

WARWICK STUDENTS' UNION

**Trustees Annual Report
and Consolidated Financial Statements**

For the year ended 31st July 2019



Company Registration Number: 07297865

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DIRECTORS REPORT

Union

Warwick Students' Union

Charitable Status

Warwick Students' Union is a charity established under the Education Act 1994.

Warwick Students' Union registered with the Charity Commission for England and Wales on 15th July 2010.

Registered Charity Number: **1136894**

Company

Warwick Students' Union is a charitable company limited by guarantee and registered in England and Wales on 29th June 2010.

Registered company number: **07297865**

Registered Office

WARWICK STUDENTS' UNION
University of Warwick
Gibbet Hill Road
COVENTRY
CV4 7AL

BOARD OF TRUSTEES

Governance and Appointments Committee ensures that Warwick Students' Union has effective systems for the appointment and training of Trustees who are also Directors of the Company and that the membership of the Board of Trustees is appropriate.

SABBATICAL OFFICERS

			Appointed	Resigned
2018-19	L Jackson	President	1 August 2018	31 July 2019
	L Kennedy	Education	1 August 2018	31 July 2019
	B Newsham	Democracy & Development	1 August 2018	31 July 2019
	E Dunford	Postgraduate	1 September 2017	31 August 2018
	E King	Postgraduate	1 September 2018	31 August 2019
	L Palma Carranza	Societies	1 August 2018	31 July 2019
	B Dhingra	Sports	1 August 2018	31 July 2019
	J Ansell	Welfare & Campaigns	1 August 2018	31 July 2019
2019-20	B Newsham	President	1 August 2019	
	C Batten	Education	1 August 2019	
	M Last	Democracy & Development	1 August 2019	
	A Churm	Postgraduate	1 September 2019	
	L Mephram	Societies	1 August 2019	
	C Lloyd	Sports	1 August 2019	
	T Holgate	Welfare & Campaigns	1 August 2019	

BOARD OF TRUSTEES/DIRECTORS

Sabbatical Officer Trustees

L Jackson **Chair**

L Kennedy

L Palma Carranza

E King

B Dhingra

J Ansell

B Newsham

C Batten

T Holgate

A Churm

M Last

C Lloyd

L Mephram

Chair

Appointed

1 August 2017

1 August 2018

1 August 2018

1 September 2018

1 August 2018

1 August 2018

1 August 2018

1 August 2019

1 August 2019

1 September 2019

1 August 2019

1 August 2019

1 August 2019

Resigned

31 July 2019

31 July 2019

31 July 2019

31 August 2019

31 July 2019

31 July 2019

L Jackson resigned the Chair of the Board of Trustees on 31 July 2019. B Newsham became Chair on 1 August 2019.

Student Trustees

M Gonzalez Iraizoz

B Hayday

B Tan

B Kynman

A Dermody-Palmer

M Renna

L Kolodziej

A Jaiteh

M Chen

L Onel

1 August 2017

1 August 2017

1 January 2018

1 August 2018

1 August 2018

1 August 2018

1 August 2019

1 August 2019

1 August 2019

1 August 2019

2 October 2018

31 July 2019

31 July 2019

31 July 2019

External Trustees

N Pitt

G Parker

J Finney

A Hill-Wilson

A Ward

Vice-Chair

7 May 2013

7 May 2013

1 July 2017

1 August 2018

1 August 2018

21 November 2019

Secretary

J Clements

M Crook

29 June 2010

1 August 2019

31 July 2019

SENIOR MANAGEMENT

Chief Executive

J Clements

R Parkinson

14 July 2008

14 October 2019

31 July 2019

SUBSIDIARY COMPANIES

Company

Membership Solutions Limited

Membership Solutions Limited (MSL) is a subsidiary of the Union and provides IT systems for the further education market, principally in the UK but also in Europe and the rest of the world.

It provides website, venue management, e-commerce and membership support services.

Governing instrument

The company is a limited company with share capital. It is governed by its Memorandum and Articles of Association

Company registered number

5525449

Directors

J Clements
C Watson
S Ainsworth
L Jackson
J Bonsall
G Parker
S Hansen
B Newsham
G Bryant
R Parkinson

Appointed

12 July 2008
6 March 2016
7 September 2016
1 August 2018
1 August 2009
1 August 2016
22 January 2018
1 August 2019
1 August 2019
6 November 2019

Resigned

31 July 2019
31 July 2019
26 November 2018
1 July 2019

Company Secretary

M Crook

Registered Office

SUHQ
WARWICK STUDENTS' UNION
University of Warwick
Gibbet Hill Road
COVENTRY
CV4 7AL

Company

Students' Union Services Warwick Limited

This is the Union's subsidiary company for non-primary purpose trading which covers the sale of miscellaneous goods and services. This includes events provided for the general public and not just for student members such as externally promoted live music in the Copper Rooms and conference related activity during vacation.

Governing instrument

The company is a limited company with share capital. It is governed by its Memorandum and Articles of Association

Company registered number 2197761

Directors

J Clements
B Newsham
B Dhingra
A Smith
C Lloyd
M Last
R Parkinson

Appointed

1 August 2010
1 August 2018
1 August 2018
18 November 2010
1 August 2019
1 August 2019
6 November 2019

Resigned

31 July 2019
31 July 2019
31 July 2019

Company Secretary

M Crook

Registered Office

SUHQ
WARWICK STUDENTS' UNION
University of Warwick
Gibbet Hill Road
COVENTRY
CV4 7AL

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

NatWest PLC

24 Broadgate
Coventry
West Midlands
CV1 1NE

Solicitors

Band Hatton Button

53-55 Butts Rd,
Coventry
CV1 3BH

Bates Wells and Braithwaite LLP

10 Queen Street Place
London
EC4R 1BE

Woodroffes Solicitors

7 Beeston Place
London
SW1W 0JJ

Auditor

RSM UK Audit LLP

Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

INDEMNITY INSURANCE

Warwick Students' Union has in place Professional Indemnity Insurance cover of £5m and this insurance policy includes cover for the Trustees, Directors, Officers and employees of the Union.

DISABLED PERSONS

Full and fair consideration is given to applications for employment by disabled persons, having regard to their aptitudes and abilities. Should an employee become disabled during their employment, all efforts will be made to continue their employment and to provide appropriate training and support.

The Union is a Disability Confident employer and training, career development and promotion opportunities will be, as far as possible, identical to those for other employees.

EMPLOYEE ENGAGEMENT

The Union encourages the involvement of its employees in its management through regular meetings of the Staff Consultative Forum. This forum has the responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

MATTERS OF STRATEGIC IMPORTANCE

Information is not shown within the Directors' Report as it is instead included within the Strategic Report on page 27 to 29, under Companies Act 2006 S414c (11).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Board of Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware.

Each member of the Board of Trustees have confirmed that they have taken all the steps that they ought to have taken as Board of Trustees members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' Report is approved on behalf of the Board of Trustees:



Ben Newsham

President

Date: 19th February 2020



Milly Last

Democracy and Development Officer

STRATEGIC REPORT

The Board of Trustees of the Union submit their Strategic Report for the year ended 31 July 2019.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), (effective 1 January 2015), Charities SORP (FRS102) and the Companies Act 2006.

Members of the Union

Full Members

All registered students of the University of Warwick except those who exercise their right not to be a member under clause 22 (c) of the Education Act 1994. Sabbatical Officers of the Union are full members of the Union.

Associate Members

Those persons admitted to membership by the Student Council or a delegated officer, who have paid any required fee.

Structure, Governance and Management

Warwick Students' Union (the Union) is constituted under the Education Act 1994 as a charity with internal rules and regulations approved by University Council, the governing body of the University of Warwick.

The Union's charitable objects under the Act, to advance the University's educational purposes by providing representation and support for the students of the University of Warwick, are supplemented by the further object of helping members to develop their own charitable activities as participants in civil society.

The Union is administered by its Trustee Board of eighteen members comprising of seven Sabbatical Trustees, six Student Trustees and five external Trustees who are regarded as the Charity Trustees of Warwick Students' Union for the purposes of the Charities Act. At 31 July 2019 there were seventeen trustees in post.

The Union operates on democratic principles, working for and with our members, the students of the University of Warwick. There are two key student bodies - Student Council and the All Student Meeting.

Student Council comprises of an elected Chair and Deputy Chair of Council, the Sabbatical Officers, the Chairs of each of Executive Committees and a number of Part-Time Officers. Student Council exists to ratify and pass routine, uncontroversial (as decided by the Democracy Exec) resolution changes to By-laws and the procedures and principles of the Students' Union.

Student Council has the primary responsibility for the implementation and oversight of Union policy. Union policy, regulations and principles are debated and voted for by members by way of an online secret ballot following an All Student Meeting. The composition and proceedings of Student Council are set out in the By-laws.

The voice of students is represented through a series of Union executive bodies. There are eight Executive Committees. Seven are directly elected Executive Committees and the eighth consists of the Union's eight Part-Time Officers.

- The Democracy Exec (has 6 directly elected positions, plus the Chair and Deputy Chair of Council, Returning Officer (non-voting) and Democracy and Development Officer- 10 in total, 9 voting);
- The Development Exec (has 6 directly elected positions, plus the Environment & Ethics Officer and the Democracy and Development Officer- 8 in total);
- Academic Council (has 16 elected Faculty Representatives with 7 protected places for postgraduate students, elected into the role of Faculty Reps);
- The Postgraduate Exec (has 4 directly elected positions, 10 Postgraduate Faculty Reps and the Postgraduate Officer- 15 in total);
- The Societies Exec (has 8 directly elected positions plus the Societies Officer- 9 in total);
- The Sports Exec (has 8 directly elected positions plus the Sports Officer- 9 in total);
- The Welfare Exec (has 6 directly elected Welfare Exec positions, 2 Mental Health Awareness Reps, and the Welfare & Campaigns Officer- 9 in total); and
- The Liberation and Diversity Exec (includes the 5 part-time Liberation Officers, the Part-Time & Mature Students' Officer, the 2 International Students' Officers and the President- 9 in total).

These Executive Committees are at the heart of how the SU represent and acts on members' interests and ideas. The Executive Committees run campaigns, organise events, hold the Officers to account and make change that will affect students and the wider community.

Policies held by Student Council cannot be overturned without being debated and voted on at an All Student Meeting. Policies may be overturned by the Board of Trustees only for financial, reputational or legal reasons in accordance with Article 40.3. The Union maintains a policy file and record of lapsed policies. Policies lapse after two years unless renewed by Student Council who will specify the next renewal date.

The Student Council receives a quarterly report from the Board of Trustees.

Officers of the Union

The Officers of the Union are:

- Seven Sabbatical Officer Trustees;
- Five Liberation Part-Time Officers;
- Four Part-Time Officers;
- Chair and Deputy Chair of Student Council;
- Chairs of the societies and sports executive committees;
- Chairs of six other executive committees; and
- University Faculty Representatives.

The Sabbatical Officers are officer trustees elected through a secret ballot by the members each year, normally serving for one year in office but can serve a second term if re-elected. These are full time posts remunerated as authorised under the Education Act and the Memorandum and Articles of Warwick Students' Union.

Board of Trustees

The Union is administered by its Board of Trustees comprising:

- Up to five appointed external lay members;
- Up to six appointed full student members who are not Sabbatical Officers; and
- Up to seven student Sabbatical Officers (including the President of the Union)

The President of the Union acts as Chair of the Board of Trustees.

The appointed Student Trustees are recruited to the Board and selected by the Trustees and Student Council to serve a maximum term of two years, which may be extended for a second term.

The appointed Lay Trustees are recruited to the Board and selected by the Trustees and Student Council to normally serve a term of three years which may be extended for a second term.

Trustees' General Authority

The Board of Trustees has ultimate responsibility for the financial matters and procedures of the Union. The Board of Trustees may choose to prohibit the implementation of any policy recommended by Student Council which has financial implications if it is passed without a realistic financial plan, is not legal, or may not be in the best interests of the Union in accordance with Article 40.3 of the Memorandum and Articles of Association.

Trustees Induction and Training

Upon appointment all trustees receive a variety of information through their induction. Trustees are briefed on their legal obligations and other trustee responsibilities. The Sabbatical Officers are usually new to the Board every year, so they undergo more intensive, in depth training to ensure that they are fully aware of their roles and responsibilities and can perform their range of duties to the best of their abilities as soon as possible.

