

WARWICK STUDENTS' UNION

Trustees Annual Report and Consolidated Financial Statements

For the year ended 31st July 2020



Company Registration Number: 07297865



Charity Number: 1136894

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DIRECTORS REPORT

Union	Warwick Students' Union
Charitable Status	Warwick Students' Union is a charity established under the Education Act 1994. Warwick Students' Union registered with the Charity Commission for England and Wales on 15 th July 2010. Registered Charity Number: 1136894
Company	Warwick Students' Union is a charitable company limited by guarantee and registered in England and Wales on 29 th June 2010. Registered company number: 07297865
Registered Office	WARWICK STUDENTS' UNION University of Warwick Gibbet Hill Road COVENTRY CV4 7AL

BOARD OF TRUSTEES	Governance and Appointments Committee ensures that Warwick Students' Union has effective systems for the appointment and training of Trustees who are also Directors of the Company and that the membership of the Board of Trustees is appropriate.
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SABBATICAL OFFICERS			Appointed	Resigned
2019-20	B Newsham	President	1 August 2019	31 July 2020
	C Batten	Education	1 August 2019	31 July 2020
	M Last	Democracy & Development	1 August 2019	31 July 2020
	E King	Postgraduate	1 August 2018	31 August 2019
	A Churm	Postgraduate	1 September 2019	31 August 2020
	L Mephram	Societies	1 August 2019	31 July 2020
	C Lloyd	Sports	1 August 2019	31 July 2020
	T Holgate	Welfare & Campaigns	1 August 2019	31 July 2020
2020-21	L Mephram	President	1 August 2020	
	M Clarke	Education	1 August 2020	
	A Sefah	Democracy & Development	1 August 2020	
	S Dzumbira	Postgraduate	1 September 2020	
	O Barron	Societies	1 August 2020	
	C Lloyd	Sports	1 August 2020	
	I Bourne	Welfare & Campaigns	1 August 2020	

BOARD OF TRUSTEES/DIRECTORS

Sabbatical Officer Trustees

		Appointed	Resigned
B Newsham	Chair	1 August 2018	31 July 2020
C Batten		1 August 2019	31 July 2020
T Holgate		1 August 2019	31 July 2020
A Churm		1 September 2019	31 August 2020
M Last		1 August 2019	31 July 2020
C Lloyd		1 August 2019	
L Mepham	Chair	1 August 2019	
M Clarke		1 August 2020	
A Sefah		1 August 2020	
S Dzumbira		1 September 2020	
O Barron		1 August 2020	
I Bourne		1 August 2020	

B Newsham resigned the Chair of the Board of Trustees on 31 July 2020. Luke Mepham became Chair on 1 August 2020.

Student Trustees

A Dermody-Palmer	1 August 2018	31 July 2020
M Renna	1 August 2018	31 July 2020
L Kolodziej	1 August 2019	31 July 2020
M Chen	1 August 2019	31 July 2020
A Jaiteh	1 August 2019	
L Onel	1 August 2019	
J Aggrey	1 August 2020	
F Andrews	1 August 2020	
S Baldwin	1 August 2020	
T Kunin	1 August 2020	

External Trustees

A Ward	1 August 2018	21 November 2019
N Pitt	7 May 2013	31 July 2020
G Parker	7 May 2013	31 July 2020
J Finney	1 July 2017	8 February 2021
A Hill-Wilson	1 August 2018	
S Daeche	1 September 2020	
H Dhillon	1 September 2020	
A Minott	1 September 2020	

Secretary

M Crook	1 August 2019
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SENIOR MANAGEMENT

Chief Executive

R Parkinson	14 October 2019
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SUBSIDIARY COMPANIES

Company	Membership Solutions Limited		
	Membership Solutions Limited (MSL) is a subsidiary of the Union and provides IT systems for the further education market, principally in the UK but also in Europe and the rest of the world.		
	It provides website, venue management, e-commerce and membership support services.		
Governing instrument	The company is a limited company with share capital. It is governed by its Memorandum and Articles of Association.		
Company registered number	5525449		
Directors	Appointed	Resigned	
J Bonsall	1 August 2009		
G Parker	1 August 2016		
S Hansen	22 January 2018		
B Newsham	1 August 2019	31 July 2020	
G Bryant	1 August 2019		
R Parkinson	6 November 2019		
L Mephram	1 August 2020		
Company Secretary	M Crook		
Registered Office	SUHQ WARWICK STUDENTS' UNION University of Warwick Gibbet Hill Road COVENTRY CV4 7AL		

Company

Students' Union Services Warwick Limited

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

Governing instrument

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

Company registered number 2197761

Directors**Appointed****Resigned**

A Smith

18 November 2010

C Lloyd

1 August 2019

M Last

1 August 2019

31 July 2020

R Parkinson

6 November 2019

A Sefah

24 September 2020

Company Secretary

M Crook

Registered Office

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

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

NatWest PLC
24 Broadgate
Coventry
West Midlands
CV1 1NE

Solicitors

Band Hatton Button
53-55 Butts Rd,
Coventry
CV1 3BH

DFA Law
2 Waterside Way,
Northampton
NN4 7XD

Bates Wells and Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

Woodroffes Solicitors
7 Beeston Place
London
SW1W 0JJ

Auditor

RSM UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

INDEMNITY INSURANCE

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

DISABLED PERSONS

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

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

EMPLOYEE ENGAGEMENT

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

MATTERS OF STRATEGIC IMPORTANCE

Information is not shown within the Directors' Report as it is instead included within the Strategic Report on page 7 to 25, under Companies Act 2006 S414c (11).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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



Luke Mephram

President

Date: 29 April 2021



Trustee

Megan Clarke
Education Officer

STRATEGIC REPORT

The Board of Trustees of the Union submit their Strategic Report for the year ended 31 July 2020.

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

Members of the Union

Full Members

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

Associate Members

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

Structure, Governance and Management

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

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

The Union is administered by its Trustee Board of eighteen members comprising of seven Sabbatical Trustees, six Student Trustees and five external Trustees who are regarded as the Charity Trustees of Warwick Students' Union for the purposes of the Charities Act. At 31 July 2020 there were seventeen trustees in post.

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

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

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

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

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

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

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

As per the Memorandum and Articles of Association, the Student Council should receive a report from the Board of Trustees on Union activity each quarter. During 2019-2020, no report was submitted due in part to administrative oversight and in part due to the COVID-19 crisis. Arrangements are now in place for this report to be presented commencing 2020-2021.

Officers of the Union

The Officers of the Union are:

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

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

Board of Trustees

The Union is administered by its Board of Trustees comprising:

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

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

The appointed Student Trustees are recruited to the Board and selected by the Trustees and Student Council to serve a maximum term of two years, which may be extended for a second term. From August 2021 Student Trustees will be elected by a secret vote of students.

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

Trustees' General Authority

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

Trustees Induction and Training

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

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

The Board of Trustees and the Chief Executive

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

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

Committees

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

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

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

Governance and Appointments Committee

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

Audit and Risk Committee

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

People and Remuneration

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

People and Remuneration

The Strategy Committee was established in 2020 to finalise and oversee implementation of the SU strategic plan. The Terms of Reference gives it delegated responsibility to lead the process of finalising and publishing the five-year strategy, critically support the director team in developing departmental plans which deliver the strategy and monitor and review progress towards achieving the strategic targets and objectives. The Board of Trustees will review the Strategy Committee and its continued value to SU operations in July 2021.

