

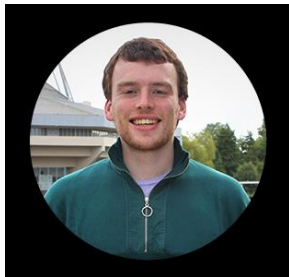


University of York Students' Union Annual report and consolidated financial statements for the year ended 31 July 2020

Contents

	Page
Introduction from the new YUSU President and CEO	3
Report of the Board of Trustees	5
Statement of trustees' responsibilities	13
Reference and administrative details	18
Independent auditor's report	20
Consolidated statement of financial activities	24
Consolidated balance sheet	25
Charity balance sheet	27
Consolidated cash flow statement	29
Notes to the financial statements	30

Introduction from the new YUSU President – Patrick O'Donnell



I took up the office of President as we ended a difficult financial year. The Covid - 19 pandemic had hit half way through the year, with the UK's first confirmed cases of Covid in York in January 2020. The pandemic was in full grip as I started. The 1st lock down had hit our funding and income generation very hard and the pandemic was severely impacting students.

Beyond that challenge though, I could see a Union that was coming together to support one another. An organisation that was willing to think creatively about how it could radically reinvent itself to respond to the global pandemic, and plot a path through that could help us and our students to regain some confidence.

When I stood to be President I didn't know that my role would involve inheriting our largest ever deficit. I anticipated it would include helping to build Covid testing centres. I was unaware it would see us navigate lockdowns, grief and loss, track and trace, loneliness and more. What I did expect was that it would include trying to bring students together, that it would include challenging ourselves, our partners, our City and ourselves to be ambitious, to support one another and to challenge anything that threatens the wellbeing of students or the quality of student life at York.

A note from the Chief Executive – Ben Vulliamy

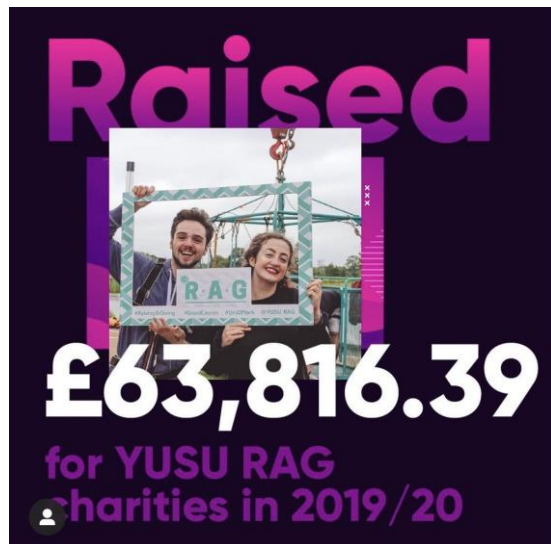
2019/20 was an eventful year. America selected its candidates for the 2020 US elections whilst we had another UK general election. Brexit negotiations continued and dominated parliamentary debate. The new University Vice Chancellor had arrived in the midst of another round of industrial disputes across the UK. Then, late January, we were called to join a Major Incident Response Team, based on campus but firmly plugged into local and national public health teams. Our President, Samara Jones, and the University VC briefed the Press on February 1st with Samara stating that 'many of our students will likely be worried by the news, but will want to support one another'.



While lockdown was still several months away, we used the chance of being at the centre of the crisis within the UK, and our close proximity to decision-making processes and crisis response at York, to act swiftly and decisively. Our trustees were discussing the crisis throughout February and March, contractual relationships were being reviewed and renegotiated, staffing freezes were in place and we moved to a 'critical spend only' policy to limit the impact on our organisation. We worked with the University to establish and implement Covid hardship funds as our students went into lockdown over Easter, and to take a proactive approach to communications within the organisation and with our student membership.

The end of the financial year certainly did not see the conclusion to the pandemic, but warmer summer months and the impact of the first lockdown saw us able to review the year. It had not gone as we planned but we had seen considerable success reducing the impact of the pandemic on both the union itself and on our members. We are proud of our civic-minded response and how our community came together in the face of adversity. We are proud of the support we gave to the most vulnerable. While our plans for 2019/20 were significantly altered, we believe we stayed true to our organisational values; to be brave, to be inclusive and to be for, with and by students. It is those values that we feel steered our response and leave us in a position where we enter 2020/21 with a sense that we can do what is necessary in order to regrow both our and our students' confidence.

Report of the Board of Trustees
FOR THE YEAR ENDED 31 JULY 2020



Report of the Board of Trustees

FOR THE YEAR ENDED 31 JULY 2020

The Trustees present their report and the audited financial statements of the charity and group for the year ended 31 July 2020 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes. 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 financial statements of the charity.

The 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 in October 2019.

The Directors of the charitable company are its Trustees for the purposes of charity law.

Key developments and successes 2019/20

Our annual voter turnout continued to be comparably high when set against the wider university sector and a 23.8% overall voter turnout saw significant increases in the number of students voting for part-time, liberation officer roles which had been a key target. The polling period and campaigning hours were both reduced following feedback that a shorter period would better support candidate wellbeing and we actually saw an increase in individual ballots cast and a higher turnout per day, albeit with a reduced overall turnout due to the reduction in the total polling period.

Our annual Summer Ball and Roses major events were both cancelled due to the pandemic, resulting in a loss of income opportunity but also some disappointment for our students. Roses successfully adapted to offer our first ever 'Virtual Roses' which saw a range of online competitions that went some way to protecting the community spirit of Europe's largest Sports tournament, as well as fundraising over £4,000 for charities responding to the international health crisis of Covid-19.

Our venues continued to offer employment opportunities for students, along with providing safe, high quality spaces. Our continued membership to the 'Good Night Out' campaign, coupled with our 'Best Bar None' responsible licensed trading (for which we secured a 100% assessment score) and our Green Impact Gold awards showcased the quality of our YUSU venues. While our key venues The Glasshouse, The Courtyard, D Bar, The Lounge, The Kitchen and Vanbrugh Arms spent the last 6 months of the year closed for business as a result of the pandemic, they still made an important contribution to students' life, charitable income and provided safe and vibrant spaces that contributed to and enriched student life.

Our investment into student voice continues and the development of a partnership with the University's Access and Admissions team had seen us work with the University to establish a 'student expert panel' that can be used for canvassing more diverse student voices to best inform our and the University's work. Work with part-time liberation officers and academic representatives saw advancements on some important inclusivity initiatives, with Accessival (Disabled Students' Network welcome event) and work on diversifying the curriculum of particular note. Our increasing understanding of students' full diversity saw us invest in, and implement, an online 'accessibility toolbar' enhancing access to our online resources, information and services.

In our annual Green Impact assessment, we secured an 'excellent' rating for the first time and this was reflected in our first ever joint award with 'excellent' audits across both our commercial and charitable activities. New recycling facilities have been installed, we secured sponsorship for us to work with a local school to plant trees and we started the year with student policy work securing agreement from the University to divestment.

UNIVERSITY OF YORK STUDENTS' UNION

Overview

University of York Students' Union formed a new charity as a company limited by guarantee in 2017/18. As part of the process, the Charity Commission issued a direction linking the former charity, The University of York Students' Union (no 1145259), to the new charity, University of York Students' Union (no 1173404).

The effect of this direction means that the Trustees are able to prepare a single set of accounts for the reporting charity and the linked charity.

Objectives and Activities

Mission, Vision and Values

The Union had envisaged undertaking a comprehensive strategic review during 2019/20 and much work commenced on focus groups with students, staff, trustees, volunteers and stakeholders. When the pandemic hit the trustees took the decision to pause the longer term review and prioritise responding to the challenges Covid-19 posed to our members and our organisation. The research work done will be reinvigorated in 2020/21 as we look to move beyond the more reactive nature of 'crisis response' and transition back into a more strategic direction of travel. In the meantime we have used our 2016-2020 strategic mission, vision and values to shape our approach to crisis response and turnaround in the face of the pandemic and we have worked hard to protect and honour our charitable objects.