There is an on-going training programme for Trustees for issues which may occur during their term of office and to reinforce prevailing legislative requirements.

Board of Trustees Effectiveness Review

The Board undertakes regular reviews of its effectiveness including annual reporting on an agreed set of key performance indicators. Following the qualitative review undertaken in 2016-17 the Board embarked on the delivery of the associated action plan during 2017-18. Key enhancements included further improvements to Trustees Induction and ongoing training, the implementation of exit interviews, online secure access to Board papers and a fundamental review of meeting structures and subcommittees which was completed during 2018-19 for implementation the following year.

The Board of Trustees and the Chief Executive

The Board of Trustees, assisted by sub-committees where appropriate, has delegated the day-to-day running of Warwick Students' Union to the Chief Executive.

The Union also employs a number of core staff to provide continuity, consistency and knowledge in the management of the many Union activities. The staff team are accountable to the Chief Executive for the performance of their duties.

Committees

The Board of Trustees meets at least five times a year to receive reports from committees, Sabbatical Officers, Senior Management and the Chief Executive, to review the Union's performance and administration generally, to consider the SU's strategic objectives and their implementation and to agree policy issues arising, subject to consultation with the Student Council.

The Board of Trustees is supported by three committees which focus on certain key aspects of Warwick Students' Union governance and management:

- The Governance and Appointments Committee;
- The Audit and Risk Committee; and
- The Pay and Remuneration Committee.

Governance and Appointments Committee

This ensures that new trustees are recruited, inducted and developed properly. They also have responsibility for reviewing the Terms of References of the Board of Trustees Sub Committees and Code of Conduct for Trustees.

Audit and Risk Committee

This monitors the Union's framework for accountability, financial control, risk profile and other aspects which could impact on Warwick Students' Union's organisational health as well as ensuring that the Union is complying with relevant legislation. The Committee is responsible for ensuring that there is a framework of effective internal and external audit coverage and for overseeing reports of data breaches to the Information Commissioners Office and serious incidents to the Charity Commission.

Pay and Remuneration

This monitors issues relating to staff including the staff survey results, pay changes, training and development as well as staff policies. They also oversee the process for recruitment of Chief Executive and senior management posts.

Review of the Articles of Association

In 2018, the Board commissioned a review of its Articles of Association. As a result, some modest changes were proposed and a Company Law meeting was duly convened on 19th June 2018 under the Companies' Act 2006 to consider the resolution to amend the articles. The quorate meeting passed the new Articles and these were subsequently approved by the University's Council in July 2018, receiving Charity Commission approval on 14th August 2018. The new Articles came into effect in the financial year 2018-19.

Relationship with the University of Warwick

The relationship between the University and the Union is established in the Charter, Statutes, Ordinances and Regulations of the University. The Union receives a block grant from the University and occupies a building owned by the University of Warwick Foundation Fund which is leased to the Union at an agreed rent.

There is no reason to believe that the block grant or equivalent support from the University of Warwick will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to take such steps as are reasonably practicable to ensure that the Union operates in a fair and democratic manner and is accountable for its finances.

Warwick Students' Union therefore works alongside the University of Warwick to ensure that the affairs of the Union are properly conducted and that the educational and welfare needs of the Union's members are met.

Risk Management

The Trustee Board has examined the main strategic business and operational risks faced by the Union.

A risk register has been established and is formally reviewed and updated at least twice a year. Where appropriate, systems and procedures have been established to mitigate the risks that the Union faces and these are periodically reviewed to ensure that they continue to meet the needs of the Union.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

Procedures are in place to ensure compliance with the health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure they continue to meet the needs of the Union.

The key risk areas identified are:

Risk Identified	Mitigation/ Control Measures
Finance: Unplanned increases in supplier costs, payroll costs and pension costs	Robust budget and cash flow planning Include realistic estimates of the long term increases likely to pensions deficit repayments Robust reserves policy Effective day to day financial performance reviews Constant review of supplier costs Pay Scale reviews built in to strategic planning
Finance: Failure to deliver income generation strategy that meets student need	Disciplined approach to commercial decision making Development of robust income generation strategy including scenario planning Insight led approach to development of services
Compliance: Clubs and societies fail to comply with their responsibilities on risk assessment, reporting, insurance	Robust and monitored training for all clubs and societies Presence of club and society memorandums of understanding with the SU. Regular review of risk assessments
Governance: Government policy (relating to HE, Brexit, charity law, immigration) adversely affects our strategy	Regular reviews of key publications, information sources and media Risk assessment of policy context Consideration of the impacts of the outcome of the EU referendum Scenario planning in place
Governance: Strategy is out of date or based on flawed/ inadequate analysis	Strategic review takes place every 4 years (deferred until 2019-20 as a result of change in Chief Executive) Constant review of trends and performance indicators. Development of research and insight capacity Constant review of member feedback and analysis of trends Regular horizon scanning

People: Loss of key staff, poor employee engagement	IIP achievement Employee engagement activities around communication, consultation and wellbeing strategies Review of reward packages and reward benchmarking Operations manuals Induction processes Analysis of exit data Equality, diversity and inclusion policy and strategy review in 2019-20
People: Insufficient capacity to meet objectives, inability to recruit for key roles, poor objective setting	Structure changes in key areas to deliver strategic projects in academic representation, communications and engagement, compliance, governance, support for student officers and representatives Performance management systems, implementation of employer brand principles, use of targeted and inclusive recruitment campaigns and processes
Organisational: Unexpected loss of any SU facilities that limit or stop service provision	Regular Major Incident team training Business continuity planning and scenario planning Emergency plan reviewed annually
Reputation: Inability to engage students in SU activity. SU is seen as irrelevant or lacking legitimacy	Communications and Insight strategy developed and implemented Strategies to improve democratic engagement Transformation projects in student activities and academic representation
Reputation: Major incident involving the safety of students, staff or visitors	Emergency plans in place Business continuity plans in place and under review Liaison with the University on any major incidents or potential incidents Risk assessments and procedures in place
Reputation: Accusation of wrongdoing in relation to external speakers, offensive media society output, financial governance, legal action or in relation to complaints on political matters	Policies in place and Regular review of risks Robust reviews of external speakers Good SU/ University liaison on these matters Constant review of social media, websites and publications Social media policy review Legal advice for student media Governance reviews Reports to the Charities Commission
Information and Data: Serious Information Security Breach	Training in Data Protection for all staff Data Protection Policy reviewed and updated Data breach records kept Privacy statements in place Cloud policy developed Societies and clubs given information about data breaches and their responsibilities Data Protection Supervisor role introduced in 2018-19
Information and Data: Catastrophic failure of IT systems	Insurance protection in place SLA with University IT services for networked services Contingency plan in place Back up protocol in place Business continuity plans in place

Key Policy Statements

Investment Policy

The Trustees' objective is to invest surplus cash to best advantage with minimum risk. The Union has taken a prudent stance with funds being held in high interest-bearing deposit accounts for periods not exceeding 12 months. Cash funds so invested are usually over a minimum balance of £200,000 and must be placed with an approved and reputable banking institution to minimise risk.

Investment returns in the year reflect the stated policy as well as the lower interest rates available due to market conditions.

Reserves Policy

The Trustees regularly consider the level of free reserves required. Issues considered by the Trustees during 2018-19 when looking at the level of reserves were future investment and contingency requirements for risks. This includes such items as future strategic projects which includes the requirement for any building refurbishment and infrastructure development.

The Board of Trustees have agreed that the Union should have an unrestricted reserves target of at least £900,000 (excluding the unrestricted pension fund balance). Total unrestricted reserves at 31 July 2019, are in excess of the Trustees target, at £1,189,461 (2018: £1,517,814) and the decrease relates to the planned operational deficit generated by the Group during 2018-19.

Designated reserves are held to fund future strategic projects (including building refurbishment plans) and the current level is £350,812 (2018: £451,497). The first phase of the planned refurbishment of SU buildings was completed during 2018-19 and work on redeveloping the Unions website and preparing for the Unions Strategic Review was also commenced.

As a result of the recognition of Warwick Students' Union's pension deficit with the Students' Union Superannuation Scheme (SUSS) arising from the implementation of the FRS102 accounting disclosures, a negative unrestricted pension fund balance of (£5,367,652), (2018: (£5,526,748)) is recognised at 31 July 2019 (see Note 21), representing the Warwick Students' Union share of the liability.

The Union is paying deficit contributions in line with the agreed contributions schedule, currently estimated to run to 2033, as discussed in Note 21, which has been agreed with SUSS based on the latest valuation, to eliminate the deficit position in the medium term. This is a standard position within the sector.

Remuneration Policy

The Union's Remuneration Policy was developed following a reward review undertaken in 2013. It was enhanced to incorporate some of the recommendations from the National Council of Voluntary Organisations' Review of Executive Pay in April 2014. The Policy is published on the Students' Union's website.

The staff structure provides opportunities for student members to be employed in part time roles that fit around their studies and for staff who have made a career choice to work in the Students' Union. In order to achieve this there is a requirement to balance two differing needs: the need to ensure:

- The need to ensure value for money in everything the Union does (including how staff are paid); and,
- The need to attract and retain people with the right leadership, knowledge and skills to deliver the benefits from the strategic plan to the Union's members.

The Pay and Remuneration Committee of the Trustees is responsible for defining pay policy and making recommendations in relation to pay, benefits and other employment related policies.

The Board of Trustees specifically considers and agrees any matters relating to the Students' Union's Chief Executive's pay and benefits. The Chief Executive does not receive any form of bonus or performance related pay and their benefits are proportionately the same as other staff. This role is benchmarked against the charity sector rather than the public or private sector.

Each role's salary is determined by a fair evaluation process (job evaluation) based on ten factors relevant to the Union's mission, values and charitable objectives. The complexity of roles, knowledge and skills required as well as levels of responsibility are considered. The evaluation process determines a salary band and these bands are benchmarked in the middle quartile for the sector. Benchmarking is undertaken at least every five years and more frequently when required.

Warwick Students' Union uses a pay scale which was originally aligned to the Higher Education Single Pay Spine.

The annual pay review is determined each year through an evaluation of sector benchmarks and takes as a starting point the pay negotiations in Higher Education.

The Union applies annual cost of living (inflationary) increases to the pay scale each year after taking in to account the general economic conditions and the affordability of the proposed increases. The Pay and Remuneration Committee recommend for approval any annual cost of living rise (which can be zero) to the Board of Trustees that falls within the financial budget approved by the Board of Trustees in its annual five-year plan.

The Union will monitor the spread of pay in the Union as a ratio of pay dispersion. The ratios considered will be the highest paid to median pay and the lowest paid to median pay. The targets are between 3 and 3.5 to 1 and no more than 4 to 1 respectively.

In accordance with policy and desire to be a good employer, the Union has been working towards being a Living Wage employer. The Board of Trustees evaluates progress in this respect each year during its five year planning process. The Board of Trustees has agreed that, effective from 1st August 2019, the Union will pay the 2% above the National Living Wage Rate at that date for over 25's for its Grade 1 staff - regardless of age.

Gender Pay Gap Reporting

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2016 came into force on 1st October 2016. They require all private and voluntary sector employers with 250 or more employees to publish prescribed information about their gender pay gap.

The gender pay gap calculations must be based on an hourly rate of pay for each employee. The information must include certain allowances and any bonuses paid over the previous 12 months from 5th April 2019. The Trustees and the leadership team of Warwick SU are fiercely committed to eliminating any gender pay gap.

The SU will report on its Gender Pay Gap before the end of 2019 and will publish its position and the actions it will take to eliminate the pay gap.

Aims, Objectives and Activities

Mission, Vision and Values

The Board of Trustees have approved a strategic plan for the Union covering the period 2015 - 2019.

Included in this plan are the mission, vision and values for Warwick Students' Union.

Our Mission: *Positively impacting students' lives at Warwick and beyond.*

This means students enjoying their University experience, making the most of the academic and extra-curricular opportunities, transforming their own lives and the lives of the people around them, taking care of their wellbeing and making change to society.

Our Vision: *Every Warwick student unlocking their potential.*

The Union aspires to be the vehicle that every Warwick student uses to reach their full potential. This may be by influencing the quality of their academic experience through student representation, by being there for any student in trouble, by having lots of opportunities to participate in debates, or involvement in sports clubs or student societies.