Relationship with the University of Warwick

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

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

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

Risk Management

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

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

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

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

The strategic risks that are identified by the Board of Trustees are:

<i>Risk Area</i>	<i>Risk Identified</i>
Governance and Compliance	<ul style="list-style-type: none"> • Failure to protect staff/students from serious harm. • Failure to manage a serious incident with potential for significant reputational damage. • Failure to protect personal data in line with GDPR regulations.
Risks to the financial sustainability of the SU	<ul style="list-style-type: none"> • Failure to address the funding gap over the next three years. • Failure to respond to the financial challenge of COVID-19. • Failure to respond to potential VAT changes affecting food sales at the Dirty Duck. • Failure of commercial activity and events to break-even/deliver return to the Charity. • Over reliance on the University block grant
People and talent management	<ul style="list-style-type: none"> • Failure to effectively manage HR casework. • Failure to succession plan, particularly in key areas. • Failure to deliver an effective ED&I review and supporting culture.
Stakeholder engagement	<ul style="list-style-type: none"> • A decline in student engagement with the SU and its democratic processes. • Failure to deliver a quality service and experience for students. • Failure to address the SU's consistently poor NSS score. • Failure to demonstrate value for money for the University. • Failure to balance commercial interests with student welfare.

In response to the COVID-19 crisis, the Board of Trustees implemented a gold, silver and bronze command structure to manage the specific risks arising from the crisis that impacted on the strategic and operational operation of the Union.

This approach has, in conjunction with being part of the University's Major Incident Team, ensured that the Union has maintained its financial position and supported students and staff during a period of significant upheaval during the periods of lockdown and changes to the way students interact with both the Union due to staff having to work from home in line with Government instruction and guidance.

Key Policy Statements

Investment Policy

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

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

Reserves Policy

The Trustees regularly consider the level of free reserves required. Issues considered by the Trustees during 2019-20 when looking at the level of reserves were future investment and contingency requirements for risks. This includes such items as future strategic projects which includes the requirement for any building refurbishment and infrastructure development and the impact of the increase in the SUSS pensions liability and COVID-19.

The Board of Trustees has agreed that the Union should have an unrestricted reserves target of at least £900,000 (excluding the unrestricted pension fund balance). Total unrestricted reserves at 31 July 2020, stand at £1,142,121 (2019: £1,189,461) and excluding fixed assets stands at £825,438 (2019: £841,306). The decrease relates to the operational deficit generated by the Group during 2019-20.

Due to the impact of the COVID-19 crisis, there will be a significant use of unrestricted reserves to financially support the Union during 2020-2021.

Designated reserves are held to fund future strategic projects (including the Equality, Diversity and Inclusion project deferred until 2021 due to the COVID-19 crisis) and the current level is £300,753 (2019: £350,812). Depreciation relating to the planned refurbishment of SU buildings and continuing work on the Union's website and digital strategy accounts for the use of the designated reserve in 2019-2020.

As a result of the recognition of Warwick Students' Union's pension deficit with the Students' Union Superannuation Scheme (SUSS) arising from the implementation of the FRS102 accounting disclosures, a negative unrestricted pension fund balance of £8,176,590 (2019: (£5,367,652)) is recognised at 31 July 2020 (see Note 21), representing the Warwick Students' Union share of the liability.

This notional increase in pension fund balance arises from the impact of a scheduled increase on future annual contribution payments to the SUSS Trustees of 25.6% from October 2021 and a change in the rate used to discount these future annual contribution payments to 1.7% (2019: 3.2%), which is based on the return on AA rated UK gilts.

The Union is paying deficit contributions in line with the agreed contributions schedule, currently planned to end in August 2035, as discussed in Note 21, which has been agreed with SUSS Trustees based on the latest valuation, to eliminate the deficit position in the medium term. This is a standard position within the sector.

Remuneration Policy

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

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

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

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

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

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

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

In accordance with policy and desire to be a good employer, the Union has been working towards being a Living Wage employer. The Board of Trustees evaluates progress in this respect each year during its five year planning process.

The Board of Trustees has agreed that, effective from 1st April 2020, the Union will pay the National Living Wage Rate for its Grade 1 staff - regardless of age.

The People and Remuneration Committee will undertake a review of pay and remuneration policy during 2020-2021 and report its findings to the Board of Trustees in December 2021.

Aims, Objectives and Activities

Mission, Vision, Objects and Values

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

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

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

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

Our Objects:

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

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

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

Our Values

We are a Union for all students. We are:

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

The Board of Trustees has agreed a draft strategic plan covering the period 2021-22, which updates the vision, mission and values of the Union. The strategy is due to be published in May 2021 following a final round of consultation with members.

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

- The SU advice centre, which provides independent advice and support on a range of key welfare issues affecting students at the University of Warwick.
- A governance and influence team, which manages academic representation, oversees the provision of effective governance and democratic processes, supports student-led campaigns and provides direction to the Union's special projects and initiatives.
- Student activities, which supports the development of sports clubs and societies offering students a wide range of academic, social, cultural, charitable and interest based groups and the opportunity to meet new people, share their interests and develop transferable skills.
- Venues, bars and catering outlets, which offer entertainment, food, drink and cafes for students to enjoy and employment opportunities for students whilst they are studying at the University of Warwick.

The Sabbatical Officers represent students by sitting on key committees and working groups of the University of Warwick. This ensures that the student voice is heard and responded to at all levels of the University to enhance the student experience.

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

To further enhance the student experience, Warwick Students' Union involves and supports students from all walks of life to get involved with both the University and local community by actively promoting the benefits of volunteering in student-led activities such as Warwick Volunteers.

Charity Commission

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

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

During the year, Warwick Students' Union did not make a serious incident report to the Charity Commission.

The Charity Commission did raise a regulatory case in respect of the Students' Union Superannuation Scheme to ensure that the Board of Trustees were taking sufficient steps to manage the risk associated with the pension liability and how it impacts on the Union.

After responding to questions posed by the Charity Commission and supplying relevant documentation relating to this issue, the Charity Commission closed this case with no further action required.

Key achievements 2019-20

Over the last year, we have delivered much for students, despite the COVID-19 crisis, including the following key achievements:

- Phase 2 of the **Decolonise Project** was launched, working to further liberate education at Warwick after its initial creation last year.
- **Record-breaking voter turnout** was achieved in almost all of our elections and all student votes, with candidate numbers for our Spring Elections increasing from 43 to 63.
- Our Sports and Trans Students' Officers created a new **trans policy for BUCS**, to ensure university sport is accessible to all students.
- Our first ever **Course Rep Conference**, with workshops from student Course Reps, staff, and Universities UK, as well as a panel with representatives from NUS, Wonkhe, and OIA, helped to further engage, train and empower our Course Reps as academic representatives.
- Our annual **Housing Day**, co-hosted with Warwick Accommodation, saw greater engagement than ever before, educating students around making informed decisions on accommodation.
- The **Academic Representation Transformation Project**, which aims to enhance our ability to co-design the educational experience at Warwick for the benefit of students and the University, was completed.
- Funding for the **Rate Your Landlord** initiative, which aims to drive improved private landlord housing quality, was secured.
- Our **Global Climate Strike 'Day of Action'** and involvement in **Green Week 2020** helped to engage many of our students with environmental issues, empowering them to action.
- Our first **Union Awards** were hosted online, celebrating the outstanding achievements of our members.
- A variety of **campaigns** were launched by our Officers, including our voter registration campaign ahead of the 2019 General Election, our 'Every Body' body positivity campaign and our 'Debunking the Myths' campaign for sports clubs.
- Our **Peer-Led Engagement Project** has produced an evaluation for academic representation in 8 university departments and has created Employability and Leadership Development training.
- Our letter campaign to local landlords, in collaboration with local government, has ensured **rent waivers and reductions** for many students in off-campus accommodation for term 3.
- Team Warwick defeated Coventry at **Varsity**, making us champions for the 30th year in a row, with final scores leaving Warwick with 47 points, Coventry 21. This was the first year a disability sport has ever been included, and we saw more friendly fixtures than ever before, with women's cricket and dodgeball taking part for the first time.
- Our sports clubs and societies have **raised over £150,000** so far this year for a wide range of charities.
- Three of our societies won **Bright Network Society of the Year awards**, in the categories of Diversity and Inclusion, Entrepreneurship and Women's Society.

