this year the department provided opportunities for student leadership, championed the student voice through a range of democratic mechanisms and celebrated underrepresented student communities. The total spend in this area for 19/20 was £26,430.14. While there is no direct comparison in spend from previous years, in 18/19 it is estimated to be around £52,000.

The department oversaw all SUBU democratic processes including the Executive Committee, Big Student Meetings as well as all Officer Elections. In the 2019/20 Full-Time Officer elections, there were 20 candidates running in the election and a voter turnout of 2,413, or 14% of the student body. The department also oversaw the development of the Liberation Campaigns during their third year, working closely with the VP of Welfare and Equal Opportunities who lead on 'liberation' campaigns. These campaigns are based on recognised protected characteristics and ensuring that the diverse student experience is heard in SUBU.

Advice

SUBU operates an Advice Service at both Talbot and Lansdowne campuses and is accredited by the Advice Quality Standard; costs relating to this area were just over £8,440 for the year, the significant reduction in running costs from £16,077 over the 2018/19 academic year was due to minimising overhead costs in line with a reduction of the departmental budget.

SUBU Advice is an independent, confidential, free and non-judgemental service that is designed to support and empower students with the advice they require to resolve the problems that they are facing. These tend to focus on finance, accommodation and/or academic matters. The team can also advise on the consumer, employment and personal issues. The team fielded a total of 1554 enquiries (in comparison to 1715 during 2018/19), the reduction in student enquiries could be attributed to the drop in footfall on campus due to the coronavirus pandemic.

Over the 2019/20 academic year SUBU Advice helped students save a total of £53,148, this was largely due to supporting students to secure additional, repeat funding via Student Finance and challenging housing deposit deductions by lettings agents. This figure is significantly lower than previous years but is linked to the fact that there was a change in the nature of enquiries for the second semester following the government lockdown. Enquiries from March and April tended to focus on tuition fee reduction requests and being released from tenancies after returning home.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

Student Opportunities: Community

In Student Opportunities, the Community Team supports students to settle in and contribute to the local community. During the 19/20 academic year, SUBU hired 8 Community Wardens who 'patrolled' the local areas of Bournemouth in Winton and Charminster, to create positive community relationships and to also help students living in the community with parking, housing, bins, landlord and other related matters.

Student Opportunities: Volunteering

Each year, the Student Opportunities Volunteering Team supports students who wish to volunteer their time in the local community whilst at University. 41 new charities and not for profit organisations registered on the online volunteering hub and listed 126 different volunteering activities and opportunities. 328 students registered as volunteers in 2019/20 and we received over 700 volunteer application notifications through our volunteering hub that students had applied for a volunteering role in the Bournemouth and Dorset area as well as virtually due to COVID 19 restrictions

Student Opportunities: Sustainability

Sustainability action at SUBU is guided by the United Nations 17 Goals for Sustainable Development. The Community Team supported students involved in community projects and clubs and societies with their campaigns and events to help other students understand their green impact now and, in the future. The Green Loop Project continued through this academic year and included regular sessions at the allotment and polytunnel for all students and staff to show people how to grow their own organic food. The expense of Community, Volunteering, and Sustainability was £10,464 in 2019/20 (2018/19 - £35,281).

Student Opportunities: Clubs and Societies

There were 115 operational clubs, societies and networks in 2019/20, involving over 2622 unique students. In total, we spent £67,354 in 2019/20 (2018/19 - £65,337) on the operation of the clubs and societies team.

Nerve Media

Nerve Media is completely run by around 150 students and comprises Nerve Radio Station, Nerve Magazine, Nerve TV, Nerve Now (website) and Nerve News. It is based on the 4th floor of the Student Centre.

ACHIEVEMENTS AND PERFORMANCE

Commercial

SUBU operates a range of commercial services at Bournemouth University. These include an entertainment venue (The Old Fire Station), a restaurant/bar (Dylan's Kitchen), a café (Ground up Café) and convenience store (Student Shop), a large annual fundraising event (The Summer Ball) and an advertising agency (raising funds from allowing businesses to market their products to our students).

Some of these services are operated through its wholly-owned subsidiary, Feelprime Limited (Old Fire Station & Summer Ball).

Our sites are on Talbot Campus (Dylan's Kitchen, Student Shop, Ground up Café) and Lansdowne Campus (Old Fire Station).

The total turnover of the commercial services is just over £2.1 million (2018/19 - £3.4m), this was severely impacted by the pandemic leading to the closure of all outlets and the cancellation of the Summer Ball. This resulted in a cash deficit.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

ACHIEVEMENTS AND PERFORMANCE *(continued)*

SUBU and Feelprime Limited normally employ a significant number of student staff, in excess of 170 per annum and this forms a key part of our proposition to trade at BU. We have on site competition from Chartwells who have the main BU catering contract, we tend to price ourselves slightly lower than their offer. Our pricing is seen as part of the competitive pressure that keep Chartwells prices in check for students.

Student Voice and Policy

Insight & Policy

Much of the department's work for 2019/20 focused on developing and completing actions to address the key recommendations from SUBU's Democracy and Governance Review. With an overall focus on strengthening SUBU's representation and policy work for students, and increasing the transparency of this work, these actions included:

- Developing a live Policy Book for SUBU's website;
- Developing a student-facing 'Policy process' webpage;
- Developing a more streamlined approach to SUBU's work on student issues, to enhance officer accountability. This included creating a fortnightly meeting to track and report on progress and a webpage dedicated to publishing 'What SUBU is working on for students'.