2016-2020 Strategy

YUSU's 2016-2020 Strategic Plan was officially launched in September 2016. This five year strategy continues to focus the Union on a larger and more diverse population benefiting from the organisation's activities and services.

Mission

The YUSU mission is simple; representation, provide opportunities and run services for all students.

Vision

Students at the heart of everything.

Values

- For, with and by students – YUSU is focused on the needs of students
- Brave – YUSU is not afraid to take on new challenges and opportunities
- Inclusive – Everyone can find their place at YUSU.

Our objects

The charitable objects of YUSU are to seek to enhance the student experience at the University of York by providing representation, welfare services, social space and opportunities for student development within the Union and the wider community. The aims agreed in 2011 and set out within the governing document are:

- promoting the interests and welfare of students at the University of York during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and the University of York and other relevant external bodies;
- providing social, cultural, sporting and recreational activities and forum for discussion and debate for the personal development of our students.

Public benefit

The Trustees have a duty to report on 'public benefit' by explaining the significant activities undertaken in order to carry out the aims for the public benefit and the achievements measured against those aims. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

YUSU aims to improve and positively impact on students' lives so they enjoy their time at university and feel part of a supportive community that values all students. This is achieved through the provision of services, support and representation available for use by all members.

UNIVERSITY OF YORK STUDENTS' UNION

Through Representation, YUSU delivers democratic services and co-ordinates a programme of academic representation across campus to ensure that students' voices are heard and students are supported to both shape and get the most out of their academic experience.

Through Opportunities YUSU provides a range of activities including sports clubs, societies, student media, volunteering, RAG and training and development opportunities for our student body. These activities set out to enhance the student experience, supporting students to build networks, friendships and skills that students can take with them beyond their time at the University of York.

Through Communities YUSU works to ensure students feel part of a community that enhances their student life and create strong links with the wider York community.

Through Wellbeing YUSU delivers welfare, advocacy and meets the support needs of students by providing a professional Advice and Support Centre and engaging in collaborative work to support students to develop life skills and build resilience.

YUSU provides student job opportunities and a team of experienced and professional staff to deliver support functions. Strong communications and branding, user friendly and accessible systems as well as the provision of safe, fun and professional spaces and facilities support students in getting the most out of their time at University.

Achievement and Performance Indicators (KPIs)

Below highlights some of the key qualitative responses from our 2020 Not So Big Student Survey which, despite its launch in the midst of a pandemic lockdown, saw 2,080 unique responses. The annual survey is promoted to all students and provides a key narrative for our impact reporting. The 2020 survey content was subject to a review supported by our strategic development partners, Koreo. A number of question sets were removed and new questions had more of a focus on YUSU's future strategic direction, as well as the mental and physical wellbeing of the respondents. We split the survey into 3 main sections: *You and York*, *YUSU and You*, and *Thinking About the Future*.

Whilst these metrics continue to offer a useful insight into student engagement, and assist in the development of the new Strategic Plan, we are developing a KPI dashboard which will include a more robust range of tangible business and membership engagement activity measures that we will be able to generate from our digital platforms. We anticipate moving away from a dependency on subjective view points and towards quantifiable measures of, for example, election turnout, club and society membership levels, grant funding allocations (with better intelligence of how this grant funding impacts on our charitable objectives) and we believe, when combined with the qualitative data from a small number of well-placed student surveys, this will provide clearer intelligence on performance and impact.

UNIVERSITY OF YORK STUDENTS' UNION

Key Strategic Lines of Enquiry:

How strongly do you agree with these statements?	Strongly agree -> neither agree nor disagree
YUSU is well led	83.30%
I know what a sabbatical officer / student officer is	71.00%
The sabbatical officer/ student officer team lead the union	79.75%
The staff team at YUSU facilitates student leadership and ideas	85.61%
YUSU is representative of the student body	73.98%
YUSU is in touch with students	70.09%

How well do you think YUSU serves you?	
Very well	2.96%
Well	32.61%
Neither	36.20%
Not very well	19.58%
Not at all	8.65%

Participation & Engagement

Do you participate in and how satisfied are you with any of the following?	Participate & satisfied	Participate and not satisfied
YUSU society	36.25%	4.38%
York Sport Union sports club	25.21%	4.82%
YUSU volunteering project	9.12%	1.73%
YUSU RAG	4.82%	1.44%
YUSU student employee	4.32%	1.37%
College JCRC or Student Association	8.98%	3.09%
Give it a Go activities	27.32%	3.52%
Course reps or Department reps scheme	16.32%	4.89%
YUSU democracy (e.g. elections and policy)	34.20%	12.07%
YUSU representation (e.g. Liberation networks)	4.61%	3.17%

How aware and involved are you in any of the following networks?	Aware and involved
Disabled Students' Network	5.79%
International Students' Association	5.50%
BAME Students' Network	2.29%
Mature Students' Association	3.00%
LGBTQ Students' Network	6.24%
Women and Non-Binary Network	4.80%
Environment and Ethics Network	5.02%
Working Class and Social Mobility Students' Network	3.80%
Academic representation network	5.80%

Commercial

% reflect responses from those students who have visited the venue. 1 being poor, 5 being excellent.

How would you rate The Courtyard on the following?	3-5/5 Rating
Helpful staff	93.60%
Friendly staff	94.25%
Quality of products	89.69%
Availability of products	87.48%
General prices	83.84%
Venue atmosphere	93.17%
Total Average Score	90.34%

How would you rate The Glasshouse on the following?	3-5/5 Rating
Helpful staff	93.86%
Friendly staff	93.63%
Quality of products	92.51%
Availability of products	89.72%
General prices	85.06%
Venue atmosphere	90.59%
Total Average Score	90.89%

How would you rate The Kitchen@Alcuin on the following?	3-5/5 Rating
Helpful staff	94.44%
Friendly staff	94.06%
Quality of products	91.78%
Availability of products	88.70%
General prices	81.39%
Venue atmosphere	90.86%
Total Average Score	90.20%

How would you rate The Lounge on the following?	3-5/5 Rating
Helpful staff	92.22%
Friendly staff	92.49%
Quality of products	87.92%
Availability of products	86.95%
General prices	86.00%
Venue atmosphere	72.96%
Total Average Score	86.42%

How would you rate The Vanbrugh Arms on the following?	3-5/5 Rating
Helpful staff	94.87%
Friendly staff	94.11%
Quality of products	92.58%
Availability of products	91.94%
General prices	87.31%
Venue atmosphere	90.91%
Total Average Score	91.95%

UNIVERSITY OF YORK STUDENTS' UNION

How would you rate D Bar on the following?	3-5/5 Rating
Helpful staff	93.47%
Friendly staff	93.56%
Quality of products	91.11%
Availability of products	90.88%
General prices	87.82%
Venue atmosphere	77.36%
Total Average Score	89.03%

Officer Profiles

How aware are you of the Full-Time Officer positions within the SU?	Aware and understand what they do
YUSU President	40.65%
YUSU Academic Officer	42.14%
YUSU Community and Wellbeing Officer,	52.13%
YUSU Student Activities Officer	47.13%
YUSU York Sport President	55.92%

Strategic Direction

What would you most like to see YUSU prioritise in the coming year?	
Working to improve the facilities open and available to students	59.39%
Representing students to the university and in the City of York	53.46%
Running exciting and entertaining events	51.86%
Ensuring the university, students and the city are more sustainable and environmentally responsible	45.17%
Providing opportunities to help students get jobs when they graduate	40.08%
Campaigning on important issues affecting students	40.00%
Influencing the university strategy to secure a better experience for students	39.62%
Creating a better community for all York students	37.87%
Working with colleges to improve the experience for students at York	34.60%
Bringing students together to help them organise their own activities and events	30.11%
Representing students' interests nationally	20.84%
Helping and advising students on how to do better in their course	18.56%
Training and developing student leaders to organise for students	15.21%
Other (please specify)	3.35%

Future plans

- Strategy development. Following a period of more reactive crisis management we need to start to plan longer term again. This will include reviewing our priorities, our key performance indicators and our key partnerships and relationships.
- Diversifying income will ensure we are not over-exposed to any key aspects in the event of significant changes to our operating environment or market space.
- Financial health and sustainability – we will need to strengthen our reserves after incurring a covid-related deficit and our broader organisational sustainability will need consideration of our estate being fit-for-purpose and our workforce and workflow being manageable for employee wellbeing.