- The creation of the **Warwick SU Corona Community** Facebook group, where our Officers, sports clubs and societies, and individual students have been sharing fun activities and advice for coping during lockdown, has helped to support our students during these unprecedented times.

Alongside this, we have worked closely with the University on key projects to:

- Implement the **Warwick values** and continue work on Phase 2 of the **Student Disciplinary Process** reforms.
- Deliver Warwick's second **Welcome Week**, packed full of exciting events and opportunities for new and returning students. We have also started work with the University to develop the 2020 Welcome Week, undertaking both online and physical scenario planning so we are prepared for all eventualities.
- Co-write the University-wide **Wellbeing Strategy**, to be implemented across every aspect of University life.
- Provide crucial student voice to inform the **University's COVID-19 response**, using findings from the SU's student survey.
- Create a work-stream within Warwick's International Higher Education Academy to focus on the differential access to **wellbeing support for liberation communities**.
- Provide input to and content for the **Warwick Online Learning Certificate**.
- Develop the **Academic Representation Partnership Agreement**.
- Create and co-chair the University's **Widening Participation Student Advisory Group**.
- Develop and initiate implementation of the **Warwick Core Skills**, to assist students in recognising and harnessing the skills they have acquired in order to improve their employability.
- Kick-start plans for tackling the **Climate Emergency**, as members of the University's Climate Emergency Task Force.
- Develop and pitch plans for the **University library renovation**.
- Develop a joint **Strategy for Alcohol and other Drugs** with a focus on harm reduction and education.

The onset of COVID-19 had a significant impact on the Union in Term 3 and prevented us from delivering key aspects of our work. This was largely due to the initial national lockdown which saw all of our staff working from home and students unable to integrate on to campus in the 'normal' ways; social distancing measures introduced which reduced the Union's ability to provide in-person events and a considerable amount of staff placed on the Job Retention Scheme.

The Union has worked with the University to establish the *University-Students' Union Strategic Partnership Review Group*, to create a fresh set of principles to enable partnership working, establish a new framework under which the University can monitor and review the Students' Union's progress against its strategy and explore where our organisations' strategies align and the benefits that could be attained through further collaboration in these areas. The recommendations of the review group were approved by the Board of Trustees and University Council in July 2020.

The Year Ahead

Like many other organisations, the Students' Union started 2020-2021 in a challenging financial position. Had it not been for the Government's Job Retention Scheme, the Students' Union would have had to significantly reduce costs, through staff reductions, to protect the financial sustainability of the Union.

The external and internal factors affecting the Union's plans have constantly changed and the challenges of COVID-19 restrictions well into the 2020-2021 financial year has not only impacted on student experience, but has also had a significant impact on the way that the Union's staff have had to work, with many either working from home since March 2020 or have been fully furloughed. Since July 2020, staff have also been flexibly furloughed where appropriate.

As a consequence, the Union has forecasted the use of c. £800k of reserves in 2020-2021, which includes restructure costs. However, the assumptions on which the original 2020-2021 forecast has been based have subsequently changed several times, e.g. the introduction of the Tier System, further national lockdowns and the extension of the Job Retention Scheme until September 2021.

In fact, COVID restrictions are likely to result in the Union's commercial outlets being closed for much the 2020-2021 financial year.

However, whilst the Union believes that it is a going concern, with the University continuing to provide the same level of support through the annual block grant, the challenges faced during 2020-2021 due to COVID remain real and complex and will most likely continue to impact and reduce the services that can be provided to students on campus and at home in the short term.

The existing financial pressures that were facing the Union before the added complications of COVID-19, such as a 25.6% increase in the amount contributed to fund the Union's share of the Students' Union Superannuation Scheme (SUSS) pension liability from October 2021, means that the Union has had to implement a programme of reorganisation to manage these financial pressures and the changes arising from this reorganisation has resulted in a leaner and more focused Union from January 2021.

Looking ahead, every year our students are rightly expecting and demanding more from their Students' Union. This is not only because the opportunities we present them are key to their immersion in the student community at Warwick, but also because the skills gained from these are fundamental to becoming the well-rounded individuals sought after by prospective employers.

Therefore, the Trustees have worked hard to review the Union's strategy in light of this and the context of COVID-19 and meeting those demands whilst also ensuring the same, exceptional student experience will be challenging.

Future Plans: The Union's Strategy for 2021 - 2025

The Board of Trustees has agreed a draft strategic plan covering the period 2021-25, which updates the vision, mission and values of the Union. The strategy is due to be published in May 2021 following a final round of consultation with members.

The strategy aims to create the best experience for every student at Warwick. It also challenges the Students' Union to become a dynamic force for change where all students feel a sense of community.

The strategy sets out the following five priorities:

1. Ensure students' voice is central to University life
2. Improve students' welfare
3. Develop a well-led and values-driven organisation
4. Create great networks and communities
5. Ensure the SU is financially sustainable

It introduces the following five new work programmes to deliver the strategic priorities:

1. **Student voice** - academic representation, campaigns, decolonising the curriculum, support for liberation groups, a critical friend to the University and democratic processes which maximise involvement.
2. **Advice and support** – building an excellent advice service which offers quality support on key issues and improved links to external support providers.
3. **Positive change** – consulting on new organisational values, implementing the equality, diversity and inclusion review, colleague development and an innovative leadership programme for student officers.
4. **Building communities** – supporting the development of clubs and societies, enabling a great introduction to Warwick through Welcome Week and helping to deliver a modern commercial offer on campus.
5. **A sustainable future** – providing good financial foundations, including an effective COVID-19 recovery plan, and implementing the recommendations of a new digital transformation project.

Finally, it sets out the following six high level targets to be achieved by 2025:

1. 12,000 members voting in elections.
2. 97% Advice Centre users report improved well-being.
3. Top 10 Russell Group SU by NSS score.
4. 90% staff colleagues report the SU lives its values.
5. Financial plan end of year goals achieved.
6. 20% more students actively engaged with the SU.

Financial Review

Income and Expenditure

The overall results for the year were:

	2020 £	2019 £	Movement £
Income	7,968,372	8,996,637	(1,028,265)
Expenditure	10,846,736	9,266,980	(1,579,756)
Net Income for the Year	(2,878,364)	(270,343)	(2,608,021)
As a % of Total Income	(36.1%)	(3.0%)	

The annual recurrent grant contribution from the University increased by £43,863 (1.6%) to £2,858,263 (2019: £2,814,400). Additionally, the Union recognises contributions in kind totalling £72,828 (2019: £72,828) for management services as grant income from the University. Overall income has decreased by £1,028,265 (2019: Increase £23,055).

