

Charity Registration Number: 1148212
Company Registration Number: 07702161 (England and Wales)



The University of Sunderland Students' Union

Trustees' Report and Financial Statements

For the year ended 31 July 2021

UNIVERSITY OF SUNDERLAND STUDENTS' UNION
(A COMPANY LIMITED BY GUARANTEE)

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2021

The Trustees present their annual report for the year ended 31 July 2021 under the Charities Act 2011, together with the audited financial statements for the year.

Reference and administrative information

The University of Sunderland Students' Union is a company limited by guarantee governed by its Memorandum and Articles dated 12 July 2011, amended on 11 December 2018 and registered as a charity with the Charity Commission.

Charity number: 1148212

Company number: 07702161

Registered Office:

Edinburgh Building, University of Sunderland, Chester Road, Sunderland, Tyne and Wear, SR1 3SD

Charity Trustees:

Diogo Quintas	(Chair – until 31 October 2021; resigned 31 October)
Kirsty Bond	(Appointed 1 June 2021; Chair from 1 November 2021)
Christopher Davison	
Andrew Murtough	
Peter O'Brien	
Lisa Kearney	
Adam Carter-Jones	
Matthew Jackson	
Shina Zdravcheva	
Rose Guy	(Appointed 18 October 2021)
Al Lawley-Powell	(Appointed 1 November 2021)
Victoria Ayedofe	(Appointed 18 October 2021)
Georgios Chnarakis	(Resigned 31 May 2021)
Sarah Maluila-Tyler	(Resigned 30 September 2021)
Laura Pike	(Resigned 4 October 2021)
Jenny Goodfellow	(Resigned 25 October 2021)

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Professional Advisers:

Auditors Haines Watts
 17 Queens Lane
 Newcastle upon Tyne
 NE1 1RN

Bankers: Natwest
 Sunderland Branch
 52 Fawcett Street
 Sunderland, SR1 1SB

Advisers: Counterculture Partnership LLP
 Unit 115
 Ducie House
 Ducie Street
 Manchester M1 2JW

DAC Beachcroft LLP
3 Hardman Street
Manchester M3 3HF

Atkinson HR Consulting Ltd
Whaley Bridge,
High Peak
Derbyshire SK23 7JN

Key Management Personnel

The Union employs a Chief Executive to work closely with the Trustee Board and ensure effective management of the charity as head of a senior management team as follows:

Chief Executive (& Company Secretary)	Colina Wright
Deputy Chief Executive (Member Support)	Eleanor Farrington (to 31 December 2020)
Head of Communications and Student Voice	Katie D'Arcy (to 31 December 2020)
Head of Student Engagement	Cass Winlow (from 1 January 2020)
HR and Operations Manager	Louise Dixon
Finance Manager	Lynne Gordon
Marketing and Communications Manager	Katherine Cooper (from 1 January 2021)
Student Voice Manager	Nicola Edwards (from 1 February 2021)
Student Opportunities Manager	Sarah Redman (from 1 February 2021)

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Structure, governance and management

The Union is constituted under the Education Act 1994 as a charity, with internal regulations or Rules approved by the governing body of the University of Sunderland (the University). The Union's charitable object is the advancement of education of the students of the University of Sunderland for the public benefit.

The Sabbatical Trustees are elected annually by cross-campus secret ballot of the Union's membership. These three posts of President: Education, President: Activities and President Wellbeing are full-time posts remunerated as authorised by the Education Acts and cannot exceed two years duration for each holder.

The three full-time Sabbatical Officers, four Student Trustees and five External Trustees are regarded as the charity trustees of the Union for the purposes of the Charities Acts and Company Directors for the purposes of the Companies Act. Student Trustees shall remain in office for a term of one or two years as agreed by the Appointments Committee, serving a maximum of two consecutive terms. The external trustees may serve a term of four years, renewable up to a maximum term of office of eight years.

Trustee training

New trustees are inducted into the workings of the Union, as a registered charity and company limited by guarantee, including Board Policy and Procedures, at both internal and external training and induction workshops.

Organisational Management

Day to day responsibility for services rests with the Chief Executive along with service managers and other staff. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that performance is monitored and controlled.

The remainder of the management team (as set out in the key management personnel), is responsible for the delivery of the Union's strategy through their departmental teams.

The remuneration of key management personnel is set by the Finance, Risk and Resources Committee, with the policy objective of ensuring that they are rewarded for their individual contributions to the Union's success. Delivery of the Union's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Charity Governance Code Self-Assessment

The Board undertook an initial self-assessment against the version of the code developed specifically for Students' Unions by NCVO and NUS in January 2019, together with a Board development session which considered feedback from the self-assessment. A further review was undertaken in early 2021 which identified new development tasks and actions for the board to pursue.

