

**Teesside University Students' Union
and its Subsidiary Company**

Statement of Accounts
for the Year Ended 31 July 2019

"Charity Commission Copy"
Charity Number: 1136875

Teesside University Students' Union
and its Subsidiary Company

Statement of Accounts
for the Year Ended 31 July 2019

	<u>Page</u>
Report of the Trustees	1 - 9
Report of the Independent Auditors	10 - 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Accounts	15 - 29

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

The trustees present their report and the audited consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and consolidated financial statements of the charity.

The consolidated financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

REFERENCE AND ADMINISTRATIVE INFORMATION

Charitable Status

Teesside University Students' Union is a registered charity, registration number 1136875.

Principal Address

Students' Union Building, Campus Heart, Middlesbrough, Tees Valley TS1 3BA

Elected to Hold Office			
Trustees/Full Time (Executive) Officers	<u>July 2019</u>	<u>July 2018</u>	
President Activities	George Reeves	Andrew Richardson	
President Education	Alan Lofthouse	Tom Platt (resigned March 2019)	
President Welfare	Sophie Bennett	Sophie Bennett	
Appointed			
External Trustees	<u>July 2019</u>	<u>July 2018</u>	
External Trustee	Clare Powne	Clare Powne	
External Trustee	Linda Maughan	Heather Ashton (resigned 19/02/19)	
External Trustee	Graham Wright (appointed 29/08/19)	Heather McLean (resigned 28/08/19)	
External Trustee	Mark Grayling (appointed 23/08/19)	Linda Maughan	
Appointed			
Student Trustees	<u>July 2019</u>	<u>July 2018</u>	
Student Trustee	Anna Chatzikou	Jim Mortimer (resigned 24/10/18)	
Student Trustee	Vacancy	Anna Chatzikou (appointed 1/8/18)	
Auditors	Bankers	Solicitors	Solicitors
Anderson Barrowcliff LLP	Co-operative Bank Plc	Poppleston Allen	SGH Martineau LLP
Chartered Accountants	Olympic House	37 Stoney Street	No. 1 Colmore Square
Statutory Auditor	Montford Street	The Lace Market	Birmingham
3 Kingfisher Court	Salford	Nottingham	B4 6AA
Bowesfield Park	M5 2QP	NG1 1LS	
Stockton on Tees			
TS18 3EX			

The Students' Union employs a Chief Executive to work closely with the Trustees and ensure effective management of the organisation by leading a senior management team. During the year the senior managers were as follows:-

Chief Executive	Jon Berg
Deputy Chief Executive	Adam Cotterill

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

OBJECTIVES AND ACTIVITIES

The Students' Union's charitable Objects are the advancement of education of students at Teesside University for the public benefit by:-

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

Its vision is: "to consistently perform in the top 10% of students' unions in the UK"

Its mission statement is: "The Students' Union will make a significant contribution to students' lives at the University, and secure a positive and inclusive student experience for all."

In pursuit of these objects, its mission and vision the Students' Union has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students. These include the SU Student Support's advice, jobs, and representation services, the SU Activities, The Terrace bar and kitchen, The Hub night club, and the Union Shop. Officers of the Students' Union sit on every committee of the University and meet regularly with Middlesbrough Council, local landlords, health care providers, and other organisations.

The Students' Union's commitment to its members includes volunteer development opportunities for nearly 3,000 students in activities from competitive sports to student academic representation within the Schools of the University.

Objectives for 2019/20

In the Strategic Plan, the key objectives within the eight Strategic Themes are as follows:

- (i) Listening to students
The Students' Union will continue to work with the University to understand the student population's expectations and be inclusive of all student groups. This will include monitoring the changing demographic mix to better understand different students' needs at University and to engage effectively with them by emphasising its core purpose of student representation, support, and student opportunities including social networks. This will be delivered through new daytime 'Freshers' events to engage with harder to reach student groups and large scale "outreach" with face to face student engagement across the University including SU on Tour and the large-scale Student Opinion Counts (SOC) survey to identify the academic and other issues raised by students, combined with "in-reach" measures to ensure all student groups are represented by the SU, its Student Officers, School Reps, Course Reps, and new Campaign reps.
Measures: At least 20,000 at Freshers Fayres, over 5,000 face to face "outreach" contacts with students.
- (ii) Powerful and effective representation
The Students' Union will use the information gathered through SU on Tour, the National Student Survey, and other sources to prioritise its campaigns for students and follow up with the University, the local Councils, landlords, and other organisations to address issues affecting students by lobbying, negotiating, and campaigning to achieve positive outcomes. It will support and encourage students to engage in their courses directly and through the SU's Officers, Course and School Reps, and the new SU Campaign Reps. The SU will report regularly to the student body about its work to improve their lives at the University through campaigning and representing their issues, ensuring that the findings of the NSS 2019 are implemented by the University, and the development of course-related societies and activity. The major campaigns in 2019/20 focus on learning and student experience, students' wellbeing, physical and mental health. These are described in detail within the TUSU Campaigns Priorities document which is published annually and will be used to promote the importance of Officers' work and the SU elections.
Measures: regular reports of action taken on students' issues, over 65% in NSS 2020 agree the Students' Union represents their academic interests, and over 10% of students vote in SU elections.

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

OBJECTIVES AND ACTIVITIES (continued)

Objectives for 2019/20 (continued)

(iii) Offering the best services for students

The Students' Union will run a variety of daytime orientation events (or 'Freshers Fayres') to engage with more local and mature students. It will develop healthier food options, and offer social activities for a wider range of students including alcohol-free events. It will maintain very high satisfaction levels and launch developments like 'student heat and eat' and transform the SU Building within the University's Campus Masterplan. The SU Activities will expand its 'active clubs and societies' and student groups with over 2,000 individual students participating, improve sports club performance in BUCS, and grow International student engagement in the SU activities and events, and support the TU Active campaign. The SU Student Support department will continue to grow usage of its services by students, with independent advice and information for students and a new Representation and Campaigns team, whilst the 'House Match' accommodation service with accreditation of landlords and the Nightline service will continue to help many students.

Measures: At least 75% satisfaction with SU services, over 2,000 members of clubs, societies, and other groups, over 150,000 visits to evening events.

(iv) Graduate employability

The Students' Union will offer graduate and in-course placements and employ over 200 student staff. It will offer an Enterprise and Employability service to improve the employability of students participating in the Union, so their experiences and training contribute positively to graduate employment rates. It will work closely with the University's Student Futures department to ensure a clear and comprehensive employability structure provides the help being given to students and graduates.

Measures: employ at least 200 student staff, work on two or more joint initiatives with Student Futures.

(v) Investing in our staff and volunteers

The Students' Union will continue to invest in its career and student staff, and volunteer training as part of its People Strategy. It will involve more student volunteers in its student opportunities and representation with Activities and Clubs, Course Rep, and Engagement Coordinators in post to support and develop the students involved. It will introduce new enterprise and employability initiatives for student staff and volunteers.

Measure: deliver training to at least 300 staff and volunteers, overall staff satisfaction over 75%.

(vi) Financial sustainability

The Students' Union will grow its trading income, with expanded catering and sponsorship, retail and licensed social events. Trading in the two venues will operate at a surplus and the Shop will generate an increased surplus. The SU will grow its External Trading links with the local community and the SU's business partners, so the trading company generates at least £50,000 profit that will be gifted to the charity. It will continue to manage budgets and make changes to maximise spending on the student experience, whilst remaining financially robust.

Measure: deliver operating surplus, maintain net free reserves equivalent to 4 months charitable operating expenditure.

