

Charity Registration Number: 1144886

**The Students' Union at Bournemouth University**  
**Financial Statements**  
**31 July 2019**

**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 2019**

	<b>Pages</b>
Trustees' annual report	<b>1 to 10</b>
Independent auditor's report to the members	<b>11 to 13</b>
Consolidated statement of financial activities	<b>14</b>
Statement of financial position	<b>15</b>
Statement of cash flows	<b>16</b>
Notes to the financial statements	<b>17 to 30</b>

# The Students' Union at Bournemouth University

## Trustees' Annual Report

Year ended 31 July 2019

The Trustees present their report and the financial statements of the charity for the year ended 31 July 2019.

### Reference and administrative details

<b>Registered charity name</b>	The Students' Union at Bournemouth University
<b>Charity registration number</b>	1144886
<b>Principal address</b>	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

#### External

Arthur Richier	Tenure concluded 19.06.19
Catriona Cannon	
Jennifer Winter	
Martin James	
Olu Baptist	Tenure commenced 13.09.19

#### Student

Karen Churchill	Tenure concluded 01.02.19
Mark Smith	Tenure concluded 05.06.19
Devon Biddle	Tenure concluded 05.06.19
Imuetinya Giwa-Osagie	
Jack Towyn Wallis	Tenure concluded 05.06.19
Lotachukwu Nwokolo	Tenure concluded 05.06.19

#### Executive Trustee

Sol Brown	Tenure commenced 28.02.19	Concluded 05.06.19
Zainab Imam	Tenure commenced 28.02.19	Concluded 05.06.19

#### Staff

Sophie Nott

#### Senior Management

Alan James	General Manager	Resignation date	22.11.19
Samantha Leahy-Harland	Chief Executive	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 2019

### Chair's Introduction

'The only constant in life is change' (Heraclitus). This is such an apt statement to describe Student Unions. In many respects, SUBU is an anomaly to this characterisation and has seen great stability for many years through the leadership of our longstanding General Manager Alan James. Even four out of the five Full-Time Officers are this year returning for their second term, allowing the continuation of our manifesto and campaign commitments, and enabling us to build on and learn from the previous years' successes and challenges.

It has been another successful year for the Students' Union at Bournemouth University. A few personal highlights for me include:

- Recognising and celebrating the diversity of our student body, we celebrated another One World Festival in March, which saw around 2,500 students in attendance and offered a diverse programme including: the Seminar Workshop; Bridge the Culture; Arts and Crafts; Sports Activities; and, free tastings of cuisines from around the world. This theme continued into our annual summer ball where we once again invited the Indian drummers to perform as well as having a pride tent showcasing drag acts for the first time.
- Conducting our Full-Time Officer elections in February which saw 27 candidate applications.
- Consulting students to shape our partnership work with BU. This included holding a summit in May 2019 to listen to students' views from widening participation backgrounds on how BU should shape their Access and Participation Plan. The outcomes from this student consultation event informed the development of BU's APP, which has now been approved by the Office for Students (OFS). We also held focus groups on the lived experience of black students at BU to inform work across faculties on improving the retention and success of the black student experience at BU.

Clearly, we continue, both within SUBU and across the wider sector, to face challenges. Brexit still looms heavily over the UK and the reality for what this will mean for Higher Education remains uncertain. SUBU's National Student Survey (NSS) 2019 results for 'effectively representing students' academic interests' whilst overall were positive (and remain comfortably above sector average), saw a decline. SUBU's student voice strategy will be considering approaches to improve this score; it will also include considering collaborative work with BU to support improved scores for the institution's wider 'Student Voice' section, with a particular focus on improving mechanisms for 'closing the feedback loop' for students.

We have much to be proud of and I am as always thankful to each and every member of SUBU staff who work so hard throughout the year to deliver on SUBU's core purpose. I am also grateful to the positive partnership we have with Bournemouth University and how we help each other to ensure the educational and welfare interests are at the heart of everything we do.

Whilst stability has been a key feature of SUBU to date, considerable change is on the horizon. Alan James, who was SUBU's General Manager for 25 years, announced his plans for retirement during 2018/19 and in May, SUBU concluded the appointment of a new Chief Executive Officer (CEO) to replace Alan. On behalf of SUBU, I would like to formally record our thanks to Alan for the considerable contribution to the student experience he has led through SUBU. The new CEO, Dr. Samantha Leahy-Harland joined in September 2019, from her previous role as Head of Operations for Global Engagement at BU and has over 18 years' experience in higher education and central government. I look forward to working with Sam and the rest of the SUBU team to continue to deliver the highest standards of service for our students.

Abdurasheed Adeyinka Balogun  
Chair of Trustee Board/President 2018/19

# The Students' Union at Bournemouth University

## Trustees' Annual Report *(continued)*

Year ended 31 July 2019

### OBJECTIVES AND ACTIVITIES

#### Charitable Objects

The principal purposes and aims of the Union are the advancements of education of Students at Bournemouth University 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 (BU) 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.