Throughout 2019/20, the department analysed and produced faculty and institutional level summary reports from the 4,983 student comments collected by Student Representatives using the SimOn online tool. Fifteen reports were produced (at three-monthly intervals and the end of the year); these were shared with BU using a number of formal reporting channels via meetings, committees, and Full-Time Officer representation. The reports indicate the areas of best practice and issues for students and inform work to help the academic and overall student experience work well for students. The aspects most commented on by students through SimOn in 2019/20 were: 'Course content and delivery' (1,226 comments, which is 24.6% of all comments); 'Exams, assessment and feedback' (676 comments, which is 13.6% of all comments); 'Teaching staff' (565 comments, which is 11.3% of all comments); and 'Campus facilities' (541 comments, which is 10.3% of all comments).

Representation

652 Student Reps were elected, and 85% were trained by SUBU. We also successfully trialled the introduction of Faculty Reps (1 per faculty), elected cross-campus to represent their Faculties in Faculty and University level meetings. 165 You're Brilliant Awards were delivered to 122 members of Staff. We collected 3,480 pieces of feedback from our Speak Week events, including a completely online event in March 2020 due to the Pandemic.

Student Participation

SUBU Advice

Due to coronavirus and the campus closure, the Advice Team quickly adapted to working remotely to ensure students were still able to access the service. During 2019/20 SUBU Advice saw a total of 1,317 clients and opened 1554 cases and enquiries (of these 652 case enquiries were academic and 358 were linked Student Finance). Just over 15% of student clients re-approached to access the service again over the academic year.

Students accessing the service are offered the chance to provide feedback following the closure of their inquiry. 103 students responded to the client feedback survey, which is a 20% reduction on the previous year. Of the responses gained 95.1% of clients commented that they are likely or very likely to recommend SUBU Advice to a friend. Friendliness, knowledgeable advisors and a non-judgmental approach were identified as the most important aspects of the service they received and underpin the ethos of the Advice Team.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

Student Opportunities

Despite the challenges that COVID presented with regards to face-to-face volunteering, 19 new virtual volunteering roles were added to the volunteer hub with a mix of new and existing charity and not for profit organisations. At a time when physical activity was restricted it was important that students were offered some virtual volunteering activities that they could engage with.

Only 7 Noise Abatement Notices (NANs) were served from March 2020 to July 2020 during the lockdown period. This was expected to be significantly higher due to students returning to Bournemouth after the national lockdown period but not being able to go out socialise so instead doing it within their own homes.

24 new clubs and societies were set up during the 2019/20 academic year. Clubs and societies continued to hold online socials during COVID supporting their members through period of isolation. This was great to see them step up and create a community spirit supporting their members mental health.

The Student Opportunities team were awarded 'Excellent Standard' in the 2019/20 Green Impact Students Union submission.

Democracy & Campaigns

Supported the SUBU-wide Governance and Democracy Review with the creation of new Articles of Association and new Bye-Laws. A range of new democratic structures and officer roles were implemented for 20/21.

The team also successfully ran an online incorporation referendum, which engaged over 5% of our members.

The team oversaw a successful election with 20 election candidates and 2,413 votes in the Full-Time Officer elections.

Supported the Liberation Campaigns to recognise cultural celebrations including Diwali which had over 70 students in attendance, and national history months, including Black History Month which had an attendance of over 150 guests across 8 events.

PUBLIC BENEFIT

In undertaking the activities of the last twelve months, the Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities should be undertaken. Through adherence to the objectives and the activities undertaken in the year, the Trustees have diligently and purposefully fulfilled its obligations.

The main activities for Public Benefit are the furtherance of education of Bournemouth University Students and this is achieved through the activities described above.

FINANCIAL REVIEW AND RESERVES

SUBU's gross income from all sources including; Block grant, Mutual Trading, Fundraising, and the subsidiary, Feelprime Limited, this year totalled £4,313,090 (2019 - £5,343,501).

Income from support grants due to the pandemic received in the year came to £238,276.

Total expenditure of £4,353,755 (2019 £5,486,737) on wide-ranging student benefits, provided within a broadly balanced budget, has resulted in a deficit for the year of £40,665 (2019 - £143,236). Subsequently, our total reserves deficit increased to £558,773.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

FINANCIAL REVIEW AND RESERVES *(continued)*

The principle funding sources are the income from the trading subsidiary, income from the kitchen/bar, café, campus shop and the Block grant provided by the Bournemouth University. The Block grant is predetermined annually by the University and largely contributes to the resources used in achieving our charitable objectives.

The Block grant from Bournemouth University of £1,190,000 is provided to supplement SUBU's various activities and occupies buildings owned by the University. As recommended by the Charities Statement of Recommended Practice (SORP), an estimated value to SUBU for this free accommodation and assets has been included in the financial statements valued at £652,672 (2019 - £671,267).

The University also provided a small additional funding amount of £40,006 (2019 -£24,377 to alleviate the impact of increasing utilities charges.

The Trustees believe that this or equivalent support from the University, and occupancy of the premises, will continue for the foreseeable future.

Reserves

The Statement of Recommended Practice (SORP) for Accounting and Reporting by Charities defines reserves as income which becomes available to the Union and is to be spent at the Trustees' discretion in furtherance of any of the Union's objects, but which is not yet spent, committed, or designated. This definition of reserves, therefore, excludes restricted and designated funds and income funds which could only be realised by disposing of fixed assets held for Union use.

On 31 July 2020, the Union had a consolidated reserves deficit of £558,773 (2019 - £518,108). This includes unrestricted free funds amounting to £576,412 (2019 - £629,008). The Union's policy is to maintain sufficient unrestricted free reserves to cover committed salary costs for a period of three months, by means of judicious management of our assets. The value of reserves relating to tangible fixed assets that would be required to be sold to release the reserves is £75,050 (2019 - £66,079) and these are not included in the free reserves figure above. Included within reserves is our element of the SUSS multi-employer pension scheme deficit, as set out in Note 23, and the result of this is to decrease our overall reserves by the deficit in this fund of £1,210,236 (2019 - £1,213,196). There is a Recovery Plan in place for full repayment by 2032. These repayments are included in our expense calculations and as such are not considered to affect our reserves policy level.