(vii) Maintaining our building and infrastructure

The Students' Union will work with the University and students to redevelop the SU Building to encourage more visits to its services and improving its facilities to meet present and future students' needs as part of the Campus Masterplan.

Measure: Over 500,000 visits to SU Building in 2019/20 and progress made on the new SU Building proposal for the Campus.

(viii) Social responsibility and sustainability

The Students' Union will engage its members in improving the environmental impact of the Students' Union and University, building on the shared Eco-Campus Gold status. It will build on the Fairtrade University award. Within its Community Engagement Strategy the SU will develop its main connections with the Tees Valley, and use these to improve students' lives at the University.

Measures: Retain Eco-Campus Gold and Fairtrade University status.

Use of volunteers

The Student Union has involved volunteers in the delivery of many of its activities. There were over 450 students involved as school and course representatives and over 300 students involved as leaders of clubs and societies.

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

ACHIEVEMENTS AND PERFORMANCE

The Students' Union's performance against its published objectives for 2018/19:

	Objectives by Strategic Theme	Achievement
(i)	<p><u>Listening to students</u></p> <p>The Students' Union will continue to work with the University to understand the student population's expectations and be inclusive of all student groups. This will include monitoring the changing demographic mix to better understand different students' needs at University and to engage effectively with them by emphasising its core purpose of student representation, support, and student opportunities including social networks. This will be delivered through new daytime 'Freshers' events to engage with harder to reach student groups and large scale "outreach" with face to face student engagement across the University including SU on Tour and other research to identify the academic and other issues raised by students, combined with "in-reach" measures to ensure all student groups are represented by the SU, its Student Officers, School Reps, and Course Reps.</p> <p>Measures: At least 15,000 at Freshers Fayres, over 5,000 face to face "outreach" contacts with students.</p>	<p>The SU anticipated the rise in local and distant commuter students, saw an 8% increase in its daytime footfall to 465,000 and greater engagement with its services. The SU's Freshers and Refresh programmes attracted over 27,000 visits, up by 6,000. The early enrolment day was successful and will be expanded in September 2019.</p> <p>The SU expanded its International Student offer to recognise the growth in their on-campus student numbers.</p> <p>SU on Tour and other outreach work enabled 7,450 student contacts outside the SU Building, informing and signposting the students. This was an increase of 89% on the previous year and enabled the students' interests to be followed up with the University.</p>
(ii)	<p><u>Powerful and effective representation:</u></p> <p>The Students' Union will use the information gathered through SU on Tour, the National Student Survey, and other sources to prioritise its campaigns for students and follow up with the University, the local Councils, landlords, and other organisations to address issues affecting students by lobbying, negotiating, and campaigning to achieve positive outcomes. It will support and encourage students to engage in their courses directly and through the SU's Officers, Course and School Reps. The SU will report regularly to the student body about its work to improve their lives at the University through campaigning and representing their issues, ensuring that the findings of the NSS 2018 are implemented, and the development of course-related societies and activity. The major campaigns in 2018/19 will support students' health and wellbeing with the new 'Where's Your Head At?' overarching mental health campaign, Student Safe Spaces, Sexual Health Awareness & Guidance, researching Commuter Students' academic experience, and identifying Hidden Course Costs including paper-based submissions. Other campaigns include 'Yes To Respect,' anti-doping, and Alcohol Impact. These are described in detail within the TUSU Campaigns Priorities document which is published annually and will be used to promote the importance of Officers' work and the SU elections.</p> <p>Measures: regular reports of action taken on students' issues, at least 65% agree the Students' Union represents their interests, and over 10% of students voting in elections.</p>	<p>The main SU campaigns were identified based on SOC (Student Opinion Counts) research in 2017/18 and student feedback in the current year. The SU campaigns are being promoted by traditional and social media with Officer videos being well received. Work continued on the development of the Student Life Building design and service offer to ensure this University development meets students' needs.</p> <p>The University Executive Team agreed to SU requests for election support. The AGM approved changes to the election for 2019 so a similar turnout was achieved in two days without any election complaints.</p> <p>The SU on Tour report on semester one was published and distributed to University Schools and Depts for follow up actions. The SU Officer team engaged with over 8,000 students in 2018/19 including 1,429 met through SU on Tour, nearly as many as the previous two years combined.</p> <p>The SU worked with the University developing the Access and Participation Plan APP for 20/21, looking at different student segments' continuation, attainment, and progression to work/further study.</p> <p>The SU recruited a full time Representation and Campaigns Coordinator to train all its reps, including the new SU Campaign Reps.</p> <p>Successful NSS completion campaign set a new record response rate of 78%. The SU increased its score on NSS question 26 to 64% and was ranked 21st in the UK, third in the University Alliance.</p>

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

ACHIEVEMENTS AND PERFORMANCE (continued)

(iii)	<p><u>Offering the best services for students</u></p> <p>The Students' Union will expand the daytime orientation events (or 'Freshers Fayres') to engage with more local and mature students. It will introduce new services including 'Teesside Nightline,' expand use of the SU Studio social study space, develop healthier food options, and offer social activities for a wider range of students including alcohol-free events. It will maintain very high satisfaction levels and work to develop its services and transform the SU Building within the University's Campus Masterplan. The SU Activities will expand its 'active clubs and societies' to grow student participation to over 2,000 individual students, improve sports club performance in BUCS, and grow the 'English Language Café' to involve more international students in clubs and societies and SU excursions. The SU Student Support department will continue to grow usage of its services by students, including financial and employment advice and support, the 'House Match' accommodation service with accreditation of landlords, and the new Nightline service.</p> <p>Measures: At least 75% satisfaction with SU services, over 2,000 club and society members, over 150,000 visits to evening events.</p>	<p>The Nightline service was launched successfully in January 2019. The SU Studio space is being used more by students with consultation on developments to encourage this. International students were over 97% satisfied with the SU (UK 1st) and ranked clubs and societies 1st in UK and social facilities 1st in World ISB. The shifting demographics have moved the balance of membership numbers towards societies and excursions/projects, but the SU still offers a wide range of clubs and did well in BUCS. Overall 2,272 students were involved in SU Activities, up by 3%.</p> <p>SU Student Support has seen over 7,300 visits 58% more than in 2017/18 and 2016/17. Many of the student enquiries were resolved through drop-in but still a significant rise in new cases and their complexity. It also passed the Advice Quality Standard with a very positive assessment.</p> <p>Student trading sales are lower as expected due to the shift away from ticketed club nights that lowered the cost for students and the SU. The focus on evening 6pm-12am events has seen this footfall increase by 28%. With a 100% score on all the Best Bar None ratings, the SU licensed trade department joined the Gold One Hundred Club and was the UK runner up.</p>
(iv)	<p><u>Graduate employability:</u></p> <p>The Students' Union will offer graduate and in-course placements and employ over 200 student staff. It will have an Enterprise and Employability Coordinator and work closely with the University's Student Futures department to improve the employability of students participating in the Union, measuring training session engagement and positive impact on the DLHE graduate employment rates. It will work closely with the University's Student Futures department to publish a clear and comprehensive Employability Strategy to structure the help being given to students and graduates in the difficult economic times.</p> <p>Measures: employ at least 200 student staff, positive impact on DLHE for SU engaged students.</p>	<p>The SU has established a strong working relationship with the University's Student Futures (SF) department, an improved careers offer which SU has campaigned for. The SU met its 200 student employees annual target.</p> <p>The advertised number of part time jobs for students was significantly lower than last year, partly due to increase in SUSS visits. Many students were helped by SU Jobs desk and/or advised by E&E Coordinator in SU related fundraising activities and enterprise. The new jobs module developed by the SU brought nearly 27,000 UPV visits to SU Jobs webpage.</p> <p>The DLHE survey is now carried out externally and an SU specific analysis is no longer possible.</p>