The lockdown of the country by the Government on 23 March 2020, due to COVID-19, closed all food and beverage outlets and stopped entertainment events through to the end of this reporting period.

This has resulted in an overall reduction in income generated by F&B outlets and our venue of £1,550,656 compared to the previous year (2019: income decreased by £26,158 on the prior year).

However, this has been offset, through the use of the Government's Job Retention Scheme, which enabled the Union to continue to pay its salaried staff throughout the closure and casual staff until the end of July, and to have received grant to the sum of £584,522 (2019: £nil).

The Union has also paid termination payments to two members of staff in the year. A further six payments were approved by the Board of Trustees as part of a wider organisational restructure of the Union, which was implemented in 2020 to address a shortfall in funding over the medium term. As a result, termination payments totalling £129,905 (2019: £23,292) have been recognised in 2019-2020.

Net Assets

The year-on-year movements were:

	2020 £	2019 £	Movement £
Fixed Assets: Tangible	316,683	348,155	(31,472)
Fixed Assets: Intangible	2,050	6,245	(4,195)
Fixed Assets: Investments	16,664	16,664	-
Current Assets	2,786,588	2,631,040	155,548
Creditors: Amounts falling due within one year	(1,625,462)	(1,436,155)	(189,307)
	1,496,523	1,565,949	(69,426)
Provisions for liabilities and charges	(8,176,590)	(5,367,652)	(2,808,938)
Net liabilities	(6,680,067)	(3,801,703)	(2,878,364)

Total Net Liabilities increased by £2,878,364 to £6,680,067 (2019: £3,801,703).

The value of tangible fixed assets decreased by £31,472 to £316,683 (2019: £348,155). During the year £98,341 of fixed assets were acquired. This included the procurement of equipment within the various outlets operated by the Union, the installation of an upgraded CCTV system and improvements to fixtures and fittings and IT equipment.

Intangible assets relate primarily to software systems. During the year £nil (2019: £6,150), has been spent and the reduction in intangible assets is due to the application of depreciation charges of £4,195 (2019: £21,068), reducing the net present value of these assets.

Current assets have increased by £155,548 to £2,786,588 (2019: £2,631,040).

Cash and short-term deposits have increased by £136,180 to £2,176,645 (2019: £2,040,465), reflecting the net cash inflow during the year, see Note 20.

Debtors have increased by £8,090 to £561,878 (2019: £553,788).

Creditors have increased by £189,307 to £1,625,462 (2019: £1,436,155).

This is primarily as a result of the deferral of VAT payments to HMRC under arrangements put in place by Government to support businesses during the COVID-19 crises and lease rental charges to the University Foundation as part of the process to manage cash flows during the period the Union has not been able to trade. These deferred amounts will be paid during 2020-2021

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

The amounts held as custodian on behalf of student sports clubs and societies increased by £11,933 to £701,715 (2019: £689,782).

Reserves

Free unrestricted general reserves at 31 July 2020 decreased by £147,340 to £1,142,121 (2019: £1,189,461).

In line with the requirements of FRS102, Warwick Students' Union reports the discounted Students' Union Superannuation Scheme (SUSS) pension liability for Warwick Students' Union. At 31 July 2020 this was calculated to be £8,176,590 (2019: £5,367,652).

The Board of Trustees have previously approved that £300,000 (2019: £300,000) be set aside in a designated reserve for future strategic infrastructure developments. As at 31 July 2020 the value of designated funds held was £300,753.

Students' Union Services Warwick Limited

For 2019-20 Students' Union Services Warwick Limited (SUSW) made a donation under gift aid of £91,849 (2019: £165,736) to Warwick Students' Union, a decrease in contribution of £73,887.

The year showed a reduction primarily as a result of COVID-19 impacting on Refresh Buffets and income related to Warwick Conferences. However, income from sales of the NUS Totem Card continues to be poor, and the failure of the STA travel company has generated a bad debt in respect of lease income not paid of £7,486 (2019: £nil).

Overall turnover during 2019-20 decreased by £160,968 on the previous year at £250,518 (2019: £411,486).

Membership Solutions Limited

The 2019-20 financial year saw Membership Solutions Limited (MSL) making a transfer under gift aid of £313,841 (2019: £217,681) an increase in contribution of £96,160.

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

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

Planned work on the modernisation of platform has not progressed as quickly as expected and expenditure planned for 2019-2020 will now be incurred in future periods.

Turnover in the year for the company increased by £17,797 to £1,246,888 (2019: £1,229,091).

Fundraising

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

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

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

Future Funding

Every year the Union produces a Five Year Plan that enables the Union to review the current and future financial performance of its activities. The plan (including the budget for the 2020-2021 financial year) was approved by the Board of Trustees in October 2020.

The budget for 2020-2021 forecasts a deficit position of £848,2190 (2019: deficit £222,780) which reflects the financial impact of the organisational restructure on our staffing base and associated costs of restructuring together with the ongoing impact of COVID-19 restrictions on our commercial outlets and events, that we estimate will be severely restricted due to social distancing requirements for the whole of the 2020-2021 academic year.

The deficit includes £84,284 (2019: £137,227) to be funded from the designated reserve, of which £56,000 is earmarked to support the delivery of the Union's Equality, Diversity and Inclusion Project.

The actuarial review undertaken by SUSS Trustees as at June 2019, has indicated that a cash pension deficit contribution of £367,372 (2019: £349,475) will be due before accounting adjustments for FRS102, and this has been incorporated in to the 2020-2021 financial plan.

This plan also includes an approved recurrent block grant from the University of Warwick for 2020-21 of £2,947,081 (2019: 2,903,020) an increase of £44,061 (1.5%). The current Five Year Plan assumes that the University of Warwick will continue to contribute an annual recurrent block grant at the level approved for 2020-2021 across the planning period.

Although the Union has no definitive guarantee that funding will continue from the University at these levels, the Union will continue its dialogue with the University about the future and monitor any impact to the University of any change to higher education funding and the ongoing impact of COVID-19.

The Capital Commitments (note 7) reports that in response to the COVID-19 crisis and with the aim of managing cash during 2020-2021 there are no capital commitments approved but not yet contracted.

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

The amount contributed in the year to 31 July 2020 was £349,475 (2019: £332,834) (see Note 21). Contribution amounts are included in the Group's Five Year Plan with a known increase of 25.6% and 5% in October 2021 and October 2022 respectively, and an on-going estimated annual increase in contributions of 5%.

The pension deficit is accounted for as a liability under FRS 102, at the net present value of the agreed future payments. The net present value discount rate applied in forecasting our future liability is 1.7% (2019: 3.2%).

SUSS will undertake the next independent triannual actuarial review as at 30 June 2022 and this may result in increased pension deficit contributions from October 2023 and an extended recovery period beyond the current planned end date of August 2035.

Funds Held as Custodian Trustee on Behalf of Others

Custodian Funds

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

The balance held for student sports clubs and societies at 31 July 2020 was £701,715 (2019: £689,782), see Note 11.

The income and expenditure for the student sports clubs and societies is not reported within the Union's Statement of Financial Activities. During the financial year the sports clubs and societies received £1,722,868 of income (2019: £2,016,660).

Included in this income were grants from the Union's Sports Exec and Warwick Sport of £291,499 (2019: £316,093) for sports clubs and £38,018 (2019: £70,980) from the Union's Societies Exec for student societies (see Note 18).