Key challenges and context

- Ensuring the success of the vaccine and the world's transition out of the pandemic. Understanding the longer-term impacts of that on people's wellbeing, life opportunities, communities and on the broader economy.
- Economic uncertainty following UK exit from Europe
 - Fall in interest rates result in decreased investment income
 - Fall in interest rates result in increased rise in pension deficits/liabilities
 - Impact on main funders through access to EU research grant funding and anticipated changes to the demographic profile of students
 - Changes to legislative context
- Looking at the structural relationship between YUSU and our wholly-owned commercial subsidiary to ensure it's efficient and gives students suitable influence and leadership of our commercial direction.
- Navigating the effects of social media and anonymous media on public trust and accountability.
- Developing strategic synergy with the University's management and leadership and future strategy.
- Developing understanding from the institution of how we articulate constructive challenge in the Union's approach to representation and campaigning.

Financial review

YUSU has had a difficult financial year, but has successfully managed to mitigate against more significant financial losses through prudent budget management, careful cost control and maximising use of available grant funding schemes. Overall income fell to £4,391,816 (2019: £5,354,373), due largely to the impact of the Covid-19 pandemic on our income generation potential from trading activity. YUSU's finances have also been impacted by the re-measurement of the defined benefit pension scheme, bringing a £113,299 cost to the balance sheet. YUSU finished the year with a decreased balance sheet which will lead to a reduction in available reserves and will necessitate a focussed effort to regenerate funds to protect the long term health and investment capacity of the Union. The year finished with a decreased cash balance of £829,758 (2019: £953,371).

Overview

These are YUSU's fifth consolidated financial statements prepared under Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (FRS 102) that incorporate disclosures in relation to defined benefit pension scheme deficits held on the balance sheet.

Statement of comprehensive income & expenditure - overall movements in the year were:

	2020	2019	Movement
	£	£	£
Total income	4,391,816	5,354,373	(962,557)
Total operating expenditure	<u>4,468,226</u>	<u>5,305,055</u>	<u>(836,829)</u>
Net (outgoing)/incoming resources	(76,410)	49,318	(125,728)

Unrestricted income for the year reduced by £672,521 (17.8%) to £3,112,850 (2019: £3,785,371) with unrestricted expenditure reducing by £370,340 (9.9%) to £3,361,576 (2019: £3,731,916) resulting in a deficit of £248,726 (2019: surplus was £53,455).

The combined impact of a very difficult trading year and the re-measurement of the defined benefit pension scheme provision has resulted in an overall unrestricted balance sheet deficit position of £198,608 (2019: surplus of £50,118).

Income streams performed well during the first two thirds of the year, but a positive start to the year was completely turned around by an inability to trade during the final third of the year. Financial stability continues to be provided by the annual recurrent grant contribution from the University which increased by £93,986 (7%) to £1,354,769 (2019: £1,260,783).

UNIVERSITY OF YORK STUDENTS' UNION

Trading income had a good start to the year, with wet trade continuing to outperform catering trade, but both were severely impacted by the pandemic, resulting in significant decreases in trading across all revenue streams. Bars down 29% and Catering down 50%. Overall trading income decreased by £662,647 (37%) to £1,125,440 (2019: £1,788,087).

Unrestricted income from charitable activities reduced overall by £300,158 (48%) to £322,625 (2019: £622,783). This is mainly due to a total loss of income generating potential during the third term, which has historically provided excellent income generating opportunities, generated largely through a series of major events and related sponsorship. 2020 was also an Away Roses year, although the impact of the pandemic led to the cancellation of the event for Lancaster University.

Expenditure overall includes the Unions' increased contribution towards Students' Union Superannuation Scheme pension deficit recovery plans, the revaluation of which has worsened the Union's financial position this year. Support and staff costs are 18% and 56% of direct costs respectively (2019: 14% and 41%) with the increased staffing percentage attributable to the reduction to business critical expenditure only in the final third of the year.

Balance sheet - overall movements in the year were:

	2020	2019	Movement
	£	£	£
Tangible fixed assets	60,800	86,405	(25,605)
Current assets	1,017,101	1,225,266	(208,165)
Creditors falling due within one year	(162,161)	(307,199)	145,038
Defined benefit pension scheme liability	(609,033)	(508,056)	100,977
Net assets	306,707	496,416	(189,709)

The decrease in tangible fixed assets is due to a mix of routine renewals and depreciation.

Current assets decreased across cash at the bank, held stock and trade debtors. Stock reductions were a direct result of stock control measures implemented as a result of the pandemic.

Reserves

Trustees review the reserves policy on an annual basis and, given the strain placed on the level of the reserves as a result of the impact of the pandemic, have set an objective to rebuild reserves over the next 3 yrs.

During 2019-20 the Board of Trustees reviewed the reserves policy. Reserve levels have been considered on a risk management basis with a minimum reserves level of 10% of operating costs. For 2019-20, this gave a minimum reserves level of £350,000. This ensures funds are available to maintain core services in the event of unexpected loss of income and allows Trustees to meet their obligations and comply with Charity Commission guidance.

General unrestricted reserves available at the 31 July 2020 totalled -£198,608 (2019: £50,118). Restricted reserves at 31 July 2020 totalled £505,315 (2019: £446,298).

Free reserves, which are unrestricted funds, not tied up in fixed assets amounted to -£269,248 at 31 July 2020 (2019: -£46,127). In accordance with FRS102 the reserves position includes provision for the 2020 Students' Union Superannuation Scheme (SUSS) pension deficit of £621,359 (2019: £523,021). 2020 free reserves excluding pension deficit declarations and the pension deficit prepayment of £5,551 remained positive at £346,560 (2019: £437,971). This places the free reserves position just below the reserves policy minimum of £350,000.

The Trustees recognise that the additional provision of the SUSS pension deficit on the face of the balance sheet is a technical accounting standard and does not fundamentally change the financial stability of the charity. The declaration of YUSU's share of pension deficit is a statement of future liabilities calculated to 2035.

UNIVERSITY OF YORK STUDENTS' UNION

Going concern and Covid

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They have reduced contractual commitments (including but not limited to staff), have enhanced our relationship with key funders, shown sufficient creativity and resilience in independent income generation and, while reduced, retain sufficient free cash reserve to meet our obligations. We have reasons for optimism about our ability to replenish free cash reserves within a reasonable amount of time and that with reduced turnover in the intervening period this is within the board's tolerance. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Funds held as custodian trustee on behalf of others

YUSU acts as custodian for funds raised by student clubs, societies and college committees as well as the annual Raising and Giving (RAG) proceeds from fundraising events that are distributed to the intended charities accordingly.

Funds held in 2020 were £505,315 (2019: £446,298).

Structure, governance and management

University of York Students' Union (YUSU) is constituted in accordance with its Memorandum and Articles of Association as amended on 21 June 2018 and is governed by a Board of Trustees. It is a charitable incorporated company limited by guarantee and registered as a Charity with the Charity Commission for the UK and Wales in June 2017.