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

ACHIEVEMENTS AND PERFORMANCE (continued)

(v)	<p><u>Investing in our staff and volunteers</u> The Students' Union will continue to invest in career and student staff, and volunteer training as part of its People Strategy, and action on the findings of its staff satisfaction survey. It will involve more student volunteers in its student opportunities and representation with Activities and Clubs, Course Rep, and Engagement Coordinators in post to support and develop the students involved. It will introduce new enterprise and employability initiatives for student staff and volunteers. Measure: deliver training to at least 300 staff and volunteers, overall staff satisfaction over 75%.</p>	<p>Over 700 student volunteer roles were active in the SU with training already delivered or being delivered in the current year. The TUSU Premium analysis of benefits of SU participation showed high participation rates and a positive correlation with higher progression/completion rates. SU involvement in students' entry year correlated to higher continuation rate into their second year.</p> <p>The SU's staff satisfaction survey shows high satisfaction levels e.g. 97% enjoy working at TUSU. Results and actions discussed by the Remuneration and HR Committee and published to staff.</p>
(vi)	<p><u>Financial sustainability:</u> The Students' Union will grow its trading income, with expanded catering and sponsorship, retail and licensed social events. Trading in the two venues operate at a surplus and the Shop will generate an increased surplus. The SU will grow its External Trading links with the local community and the SU's business partners, so the trading company generates at least £50,000 profit that will be gifted to the charity. It will continue to manage budgets and make changes to maximise spending on the student experience, whilst remaining financially robust. Measure: deliver operating surplus, maintain net free reserves equivalent to 4 months charitable operating expenditure.</p>	<p>The SU adapted to changes in the student demographic mix with more use of the Terrace for lower event costs to SU and students, and more external trading to generate funds. Despite the Radio 1 Big Weekend reducing Final Fling attendance the SU's trading generated a higher net surplus than last year.</p> <p>The 2019/20 budget was approved with the increased Block Grant and trading income applied to support the SU's membership services.</p> <p>The Net Free Reserves target is expected to be met at this financial year end.</p>
(vii)	<p><u>Maintaining our building and infrastructure:</u> The Students' Union will work with the University and students to improve the poor external appearance of the SU Building to encourage more visits to use its services and develop its internal facilities to meet present and future students' needs as part of the Campus Masterplan. Measure: Over 650,000 visits to SU Building in 2018/19 and ensure Campus Masterplan includes improvements to the SU Building's internal facilities and external appearance.</p>	<p>The SU's total visits of 645,000 was higher than in the previous 2 years but just short of annual target due to quieter term 2 and 3 on campus. The Hub was extended to increase space for day and night use.</p> <p>The University has agreed to a new SU Building close to or on the present central location. To ensure continuity of operations and minimise the financial impact temporary facilities are being considered.</p>
(viii)	<p><u>Social responsibility and sustainability:</u> The Students' Union will engage its members in improving the environmental impact of the Students' Union and University, building on the shared Eco-Campus Gold status. It will build on the Fairtrade University award. Within its Community Engagement Strategy the SU will develop its main connections with the Tees Valley, and use these to improve students' lives at the University. Measures: Retain Eco-Campus Gold and Fairtrade University status.</p>	<p>The SU has worked with the University to progress renewal of the Eco-Campus award, considering the progression from Gold to Platinum is achievable. A car parking survey of students and additional student bus services are being considered, in consideration of the rising proportion of commuter students.</p> <p>Eco-Campus Gold and Fairtrade University status are being maintained.</p>

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

FINANCIAL REVIEW

A summary of the results for the year is given on page 12 of the financial statements.

The Students' Union made a surplus on unrestricted funds of £11,263 (2018: £10,220). There was an overall deficit of £202,224 (2018 - deficit of £125,305). This was due to a £53,977 increase (2018: £42,981 decrease) in the pension scheme liability as explained in note 23, and a £165,411 (2018: £169,202) deficit on endowment funds. The net deficit from the Students' Union's continuing trading activities was £40,527 (2018 - deficit £45,226) before premises and support charges. The Students' Union continued to benefit from the recognition and support of the University, the recurrent Block Grant funding received was £1,393,665 (including £369,225 for leased facilities) (2018 - £984,068 and £363,608 for leased facilities).

There is a deficit on restricted fund balances of £1,563,134 (2018: £1,515,058 as restated) as a result of the multi-employer pension fund liability of £1,596,173 (2018: £1,542,196). This is explained in note 23. The long term repayment scheme for the Students' Union Superannuation Scheme deficit and the latest Actuarial Report have been approved by the Pensions Regulator. The Trustees recognise the importance of meeting future payments to fund the deficit and expect these will be drawn from University grants and other income of the Students' Union. The accounts have therefore been prepared on a going concern basis.

Endowment funds amounted to £343,627 (2018 - £509,038).

The Trustees have examined the requirement for free reserves, which are the unrestricted funds of £600,002 less £237,838 invested in fixed assets (£581,465 less capital grant fund of £343,627), designated for specific purposes or otherwise committed. At the year end this amounted to £362,164. The Trustees consider that they require four months of non-trading expenditure which equates to approximately £344,000. This level of reserves is required to cover for potential uncertainties in income that could affect the funding of the charitable expenditure, and to ensure that funds are available for maintenance of the facility.

Future funding

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2019/20 has been confirmed at £1,033,590 and the commercial activities are expected to generate funds. These resources will be applied in service provision to deliver public benefit via the charity objects.

Tees S U Limited

Tees S U Limited is a 100% subsidiary of the charity which was incorporated on 23 September 2010 and started to trade in that year. The subsidiary's activities provide income for the benefit of the students but cannot be directly attributable to the Students' Union's primary or ancillary purposes.

The trustees are satisfied with the results of the subsidiary and the profit generated of £85,977 (2018 - £69,229), of which £85,977 (2018 - £69,229) has been gift aided to the Students' Union.

PLANS FOR FUTURE PERIODS

The Students' Union is operating within its Strategic Plan for 2016 - 2020. This includes the mission and vision with goals and actions within eight strategic themes to ensure TUSU continues to deliver public benefit by meeting the needs of Teesside students in the future. The annual operational plan incorporates the immediate priorities.

The Trustees have monitored developments in Higher Education and engaged with the University in its recruitment and student experience planning. The Students' Union has reviewed its student opportunities, support, representation, and social provision based on student feedback in 2017/18 and 2018/19. It will deliver these services to a wider student demographic in the coming year. The Board will continue to monitor developments and will act to ensure that the Charity continues to deliver public benefit via provision of services and activities in accordance with its charity objects.

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Students' Union is constituted under the Education Act and the Regulations of Teesside University Higher Education Corporation. The Students' Union is responsible for giving representation and support to the students of Teesside University and is governed by its Constitution and supporting Bye-Laws.

The Students' Union has provision for nine members on its Board of Trustees. Four are External Trustees and two are Student Trustees, all appointed by the Appointments Committee of the Board of Trustees. The three Officer Trustees (also known as "Student Officers") are students elected by cross-campus secret ballot for a one-year term of office as President Education, President Welfare, and President Activities. These are full time or 'sabbatical' positions and receive remuneration as authorised by the Education Acts. No one can be on a sabbatical for more than two years. The Students Union has an induction process for each group of trustees that is designed to support their development. There is also an annual effectiveness review for all trustees.