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

Auditor

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

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



Luke Mepham

President

Date: 29 April 2021

M. Clarke
Trustee

Megan Clarke
Education Officer

STATEMENT OF BOARD OF TRUSTEES RESPONSIBILITIES

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

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

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

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

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

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

In so far as the Trustees are aware:

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of Warwick Students' Union

Opinion

We have audited the financial statements of Warwick Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 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.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Board of Trustees' Responsibilities set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

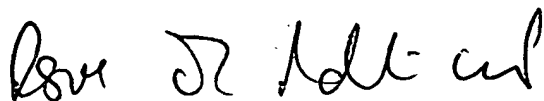
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



PAUL OXTOBY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF
Date 29 April 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Including income and expenditure account for the year ended 31 July 2020

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2020 TOTAL £	2019 TOTAL £
INCOME						
Donations						
University Grants		2,931,089	-	55,801	2,986,890	2,917,250
Job Retention Scheme Grant		584,522	-	-	584,522	-
Income from Charitable Activities						
Food and Beverage		1,643,213	-	-	1,643,213	2,941,408
Venues, Events & Entertainments		747,395	-	-	747,395	999,857
Administration and Support Services		54,735	-	5	54,740	12,330
Students Services & Representation		2,700	-	-	2,700	8,377
Student Activities, Societies & Sports Clubs		296,912	-	160,800	457,712	495,685
Income from Trading Activities						
Commercial Income		1,455,858	-	-	1,455,858	1,582,661
Marketing & Sponsorship		30,948	-	-	30,948	32,836
Investment Income – Interest Receivable		4,391	-	-	4,391	6,233
TOTAL INCOME		7,751,763	-	216,606	7,968,369	8,996,637
EXPENDITURE						
Expenditure on Raising Funds						
Commercial Activities		1,035,393	-	-	1,035,393	1,157,470
Expenditure on Charitable Activities						
Food and Beverage	2	2,678,307	-	-	2,678,307	3,215,238
Venues, Events & Entertainments	2	1,176,327	-	-	1,176,327	1,441,750
Student Membership Services	2	1,155,893	-	27,833	1,183,726	1,204,391
Representation & Affiliations	2	499,254	-	-	499,254	523,405
Student Activities, Societies & Sports Clubs	2	1,307,021	-	157,767	1,464,788	1,724,726
Increase in SUSS Pensions Liability	13	2,808,938	-	-	2,808,938	-
TOTAL EXPENDITURE		10,661,133	-	185,600	10,846,733	9,266,980
NET INCOME/(EXPENDITURE)		(2,909,370)	-	31,006	(2,878,364)	(270,343)
Transfers Between Funds	15	53,092	(50,059)	(3,033)	-	-
NET MOVEMENTS IN FUNDS		(2,856,278)	(50,059)	27,973	(2,878,364)	(270,343)
Fund Balances Brought Forward		(4,178,191)	350,812	25,676	(3,801,703)	(3,531,360)
TOTAL FUNDS CARRIED FORWARD		(7,034,469)	300,753	53,649	(6,680,067)	(3,801,703)

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


STATEMENTS OF FINANCIAL POSITION Company Registration Number: 07297865

	Note	GROUP		UNION	
		2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Tangible Fixed Assets	6	316,683	348,155	316,683	348,155
Intangible Fixed Assets	6	2,050	6,245	2,050	6,245
Investments	8	16,664	16,664	17,934	17,934
		335,397	371,064	336,667	372,334
CURRENT ASSETS					
Stocks	9	48,065	36,787	48,065	36,787
Debtors	10	561,878	553,788	680,110	740,979
Short-term Deposits		1,363,792	1,202,175	1,047,611	862,805
Cash at Bank and in Hand		812,853	838,290	799,561	823,774
		2,786,588	2,631,040	2,575,347	2,464,345
CREDITORS					
Amounts falling due within one year	11	(1,625,462)	(1,436,155)	(1,414,991)	(1,271,230)
NET CURRENT ASSETS		1,161,126	1,194,885	1,160,356	1,193,115
Provisions for Liabilities & Charges	13	(8,176,590)	(5,367,652)	(8,176,590)	(5,367,652)
NET LIABILITIES		(6,680,067)	(3,801,703)	(6,679,567)	(3,802,203)
REPRESENTING					
Charitable Funds					
Restricted Funds	17	53,649	25,676	53,649	25,676
Unrestricted Funds					
General		1,142,121	1,189,461	1,142,621	1,188,961
Pension	16	(8,176,590)	(5,367,652)	(8,176,590)	(5,367,652)
Designated	15	300,753	350,812	300,753	350,812
TOTAL FUNDS		(6,680,067)	(3,801,703)	(6,679,567)	(3,802,203)

The Company's deficit and total comprehensive expenditure for the year was £2,878,364 (2019: (£270,343))

The financial statements on pages 30 to 55 were approved by the Board of Trustees and authorised for issue on April 2021 and are signed on its behalf by:


Luke Mephram
 President


 Trustee
Megan Clarke
 Foundation Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2020 £	2019 £
Net Cash Inflow from Operating Activities	20	230,130	(631,907)
INVESTMENT ACTIVITIES			
Interest Received		4,391	6,233
Purchase of Tangible Assets		(98,341)	(279,661)
Purchase of Intangible Assets		-	(6,150)
Cash used in Investing Activities		(93,950)	(279,578)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		136,180	(911,485)
Cash and Cash Equivalents at the Beginning of the Year		2,040,465	2,951,950
Cash and Cash Equivalents at the End of the Year		2,176,645	2,040,465
REPRESENTED BY:			
Cash and Short-term Deposits at Bank		2,176,645	2,040,465

PRINCIPAL ACCOUNTING POLICIES

General Information

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

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

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

Basis of Accounting

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

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

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

FRS102 Reduced Disclosures

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

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

Judgements and Estimations

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

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

The SUSS pension scheme conducted a full actuarial evaluation as at 30 June 2019 and all estimates are based on the information arising from this valuation. This includes a review of the discount rate used in the calculation of the pension liability which after consideration has been reduced to 1.7% (2019: 3.2%).

PRINCIPAL ACCOUNTING POLICIES (continued)

Financial Instruments

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

Going Concern

Warwick Students' Union reports a net liabilities position of £6,680,067 on its consolidated balance sheet as at 31 July 2020.

This is directly as a result of recognising the discounted Students' Union Superannuation Scheme (SUSS) pension liability calculated as £8,176,590 (2019: £5,367,652) for both the Union and its subsidiary companies. However, this liability is payable on an incremental basis over a period to August 2035 and there is no reason to believe that Warwick Students' Union cannot meet its annual commitments to repay this liability.

An independent actuarial review of the scheme took place as at 30 June 2019, and an increase in deficit contributions has arisen as a result. The Board of Trustees will continue to monitor the impact that this may have on the Union.

The current economic conditions create uncertainty particularly over the level of demand for the Union's services. However, current information from the University of Warwick indicates that future income provided under the block grant agreement will be maintained at current levels.

The impact of the COVID-19 crises has resulted in a significant drop in commercial income due to the closure of the Union's outlets from 23 March 2020 due to lockdown. It is anticipated that whilst restrictions applicable to social distancing continue, this reduction in income will continue throughout 2020-2021.

The Union's forecasts and projections, taking account of reasonably possible changes in trading performance because of COVID-19, show that the Union should be able to operate within the level of its current facilities for at least twelve months from the date of approval of these accounts.