The intention remains to review performance against the Code annually.

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Relationship with University of Sunderland

The relationship between the University and the Union is established in the regulations of the University and in the Relationship Agreement approved by both organisations. The Union receives a Block Grant from the University and part-occupies a building owned by the University, which also pays for utilities, caretaking and cleaning staff. This non-monetary support is intrinsic to the relationship between the University and the Union.

Although recommended by the Charities SORP, which has been adopted for this and future financial years for due compliance with the requirements for Students' Unions provided for in the Charities Act 2011, it is not possible to identify an estimated value to the Union for this free serviced accommodation as the University does not separate out the property costs of individual floors of its buildings. Although the Union continues to generate supplementary funding from various trading activities, it will always be dependent on the University's financial support.

The trustees consider it reasonable to anticipate that this or equivalent support from the University will continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body in one form or another. The trustees therefore consider the Union to be financially viable for the foreseeable future.

Principal Risks and Uncertainties

The Board reviews the Union's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties currently facing the Union are:

- A health epidemic: a medium term extension of the Covid 19 pandemic or a further incident that requires (the University and) the Students' Union to work remotely, with the potential to adversely impact on the ability to:
 - meet the demands of the students.
 - engage individuals with the democratic processes, threatening the legitimacy of the election processes and question the credibility of the SU.
- The impact of Brexit on student recruitment: challenges to the University's international student recruitment strategy which has the potential to threaten the University financial stability.
- Any Higher Education funding review with the potential for it to remove or reduce tuition fees, which threatens the University's financial stability.
- A failure to reflect the University of Sunderland's strategic goals in Union plans and future developments leading to conflict or lack of support with University priorities.
- Failure to anticipate, identify and satisfy the needs of the membership.
- Failure to engage membership in democratic activity which threatens the legitimacy of Union.
- Failure to maintain/ develop relationships with the University due to changes in senior staffing on both sides.
- Failure to build a relationship with the membership, leading to not using the Union; SU is not meaningful to our students and irrelevant to their needs.

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- Non-compliance with procedures leading to misappropriation of assets/funds.
- Insufficient funding from the University/long term funding commitment leads to inability to achieve aims and long term planning difficulties.
- Historical liability for SUSS pension scheme results in higher liability and repayment costs for Union and risk of additional orphan liabilities from other Union's closing or declaring insolvency.
- Loss of personal data. Non-compliance with DPA and GDPR leading to investigation and fines.

The first three risks are viewed as being external to the organisation, and over which it has very little direct control but must consider how it would frame its response. The remaining risks form part of the Union's active risk register and are subject to regular operational reviews to ensure that the agreed control and mitigation measures are effective.

Aims, Objectives and activities

The Union's Articles of Association set out the aims and objectives of the Union as follows:

The objects of the Union are the advancement of education of Students at the University of Sunderland for the public benefit by:

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

In pursuit of these aims for the public benefit, 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 and other organisations on behalf of students. Executive Officers of the Union sit on key committees of the University and meet regularly with providers of public services affecting students.

The Union's 2018-22 strategic plan sets out the following objectives for the organisation to pursue:

Your Voice

To ensure that we are fully student led, with students directing their own activities within the Union and that we represent the interests of all our members

Your Course and You

To support students to stay on their course and help them achieve their education goals.

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Your Place

To be positive and proactive representatives of our university and city, to help students enjoying living, studying and belonging to Sunderland and our University.

When reviewing our objectives and planning our activities, we have given due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit. The Students' Union provides a wide range of representation, advocacy, advice, training, publications, events, personal development support, and other services to students at the University of Sunderland in furtherance of the educational mission of the institution.

As a consequence, the Students' Union works to the public benefit of its members, the University and the wider Sunderland community who are affected by different policies, legislation and political agendas, and is recognised as the voice of Sunderland students.

Achievements and performance

The Union achieved the following published objectives for 2020/21:

Restructure

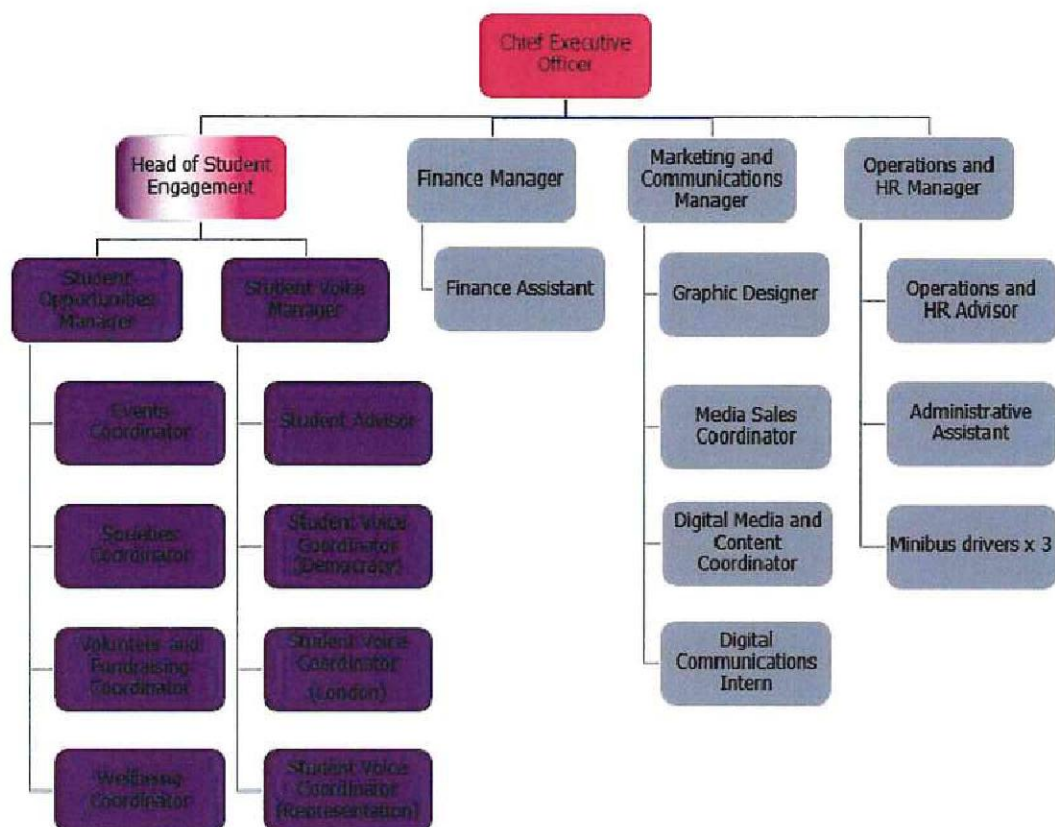
The organisation underwent an organisational restructure with the intention of providing more student-facing support and opportunities for delivery.

As a result there was a newly created Head of Student Engagement, combining the previous Deputy CEO (Members Support) and Head of Communications and Student Voice. We introduced two managerial roles under the Head of Student Engagement, the Student Voice Manager and the Student Opportunities Manager. We also created an internal Media Sales Coordinator post to support income generation opportunities.

The revised structure is presented below:

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Key

	Senior Management / strategic oversight
	Student engagement
	Support services

Consequently there were three internal promotions and an extension to another manager's remit and whilst there was a period of readjustment and settling into new roles, this has been extremely positive.

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Collectively the Students' Union...

- strengthened the relationship between the University and the Students' Union; this is signified by a partnership agreement which is regularly reviewed by the Joint University Union committee
- saw an increase in our National Student Survey results, from 54% to 62%. We look forward to what we can achieve working in collaboration with the University in the coming year
- successfully renewed our Investors in Diversity accreditation
- became a Living Wage employer and are campaigning for the University to consider implementing this too
- supported the Stand Alone pledge and aim to become the first English SU to implement this

Covid

The University and SU worked closely over the Covid pandemic to minimise disruption to students:

- This involved joint thinking on the emergency regulations
- The SU received additional funding (£2000) to enable us to provide social opportunities for students that were unable to travel over Christmas.
- We worked together to ensure self-isolating students remained supported and the SU led a shopping dropping initiative to ensure food was safely delivered to those in need.

Additional funding

The University agreed to fund two roles in London, a strategic priority of the SU but difficult without financial support. These are a London specific President and Student Voice Coordinator and will ensure that London based students are able to be represented more effectively.

In addition the University gave us a further £21,000 for in year spending. This was to support the student experience and was spent on staff training, renewing our Investors in Diversity accreditation to align with the university's Social Inclusion of the Year award, mental health first aid training and an extension to the online platform used for Freshers, enabling us to undertake hybrid activities throughout the year, better engaging students at our London campus and our distance learners.

Through revised budgeting the Union also committed to externally facilitated strategic planning consultation, delivering a programme of summer events, increased funding for staffing positions and investment in technology for hybrid meetings.

Projects and initiatives

The University and Students' Union worked with the University on the Mental Health Conference and are working in partnership on the Mental Health Charter, the Student Charter and other exciting initiatives.