Teesside University Students' Union is a charity with the ultimate decision making power being vested in its Board of Trustees. The Students' Union is a democratic organisation and the Board of Trustees delegates authority to the following democratic bodies with safeguards ensuring legality of these decisions: Athletic Union, Societies Federation, Student Representative Forum, Elected Officer Committee, and Scrutiny Committee.

The Officer Trustees oversee the day to day running of the Students' Union and are accountable to the student body and the Board of Trustees. All Trustees receive an induction into their legal and administrative responsibilities, with an ongoing programme of development during their term of office.

The Officer Trustees and senior managers meet regularly as the Leadership Team to receive reports from officers, the Chief Executive and other senior managers. This Leadership Team is the day to day decision making body of the Students' Union for all significant business. Teesside University Students' Union employs non-student staff to ensure effective management of its many activities and to implement the policy decisions made by the democratic bodies of the Students' Union. There is delegated authority through the Chief Executive for operational decision making and accountability within the departments of the Students' Union, in accordance with a written structure.

Relationship with Teesside University

The relationship between the University and the Students' Union is established in the Regulations of the University and detailed in articles approved by both organisations. The Students' Union receives a Block Grant from the University based on student numbers and part-occupies a building owned by the University. A lease was put in place from 1 August 2015 with the resulting charge for rent, maintenance, utilities, caretaking and cleaning staff being included in the year end accounts. Although the Students' Union successfully runs various mutual trading activities and external trading with the public through a subsidiary company it will always be dependent on the support of the University. There is no reason to believe that this support will not continue for the foreseeable future as the Union is an integral part of the University structure.

Pay policy for senior staff

The Trustees consider the senior staff to be the four Officer Trustees and two Senior Managers of the Students' Union and set the remuneration of these posts in accordance with its Job Grading Policy. The Remuneration and HR Committee of the Board of Trustees considers the grading of new positions and regrading applications for existing roles with changed responsibilities. The remuneration, expenses, and any related party transactions of the five senior staff are shown in note 10.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Students' Union faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

A strategic risk register is maintained and major risks identified include potential reduction in student numbers, liability risk associated with operations and strength of relationship with University.

Teesside University Students' Union
and its Subsidiary Company

Report of the Trustees for the Year Ended 31 July 2019

Trustees responsibilities

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Union and of the incoming resources and application of resources of the Union for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Union 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Trustee statement

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.



Sophie Bennett
President Welfare and Chair of the Trustees

Date: 17/10/19

Teesside University Students' Union
and its Subsidiary Company

Independent Auditor's Report to the Trustees of
Teesside University Students' Union
and its Subsidiary Company

Opinion

We have audited the financial statements of Teesside University Students' Union Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 July 2019 which comprise Group Statement of Financial Activities, the Group and the Parent Balance Sheet, and the Group and Parent Charity Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 and parent charity's affairs as at 31 July 2019, and of the group's incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Teesside University Students' Union
and its Subsidiary Company

Independent Auditor's Report to the Trustees of
Teesside University Students' Union
and its Subsidiary Company

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements which 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's Charity ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Board of Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Anderson Barrowcliff LLP
Statutory Auditor
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX



Date: 18 October 2019

Teesside University Students' Union
and its Subsidiary Company

Consolidated Statement of Financial Activities
for the Year Ended 31 July 2019

		<u>Restricted</u>	<u>Un- Restricted</u>	<u>Endowment</u>	<u>Total 2019</u>	<u>Total 2018 as restated</u>
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	94,214	1,394,860	-	1,489,074	1,759,481
Charitable activities:	3					
Bars, kitchen, games and vending & Entertaining		-	685,630	-	685,630	784,353
Shop		-	389,976	-	389,976	363,576
Sponsorship		-	68,141	-	68,141	62,532
Other charitable activities		44,375	43,175	-	87,550	107,491
Other trading activities:						
Commercial trading activity	4	-	374,004	-	374,004	355,896
Investment income – interest received	5	-	1,524	-	1,524	164
Total income		138,589	2,957,310	-	3,095,899	3,433,493
Expenditure on:						
Raising funds:						
Commercial trading activity	6	-	288,027	-	288,027	286,667
Charitable activities:						
Representing, supporting & advising Students		-	375,827	22,915	398,742	370,904
Representative channel to the University and other external bodies		-	213,299	-	213,299	211,617
Social cultural, sporting & recreational, and forum for student development		132,688	497,633	71,265	701,586	718,082
Bars, games, kitchen & entertainment		-	1,093,290	71,231	1,164,521	1,251,140
Shop		-	426,522	-	426,522	393,516
Sponsorship		-	51,449	-	51,449	44,694
Pension		-	-	-	-	325,159
	7	132,688	2,658,020	165,411	2,956,119	3,315,112
Total expenditure		132,688	2,946,047	165,411	3,244,146	3,601,779
Net income/(expenditure)		5,901	11,263	(165,411)	(148,247)	(168,286)
Other recognised gains/(losses):						
Losses on multi-employer pension scheme liability	23	(53,977)	-	-	(53,977)	42,981
Net movement in funds		(48,076)	11,263	(165,411)	(202,224)	(125,305)
Reconciliation of funds:						
Total funds brought forward						
As previously reported	12	(1,624,901)	588,739	509,038	(527,124)	(291,976)
Prior year adjustment		109,843	-	-	109,843	-
		(1,515,058)	588,739	509,038	(417,281)	(291,976)
Total funds carried forward	18,19,20	(1,563,134)	600,002	343,627	(619,505)	(417,281)

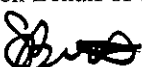
The notes form part of these financial statements

**Teesside University Students' Union
and its Subsidiary Company**

Consolidated Balance Sheet as at 31 July 2019

	Notes	<u>2019</u>		<u>2018</u>	
		<u>Charity</u>	<u>Group</u>	<u>Charity</u>	<u>Group</u>
		£	£	as restated £	as restated £
Fixed assets					
Tangible fixed assets	13	581,465	581,465	793,535	793,535
Investments	14	1	-	1	-
		<u>581,466</u>	<u>581,465</u>	<u>793,536</u>	<u>793,535</u>
Current assets					
Stocks held by bars, shops & other outlets		37,785	37,785	40,486	40,486
Debtors & prepayments	15	473,928	473,928	406,699	406,699
Cash at bank & in hand		677,706	677,707	682,132	682,133
		<u>1,189,419</u>	<u>1,189,420</u>	<u>1,129,317</u>	<u>1,129,318</u>
Creditors: Amounts falling due within one year	16	794,217	794,217	797,938	797,938
Net current assets		<u>395,202</u>	<u>395,203</u>	<u>331,379</u>	<u>331,380</u>
Net asset excluding pension liability		<u>976,668</u>	<u>976,668</u>	<u>1,124,915</u>	<u>1,124,915</u>
Multi-employer pension scheme liability	23	(1,596,173)	(1,596,173)	(1,542,196)	(1,542,196)
Total net (liabilities) / assets		<u>(619,505)</u>	<u>(619,505)</u>	<u>(417,281)</u>	<u>(417,281)</u>
The funds of the charity:					
Endowment Funds:					
Capital Grants Fund	19	343,627	343,627	509,038	509,038
Restricted income funds:					
Club & Society accounts	20	14,289	14,289	19,222	19,222
Student Experience Fund	20	13,266	13,266	65	65
Student Hardship Fund	20	5,484	5,484	7,422	7,422
Rag Fund	20	-	-	429	429
		<u>33,039</u>	<u>33,039</u>	<u>27,138</u>	<u>27,138</u>
Restricted pension funds:					
Multi-employer pension fund	23	(1,596,173)	(1,596,173)	(1,542,196)	(1,542,196)
		<u>(1,563,134)</u>	<u>(1,563,134)</u>	<u>(1,515,058)</u>	<u>(1,515,058)</u>
Unrestricted:					
Accumulated Fund	18	600,002	600,002	588,739	588,739
		<u>600,002</u>	<u>600,002</u>	<u>588,739</u>	<u>588,739</u>
Total funds	21	<u>(619,505)</u>	<u>(619,505)</u>	<u>(417,281)</u>	<u>(417,281)</u>