The overall deficit position on the reserves has only occurred by recognising the pension scheme liability which is subsequently being met under the agreed payment plan. On this basis, we continue to present the financial statements on a going concern basis.

Financial Instruments

The charity's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the charity's operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity is managed by ensuring sufficient funds are available to meet amounts due.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

PLANS FOR FUTURE PERIODS

With the arrival of SUBU's new Chief Executive in September 2019, SUBU commenced a series of stocktakes and reviews across key functions of the organisation including governance and democracy, human resources, and finance. Additionally, the CEO re-started work on the development and completion of SUBU's new strategic plan.

Covid-19 inevitably affected progress on these key areas of work, but nevertheless, the implementation of the recommendations from the governance and democracy reviews as well as the human resources review continued during 2019/20. A draft three-year Strategic Plan was developed in collaboration with students and SUBU staff.

In light of the challenges caused by Covid-19, securing the financial viability of the Union alongside delivering SUBU's core charitable objectives were the primary focus throughout the latter part of 2020. These continue to be the top priorities for SUBU and Feelprime, and are regularly monitored by the Board of Trustees, the Feelprime Directors, as well as all staff across both organisations.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

Governing Document

The Students' Union at Bournemouth University (Registered Charity 1144886) incorporated on the 28th August 2020 and became the Students' Union at BU Ltd (Company Number, 12592489. Charity Number, 1189548). This was in response to the increased financial risk to SUBU Trustees and was achieved in agreement with Bournemouth University. SUBU is governed by its Articles of Association which were updated in August 2020 as part of the incorporation process. New Bye-Laws were also established to reflect this change in status as well as to enact recommendations made via the Governance and Democracy Review.

The Articles of Association governs what the Union can do and how it will be administered by a Trustee Board on behalf of its student members.

SUBU has been registered with the Charity Commission since 2 December 2011. Prior to registering, the Union was not required to prepare financial statements in the charity format.

Recruitment of Trustees and Administration

Appointment and re-election of Trustees are conducted in accordance with the Articles of Association and Bye-Laws and the Board of Trustees shall comprise:

- not more than six Sabbatical Trustees
- not more than six Student Trustees
- not more than six Lay Trustees

The methods for recruitment and appointment are set out in full in Articles of Association and Bye-Laws which are available on our website www.subu.org.uk.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

Training for Trustees

All Trustees are provided with a variety of information upon their induction and are briefed on their legal obligations and Trustees' responsibilities.

They receive both meetings and induction packs of information on joining as well as regular in-year support (including 6-weekly calls with the CEO), as well as awareness sessions on key topics.

Officer Trustees are provided with additional support from both fellow staff members and outgoing officers to ensure a smooth transition period and to support the new Trustees with the support and information to understand and undertake their responsibilities. The Chair and Deputy Chair of the Board are also supported via in-person and written briefings prior to each meeting.

In addition to this internal induction and support process Trustees are invited to attend training from a third-party organisation tailored specifically for the induction of Charity and Student Union Trustees.

Powers of the Trustees

The Board of Trustees shall be responsible for the management and administration of the Union and (subject to the Education Act, the Articles of Association, and the Bye-Laws) may exercise all the powers of the Union.

The Board of Trustees oversees the strategic and financial activities of the Students' Union and shall hold a minimum of three meetings in any Academic Year.

The Board is chaired by the President and a Deputy Chair is appointed from the Lay Trustee membership.

The President is elected by secret ballot, by the student body, to serve a term of one year and may be re-elected to the post for a maximum further term of one year.

The Trustee Board has two permanent Committees: Audit and Risk Committee, and Human Resources Committee; with a third Appointments Committee drawn on when required.

The Audit and Risk Committee is responsible for ensuring that there is a framework for internal controls and accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis, risk management and governance; and for ensuring the organisation is complying with all aspects of the law, relevant regulations, and good practice.

The Human Resources Committee is responsible for initiating, developing, monitoring and evaluating strategic human resource actions and policies that will enhance and embed SUBU's reputation as an employer, and enable us to recruit, develop, engage and retain the best staff, volunteers, Board members and Trustees.

Further details of the Trustee Board committees and membership are contained within the Bye-Laws: <https://www.subu.org.uk/pageassets/support/subu/constitutionbylaws/Bye-Laws-ratified-23.10.2020.pdf>

Key personnel remuneration

Setting pay and remuneration for key personnel is determined by the Trustees, which has regard to the responsibilities of the role and the market conditions against which comparisons are made to ensure the correct skill set is readily available in all operating areas of the charity.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

Democratic Governance

As part of a larger process of scrutinising SUBU's current model, SUBU undertook a Democracy and Governance Review in 2019/20 to examine the ways in which we engage students with our democratic and governance structures. A new structure, alongside amended bye-laws came into place at the start of the 2021 academic year.

The Executive Committee provides the political, campaigning and representative leadership of the Union. During 2020 and prior to the amended bye-laws coming into effect this Committee met fortnightly during undergraduate term time and supported the Full-Time Officers and staff of the Union in their work and decision making with regards to managing day to day affairs and implementing union policy as decided by General Meetings and Referenda.

The Executive Committee consisted of five Full-Time Officers and ten Executive Committee Officers. The six Liberation Officers sat on the Committee in an ex-officio capacity. This Committee along with the General Meetings were responsible for implementing union policy and holding the Full-Time Officers to account.

During the Democracy and Governance Review the Executive Committee was restructured with the new structure taking effect in 2021. The Executive now has a renewed focus on representation and campaigning, with policy setting powers and areas that legally resided with the Trustee removed. The Executive Committee will consist of the four Full-Time Officers and the new eleven Part-Time Officers, including Liberation Officers, Faculty Officers and the Student Council (SUBU Summit) Chair.