This aspiration for the Union may be hard to achieve however, this vision underpins the key themes of the Union's strategic plan.

Our Objects:

The objects of the Union are the advancement of education of students at the University of Warwick for the public benefit by:

1. Promoting the interests and welfare of students at Warwick Students' Union during their course of study and representing, supporting and advising students;
2. Being the recognised representative channel between students and the University of Warwick and any other external bodies; and
3. Providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students.

The Trustees have had regard to the Charity Commission Guidance on Public Benefit and believe that the objects above comply with the public benefit requirement.

Our Values

We are a Union for all students. We are:

<i>Student focused</i>	we put students at the heart of everything we do
<i>Democratic</i>	we are representative, ethical, transparent and accountable
<i>Welcoming</i>	we are supportive, helpful, inclusive and value diversity
<i>Enriching</i>	we nurture students' aspirations and help them develop
<i>Independent</i>	we are the independent voice of Warwick students

In pursuit of its vision, the Union will ensure the diversity of its membership is recognised, valued and supported and as such has established departments and services for use by its members and to support its work with the University of Warwick and other organisations on behalf of students.

These include the Union's Advice Centre, Democracy and Academic Representation, Student Activities and Student Development. There are also the Venue, Union Bars and Catering outlets, Reception services and support and guidance offered through finance and communications teams.

The Sabbatical Officers represent students by sitting on key committees and working groups of the University of Warwick. This ensures that the student voice is heard and responded to at all levels of the University to enhance the student experience. Student representatives now sit on and contribute to over 30 University committees and through the Staff - Student Liaison Committee system (SSLC) approximately 720 students effectively liaise with University departments to raise student concerns and work to improve the teaching and learning experiences of students.

The Union's Senior Managers and Officers also meet regularly with Local Authorities, local MP's, councillors, local Clinical Commissioning Groups and other providers of public services affecting students.

To further enhance the student experience, Warwick Students' Union involves and supports students from all walks of life to get involved with both the University and local community by actively promoting the benefits of volunteering in student-led activities such as Warwick Volunteers and the Inspire scheme. This involves students visiting comprehensive schools in the West Midlands area to talk about their lives as students with pupils who may not have considered embarking on a course in higher education.

Warwick Students' Union also supports 65 sports clubs and 237 student societies offering students a wide range of academic, social, cultural, charitable and interest based groups. Students have the opportunity to meet new people and share their interests as well as develop transferable skills.

In pursuit of its vision, the Union will ensure the diversity of its membership is recognised, valued and supported and as such has established departments and services for use by its members and to support its work with the University of Warwick and other organisations on behalf of students.

Headline Key Performance Indicators (KPIs) 2018-19

Overall, the Union are pleased with the year end outcomes against its KPI's. As with all such indicators, the Union will learn from the lessons of the year, and continue to identify ways of further improving performance against its agreed targets in 2019-20, see page 26.

Theme	Indicator	Performance Indicator 2018-19 (Target if Relevant)	Outcome 2018-19
<i>Members engagement and participation</i>	Voter turnout - Autumn Elections Voter turnout - Officer Elections	10% Autumn; 22% Officer	9.3% Autumn; 23.9% Officer
<i>Members engagement and participation</i>	Sports Club members	4,700 Federation members 6,700 individual club members	Fed. - 4,462 Assoc. - 24 Ind. - 6,395
<i>Members engagement and participation</i>	Society Individual Members Total Society membership	9,000 Socs. Federation	9,009 UG – 7,468 PG – 1,271 ERA – 243 Assoc. – 27
<i>Satisfaction and Perception</i>	ISB and SB satisfaction with the SU	94%	92% (91% with SU 94% with Clubs and Societies)
<i>Quality and Effectiveness</i>	Staff Attendance levels Short term = 2.29% Long term = 2.44%	97.2% (based on approx. UK national average)	96.29% Short term = 1.64% Long term = 2.07%
<i>Finance</i>	Achieve planned budget	£378.7k deficit (planned utilising reserves for planned expenditure)	£270k deficit (being £108k better than the original target)
<i>Ethics</i>	Reduce volume of waste to landfill	96 tonnes	70.59

Charity Commission

All Charities are required to make a serious incident report to the Charity Commission, where an adverse event, whether actual or alleged, results in or risks significant:

- harm to the charity's beneficiaries, staff, volunteers or others who come into contact with the charity through its work;
- loss of the charity's money or assets;
- damage to the charity's property;
- harm to the charity's work or reputation.

During the year, Warwick Students' Union made one serious incident report to the Charity Commission relating to concerns of institutional racism raised in respect of the Charity's Senior Management Team and subsequent publication of these concerns in local news media.

Subsequently, the Charity Commission contacted the Union for further information relating to the serious incident report and the cancelled 'Summer Festival' and based on the information provided, the Charity Commission state:

'Reporting serious incidents demonstrates to us that the trustees have identified a risk to the charity. Where it is clear that trustees are handling serious incidents appropriately and the risks are being managed by them, we are unlikely to take further action.'

'Based on the information you have provided in relation to the issues, which we assume is a full and frank disclosure of the relevant facts, you have assured us at this stage that the trustees are dealing with the matter appropriately and responsibly.'

The Union's Strategic Plan and Impacts for Students

The Union undertakes many projects alongside its work to support students at Warwick and enhance their University experience. It does this primarily through the provision of clubs and societies, academic representation, support from the Advice Centre, student development, training and guidance along with social activity and essential services across a variety of venues and outlets.

Due to the departure of our previous Chief Executive, and in order to give their successor time to develop a new plan, the Board made the decision in May 2019 to retain the 2015-2019 strategic plan for another year. This plan is centred around five key values. These values help the Union to create a better experience for students at Warwick.

Strategic Themes

1. Students shaping their education and the world around them.
2. Students navigating the challenges of student life.
3. Students shaping the future they want for themselves.
4. Students meeting new people, sharing experiences and building communities.
5. Delivering an effective and sustainable quality Students' Union.

It is important to monitor and review the progress the Union has made towards its strategic goals and assess the key impacts it has achieved annually against these strategic themes.

Theme 1: Students shaping their education and the world around them.

Introduction on what we do and our impact -

The Students' Union supports and empowers a range of student leaders and representatives with the engagement of over 720 students in the Warwick course representative system – Student Staff Liaison Committees (SSLC's). The principle of co-production of education embedded in this structure undoubtedly contributes to the development of teaching and learning at Warwick. This is core to our activity and underlines the role that the Student Officers, faculty representatives and course reps have in creating high quality experiences.

The Students' Union is proud of the engagement that students have in decision making through our democratic structures. Whilst we experienced some challenges this year in our elections, thousands of students continue to engage in democracy through their Sports Club and Society elections as well as the election of Course Representatives.

Students engage in all aspects of University and local community life and in doing so are empowered by their engagement with the SU to achieve change and shape their experiences.

Some of the key pieces of work this year have included:

- Welcome Week 2018 successfully delivered as an SU wide project, 88% of students would recommend to future students;
- Black History Campaign launched, and 4 key Departments committed to looking at and decolonising the curriculum;
- Warwick Speak Out report publicised and presented at parliamentary level at 'The Miseducation on Racism' in Higher Education event;
- Significant joint progress with the University Education Executive Team to develop the Director of Student Experience & progression role;
- Cross institutional coherent approach with the SLEEC to ensure commitment to a well-rounded, diverse and liberated curriculum;
- Student led 'BME Improving Access' working group set up;
- Hidden Histories relaunch with some excellent events – seeking to explore the often-erased stories of oppression and resistance and supporting the liberation of the curriculum;
- Launch of STEPfest – a joint project between the SU and the University's Interdisciplinary team that will include student talks and open mic opportunities, with fresh perspectives on a variety of hot topics in Higher Education; and a policy-thon where students get to work collectively to shape the direction of the University.
- Rebrand of the Make Your Mark campaign – less bureaucratic and 1:1 engagement led;
- SU wide support for the Spring elections ensured that a record voter turnout with 43 individuals stood compared to 23 in 2018;
- The By-Laws were updated and passed by Student Council making them clear and more accessible;
- Increase in mature, International and PG students standing with a dedicated page on the website focused on improving student empowerment;
- Huge wins on study space from successfully creating a study space finder tool on the MyWarwick app, opening more seminar rooms for study, and creating a strategy and policy principals for study space. Additionally, signed off by University Council is a £2 million investment will happen starting next academic year.

- Trained over 400 course reps, greater engagement with course reps throughout the year
- Contributed to the Student personalised information systems review;
- Successfully held the 2nd Warwick Interdisciplinary Postgraduate Conference on 20th June 2019;
- Lobbied the University and individual departments to improve conditions for PGRs under Sessional Teaching Payroll;
- #Fix the Fees campaign for international students has won a commitment from the University to review the yearly 5% increase currently in place;
- Joint working with the University to safeguard the status of international students to ensure that a 'no-deal Brexit' would not jeopardise their studies;
- Warwick Wednesdays has progressed and the SU are lobbying the University to take a broader view with not just a focus on sport – all students to be free from academic commitments on a Wednesday afternoon;
- PG Engagement action plan being implemented, engagement levels increasing and PG all member emails receiving a higher % open rate than UG;
- Futures Festival for PG was successfully delivered;
- Community engagement - Effective networking and stakeholder engagement has taken place across Coventry & Leamington with Councillors, voluntary groups and meetings with local residents;
- 'Going out staying safe' survey has been empowering students to have a voice in their local communities – the survey also engaged with MPs, Police, County & District Councils as well as the University;
- Warwick District Council have worked with the SU to make affordable student accommodation a priority;
- Exploring the possibility of developing a 'Trip Advisor' style Rate Your Landlord online forum for students;
- Coventry City Council are supporting the SU and committed to developing student focus groups dedicated to student mental health;
- Working with the University to develop a strategy to address poor quality housing, expensive accommodation and questionable landlords – the concept of affordability is embedded in;
- Successful campaigning and awareness events – Reclaim the Night march on campus took place in January 2019, Black History Month, LGBTUA+ history month, disability celebration week, Let's Talk Campaign, Bystander Intervention Project, trans awareness week, Go Green Week, Pride week, Islamophobia Awareness Month, Memorial Day events - Holocaust Educational Trust student ambassadors and JSoc, and the Modern Records Centre, International Women's week.
- Campaigns and Community team have exceeded their targets for reaching out to local community and neighbourhood forums and receiving positive feedback for their input and expertise;

Theme 2: Students navigating the challenges of student life.

Introduction on what we do and our impact -

The Students' Union is committed to making sure that its students have access to the support they need, when they need it and tirelessly campaigns to achieve change ensuring that student life is as affordable, accessible and as practical as possible. Our primary goal is to support our members quickly and effectively with the real issues that affect their daily lives.

We provide a wide range of welfare support services and advice aimed at supporting our students navigate the challenging academic and everyday environments. The positive mental well-being and safety of our students is paramount to ensuring their experience at Warwick is both rewarding and productive.

Collaborating with the University to meet the wide range of student needs, the Students' Union strives to enhance the students' academic, social and personal development and provide an environment that is welcoming to all. Fostering a culture of inclusion, we support and signpost students to help resolve their problems and have a positive impact on their lives.