A restructure of the Union, including a reduction in staffing numbers has been undertaken and was completed at the end of December 2020.

It is anticipated that there will be a requirement to draw on unrestricted reserves to support the activities of the Union throughout 2020-2021, although this has been offset by the extension to the Job Retention Scheme.

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

PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of Consolidation

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

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

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

For the charitable company for the period ended 31 July.

	2020 £	2019 £
Income	6,963,986	7,877,694
Expenditure	(9,842,350)	(8,148,037)
Net (Expenditure)/Income for the Period	(2,878,364)	(270,343)

Tangible Fixed Assets

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

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

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

Intangible Fixed Assets

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

Depreciation

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

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

PRINCIPAL ACCOUNTING POLICIES (continued)

Stocks

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

Income

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

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

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

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

Investment income is recognised on a receivable basis

Expenditure

Expenditure is recognised when a liability is incurred.

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

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

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

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

Expenditure includes irrecoverable Value Added Tax.

Termination Payments

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

Leased Assets

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

PRINCIPAL ACCOUNTING POLICIES (continued)

Defined Benefit Pension Scheme

The group participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and the members are contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the Trustees on the advice of the actuary.

The scheme closed to future accrual on 30 September 2011.

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

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

Investments

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

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

Funds Structure

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

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

Taxation

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

PRINCIPAL ACCOUNTING POLICIES (continued)

Students' Union Services Warwick Limited

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

Membership Solutions Limited

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

NOTES TO THE FINANCIAL STATEMENTS

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

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2019 TOTAL £
INCOME				
Donations				
University Grants	2,894,311	-	22,939	2,917,250
Income from Charitable Activities				
Food and Beverage	2,941,408	-	-	2,941,408
Venues, Events & Entertainments	999,857	-	-	999,857
Administration and Support Services	11,330	-	1,000	12,330
Students Services & Representation	8,377	-	-	8,377
Student Activities, Societies & Sports Clubs	305,667	-	190,018	495,685
Income from Trading Activities				
Commercial Income	1,157,470	-	-	1,157,470
Marketing & Sponsorship	32,836	-	-	32,836
Investment Income – Interest Receivable	6,233	-	-	6,233
TOTAL INCOME	8,782,680	-	213,957	8,996,637
EXPENDITURE				
Expenditure on Raising Funds				
Commercial Activities	1,157,470	-	-	1,157,470
Expenditure on Charitable Activities				
Food and Beverage	3,215,238	-	-	3,215,238
Venues, Events & Entertainments	1,441,750	-	-	1,441,750
Student Membership Services	1,180,051	-	24,340	1,204,391
Representation & Affiliations	523,405	-	-	523,405
Student Activities, Societies & Sports Clubs	1,520,970	-	203,756	1,724,726
Other (pension contribution from actuarial valuation)	-	-	-	-
TOTAL EXPENDITURE	9,038,884	-	228,096	9,266,980
NET INCOME/(EXPENDITURE)	(256,204)	-	(14,139)	(270,343)
Transfers Between Funds	86,947	(100,685)	13,788	-
NET MOVEMENT IN FUNDS	(169,257)	(100,685)	(401)	(270,343)
Fund Balances Brought Forward	(4,008,934)	451,497	26,077	(3,531,360)
TOTAL FUNDS CARRIED FORWARD	(4,178,191)	350,812	25,676	(3,801,703)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Charitable Activity and Support Costs

Charitable Activity Costs	TOTAL £	Staff Costs £	Cost of Sales £	Other Operating Expenses £	Support Costs £
<i>Charitable Activity Cost Reallocation</i>					
Food and Beverage	2,678,307	1,193,837	542,837	100,502	841,131
Venues, Events & Entertainments	1,176,327	328,851	243,582	31,359	572,535
Student Membership Services	1,183,726	590,357	-	88,738	504,631
Student Representation and Affiliations	499,254	169,724	-	10,507	319,023
Student Activities, Societies and Sports	1,464,788	202,586	-	366,967	895,235
	7,002,402	2,485,355	786,419	598,073	3,132,555
2019	8,109,510	2,514,692	1,452,359	921,036	3,221,423

<i>Charitable Activity Costs Summary</i>	2020	2019
	£	£
Food and Beverage	2,678,307	3,215,238
Venues, Events & Entertainments	1,176,327	1,441,750
Student Membership Services	1,183,726	1,204,391
Student Representation and Affiliations	499,254	523,405
Student Activities, Societies and Sports	1,464,788	1,724,726
	7,002,402	8,109,510

Student Representation expenses includes the affiliation fee for the National Union of Students' of £60,000 (2019: £57,103). For further information on affiliations see Note 23: Affiliations on page 55.

Support Costs	Use %	TOTAL £	Premises £	Finance & HR £	Marketing, IT & Comms. £	Governance, Admin & General Management £
<i>Support Cost Reallocation</i>						
Food and Beverage	26.9	841,131	239,174	436,834	80,712	84,411
Venues, Events & Entertainments	18.3	572,535	259,106	148,406	80,663	84,360
Student Membership Services	16.1	504,631	149,484	190,124	80,663	84,360
Student Representation and Affiliations	10.2	319,023	99,656	54,244	80,712	84,411
Student Activities, Societies and Sports Clubs	28.5	895,235	249,140	315,847	161,425	168,823
	100.0	3,132,555	996,560	1,145,455	484,175	506,365
2019		3,221,423	1,037,214	944,498	586,735	652,976

<i>Support Costs Summary</i>	2020	2019
	£	£
Food and Beverage	841,131	797,758
Venues, Events & Entertainments	572,535	595,717
Student Membership Services	504,631	489,174
Student Representation and Affiliations	319,023	348,362
Student Activities, Societies and Sports Clubs	895,235	990,412
	3,132,555	3,221,423

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Charitable Activity and Support Costs (continued)

Support costs are allocated on the following basis:

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

Governance, Administration and General Management costs include:

	2020 £	2019 £
<i>Governance Costs</i>		
Auditors' remuneration – Audit Fees	17,500	17,500
Auditors' remuneration – Taxation Services	10,900	16,453
Professional Fees – IT Contracts & Structures	6,123	9,253
Other Legal and Professional Fees	38,027	93,332
Board of Trustees – Committee Expenses	791	1,381
Board of Trustees - Recruitment	-	-
Board of Trustees – Travel Reimbursements	119	2,573
	73,460	140,492
Insurance	82,678	82,924
Irrecoverable Value Added Tax	37,662	223,206
	193,800	446,622

3. Net Movement in Funds

	2020 £	2019 £
<i>Net Movement in Funds for the Period is Stated After Charging</i>		
Auditors' remuneration		
Auditor Fees	17,500	17,500
Tax advisory	10,900	16,453
Cost of Stock Recognised as an Expense	542,837	995,153

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Net Movement in Funds (Continued)

	2020 £	2019 £
<i>Net Movement in Funds for the Period is Stated After Charging</i>		
Depreciation and Amounts Written-Off		
Owned Tangible Fixed Assets	129,813	126,292
Owned Intangible Fixed Assets	4,195	21,068
	134,008	147,360
Operating Lease Rentals		
Plant and Machinery	-	3,319
Buildings	437,000	437,000
	437,000	440,319