The Executive Committee will continue to meet fortnightly during undergraduate term time and will be responsible for the representative and campaigning functions of the Union as well as the implementation of Union Policy.

The Union General Meetings and Annual General Meeting exist to ensure that the Union is representative of its' members and they enable students to have their say and influence Union activities. The Union General Meetings were held once per term and were an important part of permitting student members to formally raise and debate issues with their peers in an open forum to which all students were invited. Decisions made at such meetings were, subject to ratification by the Trustee Board where appropriate, and are held to be 'Union Policy' for a period of two years.

The Annual General Meeting was held annually, normally in the spring term, at which the audited financial statements of the Union for the previous year were presented, together with other statutory charity AGM requirements.

The General Meeting structure was overhauled during the Democracy and Governance Review with the new structures taking effect at the start of 2021. The Annual General Meeting has been replaced by the Student Member's meeting, which will continue to be held annually, normally in the spring term, at which point the audited financial statements of the Union for the previous year will be presented, together with other statutory requirements.

The Union wide General Meeting has been removed and the new Student Council (SUBU Summit) has replaced this forum. The Student Council may be attended by any student, but only Student Representatives, 1 representative per Club and Society and Union Officers may vote. This meeting shall be held four times per year and provides an open forum where students may hold Full-Time Officers to account, discuss student ideas and vote whether these should become Union Policy. All decisions are subject to oversight from the Trustee Board where appropriate.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

Delegated responsibilities

As a result of a recommendation from the Democracy and Governance Review (completed in February 2020) a detailed Scheme of Delegation has been created and specifies the responsibilities of the Board of Trustees as well as staff, students, and elected officers.

The Board of Trustees delegates day-to-day management of the organisation to the Chief Executive who is responsible for implementing the policies and strategies of the organisation and within budgets approved by the Trustees and if applicable to advise the Trustees in relation to such policy, strategy, and budget.

The Chief Executive is supported by Senior Managers responsible for Finance, Sarah Newland; and Commercial Activities, Alan Dove.

Group Structure and Relationships

The charity has a wholly-owned non-charitable limited company subsidiary, Feelprime Limited, whose activities and performance are discussed on page 4. A list of affiliates is detailed per note 25.

Risk Management

The Trustees are responsible for the management of the risks faced by the Union. In 2020, a strategic review of risk management and reporting was undertaken and the process of identifying, recording and monitoring both strategic and operational risks was updated. This work is ongoing and is led by the Senior Management Team within SUBU, reporting to the Trustees at regular intervals. The Trustees are satisfied that systems in place and the ongoing work to enhance risk management will mitigate exposure to the major risks.

Custodian Activities: Clubs & Societies and RAG Funds

SUBU acts as custodian for funds raised by the students' many Clubs and Societies themselves, amounting to £66,352 (2019 - £67,560) at the year-end, in addition to the funds it disburses to them as shown in the financial statements.

SUBU is also the custodian of the RAG funds generated from activities and events throughout the year. The balance on the 31 July 2020 was £2,213 (2019 £7,758).

These funds are included in the Union's Statement of Financial Position under Money in Bank and Funds Held for Third Parties (note 19) and are carefully managed, on the instruction of those entities, by the Union.

The activities of these funds are not reflected in the Union's Statement of Financial Activities. Both the Clubs and Societies and the RAG have aims and objectives considered to be in line with those of the Union.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2020

TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity 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 judgments 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 charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by order of the Trustees

.....
Naomie Lebe
Chair of the Trustees / President

Approved by the Trustees on

The Students' Union at Bournemouth University

Independent Auditor's Report to the Members of The Students' Union at Bournemouth University

Year ended 31 July 2020

Opinion

We have audited the financial statements of The Students' Union at Bournemouth University (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 July 2020 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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 group's or parent charity'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.

The Students' Union at Bournemouth University

Independent Auditor's Report to the Members of The Students' Union at Bournemouth University *(continued)*

Year ended 31 July 2020

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 group's and parent charity'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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

The Students' Union at Bournemouth University

Independent Auditor's Report to the Members of The Students' Union at Bournemouth University *(continued)*

Year ended 31 July 2020

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report 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 auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

10 Bridge Street
Christchurch
Dorset
BH23 1EF

CHRISTOPHER RATCLIFFE (Senior Statutory Auditor)
For and on behalf of
Filer Knapper LLP
Chartered accountant & statutory auditor

Date

Filer Knapper LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Students' Union at Bournemouth University

Consolidated Statement of Financial Activities

31 July 2020

		2020		2019	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	2,168,560	-	2,168,560	1,885,544
Charitable activities	5	1,175,352	-	1,175,352	1,694,428
Other trading activities	6	967,361	-	967,361	1,761,030
Investment income	7	1,817	-	1,817	2,499
Total income		<u>4,313,090</u>	<u>-</u>	<u>4,313,090</u>	<u>5,343,501</u>
Expenditure					
Expenditure on raising funds:					
Expenditure of trading subsidiary	8	1,077,269	-	1,077,269	1,704,279
Expenditure on charitable activities	9,10	3,276,486	-	3,276,486	3,782,458
Total expenditure		<u>4,353,755</u>	<u>-</u>	<u>4,353,755</u>	<u>5,486,737</u>
Net income and net movement in funds		<u>(40,665)</u>	<u>-</u>	<u>(40,665)</u>	<u>(143,236)</u>
Reconciliation of funds					
Total funds brought forward		<u>(518,109)</u>	<u>1</u>	<u>(518,108)</u>	<u>(374,872)</u>
Total funds carried forward		<u>(558,774)</u>	<u>1</u>	<u>(558,773)</u>	<u>(518,108)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Students' Union at Bournemouth University