With these objects, the Union aims to make a positive impact on every Bournemouth University (BU) student's journey. These aims were set out in SUBU's latest strategic plan, Vision to 2016 which contained five key themes:

- i) Creating friendships.
- ii) Helping people to realise their potential.
- iii) Being ethical and environmental in its activities.
- iv) Being understood and recognised as well as more accessible and approachable to all students.
- v) Being a major collective force for all students.

During 2018/19, SUBU commenced the process of developing SUBU's new Strategic Plan for the period 2019-2023, and this will be an early priority for the new CEO to finalise this during the 2019/20 academic year. Additionally, the Head of Student Engagement led a review of the Student Engagement Department to strengthen SUBU's strategic student voice and democracy functions. These restructures will be concluded and embedded early in the academic year 2019/20. For the purposes of this report therefore, activity and achievements are reported against the structure for 2018/19, as follows.

#### 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. The Insight and Policy department staff team comprised of the Head of Insight & Policy, a Policy Adviser and an Insight Analyst and the total spend in this area for 2018/19 was £13,166. (2017/18 - £14,587), 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 £17,008 (2017/18 - £20,033), not including staff costs. The staff team works with elected representatives (Student Reps and Senior Reps) to facilitate them in representing the 'student voice' across the University to help enhance the student experience. During 2018/19, over 9,505 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.

#### Democracy and Equality

Throughout 2018/19 the Democracy and Equality Department ensured that students were engaged with SUBU's democratic processes, allowing the student voice to be heard. The total spend in this area for 2018/19 was £21,428 (2017/18 - £29,387).

The department oversees all SUBU democratic processes including the Executive Committee, Big Student Meetings as well as all Officer Elections. In the 2018/19 Full-Time Officer elections, there were 27 candidates nominated for positions and a voter turnout of 2,942; nearly a 10% increase on the previous year. The department also oversaw the development of the Liberation Campaigns during their second year, working closely with the President and the VP of Welfare who lead on 'liberation' campaigns. These campaigns are based on recognised protected characteristics and ensuring that the diverse student experience is heard in SUBU.

# The Students' Union at Bournemouth University

## Trustees' Annual Report *(continued)*

Year ended 31 July 2019

### OBJECTIVES AND ACTIVITIES *(continued)*

#### 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 £16,077 (up from £11,615 for the 2017/18 academic year). The rise in running costs can be attributed to the employment of 3 part-time student SUBU Advice Crew members and legal fees linked to the changes in General Data Protection Regulations.

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 1715 inquiries (in comparison to 1636 during 2017/18).

In 2018/19, the SUBU Advice Service put £99,055 back into students' pockets (up from £86,810 during 2017/18). This 14% increase was achieved primarily by supporting students to access additional discretionary funding via Student Finance.

#### Community

The Community Team supports students to help them settle in and contribute to the local community. SUBU hired 10 Community Wardens annually who 'patrol' streets in Winton and Charminster, to create positive community relationships and to also help students living in the community with the landlord and other housing matters. They also contributed to the huge success of the Big Give.

#### Volunteering

Each year, the Community Team supports students who wish to volunteer their time in the local community and environment whilst at University. 124 charities and not for profit organisations registered on the online volunteering hub and listed 184 different volunteering activities and opportunities. 370 students registered as volunteers in 2018/19 and 170 of them were able to volunteer for charities and not-for-profit organisations in the Bournemouth and Dorset area.

#### Sustainability Action

The Community Team helped the Sustainability Action Hub, a student body, in their campaigns and events, to help other students understand their green impact now and, in the future, and are guided by the United Nations 17 Goals for Sustainable Development. They also supported a project called the Green Loop and helped acquire a poly-tunnel and allotment, with regular weekly weekend open sessions for all students and staff throughout term, to show people how to grow their own organic food.

The expense of Community, Volunteering, and Sustainability was £35,281 in 2018/19 (2017/18 - £25,928).

#### Activities

**RAG** (raising and giving) raised £70,131 in 2018/19 (2017/18 - £53,033). All fundraising is undertaken in accordance with The Code of Fundraising Practice, including dealing with complaints.

#### Clubs and Societies

There were 137 operational clubs, societies and networks in 2018/19, involving over 2,244 unique students. In total, we spent £65,337 (2017/18 - £74,122) on the operation of the Activities Department (excluding apportioned salary costs).

#### 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 4<sup>th</sup> floor of the Student Centre. In 2018/19 Nerve Magazine produced 6 issues, distributed across campus and online. Nerve Radio had a large amount of interest and held its first 'Nerve Media Summit' event in October. Nerve Radio also staged a successful FM community broadcast in March with a packed program of student presenters live on air to the local population.

# The Students' Union at Bournemouth University

## Trustees' Annual Report *(continued)*

Year ended 31 July 2019

### OBJECTIVES AND ACTIVITIES *(continued)*

Nerve Radio has also just had confirmed its record number of nominations (5) for the SRA (Student Radio Association) Awards 2019. The cost of this department was £20,862 (2017/18 - £20,345).