4. Staff Costs

	2020 £	2019 £
<i>The Aggregate Payroll for the Year was</i>		
Salaries and Wages	3,855,244	3,884,276
National Insurance	299,230	291,921
Defined Contribution Pension – Contributions in the Year	173,017	176,946
Defined Benefit Pension – Deficit Contribution	349,475	332,834
Defined Benefit Pension (SUSS) – Pension Liability Changes	2,808,938	(173,738)
	7,485,904	4,512,239
<i>The Average Staff Numbers was as Follows</i>		
Monthly Salaried Staff / Full Time Equivalent – Group	142.00 / 105.52	145.0 / 109.0
Monthly Salaried Staff / Full Time Equivalent – Union	127.49 / 92.06	130.2 / 96.46
Weekly Paid Staff / Full Time Equivalent – Group	396.0 / 46.61	410.0 / 51.94
Weekly Paid Staff / Full Time Equivalent – Union	396.0 / 46.00	410.0 / 51.05

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Staff Costs (Continued)

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

	2020	2019
£105,000 - £109,999	-	1
£95,000 - £99,999	-	1
£90,000 - £94,999	1	-
£70,000 - £74,999	1	-
£65,000 - £69,999	3	1
£60,000 - £64,999	-	1

The above members of staff are in the Union's defined contribution scheme NUSPS. The employer pension contributions amounted to £22,109 (2019: £22,679) for these employees.

Warwick Students' Union made terminations payment to two employees in respect of the termination of their employment during 2019-20 and approved and accounted for six further termination payments, prior to 31 July 2020, to members of staff who will leave the Union under the approved Voluntary Leavers scheme and receive their termination payments in early 2020-21. These payments total £129,905 (2019: £22,523).

5. Key Management Personnel, Trustee Remuneration and Expenses

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

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

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

Each of the Sabbatical Officers received a salary of £20,604 (2019: £20,200) during the year. This salary was remunerated by way of their role as a Sabbatical Officer - not as a Trustee.

	2020 £	2019 £
<i>Total Remuneration Paid to Key Management Personnel is</i>		
Salaries	216,695	247,189
National Insurance	20,124	21,736
Pension Costs	7,031	10,762
	243,850	279,687

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Key Management Personnel, Trustee Remuneration and Expenses (continued)

Two members of the Board of Trustees claimed and were reimbursed a total of £119 (2019: Three Trustees, £1,073) for personal travel and subsistence expenses in performing their role as a Trustee. No provision has been made for claims from further trustees not yet submitted (2019: £1,500). No Trustees received any remuneration as a result of their role as Trustee.

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

Warwick Students' Union also incurred costs of £5,631 (2019: £5,183) within the year relating to Professional Indemnity insurance cover of £5m (2019: £5m). This policy included cover for the Trustees, Directors, Officers and employees of the Union.

6. Fixed Assets – Group and Union

	TOTAL £	Building Improvements £	Fixtures, Fittings and IT Equipment £	Intangible (Software) £
<i>Cost</i>				
1 August 2019	1,015,108	73,039	883,288	58,781
Disposals	-	-	-	-
Additions	98,341	-	98,341	-
31 July 2020	1,113,449	73,039	981,629	58,781
<i>Depreciation</i>				
1 August 2019	660,708	21,855	586,317	52,536
Disposals	-	-	-	-
Charge for the Year	134,008	6,882	122,931	4,195
31 July 2020	794,716	28,737	709,248	56,731
<i>Net Book Value</i>				
31 July 2019	354,400	51,184	296,971	6,245
31 July 2020	318,733	44,302	272,381	2,050

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Capital Commitments

	2020 £	2019 £
<i>Future Capital Expenditure</i>		
Authorised but not Contracted	-	15,000
Contracted	-	44,064
	-	59,064

Due to COVID-19 and to manage cash-flows, the Union has not authorised or contacted capital commitments.

8. Fixed Asset Investments

	GROUP		UNION	
	2020 £	2019 £	2020 £	2019 £
NUS Services Limited	16,664	16,664	8,332	8,332
Investment in Subsidiary Companies	-	-	9,602	9,602
	16,664	16,664	17,934	17,934

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

Students' Union Services Warwick Limited:

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

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

Turnover for the year ended 31 July 2020 was £250,518 (2019: £411,486) and profits of £91,849 (2019: £165,736) were generated which was donated to the Union under gift aid. Net funds at 31 July 2020 were £102 (2019: £102). The total assets at 31 July 2020 were £317,011 and total liabilities were £316,909.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Membership Solutions Limited:

Warwick Students' Union directly owns 9,500 (2019: 9,500) £1 ordinary shares in Membership Solutions Limited, a company limited by shares registered in Great Britain, being 95% of its issued share capital, and controls the remaining 5%.

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

Turnover for the year ended 31 July 2020 was £1,246,888 (2019: £1,229,091) and a profit for the year of £nil (2019: nil) was recorded after the payment of a donation made under gift aid to the Union of £313,841 (2019: £217,681).

Net funds at 31 July 2020 were £10,000 (2019: £10,000). Total assets at 31 July 2020 were £346,493 and total liabilities were £336,493.

9. Stocks

	GROUP		UNION	
	2020 £	2019 £	2020 £	2019 £
Bars	42,144	28,548	42,144	28,548
Catering	5,921	8,239	5,921	8,239
Goods for Resale	48,065	36,787	48,065	36,787

10. Debtors

	GROUP		UNION	
<i>Amounts Falling Due Within One Year</i>	2020 £	2019 £	2020 £	2019 £
Trade Debtors	207,511	401,758	11,601	216,249
Amounts Due From Subsidiary Undertakings	-	-	376,005	400,447
Other Debtors	16,369	3,363	8,518	3,616
Prepayments and Accrued Income	337,998	148,667	283,986	120,667
	561,878	553,788	680,110	740,979

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Creditors

<i>Amounts Falling Due Within One Year</i>	GROUP		UNION	
	2020 £	2019 £	2020 £	2019 £
Trade Creditors	328,104	315,426	305,156	304,362
Amounts Held for Clubs and Societies	701,715	689,782	701,715	689,782
Other Taxation and Social Security	113,475	117,677	113,475	117,677
Other Creditors	120,022	80,419	111,940	77,375
Accruals and Deferred Income	362,146	232,851	182,705	82,034
	1,625,462	1,436,155	1,414,991	1,271,230

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

<i>Deferred Income - Group</i>	2020 £	2019 £
At 1 August	135,725	183,339
Released During the Year	(605,286)	(597,292)
Additions During the Year	621,006	549,678
At 31 July	151,445	135,725

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

12. Financial Instruments

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

<i>Financial Assets</i>	GROUP		UNION	
	2020 £	2019 £	2020 £	2019 £
<i>Debt Instruments</i>				
At Amortised Costs	414,653	436,796	218,609	251,284
<i>Financial Liabilities</i>				
Measured at Amortised Costs	658,826	492,971	608,304	465,055

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Provisions for Liabilities and Charges – Group and Union

	2020 £	2019 £
At 1 August	5,526,748	5,526,748
Deficit Contributions Paid	(349,475)	(332,834)
Actuarial Valuation	2,818,297	-
Unwinding of Discount Factor	181,020	173,738
At 31 July	8,176,590	5,367,652

The Trustees of the Student Unions' Superannuation Scheme (SUSS) have implemented a recovery plan aimed at reducing the unfunded element of the pension scheme by August 2035 and following the triennial actuarial valuation as at 30 June 2019, the liability relating to Warwick SU has increased

The plan requires Warwick Students Union to make an annual deficit contribution cash payment, which increases each October, by 5% in 2020, 25.6% in 2021 and 5% annually thereafter. The impact of this payment is discounted over the life of the recovery plan to derive the current total liability relating to Warwick Students' Union. The current discount rate is 1.7% (2019: 3.2%).