The Charity Commission has issued a direction linking the former charity, The University of York Students' Union (no 1145259), to the new charity, University of York Students' Union (no 1173404).

The former charity had been an Unincorporated Corporation and been registered with the Charity Commission since January 2012. The 2 organisations remain linked and constituted with the same charitable objects

Members of the Union

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

Board of Trustees

The Union is administered by its Board of Trustees comprising:

- Up to three external lay members
- Up to three democratically appointed student members who are not Sabbatical Officers
- Up to five democratically appointed student Sabbatical Officers (including the President of the Union).

Officers of the Union

The full officer group of the Union comprises:

- Sabbatical Officer Trustees
- Black, Asian & Minority Ethnic (BAME) Officers
- Disabled Students Officers
- Environment & Ethics Officer
- International Students Officers
- LGBTQ Officer
- Mature Students' Officer
- Raising and Giving (RAG) Officers
- Volunteering Officers
- Womens' Officers
- Working Class and Social Mobility Officers.

UNIVERSITY OF YORK STUDENTS' UNION

The Sabbatical Officers are Officer Trustees elected through secret ballot by the members each year; these individuals normally serve one year in office but can serve a second year if re-elected. These are full-time posts remunerated as authorised by the Education Act and the governing document of YUSU.

Sabbatical Officers' Committee

Sabbatical Committee includes the Officer Trustees and they meet in accordance with the Bye-Laws and responsibilities include representation and campaign work and implementation of policy. The Chief Executive and Senior Management Team attend when necessary.

Board of Trustees

The Board of Trustees meets formally at least four times in an academic year and has ultimate responsibility for oversight of the long term strategy, objectives and for providing overall financial and organisational control.

In order to monitor and scrutinise progress the Board of Trustees is provided with regular and timely information on overall financial performance, together with information such as performance against targets and proposed capital expenditure.

The Board of Trustees conducts its business through three sub committees: Finance, HR and Audit and Remuneration. Each committee has terms of reference which are reviewed annually. The decisions of these committees are formally reported to the Board of Trustees.

The Board of Trustees has delegated the day-to-day running of YUSU to the Chief Executive with a clear division of responsibility in that the role of Chair and Chief Executive are held by separate individuals. This is consistent with our articles of governance and the model documents agreed with the Charities Commission.

Committees

Finance

The Finance Committee meets formally four times a year and comprises a minimum of three members of the Trustee Board including at least one external trustee and one student trustee. It has delegated responsibility for scrutinising the financial performance of the Union and ensuring resources are used efficiently and effectively to support the purpose of the Union and oversee financial risk management.

Human resources and audit

The HR and Audit Committee meets formally three times a year and comprises a minimum of three members of the Trustee Board including at least one external trustee and one student trustee. It has delegated responsibility for the HR strategy and ensuring the effectiveness of internal systems and controls including risk management and compliance with all aspects of relevant law, regulations and good practice.

Remuneration

The Remuneration Committee meets formally at least once a year and comprises a minimum of two members of the Trustee Board including at least one external trustee and one sabbatical officer. It has delegated responsibility for approving the Union-wide pay award, overseeing employee pay policies, remunerations systems and compliance with associated employment legislation. Annually the Committee review the staff pay policy which enables staff progression through the grades over three years, with cost of living increases negotiated annually through the staff representative body. Over the course of 2016-17 a formal pay policy for senior staff was agreed by the Board of Trustees for implementation in 2017-18 with the pay differential between Chief Executive and entry level pay grade standing at under 4:2 at the end of 2019/20. It should be noted that 0% cost of living was agreed for all pay grades and employees at the end of last year to reflect the financial challenges that exist for Covid. In addition the Senior Leadership team waived any and all incremental changes for directors and leave entitlement beyond statutory minimums for directors and CEO was waived in response to the challenges the organisation faced.

Board effectiveness

Board effectiveness is reviewed periodically with the last formal review undertaken in 2018-19 which included a skill and diversity audit and an organisational assessment of board effectiveness against the new Charity Commission Governance Code, the results of which were incorporated into an external trustee recruitment process and board plans for 2018/19 onwards. A full governance board effectiveness review will be implemented

UNIVERSITY OF YORK STUDENTS' UNION

once the most severe effects of the pandemic are abated. In the meantime we have undertaken regular board briefings outside of formal meetings to ensure trustees are up to date with critical issues arising from the pandemic. Trustee boards (and a number of exceptional board meetings) have migrated to be conducted online, as has our AGM.

Board induction and training

All Trustees undergo a structured induction, including receiving training and information on their legal obligations and responsibilities. Sabbatical Officer Trustees' term of office is generally one year and so there is an annual programme of training on all aspects of their roles and responsibilities. This is facilitated through predecessors, senior managers and the National Union of Students over a four week period and ensures they can perform their duties to the best of their abilities. External Lay Trustees receive training from the Chief Executive as well as having external training following their appointment to the Board from auditors and a students' union governance expert. The training programme is reviewed annually and updated for relevant changes in statutory and regulatory compliance.

Relationship with the University of York

The relationship between the University and the Union is established in the Charter and the Ordinances and the Regulations of the University. YUSU works with the University of York 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, with Sabbatical Officer Trustees representing the student membership at University Council, Court, Senate, and other committees.

YUSU receives a block grant from the University and occupies a building owned by the University (to which we made a capital grant from our free cash reserve previously) which is leased to the Union at an agreed peppercorn rent. The University is our primary funder. Through the pandemic YUSU have made a number of adjustments to our normal funding cycle to support the University's broader financial management. Similarly the University have been supportive of our financial challenges, including waiving a number of rent and lease costs associated with trading spaces we were not permitted to use during lockdown.

Risk management

The Board of Trustees is responsible for the Union's risk management and has delegated day-to-day responsibility to the Chief Executive for maintaining a sound system of internal control that supports the achievement of YUSU's policies, aims and objectives while safeguarding the funds and assets. The Chief Executive is also responsible for reporting to the Board of Trustees any material weakness or breakdown in internal controls.

A system of internal control is designed to manage risk to a reasonable level, rather than eliminate all risk of failure; therefore it can only provide reasonable and not absolute assurance of effectiveness. The Union's system of internal control is developed through processes designed to identify and prioritise risk and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control is continuously being updated and improved and is based on a framework of regular management information, administrative procedures and a system of delegation and accountability. In particular this includes:

- Annual review by the Board of the key organisational risks and how they are monitored and mitigated;
- Comprehensive budgeting system with an annual budget, which is reviewed and agreed by the Board of Trustees;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- Business continuity plans in place and reviewed regularly.

Key items of note for annual reporting related to pandemic impact:

- In the 2019/20 academic year significant changes to self-generated income from trading activities were mitigated by use of the furlough scheme, renegotiating rents, leases and contract rates and managing down any and all stock holdings.
- While significant events sales were lost through having to cancel our annual summer end of year ball, other events overheads in relation to those events were not contractually binding. Therefore losses against budget were dramatically reduced by sizable reductions in costs normally associated with that event.
- Other fundraised income (primarily University block grant) was held for the period.
- Changes to the use of staff saw vacancy freezes to reduce contractual liabilities, a move to remote working for employees remaining in work, the use of the furlough scheme where work was not immediately required but a contract and long term need remained.
- The use of volunteers were reviewed on a case-by-case basis in conjunction with insurers where relevant to ensure safeguarding and wider health and safety was appropriately managed.
- Supply chains were held up where needed and third party contracts have not posed significant problems or challenge.
- Pensions assets and liabilities are being carefully monitored and reviewed.