Statement of Financial Position

31 July 2020

		Group		Charity	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	15	75,050	66,079	75,050	66,079
Investments	16	-	-	1	1
		<u>75,050</u>	<u>66,079</u>	<u>75,051</u>	<u>66,080</u>
Current assets					
Stocks	17	95,050	77,133	64,014	51,615
Debtors	18	139,949	106,015	210,507	145,167
Cash at bank and in hand		535,606	870,166	430,595	761,791
		<u>770,605</u>	<u>1,053,314</u>	<u>705,116</u>	<u>958,573</u>
Creditors: Amounts falling due within one year	19	<u>(194,192)</u>	<u>(424,305)</u>	<u>(143,702)</u>	<u>(346,782)</u>
Net current assets		<u>576,413</u>	<u>629,009</u>	<u>561,414</u>	<u>611,791</u>
Total assets less current liabilities		<u>651,463</u>	<u>695,088</u>	<u>636,465</u>	<u>677,871</u>
Net assets excluding pension liability		<u>651,463</u>	<u>695,088</u>	<u>636,465</u>	<u>677,871</u>
Defined benefit pension liability	20	<u>(1,210,236)</u>	<u>(1,213,196)</u>	<u>(1,210,236)</u>	<u>(1,213,196)</u>
Net assets		<u><u>(558,773)</u></u>	<u><u>(518,108)</u></u>	<u><u>(573,771)</u></u>	<u><u>(535,325)</u></u>
Funds					
Restricted	21	1	1	1	1
Pension reserve	20	<u>(1,210,236)</u>	<u>(1,213,196)</u>	<u>(1,210,236)</u>	<u>(1,213,196)</u>
		<u>(1,210,235)</u>	<u>(1,231,195)</u>	<u>(1,210,235)</u>	<u>(1,213,195)</u>
Unrestricted	21	<u>651,462</u>	<u>695,087</u>	<u>636,464</u>	<u>677,870</u>
Total charity funds		<u><u>(558,773)</u></u>	<u><u>(518,108)</u></u>	<u><u>(573,771)</u></u>	<u><u>(535,325)</u></u>

These financial statements were approved by the Board of Trustees and authorised for issue on, and are signed on behalf of the board by:

.....
Samantha Leahy-Harland
Chief Executive Officer

The Students' Union at Bournemouth University

Statement of Cash Flows

Year ended 31 July 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net income	(40,665)	(143,236)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	53,514	39,663
Other interest receivable and similar income	(1,817)	(3,899)
Accrued (income)/expenses	(54,268)	47,452
<i>Changes in:</i>		
Stocks	(17,917)	(3,378)
Trade and other debtors	(33,934)	(16,869)
Trade and other creditors	(175,845)	(24,847)
Defined benefit pension liability	(2,960)	89,113
Cash generated from operations	<u>(273,892)</u>	<u>(16,001)</u>
Interest received	1,817	2,499
Net cash from operating activities	<u>(272,075)</u>	<u>(13,502)</u>
Cash flows from investing activities		
Purchase of tangible assets	(62,485)	(40,181)
Proceeds from sale of tangible assets	-	1,400
Net cash used in investing activities	<u>(62,485)</u>	<u>(38,781)</u>
Net increase in cash and cash equivalents	(334,560)	(52,283)
Cash and cash equivalents at beginning of year	870,166	922,449
Cash and cash equivalents at end of year	<u>535,606</u>	<u>870,166</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements

Year ended 31 July 2020

1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is Talbot Campus, Fern Barrow, Poole, Dorset, BH12 5BB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

Due to the recognition of the multi-employer pension-scheme deficit as a result of FRS102 requirements, the charity continues to present a negative statement of financial position from transition. The pension deficit liability is being met by way of an agreed recovery repayment plan and this has been in successful operation for several years. The annual repayment requirement is currently being met within the working capital of the charity. The pension scheme underwent an actuarial revaluation in 2019 following which an amended recovery plan was announced. See note 23 for further details. While it is anticipated the deficit and thus the repayments will potentially rise subject to the impact of Covid-19, the increase in any such repayments are not expected to be announced until the next valuation report in 2023.

During the year, the charity was impacted by the Covid-19 outbreak, resulting in the safeguarding of stakeholders via the closure of the university campus and The Old Fire Station - which generates additional income through the Feelprime Limited trading subsidiary. In accordance with Government requirements, these sites have been closed and therefore significantly restricted commercial contributions both during and post year end. Forecasting and monitoring of current official guidance by the Trustees and advisors have shown that although the charity has been adversely impacted by Covid-19, it is in a stable position financially to operate at a reduced capacity. The campus and commercial sites will reopen in line with Government recommendation. With continued support from Bournemouth University being agreed, the Trustees recognise that charitable and trading activities will be restricted in the future 12 months - in line with stringent budgeting. With the breadth of information currently available to the Trustees, it is considered appropriate to prepare the financial statements on the going concern basis.

As noted in both the Trustees' Annual Report and note 27, the charity transferred its assets to a charitable company which was incorporate post year end. The charitable objectives were retained and the new entity continues with the charitable activities performed during the year ended 31 July 20.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

3. Accounting policies *(continued)*

Group financial statements

These financial statements consolidate the results of The Students' Union at Bournemouth University and its wholly owned subsidiary, Feelprime Limited, on a line by line basis. A separate statement of financial activities for the charity itself is not presented.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Investment income is allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the Consolidated Statement of Financial Activities (SoFA), net of Value Added Tax as applicable, when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations and grants are recognised when there is evidence of entitlement to the gift, receipt is probable and its value can be measured reliably. The Bournemouth University donation of serviced accommodation is accounted for as income and expenditure of the year at an estimated value to SUBU by reference to the market value of this donation.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Resources expended

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

Costs of raising funds includes the operating costs of its subsidiary trading company; Expenditure on charitable activities includes Students' Union, shop, bar and rent costs; and Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Raising funds costs include those costs attributable to the charity's wholly owned trading subsidiary and fund raising balls.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

3. Accounting policies *(continued)*

Resources expended *(continued)*

Charitable activity costs comprise those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other support costs include those costs associated with Governance, meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

The value of the donated serviced accommodation is apportioned on an estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects on a usage basis, pro-rata to the total cost of each project or activity undertaken.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Statement of Financial Position at cost and depreciated over their expected useful economic life. Where there are specific restrictions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	25% straight line

Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Investments in subsidiaries are measured at cost less impairment.