Some of the key pieces of work this year have included:

- *Better Buses* campaign resulting in up to date payment technology, cost savings with the bus pass replacement policy; better value service, a significant improvement to out-of-term service provision and student survey developed so that negotiations are evidence based;
- Constructive communication and progress made with the University on their own transport policy and making them accountable.
- Joint working with the University Wellbeing and the SU Advice Centre to provide a seamless and coherent approach to wellbeing services for students with established and distinct roles;
- 'Drug and Alcohol Awareness' Week in Term 2 was highly successful – students accessing external support that they were unaware of, Clubs/ Socs have increased efforts to conduct more non-alcohol and sober socials and an increased number of sober commercial events added to Welcome Week Calendar 2019;
- Strong partnership developed with SU and PAPYRUS UK, gaining resources and advice for our Clubs & Societies;
- 'At Warwick We Get Consent' campaign has held onto its integrity and positive messaging around the need for eradication of sexual violence and misconduct on campus and beyond, providing spaces and events in which consent and relationships can be discussed weekly, #WeGetConsent Ambassadors have increased awareness along with the support of local expertise from Coventry Rape and Sexual Abuse Centre (CRASAC);
- *Ask Angela* scheme as part of the above campaign continues to run extremely positively;
- Advice Centre staff have attended Suicide Prevention training to provide improved support for our students;
- Advice Centre has continued to support students with housing issues and has been instrumental in tackling injustice in relation to rogue landlords and housing associations;
- Supported students in recovering thousands of pounds from Deposit Protection and Redress schemes for the early termination of tenancy contracts;
- Over 1400 students have used the Advice Centre;

- The Advice Centre was responsible for an overall identifiable cost saving of £108k for our members;
- Dedicated housing advice sessions at the start of term to support any students arriving without housing secured, 1,200 students attending Housing Day with 850 attending housing talks;
- The mental health and wellbeing of our students continues to be of paramount importance, as such training of staff in disclosure referrals, mental health awareness and suicide prevention has been undertaken;
- Expanded the delivery of the Intervention Initiative to hundreds of students with a view to rolling it out University wide;
- Tackling issues of hate crime and sexual violence which in turn has reduced external risks to our students;
- Successful lobbying for the appointment of an Independent Sexual Violence Advisor (ISVA) - made a 2-year permanent position at the University;
- Bystander Intervention training into all Welfare Officer training for both Clubs and Societies reaching over 300 students;
- Collaborated with the International Student Experience department to run "Intercultural Awareness" training sessions in the Students' Union;
- In conjunction with Warwick Anti-Racism Society, the Warwick Speak Out project encouraged students of colour to report their experiences of racism on campus and to expose the scale of the problem.
- Nap Pod implementation underway at some locations across campus and a feasibility study underway of exploring additional options;
- Hot water available in the Library;
- Lobbying the University to recognise the need to use, what will be the old Sports centre space, as a comfortable and undisturbed study and exam space;

Theme 3: Students shaping the future they want for themselves.

Introduction on what we do and our impact –

The Students' Union is all about enhancing the student experience, both through the support we offer across multiple areas and the opportunities we provide, both paid and voluntary. We are responsible for a huge range of activities and schemes through which students can develop their transferable skills – 237 Societies and 65 Sports Clubs. Our members' differences are recognised, respected and celebrated and by providing a host of supplementary opportunities, students can develop their cultural awareness and maximise their potential for prospective employers.

This year we have focused on developing a strategic approach to Employability that is aligned with the University and prepares our members for a changing and dynamic labour market.

Our increased engagement from under-represented groups of students in leadership roles and in the representation process for elections, academic representation, paid student staff roles and Club and Society Execs evidences our commitment to listen to our members, including all sections of our student community.

What we've done this year:

- Developed our Employability offer of over 3,300 SU opportunities for our members;
- Promoted this offer through the development of the SU's Employability webpages;
- Trained over 700 students in bespoke and thematic training including Sabbatical Officers, Clubs and Societies, part-time Officers and Executives, Venues staff;
- Developed welfare training on facilitating safer socials, provided inclusivity training for Society and Club Execs along with tailored training for students taking on the Welfare Exec role in each of our Societies and Clubs;
- We provided training and development for over 350 student members of staff during their employment including delivering specific Respectful Communication training for outlets;
- Full time student officers receive full development programmes throughout their year in office including team development exercises.

Theme 4: Students meeting new people, sharing experiences and building communities.

Introduction on what we do and our impact -

The Students' Union are committed to providing a healthy balance between supporting students study commitments and an active social life by providing excellent opportunities for its members to participate in clubs, societies and activities which impact positively on their well-being. We work hard to create meaningful involvement opportunities that will improve their self-confidence by interacting and meeting new people from different backgrounds and walks of life.

By providing valuable support, guidance and training for student activity leaders, the Students' Union has developed some progressive initiatives that has provided its members with real life gains and opportunities to embrace new skills and widen their social networks.

Our work in this area allows students to develop a greater sense of purpose, get involved in exciting community-building activities and create a more positive academic experience.

What we've done this year:

- Almost 9,000 students participating in 237 Societies and over 4500 students participating in 65 Sports Clubs;
- Warwick won Varsity this year with a record 55-13 result;
- 4 Societies were shortlisted for the NUS National Society awards that were held at Manchester Metropolitan University - Best Society Event – TEDX Warwick / Most Improved Society – History Society / Best Media Society – The BOAR / Best Academic Society – Engineering Society;
- The Student Activities Transformation project work has improved the operating environment for the student activities coordinators and improved service quality for clubs and societies providing greater clarity, transparency and streamlining for its users with an output of increased engagement with development activities;
- Our awarding winning Reshaping Sport Campaign continued to take engagement to the next level becoming sustainable and future-proofed, piloting the #NeverTooLate campaign leading to increased membership sales in Term 2, creating a promotional video debunking the myths around initiations and binge drinking and increasing participation levels from PGs and female students in sport;
- 7,000 signed up for Reshaping Sport with over 1,500 on the day (record sign ups) and excellent club engagement;
- Inclusion and accessibility to sport for PG Reps recognised and a key criterion for the SportsMark accreditation;
- Trans and inclusivity training across all sports clubs well received and attended;
- First ever disabled sports offer at Warwick, with weekly wheelchair basketball sessions running throughout terms 1 and 2, by the basketball club;
- The relationship with University Security has strengthened and a review of the External Speakers process has become a space for good collaboration between the SU and the University, improving and including more specific & in-depth training that involved presentations from Campus security, clear timelines and expectations had a positive impact on the number of applications that were submitted.
- Great strides made with the liberated curricula agenda and the SU at the forefront of redefining the student learning experience in relation to the Trans-inclusive teaching and learning project with two people newly appointed;
- The Warwick Parent and Carers Network has now over 75 active members and 2018/19 saw the delivery of 4 totally varied and successful events aimed at those with parental responsibilities; feedback was tremendous with a support network being formed;

Theme 5: Delivering an effective and sustainable membership organisation.

Introduction on what we do and our impact –

The Students' Union is passionate about listening and adapting to the evolving needs of our members and are dedicated to being student focused, relevant and strives to provide a value for money service. Our goal is to build a strong and resilient organisation that provides opportunities for students to change the world they live in. We strive to adopt and sustain new ways of working demonstrating that we are an effective, transparent, ethical and well-governed charity.

The Students' Union works hard to ensure that every one of its staff, officers, volunteers and trustees feels valued and respected; we will go above and beyond good practice wherever we can to ensure that we become an employer of choice and that we are the best organisation we can afford to be.

We are committed to developing the income generation opportunities that are afforded us in the current economic climate and continuously strive to secure a stable funding position through innovation in services for our students and external businesses. Our primary purpose is to meet the needs of our members and we therefore strive to offer quality services based on insight and understanding.

What we've done this year:

- Successfully delivered all staff Insight Day with the theme of *Wellbeing* targeting staff mental and physical health;
- Recruited and established a new Governance, Assurance and Leadership team who have settled into the SU extremely well with all probationary reviews passed and feedback from across the organisation is strong;
- A full review of the SU complaints processes and policy has been undertaken with new templates being developed and internal procedures more defined;
- Work commenced on the development of the new Strategic Plan 2019-23, setting up a Steering Group, an SU Style Guide, research into past performance and the distance travelled over the past 4 years, Theory of Change workshop to all staff, the delivery of staff wide thematic workshops, trustee strategy days and a consolidated strategic story of the SU over the last 4 years. With the resignation of the CE it was agreed that work on this should be put on hold until the next CE takes position in October 2019;
- The Equality and Diversity review funding has been set aside to start staff consultation, development and implementation in Term 1 next year;
- Warwick SU Commercial Strategy has been approved by the Board, it identifies key market trends, an enhanced people structure, capital development opportunities, outlet positioning plans and outlines the organisations potential to invest in student services, and work commenced at the end of Term 3 to create a new brand and inviting space for what was Xananas with the launch of Canopy;
- New Comms and Insight Strategy has been implemented to simplify and improve communications with our students, ensure information is relevant, impactful and accessible and launched a new SU website with a significantly enhanced structure and we governance model to ensure we're accurate, responsive, and meeting our members' communications needs;
- Launched an inclusive HR Policy Review, refreshing our people policies to ensure they're fit-for-purpose, easily understood, and meet our staff members' needs;
- Membership Services Strategic Framework development undertaken providing an insight into core services;

Future Plans: The Union's Strategy for 2019 - 2023

The Union has now completed the final year of its strategic plan and work on many key projects have been completed or have commenced and will continue in future periods.

The external and internal factors affecting the plan are constantly changing. An example of this would be the result of the referendum to leave the European Union and importantly the evolution of the Government's policy on Higher Education set out in the HE and Research Act 2016 which provides the legislative framework for the Office for Students and the teaching Excellence framework. The plan projects and objectives are reviewed by the Trustees annually. This ensures that the plan priorities are still relevant and new factors can be taken into consideration.

The Trustees commenced their review of the Union's Strategy for 2019 – 2023 during 2018-19 but following the resignation of the Chief Executive, Jacqui Clements, completion of the review was deferred until the new Chief Executive, Rob Parkinson, took up the post in October 2019.

Headline Key Performance Indicators (KPIs) for 2019-20

Theme	Indicator	Performance Indicator	Outcome 2018-19
<i>Members engagement and participation</i>	Voter turnout - Autumn Elections Voter turnout - Officer Elections	10% Autumn; 25% Officer	9.3% Autumn; 23.9% Officer
<i>Members engagement and participation</i>	Number of students involved in employment opportunities	2,400 (paid and voluntary)	N/A new measure
<i>Members engagement and participation</i>	Sports Club members	4,700 Federation members 6,700 individual club members	Fed. - 4,462 Assoc. – 24 Ind. - 6,395
<i>Members engagement and participation</i>	Society Individual Members Total Society membership	9,000 Socs. Federation	9,009 UG – 7,468 PG – 1,271 ERA – 243 Assoc. – 27
<i>Satisfaction and Perception</i>	ISB and SB satisfaction with the SU	94%	92% (91% with SU 94% with Clubs and Societies)
<i>Quality and Effectiveness</i>	Staff Attendance levels	97.2% (based on approx. UK national average)	96.29% Short Term = 1.64% Long Term = 2.07%
<i>Finance</i>	Achieve planned budget	Achieve breakeven budget	£270k deficit
<i>Environment</i>	Sustainability policy reviewed termly - focus on: Decrease usage of disposable coffee cups in Curiositea	Track income from new 25p charge for disposable cups during Term 1 and uses as a benchmark for assessing decrease moving forward.	N/A new measure

The Year Ahead

Over the next twelve months the Union has adopted a 'business as usual' approach to its five year planning process, due to the significant changes in strategic leadership following the departure of Chief Executive, Jacqui Clements, and a number of other Directors.

This means that work on developing the Union's Strategic Plan for the period 2019-2023, to allow the new Chief Executive, Rob Parkinson, time to establish himself in the role, from October 2019, and provide the space for him to consider with the Board of Trustees and Officers of the Union, the priorities for the next five years.

As a result, the Union will continue to develop its existing strategic projects during 2019-20, with priorities being:

Students shaping their education and the world around them.

- Transforming our academic representation model
- Evaluation of Welcome Week
- Delivery of PG engagement plan
- Continuation of our work in community cohesion
- Representing students' voices in relation to government and specifically HE policy affecting students
- Working with University departments to have student led curriculum development
- Developing greater engagement with democracy and campaigns through Make Your Mark

Students navigating the challenges of student life.

- Supporting students' wellbeing through proactive interventions
- Supporting students with mental health conditions and lobbying for better care
- Supporting students to access quality, affordable housing
- Supporting students who are victims of hate crime and victims of sexual violence
- Deliver intercultural awareness training
- Embed bystander initiatives to support a safe and respectful culture
- Campaign to improve transport provision serving campus

Students shaping the future they want for themselves.

- Collaborate with the university to develop a cohesive and deliverable employability strategy for our students
- Host alternative careers fairs
- Develop a peer led engagement approach to student development
- Implement life skills training interventions
- Assess the feasibility of a buddying and mentoring scheme for international students

Students meeting new people, sharing experiences and building communities.