Key trustee decisions beyond the above made to protect the organisation in relation to the pandemic include:

- Reducing contractual commitments and, where needed, ensuring suitable break clauses and terms that reflect the current pandemic and related uncertainty.
- Support from the University on managing buildings and premises to ensure covid security and compliance for staff, volunteers and students.
- Joint work with University health and safety experts on reviewing a 'safe return to activities'. This includes careful monitoring and review of activities, events and services operated under our auspices to ensure covid risks are sufficiently reduced, track and trace is in place and they are compliant with any legal frameworks and government recommendations.
- Employee wellbeing is being monitored by a series of wellbeing pulse surveys. We continue to hold and promote our relationship with an Employee Assistance Program.
- While reserves are at the lower end of our policy, the Board continue to review accounts and financial plans on a regular basis to monitor our progress against plan. The CEO has an objective to work to replenish the incurred deficit and / or reduce turnover to reduce risk exposure.
- Union management and officer trustees engage with University covid management committees and structures to continually monitor and review changes in context and the impact of the pandemic on students, estates and the wider educational institution context in which we operate.

Fundraising

The charity does not contract with a third party to fundraise on the charity's behalf. Fundraising has been mainly limited to raising funds for specific charities which are chosen by the students.

Statement of Board of Trustees responsibilities

The trustees (who are also directors of University of York Students' Union for the purposes of company law) are responsible for preparing the Trustees' 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 which 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 group 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 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

UNIVERSITY OF YORK STUDENTS' UNION

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group 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 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;
- The Trustees have taken all the steps that they ought to have taken as Trustees in order 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 YUSU's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

Signed on behalf of the Board of Trustees

A handwritten signature in black ink, appearing to read 'POD', with a long horizontal line extending to the right.

Patrick O'Donnell (Chair)

YUSU

27 January 2021

Reference and administrative details

FOR THE YEAR ENDED 31 JULY 2020

Charity registered number

1145259

Company registered number

10688097

Trustees

The Board of Trustees who served during the year and up to the date of signature of this report were as listed below:

Appointed by members

S. Jones	Officer Trustee	(appointed 30 June 2019, resigned 30 June 2020)
O. Martin	Officer Trustee	(appointed 30 June 2019, resigned 30 June 2020)
G. Nguyen	Officer Trustee	(appointed 30 June 2019, resigned 30 June 2020)
S. Hayle	Officer Trustee	(appointed 30 June 2018, resigned 30 June 2020)
M. Cannell	Officer Trustee	(appointed 30 June 2019)
C. Stickels	Student Trustee	(appointed 1 July 2018, resigned 31 July 2020)
I. Barnett	Student Trustee	(appointed 1 July 2019)
J. MacKenzie	Student Trustee	(appointed 1 July 2019)
K. Blanchard	Student Trustee	(appointed 31 July 2020)
P. O'Donnell	Officer Trustee	(appointed 1 July 2020)
M. Johnstone	Officer Trustee	(appointed 1 July 2020)
B. Terry	Officer Trustee	(appointed 1 July 2020)
C. Precious	Officer Trustee	(appointed 1 July 2020)

Appointed by the Board of Trustees

S. Hu	External Trustee	(appointed 30 June 2018)
I. Jenner	External Trustee	(appointed 23 March 2016)
J. Sims	External Trustee	(appointed 30 June 2016)

Executive

Ben Vulliamy, Chief Executive Officer
Kate Williams, Central Resources Director
Gemma Vessey, Communications & Activities Director
Rachel Barber, Student Support & Representation Director
Vacant, Commercial Operations Director

Principal office

The University of York Students' Union
James College, Newton Way
Heslington
York
North Yorkshire
YO10 5DD

Reference and administrative details

FOR THE YEAR ENDED 31 JULY 2020

Independent auditor

BHP LLP
Chartered Accountants
Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

Bankers

Santander UK plc.
7 High Ousegate
York
North Yorkshire
YO1 8RZ

Solicitors

Rollits LLP
Forsyth House
Alpha Court
Monks Cross
York
North Yorkshire
YO32 9WN

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF YORK STUDENTS' UNION

Opinion

We have audited the financial statements of University of York Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Union balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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's and of the parent charitable company's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 the 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.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF YORK STUDENTS' UNION
(CONTINUED)

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.

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.

Opinion 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 Trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF YORK STUDENTS' UNION
(CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 the 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 the parent charitable company 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 under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF YORK STUDENTS' UNION
(CONTINUED)

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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

BHP LLP

Jane Marshall (Mar 9, 2021 16:21 GMT)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditors

Rievaulx House

1 St Mary's Court

Blossom Street

York

YO24 1AH

Date: Mar 9, 2021

BHP LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

UNIVERSITY OF YORK STUDENTS' UNION

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	1,421,199	-	1,421,199	1,327,213
Charitable activities	5	322,625	1,278,966	1,601,591	2,231,785
Other trading activities	6	1,125,440	-	1,125,440	1,788,087
Investments	7	7,435	-	7,435	7,288
Other income	8	236,151	-	236,151	-
Total income		3,112,850	1,278,966	4,391,816	5,354,373
Expenditure on:					
Raising funds	9	1,496,696	-	1,496,696	1,757,862
Charitable activities	10	1,751,581	1,219,949	2,971,530	3,547,193
		3,248,277	1,219,949	4,468,226	5,305,055
Net income/(expense) from operations		(135,427)	59,017	(76,410)	49,318
Remeasurement of pension scheme		113,299	-	113,299	-
Total expenditure		3,361,576	1,219,949	4,581,525	5,305,055
Net income/net movement in funds		(248,726)	59,017	(189,709)	49,318
Reconciliation of funds:					
Total funds brought forward		50,118	446,298	496,416	447,098
Net movement in funds		(248,726)	59,017	(189,709)	49,318
Total funds carried forward		(198,608)	505,315	306,707	496,416

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 30 to 56 form part of these financial statements.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 10688097

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	60,800	86,405
		60,800	86,405
Current assets			
Stocks	18	9,066	34,603
Debtors	19	178,277	237,292
Cash at bank and in hand	25	829,758	953,371
		1,017,101	1,225,266
Creditors: amounts falling due within one year	20	(162,161)	(307,199)
Net current assets		854,940	918,067
Total assets less current liabilities		915,740	1,004,472
Creditors: amounts falling due after more than one year	21	(609,033)	(508,056)
Total net assets		306,707	496,416

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 10688097

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	22	505,315	446,298
Unrestricted funds			
Unrestricted funds excluding pension asset	22	422,751	573,139
Pension reserve	22	(621,359)	(523,021)
Total unrestricted funds	22	(198,608)	50,118
Total funds		306,707	496,416

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



P O'Donnell
President
Date: 27 January 2021

The notes on pages 30 to 56 form part of these financial statements.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 10688097

UNION STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	28,526	55,238
Investments	17	1	1
		28,527	55,239
Current assets			
Stocks	18	5,525	4,113
Debtors	19	221,066	211,031
Cash at bank and in hand		751,480	834,826
		978,071	1,049,970
Creditors: amounts falling due within one year	20	(119,781)	(201,247)
Net current assets		858,290	848,723
Total assets less current liabilities		886,817	903,962
Creditors: amounts falling due after more than one year	21	(609,033)	(508,056)
Net assets excluding pension asset		277,784	395,906
Total net assets		277,784	395,906

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

UNION STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Charity funds			
Restricted funds	22	505,315	446,298
Unrestricted funds			
Unrestricted funds excluding pension liability	22	393,655	472,629
Pension reserve	22	(621,359)	(523,021)
Total unrestricted funds	22	(227,531)	(50,392)
Total funds		277,784	395,906

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £118,122 (2019: £2,667 loss).