14. Analysis of Net Liabilities between Funds

2020	Fixed Assets and Investments £	Net Current Assets £	Provisions for Pension Liabilities £	Net Funds/ (Liabilities) £
Restricted Funds	-	53,649	-	53,649
Designated Funds	-	300,753	-	300,753
General Funds:				
Warwick Students' Union	335,397	796,622	-	1,132,019
Pension	-	-	(8,176,590)	(8,176,590)
Subsidiary Undertakings	-	10,102	-	10,102
	335,397	1,161,126	(8,176,590)	(6,680,067)

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Designated Funds – Group and Union

	1 Aug 2019 £	Income £	Expenditure £	Transfers £	31 July 2020 £
Strategic Infrastructure	350,812	-	-	(50,059)	300,753

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

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

The transfer of £50,059 relates to works undertaken on improving the Students' Union buildings, and developing the Union's Website.

16. Pensions Reserve

	2020 £	2019 £
At 31 July	8,176,590	5,367,652

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. Restricted Funds – Group and Union

2020	1 August 2019 £	Income £	Expenditure £	Transfers/ repaid £	31 July 2020 £
Sports -Including Warwick Sports	300	160,800	(157,767)	(3,033)	300
Sports - Events and Activities	2,016	2,000	-	-	4,016
Community Schemes	6,664	42,926	(24,594)	-	24,996
Student Development	1,500	10,000	-	-	11,500
Media Centre	20	-	-	-	20
Wellbeing, Welfare and Housing	1,913	-	-	-	1,913
Student Led Projects					
Postgraduate Engagement	2,830	-	(98)	-	2,732
Inspire Scheme	3,000	-	(2,447)	-	553
Sustainability	6,433	-	(616)	-	5,817
Projects - Equality and Diversity	1,000	880	(78)	-	1,802
	25,676	216,606	(185,600)	(3,033)	53,649

All of the above restricted reserves represent funds received specifically for the identified activity and are either supported by service level agreements or one-off grant applications. The grant awards for student led projects have been allocated across the activities in the year.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. Grants to Student Sports Clubs and Societies

	2020 £	2019 £
<i>Grant Awards by Societies Federation:</i>		
Media, Performance and Music	19,098	32,592
Campaigning, Charity and Welfare	8,031	12,045
Activities and Hobbies	3,467	13,408
Academic Societies	2,866	8,332
Cultural Societies	1,683	3,353
Faith and Belief	1,360	1,250
	36,505	70,980
<i>Grant Awards by Warwick Sport:</i>		
Sports Clubs	253,481	316,094
	289,986	387,074

These are grant awards made by the Union during the year to student sports clubs and societies. The total grant amount awarded directly to sports clubs to undertake activity in the British Universities and Colleges Sport (BUCS) leagues was £129,428 (2019: £171,661). Due to the curtailment of BUCS sports activity due to COVID-19, an underspend on the grant provided by the University to the sum of £33,000 (2019: £nil) was clawed back by the University.

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

19. Operating Lease Commitments

	Group and Union	
	2020 £	2019 £
<i>Land and Buildings</i>		
Amounts Falling Due:		
Within One Year	488,002	451,700
Within Two to Five Years	1,905,373	1,748,000
Over Five Years	9,802,112	9,920,000
	12,195,488	12,119,700
<i>Plant and Machinery</i>		
Amounts Falling Due:		
Within One Year	-	664
	12,195,488	12,120,364

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. Note to Statement of Cashflows

	2020 £	Group 2019 £
<i>Reconciliation of Net Income/(Expenditure):</i>		
Net Income	(2,878,364)	(270,343)
(Increase) in Stocks	(11,277)	(6,213)
(Increase)/Decrease in Debtors	(8,089)	23,921
Increase/(Decrease) in Creditors	189,305	(361,303)
Increase/(Decrease) in Provisions	2,808,938	(159,096)
Depreciation	134,008	147,360
Loss on Fixed Asset Disposal	-	-
Interest Receivable	(4,391)	(6,233)
Net Cash (Outflow)/Inflow from Operating Activities	<u>230,130</u>	<u>(631,907)</u>

The cash balance includes £701,715 (2019: £689,782) cash relating to student sports clubs and societies which the Union holds as custodian of these funds in a separate bank account.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Pension Scheme

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

Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 to 30 September 2011 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

The most recent valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m (2016: £101.3m) with these assets representing 46% (2016: 46%) of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119,140.9m (2016: £119.7m). Under the scheme rules, should any member Union cease to operate, its liability may be distributed across all remaining Unions, subject to the SUSS Trustees.

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

The 2019 valuation extended the period over which the on-going funding deficit would be cleared by 18 months to August 2034, and sets out a monthly contribution requirement by each Participating Employer expressed in monetary terms. For Warwick Students' Union this resulted in a 5% increase in contributions in October 2020 and 25.6% in October 2021. Thereafter, we are anticipating a 5% increase annually each October.

As previously, the contributions also include an allowance for the cost of the on-going administrative and operational expenses of running the Scheme.

Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the scheme's levy to the Pension Protection Fund.

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

The total deficit contributions paid into the Scheme by the Union in respect of eligible employees for the year ended 31 July 2020 amounted to £349,475 (2019: £332,834).

The deficit contribution for 2020-2021 will be £366,953.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. Related Party Transactions

Membership Solutions Limited

The Union received a donation under gift aid from Membership Solutions Limited of £313,841 (2019: £217,681). The Union purchased £32,680 (2019: £38,117) of IT services from Membership Solutions Limited and provided £22,004 (2019: £35,300) of services.

At the year end, the Union was owed £99,650 (2019: £31,123) from Membership Solutions Limited. All outstanding balances are unsecured, owed on normal trading terms and will be settled in cash.

	2020 £	2019 £
Salary Support, Administrative and Expenses	8,300	20,000
Premises and Equipment Rental	13,704	15,300
	<u>22,004</u>	<u>35,300</u>

Students' Union Services Warwick Limited

The Union received a donation under gift aid from Students' Union Services Warwick Limited of £92,849 (2019: £165,736). The Union paid £7,768 (2019: £18,827) in current account interest and purchases with Students' Union Services Warwick Limited and provided £34,115 (2019: £64,361) of services to Students' Union Services Warwick Limited. At the year end the Union was owed £314,973 (2019: £391,468) from Students' Union Services Warwick Limited. All outstanding balances are unsecured, owed on normal trading terms and will be settled in cash.

	2020 £	2019 £
Salary Support, Administrative and Expenses	8,669	18,000
Premises and Equipment Rental	25,446	46,361
	<u>34,115</u>	<u>64,361</u>

Trustees of Warwick Students' Union

There were no related party transactions in respect of Warwick Students' Union Trustees in the year (2019: no related party transactions in respect of Warwick Students' Union Trustees)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. Affiliations

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

<i>Affiliation Fees</i>	2020	2019
	£	£
National Union of Students (NUS)	60,000	57,103
NUS Services Limited (NUSSL)	380	348
British Universities and Colleges Sport (BUCS)	18,220	16,044
Child Poverty Action Group	-	116
Coventry and Warwickshire Chamber of Commerce	230	230
	78,830	73,841

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