Stocks

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

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

3. Accounting policies *(continued)*

Financial instruments

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

Provisions

Provisions are recognised when the charity has an obligation at the accounting date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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.

Defined benefit plans

SUSS

The Union participates in the Student 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. Under the terms of FRS 102 in these circumstances, contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year. This scheme was frozen to new contributions in September 2011.

AEGON

The Union also participates in AEGON. This is a defined contribution scheme and as such only the amounts recorded as paid during the year are shown. No further liability is attributable with this type of scheme.

NEST

As required by the Government's auto enrolment policy, the Union participates in a NEST defined contribution scheme and as such only the amounts recorded as charged during the year are shown.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donated rent and overheads	652,672	-	652,672
Grants			
Bournemouth University (block grant)	1,190,000	-	1,190,000
Bournemouth University (Additional funding)	40,006	-	40,006
Other (JRS funding)	285,882	-	285,882
	<u>2,168,560</u>	<u>-</u>	<u>2,168,560</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Donated rent and overheads	671,167	-	671,167
Grants			
Bournemouth University (block grant)	1,190,000	-	1,190,000
Bournemouth University (Additional funding)	24,377	-	24,377
	<u>1,885,544</u>	<u>-</u>	<u>1,885,544</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bar and shop income	839,812	839,812	1,197,728	1,197,728
Marketing income	97,034	97,034	128,399	128,399
Sundry income	66	66	8,813	8,813
SCC income	238,440	238,440	359,488	359,488
	<u>1,175,352</u>	<u>1,175,352</u>	<u>1,694,428</u>	<u>1,694,428</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from trading subsidiary	967,361	967,361	1,761,030	1,761,030

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	1,817	1,817	2,499	2,499

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

8. Expenditure of trading company

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bar operating costs	945,046	945,046	1,567,279	1,567,279
Donated rent and overheads	132,223	132,223	137,000	137,000
	<u>1,077,269</u>	<u>1,077,269</u>	<u>1,704,279</u>	<u>1,704,279</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Union	1,289,355	-	1,289,355
Shop and bar	938,324	-	938,324
Marketing	81,879	-	81,879
Support costs	966,928	-	966,928
	<u>3,276,486</u>	<u>-</u>	<u>3,276,486</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Union	1,611,264	-	1,611,264
Shop and bar	1,179,049	-	1,179,049
Marketing	45,994	-	45,994
Support costs	946,151	-	946,151
	<u>3,782,458</u>	<u>-</u>	<u>3,782,458</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Union	1,289,355	288,491	1,577,846	1,890,747
Shop and bar	938,324	110,271	1,048,595	1,299,254
Marketing	81,879	-	81,879	45,994
Donated rent and overheads	-	520,449	520,449	534,167
Governance costs	-	47,717	47,717	12,296
	<u>2,309,558</u>	<u>966,928</u>	<u>3,276,486</u>	<u>3,782,458</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

11. Allocation of support costs

The breakdown of support costs included in the Charitable Expenditure costs above, and how they are allocated between different activities, is shown below. Costs are allocated on a basis consistent with the use of resources as shown below:

Cost type	Apportionment basis	Student	Shop and	Total	Total
		services	bars	Allocated	Allocated
		£	£	2020	2019
Insurance	Turnover	25,819	7,041	32,860	27,288
Office costs	Cost	36,316	-	36,316	37,806
Administration salaries	Time spent	198,086	63,407	261,493	276,857
Depreciation	Asset split	4,943	48,572	53,515	39,663
Repairs and maintenance	Cost	-	15,288	15,288	18,074
Rent and overheads	Area	422,483	97,966	520,449	534,167
Governance	Cost	47,007	-	47,007	12,296
		<u>734,654</u>	<u>232,274</u>	<u>966,928</u>	<u>946,151</u>

12. Governance costs

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Auditor's remuneration - audit fees	5,755	5,755	5,215	5,215
Auditor's remuneration - other services	150	150	150	150
Legal fees	29,002	29,002	1,751	1,751
Trustee expenses	9,152	9,152	2,995	2,995
Trustees and officers insurance	2,948	2,948	2,185	2,185
	<u>47,007</u>	<u>47,007</u>	<u>12,296</u>	<u>12,296</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	1,326,492	1,599,976
Social security costs	107,308	102,198
Employer contributions to pension plans	210,483	295,247
	<u>1,644,283</u>	<u>1,997,421</u>

The average head count of employees during the year was 149 (2019 - 185). The average number of employees during the year is analysed as follows:

	2020	2019
	No.	No.
Number of permanent staff	53	53
Number of student staff	96	132
	<u>149</u>	<u>185</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

14. Trustees and key management personnel remuneration and expenses

In accordance with SUBU's governing document, during the year the full-time Sabbatical Officer, Staff Officer and Student Trustees received remuneration for qualifying services as distinct from their Trustee responsibilities. The Sabbatical Officers received a total of £105,829 (2019 - £23,366), which includes employer's national insurance and pension costs, per annum (pro-rated for any change in appointment) for the representation, campaigning and support work they undertook. The Staff Officer received total remuneration (including employer's national insurance and pension costs) of £18,676 (2019 - £20,184) for managerial and operational work (pro-rated for any change in appointment). The Student Trustees received total remuneration of £nil (2019 - £404). The total amount of employee remuneration and benefits received by key management personnel (including employer's national insurance and pension costs) was £203,534 (2019 - £184,212).