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



P O'Donnell
President
Date: 27 January 2021

The notes on pages 30 to 56 form part of these financial statements.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	25	(61,918)	135,702
Cash flows from investing activities			
Bank interest	7	7,435	7,288
Proceeds from the sale of tangible fixed assets		2,210	-
Purchase of tangible fixed assets	16	(37,967)	(43,469)
Net cash used in investing activities		(28,322)	(36,181)
Pension deficit payments		(33,373)	(33,373)
Net cash used in financing activities		(33,373)	(33,373)
Change in cash and cash equivalents in the year		(123,613)	66,148
Cash and cash equivalents at the beginning of the year		953,371	887,223
Cash and cash equivalents at the end of the year	26	829,758	953,371

The notes on pages 30 to 56 form part of these financial statements

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. General information

University of York Students' Union is a company limited by guarantee (no. 10688097) registered in England and Wales and a registered charity (no. 1173404). The registered office is James College, Newton Way, Heslington, York, YO10 5DD.

The members of the company are the Trustees named on page 15. In the event of the Union being wound up, the liability in respect of the guarantee is limited to £1 per member of the Union.

2. Accounting policies

2.1 Basis of preparation of financial statements

University of York Students' Union 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The relationship between University of York and University of York Students' Union is established in the Regulations of the University and detailed in University of York Students' Union's Articles approved by both organisations. University of York Union receives a Block Grant from the University and part-occupies a number of buildings. The University pays for utilities, portering and some cleaning staff. This non-monetary support is intrinsic to the relationship between the University and the Students' Union.

Although University of York Students' Union continues to generate supplementary funding from various primary purpose trading activities, it will always be dependent on the University's support. There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body. The financial statements have therefore been prepared on the going concern basis.

The Board have considered the impact of COVID-19 on the company's income and operating cost base and prepared forecasts of income and expenditure for the period to 31 July 2022. In addition they have

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.2 Going concern (continued)

considered various scenarios and how they plan to deal with these. The forecasts show that the Union has sufficient reserves and cash to be able to continue for the foreseeable future. Whilst it is not considered practical to accurately assess the duration and extent of the disruption of COVID-19, the Board are confident that they have in place plans to deal with any financial losses that may arise. The Board continue to review the management accounts and financial plans on a regular basis to monitor progress against these. This ensures that appropriate action is taken as necessary.

2.3 Income

All income is recognised once the Union has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

During the year, YUSU Commercial Services also received Coronavirus Job Retention Scheme income from the UK Government which was equivalent to 80% of the salaries of staff on furlough leave during the pandemic.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.5 Grants 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.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The Union is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Union is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the 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.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Motor vehicles	- Between 3 & 5 years straight line
Fixtures and fittings	- Between 3 & 5 years straight line
Office equipment	- Between 3 & 5 years straight line
Computer equipment	- Between 3 & 5 years straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 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 three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Union anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS102, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year. The present value of the Union's deficit contribution is recognised as a liability in accordance with SORP (FRS102).

The Union also contributes to defined contribution pension schemes for its employees. The pension charge represents the amounts payable by the company to the fund in respect of the year.

2.17 Employee benefits

The costs of short term employee benefits are recognised as a liability and expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

3. *Critical accounting estimates and areas of judgment*

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

Critical accounting estimates and assumptions:

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Pension deficit contribution

The charity has entered into a commitment to provide deficit funding to the Students' Union Superannuation Pension Scheme, of which it is a contributing employer. Under FRS 102, the present value of the commitment is recognised. The calculation of the present value of the commitment is subject to an assumption of the discount rate. The discount rate is determined by reference to market yields at the reporting date on high quality corporate bonds.

(ii) Donation of facilities by University of York

In accordance with the Charities SORP FRS 102, the Union and its trading subsidiary has valued the benefit it receives from occupying facilities owned by the University on a rent-free basis, at the trustees' estimate of market value at £51,430.

(iii) Support costs

Many of the costs incurred by the Union such as support staff costs and service costs are shared between activities. The Union's policy is to allocate these costs on the basis of assessed consumption

4. **Income from donations and legacies**

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Facilities in kind	51,430	51,430	51,430
Block grant from University of York	1,354,769	1,354,769	1,260,783
Other grants	15,000	15,000	15,000
<i>Total 2020</i>	<u>1,421,199</u>	<u>1,421,199</u>	<u>1,327,213</u>
Total 2019	<u>1,327,213</u>	<u>1,327,213</u>	

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Events	97,065	-	97,065	132,429
Graduation dinner and summer ball	-	-	-	97,884
Graduation photography	16,042	-	16,042	52,050
Marketing	109,220	-	109,220	209,232
Sports clubs and societies	-	1,222,967	1,222,967	1,424,681
Advice and welfare	-	-	-	2,000
Student activities	19,959	-	19,959	30,268
Sports clubs	75,069	-	75,069	84,216
NUS Extra	3,062	-	3,062	37,687
Other activities - restricted	-	55,999	55,999	144,321
Other activities - unrestricted	2,208	-	2,208	17,017
<i>Total 2020</i>	<u>322,625</u>	<u>1,278,966</u>	<u>1,601,591</u>	<u>2,231,785</u>
Total 2019	<u>662,783</u>	<u>1,569,002</u>	<u>2,231,785</u>	

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bar	752,779	752,779	1,034,801
Your Shop	2,133	2,133	11,307
Catering	370,528	370,528	741,979
	<u>1,125,440</u>	<u>1,125,440</u>	<u>1,788,087</u>
Total 2019	<u>1,788,087</u>	<u>1,788,087</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest receivable	<u>7,435</u>	<u>7,435</u>	<u>7,288</u>
Total 2019	<u>7,288</u>	<u>7,288</u>	

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

8. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
CJRS income	236,151	236,151	-

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bar expenses	893,234	893,234	1,031,519
Your Shop expenses	1,095	1,095	18,226
Catering expenses	602,367	602,367	708,117
	<u>1,496,696</u>	<u>1,496,696</u>	<u>1,757,862</u>
Total 2019	<u>1,757,862</u>	<u>1,757,862</u>	

The above figures include contributions to YUSU central operational costs of £3,549 (2019: £nil) Yourshop, £115,373 (2019: £116,370) catering and £10,872 (2019: £10,966) bars. YUSU run trading services to generate and invest surpluses into charitable activities and to provide services that improve the lives of students. In addition they contribute to YUSU central operating costs.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

10. Analysis of expenditure on charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	1,736,822	1,219,949	2,956,771	3,536,016
Governance costs	14,759	-	14,759	11,177
<i>Notes 11 and 12</i>	<u>1,751,581</u>	<u>1,219,949</u>	<u>2,971,530</u>	<u>3,547,193</u>
Total 2019	<u>1,974,054</u>	<u>1,573,139</u>	<u>3,547,193</u>	

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

11. Direct costs

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Academic Affairs	110,602	-	110,602	103,083
Affiliations	62,739	-	62,739	56,481
Duty of care	14,093	-	14,093	22,261
Events	136,430	-	136,430	161,532
Sports clubs and societies - restricted	-	1,168,738	1,168,738	1,442,782
Representation and democracy	157,299	-	157,299	157,274
Graduation Dinner and Summer Ball	672	-	672	82,694
Marketing	225,680	-	225,680	198,860
Colleges	49,398	-	49,398	66,409
Societies grant expenditure	48,719	-	48,719	77,618
Sports clubs	243,833	-	243,833	361,935
Advice and welfare	118,310	-	118,310	116,043
Volunteering, RAG and societies central costs	123,527	-	123,527	116,839
NUS Extra	-	-	-	26,617
Other funds - restricted	-	51,211	51,211	130,357
	<u>1,291,302</u>	<u>1,219,949</u>	<u>2,511,251</u>	<u>3,120,785</u>
Total 2019	<u>1,547,646</u>	<u>1,573,139</u>	<u>3,120,785</u>	