Approved on Behalf of Teesside University Students' Union on ...17/10/19... by:


Sophie Bennett
President Education

The notes form part of these financial statements

Teesside University Students' Union
and its Subsidiary Company

Statement of Cash Flows and Consolidated
Statement of Cash Flows for year ended 31 July 2019

		<u>2019</u>		<u>2018</u>	
	<u>Note</u>	<u>Charity</u> <u>£</u>	<u>Group</u> <u>£</u>	<u>Charity</u> <u>£</u>	<u>Group</u> <u>£</u>
Cash used in operating activities	28	16,098	16,098	155,909	155,909
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(22,048)	(22,048)	(29,290)	(29,290)
Interest received		1,524	1,524	164	164
Net cash flow used in investing activities		(20,524)	(50,524)	(29,126)	(29,126)
Change in cash and cash equivalents in the year		(4,426)	(4,426)	126,783	126,783
Cash and cash equivalents at the beginning of the year		682,132	682,133	555,349	555,350
Cash and cash equivalents at the end of the year		677,706	677,707	682,132	682,133

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

1 Accounting Policies

(a) General information and basis of preparation

Teesside University Students Union is an unincorporated registered charity in England. The principal address is given in the Report of the Trustees on page 1. The nature of the Union's operations and principal activities are the advancement of education of students at Teesside University.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

(b) Going Concern

The financial statements are prepared on a going concern basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts. The Trustees consider that there are no material uncertainties about the Union's ability to continue as a going concern. An amount was received from the University in the prior year to cover the advance payment of three years deficit payments. No other amounts are included in the financial statements for future grants from the University in respect of the SUSS pension deficit, although past practice of earmarked grant funding is expected to continue in the future.

The financial statements are prepared in sterling which is the functional currency of the Union and rounded to the nearest £.

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

(c) Group financial statements

The financial statements consolidate the results of the Union and its wholly owned subsidiary Tees S U Limited on a line by line basis.

(d) Income recognition

All incoming resources are recognised in the Statement of Financial Activities (SOFA) when the Union is legally entitled to the income after any performance conditions have been met, and the amount can be measured reliably and it is probable that the income will be received.

Revenue grants other than the block grant are credited to the SOFA in the year in which they are received. The block grant is credited to the SOFA in the year in which it is receivable. In the SOFA grants are shown as income and the related expenditure disclosed as appropriate.

Donated facilities and services from the University are accounted for as income and expenditure for the year at an estimated value to Teesside University Students' Union.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

(e) **Expenditure recognition**

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

- Costs of raising funds comprise the costs of commercial trading including cost of sales and their associated support costs.
- Expenditure on charitable activities includes the costs associated with the advancement of education of students at Teesside University.
- Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs which can be directly allocated to activities and those costs of an indirect nature necessary to support them. Costs are allocated between the expenditure categories of the SOFA based on usage of the resource. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

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

(f) **Allocation of support costs**

Support costs are those that assist the work of the Union but do not directly represent charitable activities and include office costs, finance, personnel, payroll and governance costs, which support the Union's activities. These costs have been allocated to expenditure on charitable activities. The bases on which the support costs have been allocated are set out in note 8.

(g) **Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Assets are capitalised if they cost more than £1,000 and are expected to last more than a year.

Equipment, fixtures and fittings are included at cost. Depreciation is provided at the following annual rates in order to write the cost of assets off over their estimated useful lives:-

Fixtures and Fittings	- between 3 – 7 years on straight line
Computer and Office Equipment	- between 3 – 7 years on straight line
Improvements to Buildings	- between 7 years and the expected life of the buildings

(h) **Investments**

Fixed asset investments are valued at cost. This represents the investment in the 100% subsidiary.

(i) **Pension costs**

Teesside University Students' Union (TUSU) participates in the NUS pension scheme, a money purchase pension scheme. This scheme is not defined benefit and so cannot build up a deficit. The only money ever paid into this scheme is the contribution rates set by the employer. This scheme became active 1 October 2011. The Students' Union Superannuation Scheme closed to new members and accrual of future benefits ceased at this date. TUSU continues to fund this scheme as described in the next paragraph.

Teesside University Students' Union (TUSU) participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension.

The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the Trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. Under the terms of FRS 102 the liability of the future payments has been estimated using net present value calculations and included on the Balance Sheet.

(j) **Operating Leases**

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

1 Accounting Policies continued/....

(k) **Stock**

Stock is valued at the lower of the cost and its net realisable value.

(l) **Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

(m) **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of one year or less from the date of acquisition or opening of the deposit or similar account.

(n) **Financial instruments**

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

(o) **Fund accounting**

The Students' Union has three distinct types of fund in its balance sheet:-

- (i) Unrestricted, or general, funds arising from the accumulated surplus from its various activities;
- (ii) Restricted funds representing surpluses set aside by the Students' Union for specific purposes, such as Club and Societies Accounts. It also includes monies placed in the custody of the Students' Union but not under its control, such as the Student Hardship Fund.
- (iii) Endowment Funds represent those assets which must be held permanently by the Charity in the form of fixed assets. It is considered to be an expendable endowment fund and as such it is being released to unrestricted funds over a period to match the depreciation charged on the assets.

(p) **Judgements and Key sources of estimation uncertainty**

In the application of the Union's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements:

Valuation of multi-employer pension liability

As detailed in note 23, the multi-employer pension liability has been calculated on assumptions provided by the most recent valuation from the actuary. The estimated liability has been discounted using a net present value calculation. Given the changing nature of multi-employer pension schemes, the liability estimated can be subject to fluctuations.

**Teesside University Students' Union
and its Subsidiary Company**

Notes to the Accounts for the Year Ended 31 July 2019

2 Donations and Legacies

	<u>Restricted</u>	<u>Un- Restricted</u>	<u>Endowment</u>	<u>Total 2019</u>	<u>Total 2018</u>
	£	£	£	£	£
Block Grant from Teesside University	-	1,024,440	-	1,024,440	984,068
Grant for Facilities and Services	-	369,225	-	369,225	363,608
Earmarked funding grants received from University (club/society donations)	3,605	-	-	3,605	32,198
Earmarked funding grants received for (club and society)	622	-	-	622	1,522
Earmarked funding grants received from University (Student Experience)	52,350	-	-	52,350	27,352
Earmarked funding received from University (Sports Facilities)	29,822	-	-	29,822	19,918
Earmarked funding received University (Nightline)	5,000	-	-	5,000	-
Earmarked funding received from University (Pension Deficit 3 Year Advanced Payment)	-	-	-	-	325,159
Campaign contribution	-	1,195	-	1,195	3,719
Funds raised for Rag Fund	2,815	-	-	2,815	1,937
	<u>94,214</u>	<u>1,394,860</u>	<u>-</u>	<u>1,489,074</u>	<u>1,759,481</u>

Income from donations and legacies for 2018 was £1,759,481 of which £ 408,086 was attributable to restricted funds £1,351,395 was attributable to unrestricted funds.