#### Commercial Activities

Through its wholly-owned subsidiary, Feelprime Limited, SUBU operates a stand-alone nightclub, the Old Fire Station, in the heart of the Lansdowne campus. Feelprime Limited also runs the annual fundraising Summer Ball.

SUBU also has a successful café, a kitchen and bar, and a retail shop at Talbot Campus.

The total turnover of the Commercial Activities is just over £3.4 Million (2017/18 - £3.4M), generating a cash surplus for the charity of over £357,000 (2017/18 - £390,146)

SUBU and Feelprime Limited employ a significant number of student staff, in excess of 170 per annum. This is a significant part of SUBU's USP (Unique Selling Proposition).

### ACHIEVEMENTS AND PERFORMANCE

During 2018/19, SUBU commenced work on a new Strategic Plan, which will include a new set of KPIs for the 2019/20 period and beyond. For 2018/19, key achievements and performance are summarised below.

#### SUBU Advice:

- During 2018/2019 SUBU Advice saw a total of 1,397 clients and opened 1,715 inquiries and cases (of these 829 inquiries/cases were academic). This represents a 5.4% increase in client numbers and a 5% increase in the number of inquiries and cases opened in comparison to the 2017/2018 academic year. 16.3% of students returned to access the service at least twice during 2018/2019.
- Students accessing the service are offered the chance to provide feedback following the closure of their inquiry. 130 students responded to the client feedback survey, which is a 49.4% increase from the previous academic year. Of the responses gained 96.1% of clients commented that they are likely or very likely to recommend SUBU Advice to a friend.
- SUBU Advice has introduced an online appointment booking system called SimplyBook which has increased our accessibility to clients and ease of making an appointment. We had 269 direct bookings by clients on SimplyBook during the academic year, this does not account for bookings made directly by SUBU Advice staff on behalf of students, which would see booking figures near 350.

#### Community:

- Community wardens worked 1,855 hours within the community
- There were approximately 3,000+ hours of volunteering by students last year
- As part of the 'Big Give' fundraiser, over 5,000 bags of reusable donations were collected from street collections and collection bins on campus and around Winton and Charminster, and from Halls of Residence by students.
- We continued to liaise with the Council, the Halls Managers, Estates, and the charities British Heart Foundation (the main charity), Hope for Food, and local animal charities.

#### Activities:

- Academic societies went up 45% since 2017/18
- Over 100 committee members were trained in one day at the first Committee Conference
- There was a 38% increase of clubs achieving 5-star status

# The Students' Union at Bournemouth University

## Trustees' Annual Report *(continued)*

Year ended 31 July 2019

### ACHIEVEMENTS AND PERFORMANCE *(continued)*

#### Democracy & Equality:

- 27 Candidates stood for the Full Time Officer Elections
- 2,942 students voted, which was nearly a 10% increase on 2017/18
- Supported the Liberation Campaigns to recognise history months
- Over 200 students attended the 3<sup>rd</sup> annual BME Awards
- 3<sup>rd</sup> annual Student Pride had over 150 attendees

#### Insight & Policy:

- In May the department led and delivered a student consultation event; this event explored and provided student feedback on Bournemouth University's strategic measures to support the transition, retention, and success of students who are under-represented at BU. This was part of SUBU's collaborative work with BU ahead of the institution's submission of their Access and Participation Plan (APP) (2020/21 to 2024/25) to the Office for Students. Twenty-five students took part and BU provided SUBU and the students with a response, describing how their views had been incorporated into BU's plans for the coming five years of access and participation work.
- This collaborative work also included the development of SUBU's Student Submission, a video with a supporting report, which formed part of the BU APP submission itself. This Student Submission helped BU to demonstrate the required level of student engagement with their developing and finalised APP.
- Throughout 2018/19, the department analysed and produced faculty and institutional level summary reports from the 9,505 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 2018/19 were: 'Teaching on my course' (2,688 comments, which is 28.3% of all comments); 'Assessment and feedback' (1,397 comments, which is 14.7% of all comments); 'Organisation of my course' (1,061 comments, which is 11.1% of all comments); and 'Campus facilities' (995 comments, which is 10.5% of all comments).
- The department led SUBU's response to the National Independent Review of the Teaching Excellence Framework, using evidence from our student feedback mechanisms to inform our position. The aspect most commented on by students when using SimOn has consistently been 'Teaching on my course', illustrating how important teaching quality is to students. The department referenced student feedback in SUBU's submission and also worked with BU's Policy team to endorse sections of BU's separate submission where appropriate, adding weight to both submissions in the areas we agreed on.

#### Representation

- 96% of Student Reps were trained by SUBU
- 54 skills development sessions were offered in 2018/19
- Over 5,000 pieces of feedback were captured during Speak Week
- Over 300 'You're Brilliant!' Awards were submitted for 213 staff members

### 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.



# The Students' Union at Bournemouth University

## Trustees' Annual Report *(continued)*

Year ended 31 July 2019

### FINANCIAL REVIEW

SUBU's gross income from all sources including; Block grant, Mutual Trading, Fundraising, and the subsidiary, Feelprime Limited, this year totalled £5,343,501 (2017/18 - £5,230,025).