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12. Support costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Academic Affairs	19,049	19,049	13,542
Affiliations	10,617	10,617	7,150
Duty of care	2,385	2,385	2,818
Events	23,087	23,087	20,449
Sports clubs and societies	197,776	197,776	182,649
Representation and democracy	23,521	23,521	19,910
Graduation dinner and Summer ball	114	114	10,469
Marketing	41,286	41,286	25,175
Colleges	8,359	8,359	9,653
Societies grant expenditure	8,244	8,244	9,826
Sports clubs	41,262	41,262	45,819
Advice and welfare	20,020	20,020	14,690
Volunteering, RAG and societies central costs	20,570	20,570	14,299
NUS Extra	-	-	3,369
Other funds	10,817	10,817	16,503
Governance costs (note 12)	14,759	14,759	11,177
Pension finance cost	18,411	18,411	18,910
<i>Total 2020</i>	<u>460,277</u>	<u>460,277</u>	<u>426,408</u>
Total 2019	<u>426,408</u>	<u>426,408</u>	

Resources expended are allocated to a particular activity where the cost relates directly to that activity. However, the central cost of administration of each activity are apportioned on the basis of an estimate of the amount of staff time attributable to each activity. These percentages are updated annually to reflect the activities carried out by staff in the relevant year.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

13. Governance costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Auditor's remuneration - audit	11,830	11,830	10,181
Non-audit services	2,633	2,633	-
Trustees' expenses reimbursed	296	296	996
	<u>14,759</u>	<u>14,759</u>	<u>11,177</u>

14. Staff costs

	2020 £	2019 £	Union 2020 £	2019 £
Wages and salaries	1,699,631	1,603,087	1,292,050	1,207,224
National insurance	118,515	108,525	89,024	53,061
Pension costs	36,475	32,329	27,334	23,997
	<u>1,854,621</u>	<u>1,743,941</u>	<u>1,408,408</u>	<u>1,284,282</u>

The average number of persons employed by the Union during the year was as follows:

Group 2020 No.	Group 2019 No.
<u>169</u>	<u>156</u>

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	Group	Group	Union	Union
	2020	2019	2020	2019
	No.	No.	No.	No.
Resources	22.4	18.5	22.4	18.5
Representation	7.0	6.9	7.0	6.9
Opportunities	4.8	6.7	4.8	6.7
Wellbeing	4.0	4.0	4.0	4.0
Communities	3.0	2.9	3.0	2.9
Trading activities	29.8	31.6	-	-
	71	71	41	39

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits (including employers' NI and pension contributions) received by key management personnel was £265,700 (2019: £231,136). The charity considers its key management personnel to comprise of the Chief Executive Officer, Head of Finance and Resources, Head of Representation, Head of Student Opportunities and Head of Commercial Services.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 July 2020, no Trustee expenses have been incurred (2019 - £1,579).

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

16. Tangible fixed assets

Group

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<i>Cost or valuation</i>					
At 1 August 2019	11,250	940,362	137,951	43,396	1,132,959
Additions	-	20,230	14,093	3,644	37,967
Disposals	-	(942)	-	(1,268)	(2,210)
At 31 July 2020	11,250	959,650	152,044	45,772	1,168,716
<i>Depreciation</i>					
At 1 August 2019	6,389	894,099	115,679	30,387	1,046,554
Charge for the year	1,666	40,665	11,479	7,727	61,537
On disposals	-	(105)	-	(70)	(175)
At 31 July 2020	8,055	934,659	127,158	38,044	1,107,916
<i>Net book value</i>					
At 31 July 2020	3,195	24,991	24,886	7,728	60,800
At 31 July 2019	4,861	46,263	22,272	13,009	86,405

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

16. Tangible fixed assets (continued)

Union

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<i>Cost or valuation</i>				
At 1 August 2019	875,604	45,370	43,396	964,370
Additions	20,230	-	3,644	23,874
Disposals	(942)	-	(1,268)	(2,210)
At 31 July 2020	894,892	45,370	45,772	986,034
<i>Depreciation</i>				
At 1 August 2019	836,144	42,601	30,387	909,132
Charge for the year	38,056	2,768	7,727	48,551
On disposals	(105)	-	(70)	(175)
At 31 July 2020	874,095	45,369	38,044	957,508
<i>Net book value</i>				
At 31 July 2020	20,797	1	7,728	28,526
At 31 July 2019	39,460	2,769	13,009	55,238

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

17. Fixed asset investments

	Investments in subsidiary companies £
<i>Union</i>	
<i>Cost or valuation</i>	
At 1 August 2019	1
	<hr/>
At 31 July 2020	1
	<hr/> <hr/>
<i>Net book value</i>	
At 31 July 2020	1
	<hr/>
At 31 July 2019	1
	<hr/> <hr/>

Principal subsidiaries

The following was a subsidiary undertaking of the Union:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
YUSU Commercial Services Limited	06796193	The Student Centre, Heslington Lane, York, YO10 5DD	Ordinary	100%
Included in consolidation				
Yes				

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
YUSU Commercial Services Limited	929,658	1,001,245	(71,587)	28,924

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

18. Stocks

	Group	Group	Union	Union
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	9,066	34,603	5,525	4,113

19. Debtors

	Group	Group	Union	Union
	2020	2019	2020	2019
	£	£	£	£
<i>Due within one year</i>				
Trade debtors	7,243	62,423	7,094	32,464
Amounts owed by group undertakings	-	-	96,937	-
Other debtors	94,763	736	53,776	-
Prepayments and accrued income	76,271	174,133	63,259	178,567
	178,277	237,292	221,066	211,031

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

20. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Union 2020 £	Union 2019 £
Defined benefit pension scheme funding liability	12,326	14,965	12,326	14,965
Trade creditors	39,233	77,981	26,960	48,782
Amounts owed to group undertakings	-	-	-	3,518
Other taxation and social security	49,058	62,963	27,488	17,711
Other creditors	28,271	10,987	26,956	9,057
Accruals and deferred income	33,273	140,303	26,051	107,214
	162,161	307,199	119,781	201,247

21. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Union 2020 £	Union 2019 £
Defined benefit scheme funding deficit liability	609,033	508,056	609,033	508,056

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2020 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Staff personal development	9,840	-	-	-	9,840
<i>General funds</i>					
YUSU General Fund	462,789	2,183,192	(2,348,913)	86,920	383,988
YUSU Commercial Services reserves	100,510	929,658	(914,325)	(86,920)	28,923
Pension reserve	(523,021)	-	(98,338)	-	(621,359)
	40,278	3,112,850	(3,361,576)	-	(208,448)
<i>Total Unrestricted funds</i>	50,118	3,112,850	(3,361,576)	-	(198,608)
<i>Restricted funds</i>					
Clubs and societies	382,288	1,222,967	(1,168,738)	-	436,517
Other funds	64,010	55,999	(51,211)	-	68,798
	446,298	1,278,966	(1,219,949)	-	505,315
<i>Total of funds</i>	496,416	4,391,816	(4,581,525)	-	306,707

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Staff personal development	-	-	-	9,840	9,840
<i>General funds</i>					
YUSU General Fund	485,621	2,637,077	(2,698,593)	38,684	462,789
YUSU Commercial Services	48,525	1,148,294	(1,047,785)	(48,524)	100,510
Pension reserve	(537,483)	-	14,462	-	(523,021)
	(3,337)	3,785,371	(3,731,916)	(9,840)	40,278
<i>Total Unrestricted funds</i>	(3,337)	3,785,371	(3,731,916)	-	50,118
<i>Restricted funds</i>					
Clubs and societies	426,821	1,468,099	(1,512,632)	-	382,288
Other funds	23,614	100,903	(60,507)	-	64,010
	450,435	1,569,002	(1,573,139)	-	446,298
<i>Total of funds</i>	447,098	5,354,373	(5,305,055)	-	496,416

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

Description of funds

Clubs and Societies

Where individual clubs and societies raise income in their own right, e.g. through membership fees, any unspent balances at the year end are held as a restricted fund for application in the future.