3 Incoming Resources from Charitable Activities

	<u>Restricted</u>	<u>Un- Restricted</u>	<u>Endowment</u>	<u>Total 2019</u>	<u>Total 2018</u>
	£	£	£	£	£
Bars, kitchen, games and vending & Entertaining	-	685,630	-	685,630	784,353
Shop	-	389,976	-	389,976	363,576
Sponsorship	-	68,141	-	68,141	62,532
<i>Other charitable activities:</i>					
Awards Dinner Sponsorship Income	-	2,250	-	2,250	2,400
Club & Society Membership Income	44,375	33,181	-	77,556	96,491
Student Activities Income	-	2,761	-	2,761	2,739
Website Income	-	1,046	-	1,046	2,166
Welcome Desk Income	-	3,937	-	3,937	3,695
	<u>44,375</u>	<u>1,186,922</u>	<u>-</u>	<u>1,231,297</u>	<u>1,317,952</u>

Income from charitable activities for 2018 was £1,317,952 of which £56,500 was attributable to restricted funds and £1,261,452 was attributable to unrestricted funds.

4 Income from other trading activities

	<u>Restricted</u>	<u>Un- Restricted</u>	<u>Endowment</u>	<u>Total 2019</u>	<u>Total 2018</u>
	£	£	£	£	£
Bars, kitchen and entertaining income from Tees S U Limited	-	374,004	-	374,004	355,896
	<u>-</u>	<u>374,004</u>	<u>-</u>	<u>374,004</u>	<u>355,896</u>

Income from other trading activities for 2018 was £355,896 all of which was attributable to unrestricted funds.

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

5 Investment income – interest received

	<u>Restricted</u>	<u>Un- Restricted</u>	<u>Endowment</u>	<u>Total 2019</u>	<u>Total 2018</u>
	£	£	£	£	£
Interest received	-	1,524	-	1,524	164
	-	1,524	-	1,524	164

Income from interest received for 2018 was £164 all of which was attributable to unrestricted funds.

6 Costs of raising funds

	<u>Restricted</u>	<u>Un- Restricted</u>	<u>Endowment</u>	<u>Total 2019</u>	<u>Total 2018</u>
	£	£	£	£	£
Costs of sales	-	102,985	-	102,985	96,069
Staff costs	-	147,837	-	147,837	149,540
Other costs	-	37,205	-	37,205	41,057
	-	288,027	-	288,027	286,667

Costs of raising funds for 2018 was £286,667 all of which was attributable to unrestricted funds.

Teesside University Student's Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

7 Expenditure on charitable activities

Notes	Representing, supporting & advising Students	Repre- sentative channel to the Univ. & other external bodies	Social, cultural, sporting & recreational, and forum for student develop- ment	Bars, games, kitchen & entertainment	Shop	Sponsorship	Pension Deficit	Split over Funds			
								Unrestricted	Restricted	Endowment	Total
								Total	Total	Fund	£
	£	£	£	£	£	£	£	£	£	£	£
2018/19											
Cost allocated directly to activities											
Cost of Sales	-	-	1,171	305,780	283,753	34,124	-	624,828	-	-	624,828
Staff costs	195,750	87,646	132,692	387,367	80,325	6,852	-	890,632	-	-	890,632
Other costs	39,347	30,587	265,823	195,949	20,166	-	-	551,872	-	165,411	551,872
Facilities and Services expenditure	21,125	3,400	100,400	222,500	21,800	-	-	369,225	-	-	369,225
Student Experience expenditure	-	-	39,149	-	-	-	-	39,149	-	-	39,149
Sport Facilities Expenditure	-	-	29,822	-	-	-	-	29,822	-	-	29,822
Grants and Donations made	10,182	-	4,227	-	-	-	-	14,409	-	-	14,409
Club & Society Deposit Expenditure	-	-	49,308	-	-	-	-	49,308	-	-	49,308
Support costs allocated to activities	123,524	83,045	72,767	48,098	17,927	9,129	-	354,490	-	-	354,490
Governance Costs	8,814	8,621	6,227	4,827	2,551	1,344	-	37,384	-	-	37,384
Total costs for charitable activities	398,742	213,299	701,586	1,164,521	426,522	51,449	-	2,956,119	132,688	165,411	2,956,119

Notes	Representing, supporting & advising Students	Repre- sentative channel to the Univ. & other external bodies	Social, cultural, sporting & recreational, and forum for student develop- ment	Bars, games, kitchen & entertainment	Shop	Sponsorship	Pension Deficit	Split over Funds			
								Unrestricted	Restricted	Endowment	Total
								Total	Total	Fund	£
	£	£	£	£	£	£	£	£	£	£	£
2017/18											
Cost allocated directly to activities											
Cost of Sales	-	-	794	385,100	260,911	28,080	-	674,885	-	-	674,885
Staff costs	179,479	77,938	131,126	402,763	74,746	6,118	-	872,170	-	-	872,170
Other costs	37,867	44,539	271,095	195,506	17,181	-	-	566,188	-	169,202	566,188
Facilities and Services expenditure	20,700	3,608	98,800	219,000	21,500	-	-	363,608	-	-	363,608
Student Experience expenditure	-	-	27,287	-	-	-	-	27,287	-	-	27,287
Grow the Game Expenditure	-	-	1,400	-	-	-	-	1,400	-	-	1,400
Sport Facilities Expenditure	-	-	19,918	-	-	-	-	19,918	-	-	19,918
Pension – 3 Year Advance Payment	-	-	-	-	-	-	325,159	325,159	-	-	325,159
Grants and Donations made	7,006	-	25,173	-	-	-	-	32,179	-	-	32,179
Club & Society Deposit Expenditure	-	-	67,947	-	-	-	-	67,947	-	-	67,947
Support costs allocated to activities	117,807	77,652	68,738	44,497	16,879	9,244	-	334,817	-	-	334,817
Governance Costs	8,045	7,880	5,804	4,274	2,299	1,252	-	29,554	-	-	29,554
Total costs for charitable activities	370,904	211,617	718,082	1,251,140	393,516	44,694	325,159	3,315,112	473,890	169,202	3,315,112

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

8 Support Costs

	<u>Promoting the interests & welfare, Rep support advise students</u>	<u>Representative Channel to the University & external</u>	<u>Social, cultural & recreational</u>	<u>Bars, games, kitchen & entertainment</u>	<u>Shop</u>	<u>Sponsorship</u>	<u>Unrestricted Total</u>	<u>Restricted Total</u>	<u>Total</u>
	£	£	£	£	£	£	£	£	£
<u>Basis of Allocation</u>									
Support costs allocated to activities									
Central staff costs	59,550	57,745	47,594	30,000	8,798	-	203,687	-	203,687
Marketing costs	17,937	17,936	17,937	17,937	8,968	8,968	89,683	-	89,683
Trustee Board costs	161	161	162	161	161	161	967	-	967
NUS subscriptions	38,163	-	-	-	-	-	38,163	-	38,163
Premises costs	4,531	4,531	4,530	-	-	-	13,592	-	13,592
General Office costs	2,034	2,034	2,033	-	-	-	6,101	-	6,101
Legal & Professional fees	-	-	-	-	-	-	-	-	-
Other costs	1,148	638	511	-	-	-	2,297	-	2,297
	123,524	83,045	72,767	48,098	17,927	9,129	354,490	-	354,490
Governance costs									
Central Staff costs	6,656	6,463	4,069	3,483	1,208	-	21,879	-	21,879
Trustee Board costs	27	27	27	27	27	27	162	-	162
Premises costs	503	503	504	-	-	-	1,510	-	1,510
General Office costs	226	226	226	-	-	-	678	-	678
Legal & Professional fees	1,317	1,317	1,316	1,317	1,316	1,317	7,900	-	7,900
Other costs	85	85	85	-	-	-	255	-	255
	8,814	8,621	6,227	4,827	2,551	1,344	32,384	-	32,384
Grants & Donations made									
Rag Fund	3,244	-	-	-	-	-	-	3,244	3,244
Student Hardship Fund	1,938	-	-	-	-	-	-	1,938	1,938
	5,182	-	-	-	-	-	-	5,182	5,182