Total expenditure of £5,486,737 (2017/18 - £5,170,931) on wide-ranging student benefits, provided within a broadly balanced budget, as well as on the fundraising and other revenue-generating activities we undertake, has resulted in a deficit for the year of £143,236 (2017/18 - £59,094 surplus). Subsequently, our total reserves deficit increased from £374,872 to £518,108.

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 has been included in the financial statements valued at £671,167 (2017/18 - £639,106).

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

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 2019, the Union had consolidated reserves deficit of £518,108 (2018 - £374,872). This includes unrestricted free funds amounting to £629,008 (2018 - £683,649). 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 £66,079 (2018 - £65,561) 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 £1,213,196 at the year-end (2018 - £1,124,083). 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 2019

### PLANS FOR FUTURE PERIODS

With the arrival of SUBU's new Chief Executive, SUBU has commenced a series of stocktakes across key functions of the organisation including governance and democracy, human resources, and finance, to ensure that SUBU continues to be fit for purpose. Additionally, the CEO is leading the development and completion of SUBU's new strategic plan.

Through regular meetings and focus on the correct KPIs, the Union obtained the ability to understand the demands of students and its areas of success and potential improvements. This enables the Charity to continue generating income from current activities that allow it to support future students through their time at the University.

### STRUCTURE, GOVERNANCE, AND MANAGEMENT

#### Governing Document

The Students' Union at Bournemouth University (SUBU) is an unincorporated charity, governed by its Constitution, which was updated in November 2016. The Constitution 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 Constitution and By-Laws and the Board of Trustees shall comprise:

- Not more than five Sabbatical Officer Trustees, but normally one
- Not more than two Executive Committee Trustees, but normally one
- Not more than six Student Trustees
- Not more than one Staff Trustee
- Not more than four External Trustees

The methods for recruitment and appointment are set out in full in our Constitution and By-Laws which are available on our website [www.subu.org.uk](http://www.subu.org.uk)

#### 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 face to face meetings and induction packs of information.

The President, Executive Committee and Staff Trustees are provided with additional support from both fellow staff members and outgoing officers to ensure both a smooth transition period and to support the new Trustees with the support and information to understand and undertake their responsibilities.

They also have the on-going staff support to guide them through Board and Committee papers, reports and to advise on areas such as conflicts of interest.

In addition to this internal induction, process Trustees are invited to attend training from a third party organisation tailored specifically for the Induction of Charity Trustees.

# The Students' Union at Bournemouth University

## Trustees' Annual Report *(continued)*

Year ended 31 July 2019

### STRUCTURE, GOVERNANCE, AND MANAGEMENT *(continued)*

#### **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 Constitution, and the By-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 is comprised of not more than four External Trustees, not more than six Student Trustees, an Executive Committee Trustee and a Staff Trustee.

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 Executive Committee and Staff Trustees are elected from amongst the Executive Committee and Staff respectively.

The Trustee Board has one permanent Committee, Audit, and Risk, to deal with a specific area and also currently uses task and finish groups in an ad hoc way as well as specially convened committees for the recruitment of Trustees.

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 Executive Committee**

This Committee meets fortnightly during undergraduate term time and supports 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 consists of five Full-Time Officers and ten Executive Committee Officers. The six Liberation Officers sit on the Committee in an ex-officio capacity. This Committee along with the General Meetings are responsible for implementing union policy and holding the Full-Time Officers to account.

#### **The Union General Meetings and Annual General Meeting**

The Union General Meetings are held once per term and are an important part of permitting student members to formally raise and debate issues with their peers in an open forum to which all students are invited. Decisions made at such meetings are, 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 is held annually, normally in the spring term, at which the audited financial statements of the Union for the previous year are presented, together with other statutory charity AGM requirements.

As part of a larger process of scrutinising SUBU's current model, we will be looking to undertake a Democracy and Governance Review in 2019/20 to examine the ways in which we engage students with our democratic and governance structures. Reviewing the current model of our Union Officers, Executive Committee and General Meeting will form a large part of this.

#### **Delegated responsibilities**

The Board of Trustees delegates day-to-day management of the organisation to the General Manager 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 General Manager/Chief Executive, is supported by Senior Managers responsible for Finance, Sarah Newland; and Commercial Activities, Alan Dove.

Setting pay and remuneration for Senior Managers is determined by the Board of 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.

#### **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.

# The Students' Union at Bournemouth University

## Trustees' Annual Report *(continued)*

Year ended 31 July 2019

### STRUCTURE, GOVERNANCE, AND MANAGEMENT *(continued)*

#### Risk Management

The Trustees are responsible for the management of the risks faced by the Union. Through the use of a risk register, risks, especially those relating to the operations and finances of the Union, are identified, assessed and controls are established on an ongoing basis and reviewed annually.