- Complete the transformative review of student activities' systems and processes to deliver quality services
- Deliver an inclusive and exciting annual Varsity programme
- Grow the campus community event programme to engage PG students, medical school, parents and carers
- Make sure students voices are heard in the development of key campus facilities – Sports and Wellness Hub and the Arts Centre
- Grow the successful Reshaping Sport campaign
- Develop and implement a collaborative Alcohol and Other Drugs Strategy
- Put on a successful end of year Summer Festival

Delivering an effective and sustainable quality Students' Union.

- Complete the redecoration and mini redevelopment of the current SU buildings
- Deliver the Communications and Insight Strategy including the website redevelopment
- Implement changes to governance and leadership support
- Develop our Inclusion Strategy – be a leader in the field
- Implement the HR strategy, grow our leadership capacity and improve staff wellbeing
- Complete the Income Generation Strategy including scenario planning
- Improve the access that clubs and societies have to their finance information
- Deliver the strategic review and launch the new strategy for 2019-23

Financial Review

Income and Expenditure

The overall results for the year were:

	2019 £	2018 £	Movement £
Income	8,996,637	8,973,582	23,055
Expenditure	9,266,980	8,761,583	(505,397)
Net Income for the Year	(270,343)	211,999	(482,342)
As a % of Total Income	(3.0%)	2.4%	

The annual recurrent grant contribution from the University increased by £44,400 (1.6%) to £2,814,400 (2018: £2,770,000). Additionally, the Union recognises contributions in kind totalling £72,828 (2018: £51,333) for management services as grant income from the University. Overall income has increased by £23,055 (2018: Increase £323,532).

The year-end figures show another stable year for the Commercial areas in the face of some challenges and as a result there has been a slight reduction in income generated by Food and Beverage outlets compared to the previous year of £26,158 (2018: income increased by £160,786 on the prior year).

The Union has also had to manage a number of Human Resources matters that have required the engagement external legal and professional services to the sum of £93,332 (2018: £31,565).

The Summer Festival planned for June 2019, was unfortunately cancelled and costs totalling £74,524 (2018: £nil), were incurred. However, these were offset by the release of a prior year provision of £85,987 (2018: £nil).

Activities delivered in our venues have had a successful year with events being well supported and as a result income generated totals £999,857 (2018: £945,083).

Net Assets

The year-on-year movements were:

	2019 £	2018 £	Movement £
Fixed Assets: Tangible	348,155	194,786	153,369
Fixed Assets: Intangible	6,245	21,163	(14,918)
Fixed Assets: Investments	16,664	16,664	-
Current Assets	2,631,040	3,560,233	(929,193)
Creditors: Amounts falling due within one year	(1,436,155)	(1,797,458)	361,303
	1,565,949	1,995,388	(429,439)
Provisions for liabilities and charges	(5,367,652)	(5,526,748)	159,096
Net liabilities	(3,801,703)	(3,531,360)	(270,343)

Total Net Liabilities increased by £270,343 to £3,801,703 (2018: £3,531,360).

The value of tangible fixed assets increased by £153,369 to £348,155 (2018: £194,786). During the year £285,811 of fixed assets were acquired. This included the procurement of equipment within the various outlets operated by the Union, and improvements to fixtures and fittings and IT equipment. In addition, work was completed on the refurbishment of the SUHQ buildings.

Intangible assets relate primarily to software systems and while £6,150 (2018: £7,908), has been spent on additional systems, the reduction in intangible assets is due to the application of depreciation charges of £21,068 (2018: £16,560), reducing the net present value of these assets.

Current assets have decreased by £929,193 to £2,631,040 (2018: £3,560,223).

Cash and short-term deposits have decreased by £911,485 to £2,040,465 (2018: £2,951,950), reflecting the net cash outflow during the year, see Note 20.

Debtors have decreased by £23,921 to £553,788 (2018: £577,709).

Creditors have decreased by £361,303 to £1,436,155 (2018: £1,797,458).

This is primarily as a result of a reduction of £145,289 in the amount of VAT due to HMRC at 2019 compared to the end of 2018, and a reduction of £279,792 on the previous year, which included provision in 2018 for works refurbishing the SUHQ building not yet invoiced at the year-end by the University of Warwick.

The provision for liabilities and charges relates entirely to the Students' Union Superannuation Scheme (SUSS) pension deficit liability (see note 13 and note 21).

The amounts held as custodian on behalf of student sports clubs and societies increased by £97,347 to £689,782 (2018: £592,435), as clubs and societies have spent less during the year than they received.

Reserves

Free unrestricted general reserves at 31 July 2019 decreased by £328,353 to £1,189,461 (2018: £1,517,814).

In line with the requirements of FRS102, Warwick Students' Union reports the discounted Students' Union Superannuation Scheme (SUSS) pension liability for Warwick Students' Union. At 31 July 2019 this was calculated to be £5,367,652 (2018: £5,526,748).

The Board of Trustees have previously approved that £300,000 (2018: £400,000) be set aside in a designated reserve for future strategic infrastructure developments. As at 31 July 2019 the value of designated funds held was £350,812.

Students' Union Services Warwick Limited

For 2018-19 Students' Union Services Warwick Limited (SUSW) made a donation under gift aid of £165,736 (2018: £212,196) to Warwick Students' Union, a decrease in contribution of £46,460.

The year showed a reduction in income from media sales in comparison to the previous year.

Additionally, the success of the relaunched NUS Totem Card has not reached original expectations nationally and as a consequence income generated through card sales has been much lower than anticipated.

The Union is reliant on the University's conference team booking the Union's facilities for vacation conferences and the level of bookings can vary year-on-year.

Overall turnover during 2018-19 decreased by £120,280 on the previous year at £411,486 (2018: £531,766).

Membership Solutions Limited

The 2018-19 financial year saw Membership Solutions Limited (MSL) making a transfer under gift aid of £217,681 (2018: £176,144) an increase in contribution of £41,537.

MSL has delivered a successful set of financial results and consolidated its position as the market leader for website and membership management systems in UK Higher Education students' unions despite increasing competition in this sector.

It has won several new clients and MSL's client base under contract continues to exceed 100 institutions.

Turnover in the year for the company increased by £79,359 to £1,229,091 (2018: £1,149,732).

Fund Raising

The Union does not undertake any street or door-to-door fundraising activity and does not engage a third party organisation to advise or undertake fundraising on its behalf.

The Raising and Giving Society do raise funds through collection to be donated to charitable organisations selected by students, and other than acting as custodian of funds, the Union does not influence or control this activity.

All commercial activity is undertaken with the aim of raising funds to support Charitable Activity, and the Union does hold up to eight events annually with the expressed purpose of fundraising. These events take advantage of HMRC relief in respect of Value Added Tax and are in compliance with the associated HMRC guidance issued in respect of such events.

Future Funding

Every year the Union produces a Five Year Plan that enables the Union to review the current and future financial performance of its activities. The plan (including the budget for the 2019-20 financial year) was approved by the Board of Trustees in June 2019.

The budget for 2019-20 forecasts a deficit position of £222,780 (2018: deficit £354,774) which reflects a range of activities being undertaken to deliver our strategic plan aims and improve strategic infrastructure. The deficit includes £137,227 (2018: £219,200) to be funded from the designated reserve.

The budget also includes SUSS pension deficit contributions of £349,475 (2018: £332,838) before accounting adjustments for FRS102.

This plan also includes an approved recurrent block grant from the University of Warwick for 2019-20 of £2,870,688 (2018: 2,814,400) an increase of £56,288 (2.0%). The current Five Year Plan assumes that the University of Warwick will continue to contribute an annual recurrent block grant at the level approved for 2019-20 across the planning period.

Although the Union has no definitive guarantee that funding will continue from the University at these levels, the Union will continue its dialogue with the University about the future and monitor any impact to the University of any change to Higher Education funding.

The Capital Commitments (note 7) reports authorised but not yet contracted expenditure of £15,000 (2018: £nil) in respect of Digital Media Advertising Screens and contracted expenditure of £44,064 (2018: £117,177). The contracted work relates to the installation of a new CCTV system across the Union premises and new furniture in the SU Atrium.

The Union potentially faces significant financial risk as a result of the current pension deficit reported from the Students' Union Superannuation Scheme (SUSS). This is a defined benefit scheme whose membership consists of students' unions and related bodies throughout the country (see Note 21). This scheme closed to future accrual on 30 September 2011.

The amount contributed in the year to 31 July 2019 was £332,834 (2018: £266,270) (see Note 21). Contribution amounts are included in the Groups Five Year Plan with an on-going estimated annual increase in contributions of 5%.

The pension deficit is accounted for as a liability under FRS 102, at the net present value of the agreed future payments. The net present value discount rate applied in forecasting our future liability is 3.2%.

SUSS are currently undertaking a triannual review as at 30 June 2019 and this may result in increased pension deficit contributions from 2020 and an extended recovery period beyond the current planned end date of 2033.

Funds Held as Custodian Trustee on Behalf of Others

Custodian Funds

Warwick Students' Union acts as a custodian for funds raised by the many sports clubs, student societies and RAG (Raising and Giving) affiliated to the Union. These funds are held in a separate bank account and the year-end balances for each sports club and society are within the Union's creditor balance (see Note 11).

The balance held for student sports clubs and societies at 31 July 2019 was £689,782 (2018: £592,435), see Note 11. This includes £1,028 held at the end of the year for distribution to charities (2018: £1,028).

The income and expenditure for the student sports clubs and societies is not reported within the Union's Statement of Financial Activities. During the financial year the sports clubs and societies received £2,016,660 of income (2018: £1,947,925).

Included in this income were grants from the Union's Sports Exec and Warwick Sport of £316,093 (2018: £294,802) for sports clubs and £70,980 (2018: £39,998) from the Union's Societies Exec for student societies (see Note 18).

These grant awards were spent in the year and appear in the Union's Statement of Financial Activities as a cost in the "Student Activities, Societies and Sports Clubs" line.

Auditor

In line with best practice, the Union undertook a tender exercise to initiate a new three-year appointment of a statutory audit firm during 2018-19, and RSM UK Audit LLP have been reappointed to commence as at 31 July 2019.

The Trustees' Strategic Report is approved on behalf of the Board of Trustees:



Ben Newsham

President

Date: 19th February 2020



Milly Last

Democracy and Development Officer

STATEMENT OF BOARD OF TRUSTEES RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year with give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing those financial statements, the Board of Trustees are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Observe the methods and principles in the Charities SORP;
- c) Make judgements and estimates that are reasonable and prudent;
- d) State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

INDEPENDENT AUDITORS' REPORT

To the Members of Warwick Students' Union

Opinion

We have audited the financial statements of Warwick Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Union Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 the parent charitable company'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our 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.

INDEPENDENT AUDITORS' REPORT (Continued)

To the Members of Warwick Students' Union

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic and Annual Report of the Board of Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Strategic and Annual Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Strategic and Annual Report of the Board of Trustees.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Board of Trustees' Responsibilities set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT (Continued) **to the Members of Warwick Students' Union**

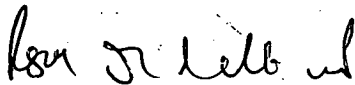
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 provided on the Financial Reporting Council's website at <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



PAUL OXTOBY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF
Date 28 February 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Including income and expenditure account for the year ended 31 July 2019

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 TOTAL £	2018 TOTAL £
INCOME						
Donations						
University Grants		2,894,311	-	22,939	2,917,250	2,859,251
Income from Charitable Activities						
Food and Beverage		2,941,408	-	-	2,941,408	2,967,566
Venues, Events & Entertainments		999,857	-	-	999,857	945,083
Administration and Support Services		11,330	-	1,000	12,330	10,595
Students Services & Representation		8,377	-	-	8,377	9,063
Student Activities, Societies & Sports Clubs		305,667	-	190,018	495,685	518,477
Income from Trading Activities						
Commercial Income		1,582,661	-	-	1,582,661	1,633,520
Marketing & Sponsorship		32,836	-	-	32,836	27,831
Investment Income – Interest Receivable		6,233	-	-	6,233	2,196
TOTAL INCOME		8,782,680	-	213,957	8,996,637	8,973,582
EXPENDITURE						
Expenditure on Raising Funds						
Commercial Activities		1,157,470	-	-	1,157,470	1,178,184
Expenditure on Charitable Activities						
Food and Beverage	2	3,215,238	-	-	3,215,238	3,042,548
Venues, Events & Entertainments	2	1,441,750	-	-	1,441,750	1,319,505
Student Membership Services	2	1,180,051	-	24,340	1,204,391	1,117,776
Representation & Affiliations	2	523,405	-	-	523,405	494,124
Student Activities, Societies & Sports Clubs	2	1,520,970	-	203,756	1,724,726	1,609,446
TOTAL EXPENDITURE		9,038,884	-	228,096	9,266,980	8,761,583
NET INCOME/(EXPENDITURE)		(256,204)	-	(14,139)	(270,343)	211,999
Transfers Between Funds	15	86,947	(100,685)	13,738	-	-
NET MOVEMENTS IN FUNDS		(169,257)	(100,685)	(401)	(270,343)	211,999
Fund Balances Brought Forward		(4,008,934)	451,497	26,077	(3,531,360)	(3,743,359)
TOTAL FUNDS CARRIED FORWARD		(4,178,191)	350,812	25,676	(3,801,703)	(3,531,360)

This Consolidated Statement of Financial Activities represents a consolidation of the income and costs for Warwick Students' Union, Students' Union Services Warwick Limited and Membership Solutions Limited, all operations are continuing.