Trustees incurred reimbursed expenses in relation to travel and subsistence totalling £3,562 (2019 - £2,995). No other Trustee remuneration was paid in the year.

No Trustee received remuneration of more than £60,000 during the current or prior year.

15. Tangible fixed assets

Group	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 August 2019	762,590	20,120	782,710
Additions	62,485	-	62,485
Disposals	-	-	-
At 31 July 2020	825,075	20,120	845,195
Depreciation			
At 1 August 2019	697,364	19,267	716,631
Charge for the year	52,661	853	53,514
Eliminated on disposal	-	-	-
At 31 July 2020	750,025	20,120	770,145
Net book value			
At 31 July 2020	75,050	-	75,050
At 31 July 2019	65,226	853	66,079

The premises occupied by the trading subsidiary is under an informal agreement with Bournemouth University, as set out in the Trustees' Annual Report.

The Trustees are of the opinion that occupancy of the premises will continue for at least the period of the expected useful lives of the assets recognised above within fixtures, fittings and equipment above.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

15. Tangible fixed assets *(continued)*

Charity

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 August 2019	710,193	20,120	730,313
Additions	62,485	-	62,485
Disposals	-	-	-
At 31 July 2020	<u>772,678</u>	<u>20,120</u>	<u>792,798</u>
Depreciation			
At 1 August 2019	644,967	19,267	664,234
Charge for the year	52,661	853	53,514
Eliminated on disposal	-	-	-
At 31 July 2020	<u>697,628</u>	<u>20,120</u>	<u>717,748</u>
Net book value			
At 31 July 2020	<u>75,050</u>	<u>-</u>	<u>75,050</u>
At 31 July 2019	<u>65,226</u>	<u>853</u>	<u>66,079</u>

16. Investments

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Cost				
At 1 August 2018	-	-	1	1
At 31 July 2019	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net book value				
At 1 August 2018	-	-	1	1
At 31 July 2019	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The charity's investments comprise 1 Ordinary £1 share in the charity's wholly owned trading subsidiary, Feelprime Limited (company number 04001419), which operates off campus bars and entertainment for students and the general public.

The statement of financial position of the trading subsidiary is shown below:

	2020 £	2019 £
Assets	207,351	172,517
Liabilities	(192,352)	(155,299)
Share capital	1	1
Retained profits	14,998	17,217

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

16. Investments *(continued)*

The results for the year ended 31 July 2020 of the trading subsidiary are shown below:

	2020	2019
	£	£
Turnover	967,361	1,761,030
Direct costs and overheads	(891,695)	(1,510,879)
Operating charges paid to parent charity	(77,885)	(72,182)
Net (Loss)/Profit	(2,219)	177,969
Distribution made to parent charity	-	(177,650)
(Loss)/Surplus retained	<u>(2,219)</u>	<u>319</u>

17. Stocks

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bar and food stocks	46,640	38,079	15,604	12,561
General trading stocks	48,410	39,054	48,410	39,054
	<u>95,050</u>	<u>77,133</u>	<u>64,014</u>	<u>51,615</u>

18. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	14,470	33,763	13,139	28,895
Amounts owed by group undertakings	-	-	141,861	77,775
Prepayments and accrued income	111,086	61,334	48,971	27,579
Other debtors	14,393	10,918	6,536	10,918
	<u>139,949</u>	<u>106,015</u>	<u>210,507</u>	<u>145,167</u>

19. Creditors: Amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	60,018	75,695	19,548	39,790
Taxation and social security	34,169	194,338	34,169	175,876
Other creditors and accruals	29,843	78,954	19,823	55,798
Funds held for third parties	70,162	75,318	70,162	75,318
	<u>194,192</u>	<u>424,305</u>	<u>143,702</u>	<u>346,782</u>

Funds held for third parties

The charity holds and administers funds on behalf of the RAG Fund and Clubs and Societies. The activities of these are referred to in the Trustees' Annual Report.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

20. Analysis of charitable funds

Unrestricted funds

	At 1 August 2019 £	Income £	Expenditure £	At 31 July 2020 £
General funds	695,087	4,313,090	(4,356,715)	651,462
Pension	(1,213,196)	-	2,960	(1,210,236)
	<u>(518,109)</u>	<u>4,313,090</u>	<u>(4,353,755)</u>	<u>(558,774)</u>

Restricted funds

	At 1 August 2019 £	Income £	Expenditure £	At 31 July 2020 £
Student Community Warden Grant	1	-	-	1
Bursary payments	-	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

Student Community Warden Grant

The Bournemouth University gave a grant to fund a warden to work to improve relations between students in 2017. No further grants have been received or issued since that date.

21. Analysis of net assets (between restricted and unrestricted funds)

	Tangible fixed assets £	Other net assets £	Total £
Restricted funds	-	1	1
General fund	75,050	576,412	651,462
Pension fund	-	(1,210,236)	(1,210,236)
	<u>75,050</u>	<u>(633,823)</u>	<u>(558,773)</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

22. Capital commitment and contingent liability

The Students' Union and its subsidiary receive income from a diverse number of activities and has always sought reassurance from HMRC as to the correctness of its VAT treatment. In 2018, HMRC subsequently sought to implement retrospectively a change in their interpretation of the VAT treatment of fundraising income.

The Union was party to a joint hearing with other Student Unions at a VAT tribunal which unfortunately was decided in HMRC's favour. A VAT charge crystallised on prior years' trading income and expenditure resulting in a liability being recognised and settled by the Union during the 2020 year end.

HMRC are also reviewing the VAT treatment of the same activities in Feelprime Limited, which was not a party to the VAT tribunal case. The Union is relying on its professional advisers opinion that it has a strong case to defend any assessment that may possibly be raised in relation to this income and, in consequence, has made no provision for the potential liability of approximately £48,000 including interest in relation to this entity.