The Trustees are satisfied that systems in place 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 £67,560 (2018 - £51,062) 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 2019 was £7,758 (2018 - £4,776).

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.

#### 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).

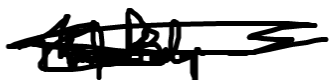
The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing 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



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Abdurasheed Adeyinka Balogun  
Chair of the Trustees / President 2018/19

Approved by the Trustees on 30 June 2020

## **The Students' Union at Bournemouth University**

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

**Year ended 31 July 2019**

#### **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 2019 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 2019 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;
- 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 2019**

#### **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; 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 2019

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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

06/07/2020  
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 2019

		Unrestricted funds £	2019 Restricted funds £	Total funds £	2018 Total funds £
	Note				
<b>Income and endowments</b>					
Donations and legacies	4	1,885,544	-	<b>1,885,544</b>	1,829,106
Charitable activities	5	1,694,428	-	<b>1,694,428</b>	1,733,943
Other trading activities	6	1,761,030	-	<b>1,761,030</b>	1,665,900
Investment income	7	2,499	-	<b>2,499</b>	1,076
<b>Total income</b>		<u>5,343,501</u>	<u>-</u>	<u><b>5,343,501</b></u>	<u>5,230,025</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Expenditure of trading subsidiary	8	1,704,279	-	<b>1,704,279</b>	1,609,420
Expenditure on charitable activities	9,10	3,782,458	-	<b>3,782,458</b>	3,561,511
<b>Total expenditure</b>		<u>5,486,737</u>	<u>-</u>	<u><b>5,486,737</b></u>	<u>5,170,931</u>
<b>Net income and net movement in funds</b>		<u>(143,236)</u>	<u>-</u>	<u><b>(143,236)</b></u>	<u>59,094</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		(374,873)	1	<b>(374,872)</b>	(433,966)
<b>Total funds carried forward</b>		<u>(518,109)</u>	<u>1</u>	<u><b>(518,108)</b></u>	<u>(374,872)</u>

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



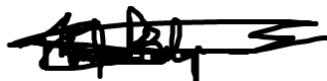
# The Students' Union at Bournemouth University

## Statement of Financial Position

31 July 2019

		Group		Charity	
		2019 £	2018 £	2019 £	2018 £
<b>Fixed assets</b>					
Tangible assets	15	66,079	65,561	66,079	65,561
Investments	16	-	-	1	1
		<u>66,079</u>	<u>65,561</u>	<u>66,080</u>	<u>65,562</u>
<b>Current assets</b>					
Stocks	17	77,133	73,755	51,615	51,681
Debtors	18	106,015	89,146	145,167	110,574
Cash at bank and in hand		870,166	922,449	761,791	807,409
		<u>1,053,314</u>	<u>1,085,350</u>	<u>958,573</u>	<u>969,664</u>
<b>Creditors: Amounts falling due within one year</b>	19	<u>(424,305)</u>	<u>(401,700)</u>	<u>(346,782)</u>	<u>(302,911)</u>
<b>Net current assets</b>		<u>629,009</u>	<u>683,650</u>	<u>611,791</u>	<u>666,753</u>
<b>Total assets less current liabilities</b>		<u>695,088</u>	<u>749,211</u>	<u>677,871</u>	<u>732,315</u>
<b>Net assets excluding pension liability</b>		<u>695,088</u>	<u>749,211</u>	<u>677,871</u>	<u>732,315</u>
<b>Defined benefit pension liability</b>	20	<u>(1,213,196)</u>	<u>(1,124,083)</u>	<u>(1,213,196)</u>	<u>(1,124,083)</u>
<b>Net assets</b>		<u><u>(518,108)</u></u>	<u><u>(374,872)</u></u>	<u><u>(535,325)</u></u>	<u><u>(391,768)</u></u>
<b>Funds</b>					
Restricted	21	1	1	1	1
Pension reserve	20	<u>(1,213,196)</u>	<u>(1,124,083)</u>	<u>(1,213,196)</u>	<u>(1,124,083)</u>
		<u>(1,213,195)</u>	<u>(1,124,082)</u>	<u>(1,213,195)</u>	<u>(1,124,082)</u>
Unrestricted	21	<u>695,087</u>	<u>749,210</u>	<u>677,870</u>	<u>732,314</u>
<b>Total charity funds</b>		<u><u>(518,108)</u></u>	<u><u>(374,872)</u></u>	<u><u>(535,325)</u></u>	<u><u>(391,768)</u></u>

These financial statements were approved by the Board of Trustees and authorised for issue on 30 June 2020, and are signed on behalf of the board by:



.....  
Abdurasheed Adeyinka Balogun  
President/Chair of the Trustees

# The Students' Union at Bournemouth University

## Statement of Cash Flows

Year ended 31 July 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Net income	(143,236)	59,094
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	39,663	62,568
Other interest receivable and similar income	(3,899)	(1,076)
Accrued (income)/expenses	47,452	(14,232)
<i>Changes in:</i>		
Stocks	(3,378)	5,230
Trade and other debtors	(16,869)	(33,025)
Trade and other creditors	(24,847)	167,223
Defined benefit pension liability	89,113	(63,233)
Cash generated from operations	(16,001)	182,549
Interest received	2,499	1,076
Net cash from operating activities	<u>(13,502)</u>	<u>183,625</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(40,181)	(67,415)
Proceeds from sale of tangible assets	1,400	-
Net cash used in investing activities	<u>(38,781)</u>	<u>(67,415)</u>
<b>Net increase in cash and cash equivalents</b>	<b>(52,283)</b>	116,210
<b>Cash and cash equivalents at beginning of year</b>	<b>922,449</b>	806,239
<b>Cash and cash equivalents at end of year</b>	<b><u>870,166</u></b>	<b><u>922,449</u></b>

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 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 preparation

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

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 over a number of years, 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 is undergoing an actuarial revaluation following which the amended recovery plan will be announced in 2020. While it is anticipated the deficit and thus the repayments will rise, it is not anticipated that this rise will be unduly onerous or outside the capabilities of the charity to meet the repayments.

Post year end 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 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.

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 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.

##### Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives and residual values are assessed annually, taking maintenance programmes into account.

##### 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.

##### 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.

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 3. Accounting policies *(continued)*

##### 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.

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 assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

##### Depreciation

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

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 3. Accounting policies *(continued)*

##### **Impairment of fixed assets**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each year end date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

##### **Stocks**

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

##### **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.

##### **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 paid 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 2019

### 4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
<b>Donations</b>			
Donated rent and overheads	671,167	-	671,167
<b>Grants</b>			
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>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
<b>Donations</b>			
Donated rent and overheads	639,106	-	639,106
<b>Grants</b>			
Bournemouth University (block grant)	1,190,000	-	1,190,000
Other grants	-	-	-
	<u>1,829,106</u>	<u>-</u>	<u>1,829,106</u>

### 5. Charitable activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Bar and shop income	1,197,728	1,197,728	1,190,134	1,190,134
Marketing income	128,399	128,399	143,770	143,770
Sundry income	8,813	8,813	4,313	4,313
SCC income	359,488	359,488	395,727	395,727
	<u>1,694,428</u>	<u>1,694,428</u>	<u>1,733,944</u>	<u>1,733,944</u>

### 6. Other trading activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Income from trading subsidiary	1,761,030	1,761,030	1,665,900	1,665,900

### 7. Investment income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Bank interest receivable	2,499	2,499	1,076	1,076

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2019

### 8. Expenditure of trading company

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Bar operating costs	1,567,279	1,567,279	1,444,581	1,444,581
Donated rent and overheads	137,000	137,000	164,839	164,839
	<u>1,704,279</u>	<u>1,704,279</u>	<u>1,609,420</u>	<u>1,609,420</u>

### 9. Expenditure on charitable activities by fund type

	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>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Union	1,544,008	-	1,544,008
Shop and bar	1,055,475	-	1,055,475
Marketing	55,497	-	55,497
Support costs	905,481	1,050	906,531
	<u>3,560,461</u>	<u>1,050</u>	<u>3,561,511</u>

### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
Union	1,611,264	279,483	1,890,747	1,811,683
Shop and bar	1,179,049	120,205	1,299,254	1,174,996
Marketing	45,994	-	45,994	55,497
Donated rent and overheads	-	534,167	534,167	474,267
Governance costs	-	12,296	12,296	45,068
	<u>2,836,307</u>	<u>946,151</u>	<u>3,782,458</u>	<u>3,561,511</u>



# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2019

### 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	Year to 31 Jul 19				Year to
		Student services £	Shop and bars £	Marketing £	Total Allocated £	31 Jul 18 Total Allocated £
Insurance	Turnover	20,770	6,518	-	27,288	31,259
Office costs	Cost	37,806	-	-	37,806	31,781
Administration salaries	Time spent	217,980	58,877	-	276,857	243,503
Depreciation	Asset split	2,927	36,736	-	39,663	62,568
Repairs and maintenance	Cost	-	18,074	-	18,074	18,085
Rent and overheads	Area	437,267	96,900	-	534,167	474,267
Governance	Cost	12,296	-	-	12,296	45,068
		<u>729,046</u>	<u>217,105</u>	<u>-</u>	<u>946,151</u>	<u>906,531</u>

### 12. Governance costs

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Auditor's remuneration - audit fees	5,215	5,215	4,970	4,970
Auditor's remuneration - other services	150	150	1,254	1,254
Legal fees	1,751	1,751	28,601	28,601
Trustee expenses	2,995	2,995	8,161	8,161
Trustees and officers insurance	2,185	2,185	2,082	2,082
	<u>12,296</u>	<u>12,296</u>	<u>45,068</u>	<u>45,068</u>

### 13. Staff costs

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

	2019 £	2018 £
Wages and salaries	1,599,976	1,577,308
Social security costs	102,198	99,647
Employer contributions to pension plans	295,247	124,596
	<u>1,997,421</u>	<u>1,801,551</u>

The average head count of employees during the year was 185 (2018 - 170). The average number of employees during the year is analysed as follows:

	2019 No.	2018 No.
Number of permanent staff	53	49
Number of student staff	132	121
	<u>185</u>	<u>170</u>

No employee received employee benefits of more than £60,000 during the year (2018 – Nil).