STATEMENTS OF FINANCIAL POSITION Company Registration Number: 07297865

		GROUP		UNION	
	Note	2019 £	2018 £	2019 £	2018 £
FIXED ASSETS					
Tangible Fixed Assets	6	348,155	194,786	348,155	194,786
Intangible Fixed Assets	6	6,245	21,163	6,245	21,163
Investments	8	16,664	16,664	17,934	17,934
		371,064	232,613	372,334	233,883
CURRENT ASSETS					
Stocks	9	36,787	30,574	36,787	30,574
Debtors	10	553,788	577,709	740,979	807,227
Short-term Deposits		1,202,175	2,127,783	862,805	1,700,035
Cash at Bank and in Hand		838,290	824,167	823,774	812,906
		2,631,040	3,560,233	2,464,345	3,350,742
CREDITORS					
Amounts falling due within one year	11	(1,436,155)	(1,797,458)	(1,271,230)	(1,589,737)
NET CURRENT ASSETS		1,194,885	1,762,775	1,193,115	1,761,005
Provisions for Liabilities & Charges	13	(5,367,652)	(5,526,748)	(5,367,652)	(5,526,748)
NET LIABILITIES		(3,801,703)	(3,531,360)	(3,802,203)	(3,531,860)
REPRESENTING					
Charitable Funds					
Restricted Funds	17	25,676	26,077	25,676	26,077
Unrestricted Funds					
General		1,189,461	1,517,814	1,188,961	1,517,314
Pension	16	(5,367,652)	(5,526,748)	(5,367,652)	(5,526,748)
Designated	15	350,812	451,497	350,812	451,497
TOTAL FUNDS		(3,801,703)	(3,531,360)	(3,802,203)	(3,531,860)

The Company's deficit and total comprehensive expenditure for the year was £270,343 (2018: (£211,999))

The financial statements on pages 39 to 63 were approved by the Board of Trustees and authorised for issue on 19th February 2020 and are signed on its behalf by:



Ben Newsham
President



Milly Last
Democracy and Development Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2019 £	2018 £
Net Cash Inflow from Operating Activities	20	(631,907)	127,419
INVESTMENT ACTIVITIES			
Interest Received		6,233	2,196
Purchase of Tangible Assets		(279,661)	(115,521)
Purchase of Intangible Assets		(6,150)	(7,908)
Cash (used in) Investing Activities		(279,578)	(121,233)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(911,485)	6,186
Cash and Cash Equivalents at the Beginning of the Year		2,951,950	2,945,764
Cash and Cash Equivalents at the End of the Year		2,040,465	2,951,950
REPRESENTED BY:			
Cash and Short-term Deposits at Bank		2,040,465	2,951,950

PRINCIPAL ACCOUNTING POLICIES

General Information

Warwick Students' Union Limited is a charitable company limited by guarantee and domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Warwick Students' Union, University of Warwick, Gibbet Hill Road, Coventry, CV4 7AL.

These accounts represent a consolidation of the accounts of Warwick Students' Union and its subsidiary undertakings Students' Union Services Warwick Limited and Membership Solutions Limited.

The Company's and the Group's principal activities are as disclosed in the Annual Report of the Board of Trustees.

Basis of Accounting

The accounts have been prepared under the Charities Act 2011 in accordance with the Statement of Recommended Practice: "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 (FRS102) effective 1 January 2015 (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Warwick Students' Union meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

FRS102 Reduced Disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Judgements and Estimations

The Board of Trustees have not made any significant judgements and estimations in the process of applying the accounting policies except for the recognition of the Students' Union Superannuation Scheme (SUSS) pension liability, see Note 21.

There are no areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the SUSS pension liability.

The SUSS pension scheme conducted a full actuarial evaluation as at 30 June 2016 and all estimates are based on the information arising from this valuation. This includes a review of the discount rate used in the calculation of the pension liability which after consideration has remained at 3.2%.

PRINCIPAL ACCOUNTING POLICIES (continued)

Financial Instruments

Warwick Students' Union and its subsidiaries only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Going Concern

Warwick Students' Union reports a net liabilities position of £3,801,703 on its consolidated balance sheet as at 31 July 2019.

This is directly as a result of recognising the discounted Students' Union Superannuation Scheme (SUSS) pension liability calculated as £5,367,652 (2018: £5,526,748) for both the Union and its subsidiary companies. However, this liability is payable on an incremental basis over a sixteen-year period to 30 September 2033 and there is no reason to believe that Warwick Students' Union cannot meet its annual commitments to repay this liability.

The next independent actuarial review of the scheme took place as at 30 June 2019, and it is anticipated that an increase in deficit contributions may arise, and the Board of Trustees will continue to monitor the impact that this may have on the Union.

The current economic conditions create uncertainty particularly over the level of demand for the Union's services and the level of future income provided under the block grant agreement with the University of Warwick.

The Union's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Union should be able to operate within the level of its current facilities for at least twelve months from the date of approval of these accounts. The Union has held discussions with the University about future funding and no matters have been drawn to its attention to suggest that future funding may not be forthcoming at budgeted levels.

The Trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of Consolidation

The financial statements consolidate the financial statements of the charitable company and its subsidiary undertakings. Inter-group transactions, balances and profits are eliminated on consolidation. The consolidation is carried out on a line-by-line basis.

In accordance with Section 9 of FRS102 - Consolidated and Separate Financial Statements - both Students' Union Services Warwick Limited and Membership Solutions Limited are considered to be under the control of the Union.

A separate Statement of Financial Activities (SoFA) for the charity itself is not presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

For the charitable company for the period ended 31 July.

	2019 £	2018 £
Income	7,877,694	7,831,806
Expenditure	(8,148,037)	(7,619,807)
Net (Expenditure)/Income for the Period	(270,343)	211,999

Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions - aside from computer equipment - or those costing below £1,500 are not capitalised and are written-off to the income and expenditure account in the year in which the expenditure occurred.

IT equipment is capitalised if the item value is greater than £400 individually or in aggregate.

The Union occupies premises provided by the University of Warwick and the University of Warwick Foundation Fund.

Intangible Fixed Assets

Intangible Fixed Assets includes significant investment in non-physical assets such as software systems. Software systems are capitalised if the item value is greater than £10,000.

Depreciation

Depreciation is provided to write-off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful lives as follows:

	Years
Building Improvements, Fixtures & Fittings	3 – 10
General Equipment, Vehicles	3 – 5
IT Equipment – Desk Top Computers	5
IT Equipment – Laptop Computers	3
Software	3 – 5

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is recognised on a first in, first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

PRINCIPAL ACCOUNTING POLICIES (continued)

Income

The Union receives donations in the form of a block grant from the University of Warwick and this is credited to the financial statements in respect of the period to which each grant relates.

All income and capital resources are recognised in the accounts when the Charity is legally entitled to the income, the amount can be quantified, and receipt is probable.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions or relates to primary purpose charitable trading. Such income is recognised as earned as the related goods or services are provided.

Income from commercial trading activities (net of Value Added Tax) is recognised as earned when the related goods and services are provided.

Investment income is recognised on a receivable basis

Expenditure

Expenditure is recognised when a liability is incurred.

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. This applies to the annual grant awards made by the Union to third party student sports clubs and societies. Contractual arrangements and performance related grants are recognised as goods or services are provided.

Expenditure incurred on charitable activities comprises the direct and indirect costs of delivering public benefit. This includes expenditure associated with student democracy, academic representation, student advice and welfare, student development and charitable trading.

Expenditure on raising funds includes costs incurred in trading and commercial activities undertaken to raise funds as well as to attract donations.

Support costs consist of overheads and governance costs and are apportioned to activities on a basis consistent with the use of the resources. Support costs include central functions such as Finance and HR (see note 2) and the building leases.

Expenditure includes irrecoverable Value Added Tax.

Termination Payments

The Union recognises a liability for termination benefits at the point where it is committed to making the payments in return for employee redundancy.

Leased Assets

All leases are operating leases and the annual rentals are charged to expenditure as the costs fall due.

PRINCIPAL ACCOUNTING POLICIES (continued)

Defined Benefit Pension Scheme

The group participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and the members are 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 closed to future accrual on 30 September 2011.

Whilst the Scheme operates as a pooled arrangement, under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a liability discounted to net present value.

Warwick Students' Union participates in both the National Union of Students Pension Scheme (NUSPS) - provided by Aegon which is a brand name of Scottish Equitable plc - and the government NEST scheme. Both NUSPS and NEST are defined contribution schemes and are accounted for under the terms of FRS102 based upon actual contributions paid during the year.

Investments

Warwick Students' Union has fixed asset investments in NUS Services Limited which are valued at cost, as these assets are not readily saleable and a reliable market value is not readily available.

The Board of Trustees value the shareholding in the subsidiary companies at fair value.

Funds Structure

Warwick Students' Union administers and accounts for a number of charitable funds, as follows:

- *Unrestricted Funds* representing unspent income which may be used for any activity / purpose at the Board of Trustees' discretion.
- *Designated Funds* set aside by the Board of Trustees to be spent on some specific purpose at its own discretion, which includes financing key strategic projects such as building refurbishment.
- *Restricted Funds* raised and administered by Warwick Students' Union for specific purposes. This includes revenue received from a donor to be used for activities prescribed by the donor.
- *Custodian Funds* entrusted to Warwick Students' Union for safekeeping, but not under its control such as Sports Club and Society funds (including annual Raising and Giving). Custodian activities are disclosed in the Annual Report, but any associated income or expenditure has been excluded from these accounts, and a matching creditor is in place for these.

Taxation

Warwick Students' Union became a registered charity on 1 August 2010 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Therefore, it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

PRINCIPAL ACCOUNTING POLICIES (continued)

Students' Union Services Warwick Limited

The taxable profits of Students' Union Services Warwick Limited are donated, through a deed of covenant, under Gift Aid to the Union with the consequence that no taxation is payable by that company.

Membership Solutions Limited

The taxable profits of Membership Solutions Limited are donated, through a deed of covenant, under Gift Aid to the Union with the consequence that no taxation is payable by that company.