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

9 Net income/expenditure for the year

Net income/expenditure is stated after charging:

	<u>2019</u>	<u>2018</u>
	£	£
Operating leases	1,454	1,454
Depreciation	233,773	232,214
Auditors remuneration:		
Audit fees	7,500	7,300
Accountancy fees	670	670

10 Trustees' and key management personnel remuneration and expenses

The full time (sabbatical) Officer Trustees as noted on page 1 were the only members of the Board of Trustees to receive any remuneration, as permitted by the constitution. The salary costs were as follows:-

	<u>2019</u>	<u>2018</u>
	£	£
Total employment benefits	<u>65,141</u>	<u>65,227</u>

Members of the Board of Trustees and Officer Trustees are reimbursed for their travel costs and any other expenses incurred during the course of their duties. Total Trustee expenses for the year amounted to £231 (2018: £1,058). The number of Trustees reimbursed for expenses in the year was 3 (2018: 6).

The total amount of employee benefits received by key management personnel is £172,559 (2018 - £170,176). The Trust considers its key management personnel comprise the President Activities, President Education, President Welfare, Chief Executive and Deputy Chief Executive. There are 4 (2018 - 4) key management personnel accruing pension arrangements.

11 Staff Costs and employee benefits

Staff costs were as follows:-

	<u>2019</u>	<u>2018</u>
	£	£
Wages & salaries	1,221,726	1,213,332
Social security	71,823	67,716
Pension costs	23,621	18,312
	<u>1,317,170</u>	<u>1,299,360</u>

No employee earned over £60,000 per annum.

The average monthly number of employees and full time equivalent during the year was as follows:

	2019 Number	2019 FTE	2018 Number	2018 FTE
Raising funds	36	6	37	7
Charitable activities	284	50	266	51
Governance	1	1	1	1
	<u>321</u>	<u>57</u>	<u>304</u>	<u>59</u>

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

12 Prior year adjustment

The prior year adjustment totalling £109,843 relates to the correction of the Multi-pension pension liability at 31 July 2018 due to an error in calculating the net present value of the liability.

**13 Tangible Fixed Assets
Group and Company**

	<u>Fixtures, Fittings & Equipment</u>	<u>Total</u>
	<u>Group & Charity</u>	<u>Group & Charity</u>
	<u>£</u>	<u>£</u>
Cost		
At 1 August 2018	2,500,324	2,500,324
Additions	22,048	22,048
Disposals	(10,050)	(10,050)
At 31 July 2019	<u>2,512,322</u>	<u>2,512,322</u>
Depreciation		
At 1 August 2018	1,706,789	1,706,789
Charge for the year	233,773	233,773
Disposals	(9,705)	(9,075)
At 31 July 2019	<u>1,930,857</u>	<u>1,930,857</u>
Net Book Values		
At 31 July 2019	<u>581,465</u>	<u>581,465</u>
At 31 July 2018	<u>793,535</u>	<u>793,535</u>

The net book value of fixed assets represents:-

	<u>Charity</u>	<u>Group</u>
	<u>£</u>	<u>£</u>
Assets used for direct charitable purposes	560,682	560,682
Other purposes	20,783	20,783
	<u>581,465</u>	<u>581,465</u>

14 Fixed Asset Investments

Investments held by the charity includes a £1 (2018 - £1) investment in the subsidiary which represents 100% of the issued share capital of Tees S. U. Limited (registered number: 07385982). The nature of business was that of letting of the Student Union facilities. Further details are given in note 26.

15 Debtors - Group and Company

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Trade debtors	41,491	67,350
Other debtors	973	-
Prepayments & accrued income	431,464	339,349
	<u>473,928</u>	<u>406,699</u>

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

16 Creditors: Amounts Falling Due Within One Year
Group and Company

	<u>2019</u>	<u>2018</u>
	£	£
Trade creditors	49,226	65,711
Social security & other taxes	41,562	46,714
Other creditors	629	5,472
Accruals	398,955	385,573
Deferred income	303,845	294,468
	<u>794,217</u>	<u>797,938</u>

Deferred income comprises block grant income, ticket sales and events income relating to future periods.

17 Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:-

	<u>2019</u>	<u>2018</u>
	£	£
Plant and Machinery		
Less than one year	1,454	1,454
More than one year and not later than five years	363	363
Land and Buildings		
Less than one year	125,000	125,000
	<u>126,817</u>	<u>126,817</u>

18 Unrestricted funds

	Balance at 1 August 2018 £	Income £	Expenditure £	Balance at 31 July 2019 £
Unrestricted	588,739	2,957,310	2,946,047	600,002
	<u>588,739</u>	<u>2,957,310</u>	<u>2,945,047</u>	<u>600,002</u>

19 Endowment Funds – Capital Grant Fund

	<u>Toilet</u> <u>(2011)</u>	<u>Recep-</u> <u>-tion</u> <u>(2013)</u>	<u>Offices</u> <u>(2009)</u>	<u>1st Floor</u> <u>(2014)</u>	<u>2nd</u> <u>Floor</u> <u>(2017)</u>	<u>Total</u> <u>2019</u>	<u>Total</u> <u>2018</u>
	£	£	£	£	£	£	£
At 1 August 2018	1,285	28,883	2,180	446,851	29,839	509,038	678,240
Additional Grants from University	-	-	-	-	-	-	-
Released to SOFA	(1,285)	(7,220)	(2,180)	(148,951)	(5,775)	(165,411)	(169,202)
At 31 July 2019	<u>-</u>	<u>21,663</u>	<u>-</u>	<u>297,900</u>	<u>24,064</u>	<u>343,627</u>	<u>509,038</u>

This represents monies provided by the University for various refurbishments.

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

20 Restricted Funds

	<u>Clubs & Societies Deposits</u> £	<u>Student Hardship Fund</u> £	<u>RAG</u> £	<u>Nightline</u> £	<u>Student Experience</u> £	<u>Sports Facilities</u> £	<u>Sub Total</u> £	<u>Pension Deficit as restated</u> £	<u>Total as restated</u> £
Balance at 1 August 2018	19,222	7,422	429	-	65	-	27,138	(1,542,196)	(1,515,058)
Collections-RAG	-	-	2,815	-	-	-	2,815	-	2,815
Earmarked funding received from University – Club and Society Donations	3,605	-	-	-	52,350	-	55,955	-	55,705
Earmarked funding received from Miscellaneous Club and Society Donations	622	-	-	-	-	-	622	-	872
Earmarked funding received from University – Nightline	-	-	-	5,000	-	-	5,000	-	5,000
Earmarked funding from University – Sports Facilities	-	-	-	-	-	29,822	29,822	-	29,822
Clubs & Society – Membership Income	44,375	-	-	-	-	-	44,375	-	44,375
Outgoing									
Rag Donations made	-	-	(3,244)	-	-	-	(3,244)	-	(3,244)
Hardship Fund Donations made	-	(1,938)	-	-	-	-	(1,938)	-	(1,938)
Student Experience Expenditure	-	-	-	-	(39,149)	-	(39,149)	-	(39,149)
Clubs & Society Donations made	(4,227)	-	-	-	-	-	(4,227)	-	(4,227)
Nightline Expenditure	-	-	-	(5,000)	-	-	(5,000)	-	(5,000)
Sports Facilities Expenditure	-	-	-	-	-	(29,822)	(29,822)	-	(29,822)
Clubs & Society – Membership Expenditure	(49,308)	-	-	-	-	-	(49,308)	-	(49,308)
Movement in pension deficit	-	-	-	-	-	-	-	(53,977)	(53,977)
Net Movements	(4,933)	(1,938)	(429)	-	13,201	-	5,901	(53,977)	(48,076)
Carried Forward	14,289	5,484	-	-	13,266	-	33,039	(1,596,173)	(1,563,134)
Represented by: Net Current Assets	14,289	5,484	-	-	13,266	-	33,039	(1,596,173)	(1,563,134)