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 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 £23,366 (2018 - £24,727), 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 £20,184 (2018 - £9,384) for managerial and operational work (pro-rated for any change in appointment). The Student Trustees received total remuneration of £404 (2018 - £6,965). The total amount of employee remuneration and benefits received by key management personnel is £184,212 (2018 - £178,338).

Trustees incurred reimbursed expenses in relation to travel and subsistence totalling £2,995 (2018 - £8,161). 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 £
<b>Cost</b>			
At 1 August 2018	769,213	25,519	794,732
Additions	40,181	-	40,181
Disposals	(46,804)	(5,399)	(52,203)
<b>At 31 July 2019</b>	<b><u>762,590</u></b>	<b><u>20,120</u></b>	<b><u>782,710</u></b>
<b>Depreciation</b>			
At 1 August 2018	705,360	23,811	729,171
Charge for the year	38,808	855	39,663
Eliminated on disposal	(46,804)	(5,399)	(52,203)
<b>At 31 July 2019</b>	<b><u>697,364</u></b>	<b><u>19,267</u></b>	<b><u>716,631</u></b>
<b>Net book value</b>			
<b>At 31 July 2019</b>	<b><u>65,226</u></b>	<b><u>853</u></b>	<b><u>66,079</u></b>
At 31 July 2018	63,853	1,708	65,561

The premises occupied by the trading subsidiary and from which it operates are occupied under an informal agreement with Bournemouth University as set out in the Trustees' Annual Report. The Trustees are of the opinion that such occupancy will continue for at least the period of the expected useful lives of the refurbishments to the buildings and equipment purchased, included in fixtures, fittings and equipment above.

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 15. Tangible fixed assets *(continued)*

##### Charity

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 August 2018	716,816	25,519	742,335
Additions	40,181	-	40,181
Disposals	(46,804)	(5,399)	(52,203)
<b>At 31 July 2019</b>	<b>710,193</b>	<b>20,120</b>	<b>730,313</b>
<b>Depreciation</b>			
At 1 August 2018	652,963	23,811	676,774
Charge for the year	38,808	855	39,663
Eliminated on disposal	(46,804)	(5,399)	(52,203)
<b>At 31 July 2019</b>	<b>644,967</b>	<b>19,267</b>	<b>664,234</b>
<b>Net book value</b>			
<b>At 31 July 2019</b>	<b>65,226</b>	<b>853</b>	<b>66,079</b>
At 31 July 2018	63,853	1,708	65,561

#### 16. Investments

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

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:

	2019 £	2018 £
Assets	172,517	172,184
Liabilities	(155,299)	(155,285)
Share capital	1	1
Retained profits	17,217	16,898

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 16. Investments *(continued)*

The results for the year ended 31 July 2019 of the trading subsidiary are shown below:

	2019	2018
	£	£
Turnover	1,761,030	1,665,900
Direct costs and overheads	(1,510,879)	(1,403,734)
Operating charges paid to parent charity	(72,182)	(73,012)
Net profit	<u>177,969</u>	<u>189,154</u>
Distribution made to parent charity	(177,650)	(188,765)
Surplus retained	<u><u>319</u></u>	<u><u>389</u></u>

#### 17. Stocks

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bar and food stocks	38,079	31,930	12,561	9,856
General trading stocks	39,054	41,825	39,054	41,825
	<u>77,133</u>	<u>73,755</u>	<u>51,615</u>	<u>51,681</u>

The total amount of stocks recognised as an expense during the year for the Group was £1,699,787.

#### 18. Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	33,763	22,157	28,895	15,026
Amounts owed by group undertakings	-	-	77,775	56,498
Prepayments and accrued income	61,334	31,946	27,579	25,674
Other debtors	10,918	35,043	10,918	13,376
	<u>106,015</u>	<u>89,146</u>	<u>145,167</u>	<u>110,574</u>

#### 19. Creditors: Amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	75,695	155,733	39,790	104,418
Taxation and social security	194,338	139,147	175,876	104,843
Other creditors and accruals	78,954	50,982	55,798	37,812
Funds held for third parties	75,318	55,838	75,318	55,838
	<u>424,305</u>	<u>401,700</u>	<u>346,782</u>	<u>302,911</u>

#### Funds held for third parties

The charity holds and administers funds on behalf of the RAG Fund and Clubs and Societies. The net movement of funds in and out was £2,981 (2018 - £4,681) for the RAG Fund and £16,499 (2018 - £15,810) for Clubs and Societies.