NOTES TO THE FINANCIAL STATEMENTS

1. Consolidated Prior Year Statement of Financial Activities for the Year Ended 31 July 2018

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2018 TOTAL £
INCOME				
Donations				
University Grants	2,830,965	-	28,286	2,859,251
Income from Charitable Activities				
Food and Beverage	2,967,566	-	-	2,967,566
Venues, Events & Entertainments	945,083	-	-	945,083
Administration and Support Services	10,595	-	-	10,595
Students Services & Representation	9,063	-	-	9,063
Student Activities, Societies & Sports Clubs	331,477	-	187,000	518,477
Income from Trading Activities				
Commercial Income	1,633,520	-	-	1,633,520
Marketing & Sponsorship	27,831	-	-	37,831
Investment Income – Interest Receivable	2,196	-	-	2,196
TOTAL INCOME	8,758,296	-	215,286	8,973,582
EXPENDITURE				
Expenditure on Raising Funds				
Commercial Activities	1,178,184	-	-	1,178,184
Expenditure on Charitable Activities				
Food and Beverage	3,042,548	-	-	3,042,548
Venues, Events & Entertainments	1,319,505	-	-	1,319,505
Student Membership Services	1,067,030	-	50,746	1,117,776
Representation & Affiliations	494,124	-	-	494,124
Student Activities, Societies & Sports Clubs	1,422,446	-	187,000	1,609,446
Other (pension contribution from actuarial valuation)	-	-	-	-
TOTAL EXPENDITURE	8,523,837	-	237,746	8,761,583
NET INCOME/(EXPENDITURE)	234,459	-	(22,460)	211,999
Transfers Between Funds	48,503	(48,503)	-	-
NET MOVEMENT IN FUNDS	282,962	(48,503)	(22,460)	211,999
Fund Balances Brought Forward	(4,291,896)	500,000	48,537	(3,743,359)
TOTAL FUNDS CARRIED FORWARD	(4,008,934)	451,497	26,077	(3,531,360)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Charitable Activity and Support Costs

Charitable Activity Costs	TOTAL £	Staff Costs £	Cost of Sales £	Other Operating Expenses £	Support Costs £
<i>Charitable Activity Cost Reallocation</i>					
Food and Beverage	3,215,238	1,248,979	995,153	173,348	797,758
Venues, Events & Entertainments	1,441,750	322,541	457,206	66,286	595,717
Student Membership Services	1,204,391	546,987	-	168,230	489,174
Student Representation and Affiliations	523,405	166,341	-	8,702	348,362
Student Activities, Societies and Sports	1,724,726	229,844	-	504,470	990,412
	8,109,510	2,514,692	1,452,359	921,036	3,221,423
2018	7,583,399	2,371,676	1,355,827	938,148	2,917,748

<i>Charitable Activity Costs Summary</i>	2019	2018
	£	£
Food and Beverage	3,215,238	3,042,548
Venues, Events & Entertainments	1,441,750	1,319,505
Student Membership Services	1,204,391	1,117,776
Student Representation and Affiliations	523,405	494,124
Student Activities, Societies and Sports	1,724,726	1,609,446
	8,109,510	7,583,399

Student Representation expenses includes the affiliation fee for the National Union of Students' of £57,103 (2018: £54,205). For further information on affiliations see Note 23: Affiliations on page 63.

Support Costs	Use	TOTAL £	Premises £	Finance & HR £	Marketing, IT & Communications £	Governance, Admin & General Management £
<i>Support Cost Reallocation</i>						
Food and Beverage	24.8%	797,758	248,931	342,167	97,809	108,851
Venues, Events & Entertainments	18.5%	595,717	269,676	119,505	97,750	108,786
Student Membership Services	15.2%	489,174	155,582	127,056	97,750	108,786
Student Representation and Affiliations	10.8%	348,362	103,721	37,981	97,809	108,851
Student Activities, Societies and Sports Cl	30.7%	990,412	259,304	317,789	195,617	217,702
	100.0%	3,221,423	1,037,214	944,498	586,735	652,976
2018		2,917,748	1,005,197	827,889	490,355	594,307

<i>Support Costs Summary</i>	2019	2018
	£	£
Food and Beverage	797,758	717,714
Venues, Events & Entertainments	595,717	550,219
Student Membership Services	489,174	440,353
Student Representation and Affiliations	348,362	315,739
Student Activities, Societies and Sports Cl	990,412	893,723
	3,221,423	2,917,748

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Charitable Activity and Support Costs (continued)

Support costs are allocated on the following basis:

- Premises is allocated on space occupied
- Finance is allocated on total number of financial transactions
- HR is allocated based on staff costs
- Marketing, IT Services and Communications are pro-rata across all activities
- Governance, Administration and General Management are pro-rata across all activities

Governance, Administration and General Management costs include:

	2019 £	2018 £
<i>Governance Costs</i>		
Auditors' remuneration – Audit Fees	17,500	18,450
Auditors' remuneration – Taxation Services	16,453	5,472
Professional Fees – IT Contracts & Structures	9,253	18,526
Other Legal and Professional Fees	93,332	31,565
Board of Trustees – Committee Expenses	1,381	1,700
Board of Trustees – Recruitment	-	11,250
Board of Trustees – Travel Reimbursements	2,573	1,090
	140,492	88,053
Insurance	82,924	81,247
Irrecoverable Value Added Tax	223,206	186,301
	446,622	355,601

3. Net Movement in Funds

	2019 £	2018 £
<i>Net Movement in Funds for the Period is Stated After Charging</i>		
Auditors' remuneration		
Auditor Fees	17,500	18,450
Tax advisory	16,453	5,472
Cost of Stock Recognised as an Expense	995,153	985,774

Stock expended in each year relates to the costs of food and beverages sold across the Union's venues.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Net Movement in Funds (Continued)

	2019 £	2018 £
<i>Net Movement in Funds for the Period is Stated After Charging</i>		
Depreciation and Amounts Written-Off		
Owned Tangible Fixed Assets	126,292	90,273
Owned Intangible Fixed Assets	21,068	16,560
	147,360	106,833
Operating Lease Rentals		
Plant and Machinery	3,319	2,655
Buildings	437,000	437,000
	440,319	439,655

4. Staff Costs

	2019 £	2018 £
<i>The Aggregate Payroll for the Year was</i>		
Salaries and Wages	3,884,276	3,572,968
National Insurance	291,921	271,842
Defined Contribution Pension – Contributions in the Year	176,946	167,683
Defined Benefit Pension – Deficit Contribution	332,834	266,270
Defined Benefit Pension (SUSS) – Discount Factor *	(173,738)	(127,607)
	4,512,239	4,151,156

*The discount factor relates to the annual reduction in the SUSS Pensions liability arising from the annual payments made to the USS Trustees as part of the plan to reduce the unfunded part of the scheme.

	2019	2018
<i>The Average Staff Numbers was as Follows</i>		
Monthly Salaried Staff / Full Time Equivalent - Group	145.0 / 109.0	132.0 / 100.5
Monthly Salaried Staff / Full Time Equivalent - Union	130.2 / 96.46	117.2 / 88.3
Weekly Paid Staff / Full Time Equivalent - Group	410.0 / 51.94	576.0 / 50.86
Weekly Paid Staff / Full Time Equivalent - Union	410.0 / 51.05	576.0 / 50.86

The number of employees employed by the Union and MSL receiving benefits above £60,000 within the year:

	2019	2018
£105,000 - £109,999	1	-
£95,000 - £99,999	1	1
£85,000 - £89,999	-	1
£65,000 - £69,999	1	1
£60,000 - £64,999	1	1

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Staff Costs (Continued)

The above members of staff are in the Union's defined contribution scheme NUSPS. The employer pension contributions amounted to £22,679 (2018: £20,806) for these employees.

Warwick Students' Union made terminations payment to one employee in respect of the termination of their employment during 2018-19 and approved and accounted for one further termination payment, prior to 31 July 2019, to a member of staff who will leave the Union and receive their termination payments in early 2019-20. These payments total £22,523 (2018: £71,376).

5. Key Management Personnel, Trustee Remuneration and Expenses

The key management personnel are the Trustee/Directors, Sabbatical Officers and the Chief Executive of Warwick Students' Union.

As well as having a role as a Trustee of Warwick Students' Union the seven Sabbatical Officers perform a full time role as the voice of Warwick students.

They are authorised in the Union's governing document to represent students, undertake campaigning and support work as distinct from their trustee responsibilities. They listen to how students want things to be done and work with Warwick Students' Union staff, the Board of Trustees and partners to make it happen. They represent students to the University of Warwick, external organisations and the wider community.

Each of the Sabbatical Officers received a salary of £20,200 (2018: £19,804) during the year. This salary was remunerated by way of their role as a Sabbatical Officer - not as a Trustee.

	2019 £	2018 £
<i>Total Remuneration Paid to Key Management Personnel is</i>		
Salaries	247,189	222,363
National Insurance	21,736	21,582
Pension Costs	10,762	9,863
	279,687	253,808

Three members of the Board of Trustees claimed and were reimbursed a total of £1,073 (2018: Three Trustees, £1,090) for personal travel and subsistence expenses in performing their role as a Trustee. Provision has been made for claims from three further trustees not yet submitted to the sum of £1,500 (2018: £nil). No Trustees received any remuneration as a result of their role as Trustee.

A number of the Union's Trustees have personally chosen to waive their expenses and not claim travel expenses to attend Board and Committee meetings. The value of these expenses is unknown.

Warwick Students' Union also incurred costs of £5,183 (2018: £4,920) within the year relating to Professional Indemnity insurance cover of £5m (2018: £5m). This policy included cover for the Trustees, Directors, Officers and employees of the Union.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Fixed Assets – Group and Union

	TOTAL	Building	Fixtures, Fittings and IT	Intangible
	£	Improvements	Equipment	(Software)
		£	£	£
<i>Cost</i>				
1 August 2018	750,395	41,614	656,150	52,631
Disposals	(21,098)	-	(21,098)	-
Additions	285,811	31,425	248,236	6,150
31 July 2019	1,015,108	73,039	883,288	58,781
<i>Depreciation</i>				
1 August 2018	534,446	14,644	488,334	31,468
Disposals	(21,098)	-	(21,098)	-
Charge for the Year	147,360	7,211	119,081	21,068
31 July 2019	660,708	21,855	586,317	52,536
<i>Net Book Value</i>				
31 July 2018	215,949	26,970	167,816	21,163
31 July 2019	354,400	51,184	296,971	6,245

7. Capital Commitments

	2019	2018
	£	£
<i>Future Capital Expenditure</i>		
Authorised but not Contracted	15,000	-
Contracted	44,064	117,177
	59,064	117,177

Amounts for 2019 are in respect of the installation of a replacement CCTV system, furniture in the SU Atrium Area and Digital Media Advertising Screens.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Fixed Asset Investments

	GROUP		UNION	
	2019 £	2018 £	2019 £	2018 £
NUS Services Limited	16,664	16,664	8,332	8,332
Investment in Subsidiary Companies	-	-	9,602	9,602
	16,664	16,664	17,934	17,934

These amounts represent deposits held under NUS Services Limited Central Billing Scheme for Students' Unions and is held in respect of payment for monthly supplies of brewed and other products. Warwick Students' Union also holds equity share capital in the following unlisted companies:

Students' Union Services Warwick Limited:

Warwick Students' Union holds 102 ordinary shares of £1 each being 100% of issued ordinary shares.

Students' Union Services Warwick Limited is registered and operates in Great Britain. The primary nature of the business being non primary purpose trading services on behalf of the charity.

Turnover for the year ended 31 July 2019 was £411,486 (2018: £531,766) and profits of £165,736 (2018: £212,196) were generated which was donated to the Union under gift aid. Net funds at 31 July 2019 were £102 (2018: £102). The total assets at 31 July 2019 were £396,309 and total liabilities were £396,207.

Membership Solutions Limited:

Warwick Students' Union directly owns 9,500 (2018: 9,500) £1 ordinary shares in Membership Solutions Limited, a company limited by shares registered in Great Britain, being 95% of its issued share capital, and controls the remaining 5%.

The primary nature of the business is the sale of membership and other IT related systems.

Turnover for the year ended 31 July 2019 was £1,229,091 (2018: £1,149,732) and a profit for the year of £nil (2018: nil) was recorded after the payment of a donation made under gift aid to the Union of £217,681 (2018: £176,144).

Net funds at 31 July 2019 were £10,000 (2018: £10,000). Total assets at 31 July 2019 were £201,568 and total liabilities were £191,568.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Stocks

	GROUP		UNION	
	2019 £	2018 £	2019 £	2018 £
Bars	28,548	18,980	28,548	18,980
Catering	8,239	11,594	8,239	11,594
Goods for Resale	36,787	30,574	36,787	30,574

10. Debtors

	GROUP		UNION	
<i>Amounts Falling Due Within One Year</i>	2019 £	2018 £	2019 £	2018 £
Trade Debtors	401,758	446,324	216,249	186,763
Amounts Due From Subsidiary Undertakings	-	-	400,447	509,825
Other Debtors	3,363	3,679	3,616	3,679
Prepayments and Accrued Income	148,667	127,706	120,667	106,960
	553,788	577,709	740,979	807,227

11. Creditors

	GROUP		UNION	
<i>Amounts Falling Due Within One Year</i>	2019 £	2018 £	2019 £	2018 £
Trade Creditors	315,426	306,747	304,362	306,747
Amounts Held for Clubs and Societies	689,782	592,435	689,782	592,435
Other Taxation and Social Security	117,677	277,560	117,677	277,560
Other Creditors	80,419	60,459	77,375	69,066
Accruals and Deferred Income	232,851	560,257	82,034	343,929
	1,436,155	1,797,458	1,271,230	1,589,737

Amounts held for clubs and societies represent balances held on behalf of these bodies, these funds have been generated separately from the activities of the Union and the use of these funds is directed by the individual club or society. Warwick Students' Union acts as a custodian for these funds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Creditors (Continued)

	2019 £	2018 £
<i>Deferred Income - Group</i>		
At 1 August	183,339	120,313
Released During the Year	(597,292)	(373,186)
Additions During the Year	549,678	436,212
At 31 July	135,725	183,339

These amounts include receipts-in-advance for Membership Services Limited.