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

20 Restricted Funds (continued)

The Clubs and Societies consist of both money from the Students' Union and the students to support the running of the various clubs and societies.

The Student Hardship Fund was created in 1987/88 to provide financial assistance to TUSU members in cases of genuine hardship. Its funds have been raised through specific fund raising events and are administered on its behalf by the Students Union's Trustees in accordance with written regulations. University of Teesside Students' Union holds the funds of the Student Hardship Fund, and its Trustees are Trustees of the fund.

The Rag Fund represents fund raising events held by Students' Union which have not yet been distributed to other charities. The assets are held in the form of cash at bank and are recorded separately within the accounting records of the Students' Union.

The Nightline funding was received from the University to support a dedicated nightline for students to ring for support on evenings and weekends.

The Student Experience funding was received from the University to enhance the student experience through course based trips to enhance their experience in their chosen field.

The Sports Facilities Fund was established to hold earmarked annual funding from Teesside University for expenditure on sporting facilities within the Tees Valley area due to ongoing building work on campus.

21 Analysis of net assets between funds - group

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Endowment</u> <u>Fund</u>	<u>Total</u>
	£	£	£	£
Fixed assets	237,838	-	343,627	581,465
Current assets	1,156,381	33,039	-	1,189,420
Liabilities	(794,217)	-	-	(794,217)
Pension scheme liability	-	(1,596,173)	-	(1,596,173)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 July 2019	600,002	(1,563,134)	343,627	(619,505)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

22 Related party transactions

The Union was in receipt of grants from Teesside University for the year amounting to £1,115,217 (2018: £1,388,695).

The Union occupied its building on a rent free basis, the value of the notional rent and services amounted to £369,225 (2018: £363,608) this is to be invoiced to the Union post year end and an additional grant is to be made by the University to cover this expense.

The Officer Trustees on the Trustee board receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £65,141 (2018: £65,227)

23 Pension Costs

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

The most recent valuation of the scheme was carried out as at 30 June 2016 and showed that the market value of the scheme's assets was £101,300,000 with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119,700,000.

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

Principal Actuarial Assumptions

	<u>31 July</u> <u>2019</u>
	% per annum
Rate of increase in pensions post 1997	3.6
Rate of increase in pensions post 2000	3.1
Discount rate pre-retirement	4.3
Discount rate post retirement	2.3
Inflation assumption (CPI)	2.2
Inflation assumption (RPI)	3.2

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

23 Pension Costs - continued

The 2016 valuation recommended a monthly contribution requirement by each Union expressed in monetary terms intended to clear the ongoing funding deficit by June 2033 and increased by 20% in 2017/18 and will increase by 5% in 2018/19 and 2019/20. A revised investment strategy has also been implemented including a liability –driven investment approach, which is designed to reduce the volatility in the Scheme's funding level going forwards, and therefore the volatility of contributions required. These contributions also include an allowance for cost of the ongoing 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 Students' Union future contribution commitment. In addition to the above contributions, the Students' Union also pays its share of the scheme's levy to the Pension Protection Fund.

Under FRS102 the multi-employer pension liability has been calculated based on the assumptions of the above expected deficit payments:-

	<u>2019</u>	<u>2018</u> <u>as restated</u>
	£	£
Multi-employer pension liability at 1 August	1,542,196	1,585,177
Movement on net present value calculation	53,977	(42,981)
Multi-employer pension liability at 31 July	<u>1,596,173</u>	<u>1,542,196</u>

No amount is included in the financial statements for future grants from the University in respect of the SUSS pension deficit, although past practice of earmarked grant funding is expected to continue in the future.

Contributions paid into the NUSPS scheme for the year ended amounted to £23,621 (2018 - £18,312), including Death in Service Insurance Policy. This scheme is not defined benefit and so cannot build up a deficit. The only money ever paid into this scheme is the contribution rates set by the employer.

24 Contingent liabilities

The Union has received notification of a potential liability in respect of the SUSS pension deficit due to additional unfunded liabilities. The amount of the potential liability cannot be estimated reliably.

25 Affiliations

During the year the Students' Union paid the following affiliations:-

Organisation	<u>2019</u>	<u>2018</u>
	£	£
National Union of Students (NUS)	38,163	38,163
British Universities and Colleges Sports Association (BUCS, formerly BUSA)	6,786	6,766
NUS Services Ltd (NUSSL)	<u>380</u>	<u>380</u>

Teesside University Students' Union
and its Subsidiary Company

Notes to the Accounts for the Year Ended 31 July 2019

26 Subsidiary Company

The charity owns the whole of the issued ordinary share capital of Tees S U Limited, a company registered in England. The subsidiary was incorporated on 23 September 2010. It is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. A summary of the results of the subsidiary is shown below:-

	<u>2019</u>	<u>2018</u>
	£	£
Turnover	374,004	355,896
Cost of sales	102,986	96,069
	<hr/>	<hr/>
Gross Profit	271,018	259,827
Administrative expenses	185,042	190,597
	<hr/>	<hr/>
Net Profit	85,976	69,229
	<hr/> <hr/>	<hr/> <hr/>

The aggregate of assets, liabilities and funds was:

	<u>2019</u>	<u>2018</u>
	£	£
Assets	1	1
Liabilities	-	-
	<hr/>	<hr/>
	1	1
	<hr/> <hr/>	<hr/> <hr/>
Share Capital (representing 1 ordinary shares £1 each)	1	1
Profit and Loss Account	-	-
	<hr/>	<hr/>
	1	1
	<hr/> <hr/>	<hr/> <hr/>

27 Results of Parent Company

	<u>2019</u>	<u>2018</u>
	£	as restated £
Total incoming resources	2,721,895	3,077,597
Net movement in funds	(202,224)	(125,305)
	<hr/> <hr/>	<hr/> <hr/>

The subsidiary gift aided £85,976 (2018 £69,229) to the parent company in the year.

28 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	<u>2019</u>	<u>2018</u>
	£	£
Net income/(expenditure) for year	(148,247)	(168,286)
Interest receivable	(1,524)	(164)
Depreciation of tangible fixed assets	233,773	232,214
Loss on disposal of tangible assets	345	4,221
Increase/(decrease) in stock	2,701	(11,447)
Decrease/(increase) in debtors	(67,229)	487,952
Decrease/(increase) in creditors	(3,721)	(388,581)
	<hr/>	<hr/>
	16,098	155,909
	<hr/> <hr/>	<hr/> <hr/>