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 20. Analysis of charitable funds

##### Unrestricted funds

	At 1 August 2018 £	Income £	Expenditure £	At 31 July 2019 £
General funds	749,210	5,343,501	(5,397,624)	<b>695,087</b>
Pension	(1,124,083)	-	(89,113)	<b>(1,213,196)</b>
	<u>(374,873)</u>	<u>5,343,501</u>	<u>(5,486,737)</u>	<u><b>(518,109)</b></u>

##### Restricted funds

	At 1 August 2018 £	Income £	Expenditure £	At 31 July 2019 £
Student Community Warden Grant	1	-	-	<b>1</b>
Bursary payments	-	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u><b>1</b></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.

##### Bursary payments

The Bournemouth University gave a grant of £1,050 to fund selected bursary assistance as required. This grant was fully allocated in 2018. 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	66,079	629,008	695,087
Pension fund	-	(1,213,196)	(1,213,196)
	<u>66,079</u>	<u>(584,187)</u>	<u><b>(518,108)</b></u>

#### 22. Capital commitment and contingent liability

The SUSS defined benefit scheme (see note 23) is due to undergo the next actuarial valuation in 2020 and the charity is aware that this may result in an increase of the charity's long term pension liability. The likelihood and amount of this possible increase cannot yet be quantified until the valuation has been carried out. For this reason, the potential increase in liability is considered a contingent liability and not provided for in the accounts for the year ended 31 July 2019.

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 Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 22. Capital commitment and contingent liability *(continued)*

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 post the 2019 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 valuation of the scheme was carried out as at 30 June 2013 and showed that the market value of the scheme's assets was £80,910,623, with these assets representing 52% 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 £73,849,000.

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 following assumptions applied at 30 June 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

### Year ended 31 July 2019

#### 23. Pension contributions *(continued)*

Since the above valuation, SUSS have not formally provided an actuary valuation update but have identified a shortfall in the pension fund recovery as of 2018 and revised the contribution plan accordingly. SUSS have a current contributions plan in place for the Union to 30 September 2020 whereby annual costs of the fund will increase 5% per annum.

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

Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. 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 2019 amounted to £88,194 (2018 - £73,490), but this includes a higher proportion of contributions in respect of future accrual.

The Union also participated in both the National Union of Students Pension Scheme and the National Employment Savings Trust. The total employers' contributions paid into the NUSPS defined contribution scheme during the year amounted to £101,777 (2018 - £96,513). The total employer's contributions paid into the NEST Government workplace pension during the year amounted to £12,925 (2018- £9,851).

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 2032. The net present value of this liability as at 31 July 2019 is £1,213,195 (2018 - £1,124,083).

#### 24. Related parties

The Union is in receipt of a block grant from Bournemouth University of £1,190,000 (2018 - £1,190,000) and other grants of £24,377 (2018 - £Nil). 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 £671,167 (2018 - £639,106). There were other net trading transactions during the year, under normal trading terms, of £379 (2018 - £1,698). There was a net balance due to the University at the year end of £379 (2018 - £3,600). 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:

	<b>2019</b>	2018
	£	£
National Union of Students	<b>40,435</b>	33,270

# The Students' Union at Bournemouth University

## Notes to the Financial Statements *(continued)*

Year ended 31 July 2019

### 26. Clubs and societies expenditure

	2019	2018
	£	£
Archery	142	1,802
Awards	3,979	3,695
Boxing	-	100
C & S admin salary and general expenses	90,821	83,033
Cartoon Society	-	180
Cheerleading	4,208	15,098
Chinese	300	-
Christian Union	180	-
Club of the year	360	-
Coffee club	185	-
Cycling Society	1,000	3,089
Design	62	1,140
Film society	3,670	-
General clubs	50	6,636
Give It A Go	81	193
Go Karting society	735	-
Handball	-	250
HSS integrated practice	-	122
Indian cultural Society	185	150
Islamic Society	1,623	1,513
Live action replay Society	-	160
Magic the gathering	-	453
MASS society	225	-
Nigerian Society	-	475
Parts	4,868	-
Poker	1,560	2,205
Polo	7,545	4,087
Quidditch	970	1,179
Rowing	14,528	13,749
Sailing	348	2,560
Surfing	3,008	-
Swimming	1,425	945
TBC	841	-
Training for students	1,333	2,143
Trampolining	-	1,650
Ultimate Frisbee	740	465
	<u>144,972</u>	<u>147,072</u>

### 27. Post balance sheet events

In line with Government guidance regarding Covid-19, The Old Fire Station and all outlets on campus have been closed until further notice. The impact of this has been quantified by the Trustees via a cashflow forecast and will have a significant effect on the cash funds available. It is expected that the future 12 months will see a fall in commercial contributions of 60% for the period. The forecasts also demonstrate that SUBU and Feelprime Limited hold sufficient central funds to continue operations beyond the future 12 months and have every intention to work through the current situation and support its local population.