Junior Common Room Committee funds are included within the total as the Union is deemed to have ultimate control over the Committees.

Other funds

The Union receives funding for a range of other projects and programmes that are restricted in nature including sport and the mental health project and any unspent balances at the year end will be applied to the projects in future years.

Transfers

Transfers in the prior year represented a reclassification of the nature of the volunteering restricted fund and the creation of a fund for staff personal development.

Current year transfers reflect the profits from the trading subsidiary which have been paid up to the charity as Gift Aid.

23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2020 £
Designated funds	9,840	-	-	-	9,840
General funds	40,278	3,112,850	(3,361,576)	-	(208,448)
Restricted funds	446,298	1,278,966	(1,219,949)	-	505,315
	<u>496,416</u>	<u>4,391,816</u>	<u>(4,581,525)</u>	<u>-</u>	<u>306,707</u>

Summary of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
Designated funds	-	-	-	9,840	9,840
General funds	(3,337)	3,785,371	(3,731,916)	(9,840)	40,278
Restricted funds	450,435	1,569,002	(1,573,139)	-	446,298
	<u>447,098</u>	<u>5,354,373</u>	<u>(5,305,055)</u>	<u>-</u>	<u>496,416</u>

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	60,800	-	60,800
Current assets	511,786	505,315	1,017,101
Creditors due within one year	(162,161)	-	(162,161)
Creditors due in more than one year	(609,033)	-	(609,033)
<i>Total</i>	<u>(198,608)</u>	<u>505,315</u>	<u>306,707</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	86,405	-	86,405
Current assets	778,968	446,298	1,225,266
Creditors due within one year	(307,199)	-	(307,199)
Creditors due in more than one year	(508,056)	-	(508,056)
Total	<u>50,118</u>	<u>446,298</u>	<u>496,416</u>

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(189,709)	49,318
<i>Adjustments for:</i>		
Depreciation charges	61,537	67,422
Bank interest	(7,435)	(7,288)
Loss/(profit) on the sale of fixed assets	(175)	-
Decrease/(increase) in stocks	25,537	(12,055)
Decrease in debtors	59,015	40,345
Decrease in creditors	(142,398)	(20,950)
Pension finance cost	18,411	18,910
Pension deficit remeasurement	113,299	-
<i>Net cash provided by/(used in) operating activities</i>	(61,918)	135,702

26. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	829,758	953,371
<i>Total cash and cash equivalents</i>	829,758	953,371

27. Analysis of changes in net debt

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	953,371	(123,613)	829,758
	953,371	(123,613)	829,758

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

28. Contingent liabilities

Future liability for costs of conversion

The Union occupies a building owned by the University of York under an informal arrangement. The costs of converting the building from its previous use as squash courts were met by the University with the agreement that they reserve the right to charge the Union and the other occupiers of the building, the Graduate Student Association, an agreed proportion of the costs of conversion.

The Union's share of these costs would amount to £88,000. No provision is made in these accounts on the basis that the University has at present not defined the terms of the Union's occupancy of the student centre and has no immediate intention of making any recharge. However, it has reserved the right to do so in the future.

29. Pension commitments

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

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

The increase shown in the deficit since 2016 is in line with the changes previously reported, following annual reviews, but makes allowance for the impact of the 7% pension increase issue. This has increased the deficit in SUSS but its impact has been mitigated by the member consent exercise.

Whilst the assets have performed well, rising by over 17% over the three years, the liabilities have increased by a similar percentage. The sustained low yield on government bonds has continued to affect the liabilities, but the increase was driven in large part by the pension increase issue. The Trustees have concluded that the level of contributions to clear the deficit will have to rise above the planned 5% annual increase in order to address this. However, in order to allow time for unions to make the necessary arrangements the increase in contributions will come into effect from October 2021.

The increase of 5% due in October 2020 will proceed as planned, and these contributions form part of the plan to remove the funding deficit in SUSS.

Following the 2020 increase, and in order to attribute the further increase in costs as fairly as possible, the Trustees have allocated the additional liabilities arising from the 7% pension increase issue to those unions whose members are directly affected by it. This means that a union with many affected members may see a substantial increase in their contributions to SUSS from October 2021, while a union with no members affected by the issue would see a much smaller increase.

The Trustees also considered whether the costs of carrying out the member consent exercise should be borne only by those unions whose members are directly affected by the pension increase issue. After careful consideration, and keeping in mind the principle of collectivism, they concluded that a significant proportion of the costs incurred were justifiable expenses of running SUSS as a whole (because benefits needed to be adjusted, and members

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

29. Pension commitments (continued)

written to, whether or not the compromise offer was made). What remained, once allocated to the many affected unions and reclaimed over a reasonable period of time, was not material in the context of the overall level of payments being made to SUSS by the unions, and so no additional charges will be made in respect of this.

The existing recovery plan, based on the results of the 2016 valuation, was due to end in 2033. One option considered by the Trustees was to retain this target end date, in line with the Pensions Regulator's guidance that funding deficits should be addressed over as short a period as possible. However, given the already substantial level of contributions being made to SUSS by the employers, the Trustees concluded that extending the recovery period, and hence reducing the initial increase in contributions that unions would be required to make, struck an appropriate balance between removing the deficit as quickly as possible while remaining affordable.

In summary, employer contributions will increase by 5% in October 2020 as planned and then by around 18%, on average, from 1 October 2021 (8% for those without any members affected by the compromise issue, and more for those with affected members). Contributions will increase by 5% each year thereafter until the end of the deficit recovery period, which is expected to be in August 2035. However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation.

Under FRS102 the Union is required to recognise as a liability the present value of its agreed share of future deficit contributions. Finance costs are recognised as the present value unwinds.

The total contributions paid into the Scheme by University of York Students' Union in respect of eligible employees for the year ended 31 July 2020 amounted to £33,368 (2019: £33,368). The liability owed by University of York Students' Union in respect of future deficit contributions at the year end was £621,359 (2019: £537,483), split between amounts falling due within one year of £12,326 (2019: £11,677) and amounts falling due after more than one year of £609,033 (2019: £525,806).

The Union participates in the NUS Pension Scheme, a defined contribution pension scheme. The assets of the scheme are held separately from those of the Union in an independently administered fund. The pension costs charged represents contributions payable by the Union to the fund and amounted to £9,310 (2019: £9,310). There are unpaid contributions of £nil (2019: £nil) at the year end

30. Operating lease commitments

The Group and the Union had no commitments under non-cancellable operating leases at 31 July 2020.

UNIVERSITY OF YORK STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

31. Related party transactions

The Union is in receipt of a recurrent grant from the University of York of £1,369,769 (2019: £1,275,783).

In addition the Union occupies its building on a rent free basis under an informal licence subject to the Union maintaining the building in a good state of repair. In accordance with the Charities SORP FRS 102, the trustees have estimated that the provision of space and associated services is worth £51,430 (2019: £51,430) to the Union and have recognised this amount in the Statement of Financial Activities.

The full-time officers of 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 £106,714 (2019: £95,454).

YUSU Commercial Services Limited is a wholly owned subsidiary of the University of York Students' Union. Some of the Trustees of the Union are also directors of this company. At the year end, amounts owed by YUSU Commercial Services Limited were £97,675 (2019: £3,518 owed to). During the year the Union received payments from the company relating to equipment rental of £18,750 (2019: £18,750), management charges of £12,000 (2019: £12,000) and a payment under gift aid of £86,920 (2019: £48,524). The Union made payments to YUSU Commercial Services limited of £57,835 (2019: £112,417) under a catering agreement.

32. Controlling party

The Union is controlled by the Trustee Board which is subject to democratic election by the voting membership of the Union. The ultimate control of the Union is vested under the constitution in the membership in General Meeting. As such no single person or entity controls the Union as defined by FRS102.