12. Financial Instruments

The Carrying Amount of the Groups Financial Instruments at 31 July were

	GROUP		UNION	
	2019 £	2018 £	2019 £	2018 £
<i>Financial Assets</i>				
Debt Instruments				
At Amortised Costs	436,796	482,976	251,284	220,657
<i>Financial Liabilities</i>				
Measured at Amortised Costs	492,971	744,124	465,055	703,340

13. Provisions for Liabilities and Charges – Group and Union

	2019 £	2018 £
At 1 August	5,526,748	5,665,411
Deficit Contributions Paid	(332,834)	(266,270)
Unwinding of Discount Factor	173,738	127,607
At 31 July	5,367,652	5,526,748

The Trustees of the Student Unions' Superannuation Scheme (SUSS) have implemented a recovery plan aimed at reducing the unfunded element of the pension scheme by 2033.

This plan requires Warwick Students Union to make a deficit contribution cash payment to the SUSS Trustees annually.

However, the impact of this payment is discounted over the life of the recovery plan so that the actual reduction in liability annually is adjusted by the discount factor to derive the current total liability relating to Warwick Students' Union.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Analysis of Net Liabilities between Funds

2019	Fixed Assets and Investments £	Net Current Assets £	Provisions for Pension Liabilities £	Net Funds/ (Liabilities) £
Restricted Funds	-	25,676	-	25,676
Designated Funds	-	350,812	-	350,812
General Funds:				
Warwick Students' Union	371,064	808,295	-	1,179,359
Pension	-	-	(5,367,652)	(5,367,652)
Subsidiary Undertakings	-	10,102	-	10,102
	371,064	1,194,885	(5,367,652)	(3,801,703)

Prior Year: 2018	Fixed Assets and Investments £	Net Current Assets £	Provisions for Pension Liabilities £	Net Funds/ (Liabilities) £
Restricted Funds	-	26,077	-	26,077
Designated Funds	-	451,497	-	451,497
General Funds:				
Warwick Students' Union	232,613	1,275,099	-	1,507,712
Pension	-	-	(5,526,748)	(5,526,748)
Subsidiary Undertakings	-	10,102	-	10,102
	232,613	1,762,775	(5,526,748)	(3,531,360)

15. Designated Funds – Group and Union

	1 Aug 2018 £	Income £	Expenditure £	Transfers £	31 July 2019 £
Strategic Infrastructure	451,497	-	-	(100,685)	350,812

	1 Aug 2017 £	Income £	Expenditure £	Transfers £	31 July 2018 £
Strategic Infrastructure	500,000	-	-	(48,503)	451,497

The designated reserve was created to set aside funds for planned strategic infrastructure developments including Warwick Students' Union facilities and trading areas and key assets such as the Warwick SU website.

The transfer of £100,685 relates to works undertaken on improving the Students' Union buildings, developing the Union's Website and Strategic Planning.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Pensions Reserve

	2019 £	2018 £
At 31 July	5,367,652	5,526,748

17. Restricted Funds – Group and Union

2019	1 August 2018 £	Income £	Expenditure £	Transfers/ repaid £	31 July 2019 £
Sports -Including Warwick Sports	300	190,018	(203,756)	13,738	300
Sports - Events and Activities	1,919	3,950	(3,853)	-	2,016
Community Schemes	704	16,349	(10,185)	(204)	6,664
Student Development	1,500	-	-	-	1,500
Media Centre	20	-	-	-	20
Wellbeing, Welfare and Housing	2,889	50	(598)	(428)	1,913
Student Led Projects					
Postgraduate Engagement	4,243	2,590	(4,003)	-	2,830
Inspire Scheme	6,490	-	-	(3,490)	3,000
Sustainability	7,112	-	(679)	-	6,433
Projects - Equality and Diversity	900	1,000	-	(900)	1,000
	26,077	213,957	(223,074)	8,716	25,676

All of the above restricted reserves represent funds received specifically for the identified activity and are either supported by service level agreements or one-off grant applications. The grant awards for student led projects have been allocated across the activities in the year. Unused grant from prior years to the sum of £5,022 was repaid to the University of Warwick.

Prior Year: 2018	1 August 2017 £	Income £	Expenditure £	Transfers £	31 July 2018 £
Sports -Including Warwick Sports	27,418	187,000	(214,118)	-	300
Sports - Events and Activities	3,491	5,000	(6,572)	-	1,919
Community Schemes	-	10,086	(9,382)	-	704
Student Development	1,500	-	-	-	1,500
Media Centre	771	-	(751)	-	20
Wellbeing, Welfare and Housing	1,016	4,000	(2,127)	-	2,289
Student Led Projects	540	-	(540)	-	-
Postgraduate Engagement	2,251	4,200	(2,208)	-	4,243
Inspire Scheme	6,665	-	(175)	-	6,490
Sustainability	3,371	5,000	(1,259)	-	7,112
Projects – School Enterprise	614	-	(614)	-	-
Projects - Equality and Diversity	900	-	-	-	900
	48,537	215,286	(237,746)	-	26,077

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. Grants to Student Sports Clubs and Societies

	2019 £	2018 £
<i>Grant Awards by Societies Federation:</i>		
Media, Performance and Music	32,592	24,492
Campaigning, Charity and Welfare	12,045	4,884
Activities and Hobbies	13,408	7,519
Academic Societies	8,332	1,255
Cultural Societies	3,353	1,245
Faith and Belief	1,250	603
	70,980	39,998
<i>Grant Awards by Warwick Sport:</i>		
Sports Clubs	316,094	294,802
	387,074	334,800

These are grant awards made by the Union during the year to student sports clubs and societies. The total grant amount awarded directly to sports clubs to undertake activity in the British Universities and Colleges Sport (BUCS) leagues was £171,661 (2018: £133,360).

Warwick Students' Union acts as custodian for funds raised by the many sports clubs, student societies and RAG (raising and giving) affiliated to the Union. These funds are not consolidated in to the Union's accounts. These funds are held in a separate bank account and the year end balances for each sports club and student society are within the Union's creditor balance (see Note 11).

19. Operating Lease Commitments

	Group and Union	
	2019 £	2018 £
<i>Land and Buildings</i>		
Amounts Falling Due:		
Within One Year	451,700	437,000
Within Two to Five Years	1,748,000	1,748,000
Over Five Years	9,920,000	10,357,000
	12,119,700	12,542,000
<i>Plant and Machinery</i>		
Amounts Falling Due:		
Within One Year	664	1,327
	12,120,364	12,543,327

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Note to Statement of Cashflows

	2019 £	Group 2018 £
<i>Reconciliation of Net Income/(Expenditure):</i>		
Net Income	(270,343)	211,999
(Increase) in Stocks	(6,213)	(4,217)
Decrease/(Increase) in Debtors	23,921	(232,241)
(Decrease)/Increase in Creditors	(361,303)	185,904
(Decrease) in Provisions	(159,096)	(138,663)
Depreciation	147,360	104,822
Loss on Fixed Asset Disposal	-	2,011
Interest Receivable	(6,233)	(2,196)
Net Cash (Outflow)/Inflow from Operating Activities	(631,907)	127,419

The cash balance includes £689,782 (2018: £592,435) cash relating to student sports clubs and societies which the Union holds as custodian of these funds in a separate bank account.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Pension Scheme

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country.

Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 to 30 September 2011 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 2016 and showed that the market value of the Scheme's assets was £101.3m (2013: £80.9m) with these assets representing 46% (2013: 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 £119.7m (2013: £73.8m). Under the scheme rules, should any member Union cease to operate, its liability would be distributed across all remaining Unions.

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 2016:

- The investment return would be 4.3% per annum before retirement and 2.3% per annum after retirement.
- Pensions accrued on a CARE basis would revalue at 3.2% per annum.
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The actuaries are unable to separately identify the Union's share of the assets and liabilities in this scheme and hence it is not accounted for as a defined benefit scheme in the financial statements.

The 2016 valuation extended the period over which the on-going funding deficit would be cleared by two years to 2032-33, a period of 16 years and set out a monthly contribution requirement by each Participating Employer expressed in monetary terms, which saw a 20% increase for 2017-18 and then an annual increase of 5% thereafter.

As previously, the contributions also include an allowance for the cost of the on-going administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2017 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Pension Scheme (continued)

The contribution rate (excluding deficit contributions) for the period to 30 September 2011 applicable to the Union for the majority of members was 8.17% of Earnings for members and 9.38% of Earnings for the Union (17.3%/17.55% in aggregate).

The total deficit contributions paid into the Scheme by the Union in respect of eligible employees for the year ended 31 July 2019 amounted to £332,834 (2018: £263,570).

The deficit contribution for 2019-2020 will be £349,475.

22. Related Party Transactions

Membership Solutions Limited

The Union received a donation under gift aid from Membership Solutions Limited of £217,681 (2018: £176,144). The Union purchased £38,117 (2018: £37,017) of IT services from Membership Solutions Limited and provided £35,300 (2018: £50,004) of services.

At the year end, the Union was owed £31,123 (2018: £85,215) from Membership Solutions Limited. All outstanding balances are unsecured, owed on normal trading terms and will be settled in cash.

	2019 £	2018 £
Salary Support, Administrative and Expenses	20,000	20,000
Premises and Equipment Rental	15,300	30,004
	35,300	50,004

Students' Union Services Warwick Limited

The Union received a donation under gift aid from Students' Union Services Warwick Limited of £165,736 (2018: £212,196). The Union paid £18,827 (2018: £10,546) in current account interest and purchases with Students' Union Services Warwick Limited and provided £64,361 (2018: £64,361) of services to Students' Union Services Warwick Limited. At the year end the Union was owed £391,468 (2018: £410,754) from Students' Union Services Warwick Limited. All outstanding balances are unsecured, owed on normal trading terms and will be settled in cash.

	2019 £	2018 £
Salary Support, Administrative and Expenses	18,000	18,000
Premises and Equipment Rental	46,361	46,361
	64,361	64,361

Trustees of Warwick Students' Union

There were no related party transactions in respect of Warwick Students' Union Trustees in the year (2018: Hugh James Hunt, who resigned on 31 July 2018, a Trustee of Oxford University Students' Union, who purchased services from Membership Solutions Limited to the value of £11,007 and also a Trustee of the University of Leicester Students' Union who purchased services from Membership Solutions Limited to the value of £7,939).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. Affiliations

Warwick Students' Union is affiliated to the following organisations. Membership, granted by the payment of an affiliation fee, entitles the Union to have a say in how organisations are run or what focus they may have. This may be in the form of a vote or a voice on working parties over and above other membership benefits such as access to expert advice or information resources.

<i>Affiliation Fees</i>	2019	2018
	£	£
National Union of Students (NUS)	57,103	54,205
NUS Services Limited (NUSSL)	348	480
British Universities and Colleges Sport (BUCS)	16,044	15,804
Child Poverty Action Group	116	78
Coventry and Warwickshire Chamber of Commerce	230	230
	73,841	70,797

Confirmation of these affiliations is undertaken by vote at an All Student Meeting.

24. Contingent Liability

MSL Control

Changes in the type of MSL shares from A to B, agreed with the minority shareholder on 18 October 2017, resulted in Warwick Students' Union taking full control of MSL.

In recognition of this change in share type, a payment of £11,258 has been paid to the minority shareholder and one further payment of this amount is due dependent on performance criteria and becomes due on 1st August 2019.