HMRC have commenced a formal review of the VAT treatment regarding the supply of catering goods and services provided by Student Unions in universities and other higher education establishments. The initial outcome of the HMRC review has indicated this is not considered an exempt supply and that VAT is due on this concessionary activity which the Union provides. These findings are based on a sample review of Unions by HMRC and, as yet, no formal ruling has been released. Furthermore, SUBU has not been informed by HMRC that they are to be reviewed for their VAT treatment on such supplies. NUS are currently in disagreement with HMRC and formal ongoing discussion is being held between the two parties. As no formal ruling has been issued by HMRC, there is no present obligation regarding crystallising VAT charges from uncollected VAT. In the circumstances, this has not been recognised as a liability within the balance sheet on this basis. The application of HMRC's potential ruling has been estimated by SUBU as a total VAT charge of £148,000 over a four year assessment period.

23. Pension contributions

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 onwards accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

The most recent full 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.

Due to the increasing deficit valuation, a revised contribution plan for all members up to 30 September 2023 was implemented. At this point the pension scheme will be subjected to revaluation and the contributions plan altered as required. Annual contributions to the scheme will increase across the 3 year period from 2019/20 at a rate of 5%, 8% and 5% respectively on the prior year contribution value.

These contributions include an allowance for the cost of the ongoing administrative and operational expenses of running the scheme.

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

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2020 amounted to £92,604 (2019 - £88,194), but this includes a higher proportion of contributions in respect of future accrual.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

23. Pension contributions *(continued)*

Under FRS 102, SUBU are required to recognise the Union's deficit on the SUSS pension scheme as a liability in the financial statements from the date of transition onwards, calculated using the discounted value of the additional contributions the Union is committed to paying under the Recovery Plan ending in 2035. The net present value of this liability as at 31 July 2020 is £1,210,235 (2019 - £1,213,195).

The Union also participates in defined contribution schemes with the cost recognised within the Statement of Financial Activities as they are charged.

24. Related parties

The Union is in receipt of a block grant from Bournemouth University of £1,190,000 (2019 - £1,190,000) and other grants of £40,006 (2019 - £24,377). Both grants are received on an unrestricted basis. In addition, the Union occupies the University's buildings on a rent free basis under an informal arrangement, and the Trustees have valued the use of the buildings and utilities with reference to market rents and costs at £652,672 (2019 - £671,167). There were other net trading transactions during the year, under normal trading terms, with a net balance due to the University at the year end of £320 (2019 - £379). The balance is not secured and is repayable on demand being settled in cash.

The charity is controlled by the Trustee Board which is, in part, subject to the democratic election by voting membership of the Union.

See note 14 for Trustees and key management personnel remuneration and expenses.

25. Affiliations

The Union's affiliations and transactions with these during the year are listed below:

	2020	2019
	£	£
National Union of Students	<u>47,600</u>	<u>40,435</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

26. Clubs and societies expenditure

	2020	2019
	£	£
African Caribbean Society	246	-
American Football	7,360	-
Anime Society	665	-
Archery	441	142
Awards	-	3,979
Ballroom & Latin Dance Society	474	-
Boxing	374	-
C & S admin salary and general expenses	78,198	90,821
Cheerleading	8,388	4,208
Chinese	-	300
Christian Union	-	180
Climbing	749	-
Club of the year	158	360
Coffee club	-	185
Cycling Society	-	1,000
Design	-	62
Film Society	2,189	3,670
Forbes List Society	99	-
General clubs	135	50
Give It A Go	-	81
Go Karting Society	1,920	735
Indian cultural Society	-	185
Islamic Society	246	1,623
MASS Society	-	225
Occupational Therapy Society	720	-
Parts	3,000	4,868
Physiotherapy	2,514	-
Poker	1,250	1,560
Polo	5,800	7,545
Quidditch	405	970
Rowing	11,192	14,528
Sailing	4,483	348
Surfing	870	3,008
Swimming	1,879	1,425
TBC	-	841
Training for students	1,733	1,333
Trampolining	120	-
Ultimate Frisbee	-	740
	135,608	144,972

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2020

27. Post balance sheet events

In line with Government guidance regarding Covid-19, The Old Fire Station was able to successfully reopen in a socially distanced format during October and November 2020 but has now reclosed pending further guidance. The impact of this has been quantified by the directors via a cashflow forecast and will have a significant effect on the cash funds available post year end. The directors have considered the impact of this event within their going concern review. As a direct result of government enforced closure under Covid-19 requirements, a total balance of £15,546 was provided for against perishable stock held at 31 July 2020 by both the Charity and the trading subsidiary.

Post year end the charity transferred its assets into a new charitable incorporated organisation being The Students' Union at BU Ltd. The charitable activities continue to be carried out by the new charity.

03.03.2021; Audit and Risk Committee; Agenda Item 6.3

Student's Union of Bournemouth University

Year ended 31 July 2020

Loss Reconciliation

	£	£
		(75,097)
	2,960	
Loss per client - Charity	37,607	
	520,449	
Add:	3,100	
Movement in the pension fund deficit during the year		564,116
JRS grant income for July 2020 not accrued by client Recognition of Donated Rent income		
Reallocation of Feelprime Limited Audit fee recognised in SUBU	(1,815)	
	(520,449)	
	(5,201)	
Less:		(527,465)
Correction of Audit fee in line with agreed tender charge		
Recognition of Donated Rent charge		
Impairment of perishable and obsolete stock held at the year end		(38,446)
		(2,219)
		(40,665)
LOSS PER FINAL ACCOUNTS - CHARITY		
Loss per Feelprime Limited		
LOSS PER FINAL ACCOUNTS - GROUP		