Equality, Diversity and Inclusion projects

Though money provided by Santander with the specific purpose of enhancing opportunities within equality, diversity and inclusion, the Students' Union were able to provide:

- British Sign Language Training
- Caravan Theatre screenings portraying mental health, hate crime and sexual harassment
- Disability training with Adam Pearson
- Pizza making for our student parents over Easter

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Student Voice

Course Reps: numbers have fallen but because the focus has been on quality rather than quantity, engagement with these students have significantly increase as a result

Increased election engagement: we combined the full time and part time Officer elections this year, increasing the mandate for the latter. Voter turnout increased to 1357, there is still some work to be done to better engage students, both in terms of standing as candidates and voting, although there was an increase in the number of candidates. We are also interested in analysing the data more closely but are currently unable to do this based on how this is currently configured.

London elections: We hosted our first ever elections for a London President, there were 3 candidates and 232 votes.

Members Meeting: we took a more performance (rather than compliance) perspective to the Member's Meeting, this was more engaging and meaningful to those in attendance. Although we didn't reach quoracy (100) this was a significant improvement on previous years and an genuine opportunity for engagement between the Trustee Board and the student membership and we intend to continue to deliver this in a hybrid approach.

Union Council: Union Council grows from strength to strength! Under great leadership student discussions have been student led and University representatives, including David Bell, Vice Chancellor, and Abigail Moriarty, Pro Vice Chancellor for Learning and Teaching, and representatives from Unison have been invited to speak to and hear from the students directly. We are also working more closely with Elion to ensure students' suggestions regarding the catering provision are reported and responded to.

- Aligned with the President Activities manifesto we developed opportunities with the local night-time economy. The purpose of which was to ensure that the SU had an awareness of student safety and were involved in conversations regarding risk.
- Period Poverty was a hugely successful campaign which aimed to tackle the stigma attached to periods, educate students on periods, raise awareness on that menstruation isn't gendered and end period poverty for our students in Sunderland! This campaign has been extremely well received with focus on increasing the impact and potentially working with NUS and other Unions so this becomes more sustainable and makes a real difference to period poverty on a wider scale.
- The President Education proposed new support mechanisms in the study skills area for students, which will be introduced in the coming academic year (Studiosity)
- The President Education was also involved with the Write & Cite (Harvard referencing guide) for students
- We contributed to the Special Regulation and Amended Special Regulations consultation processes and filmed videos outlining the essential aspects in them with the help of the University and our Digital Content and Media Intern

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- Through the successful appointment of our President Wellbeing on to national Student Minds International Students' Panel we strengthen links with them with the purpose of improving the mental health of international students in the UK; a policy about accommodation was submitted and accepted at the NUS Conference
- We facilitated a Union response to the Access and Participation review for the Office for Students
- We coordinated a focus group for the University's Board of Governors on how students can be more informed and involved with decisions taking place at the highest level at the University
- Through the efforts of the Mature and Postgraduate Students' Officer, the university have committed to improving the facilities and the signage for the baby changing stations on campus

Advice

We continued to operate our independent advice service, supporting 308 new cases in the 20/21 academic year. Whilst this is lower than the 19 / 20 academic year (when the pandemic first hit) it is otherwise higher than previous academic years going back to 15 / 16.

Reasons for this are unknown however the number of new cases in September - December was lower than some (but not all) previous years; the figures aligned more closely with previous academic years from January – August when cases surged during the pandemic.

- 80.2% of new cases were concerned with Academic issues and 16.6% concerned with Housing issues.
- 26.3% of new cases presented issues related to Academic Appeals, 10.7% to Academic Misconduct, 22.7% to complaints and at least 14.9% had Covid-19 related matters although a full review over the year has yet to be done.
- In total, 5626 case notes were recorded, 651 video / telephone exchanges were held, 5 in person appointments occurred as we had moved to exclusively remote appointments (except as reasonable adjustments), 3585 advice emails were exchanged and 694 live chat exchanges was held via our WhatsApp service.
- We continued to operate our SU Buddies scheme which pairs existing students with new students to help them settle into student life. We successfully recruited and trained 58 Buddies and paired 79 new students. Additionally 63 students completed training in specific support functions such as 'Look After Your Mate' training.

Student Opportunities

Freshers

It had always been the intention that the Students' Union would assume responsibility for organising Freshers 2020 however the decision was taken that, given the uncertainty, it was best for the University to continue to do so.

The SU worked closely with the University over the previous months to support their online platform, VirBELA. There were some teething problems but the experience on the whole was positive.

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We recruited our Welcome Crew volunteers who offered a warm but socially distanced welcome to students moving into halls of residence.

The University agreed to fund both a physical and online Fair for 2021, planning for which has been symbiotic.

Campaigns

The Students' Union supported a number of national weeks and campaigns including:

- Breast Cancer Awareness (September)
- Black History Month (October)
- Blue Monday (January)
- Student Volunteering Week (February)
- LGBT History Month (February)
- Take back the street (March)
- International Women's Day (March)
- Denim Day (April)
- Queer Connections and Pride Month (June)

... and many more!

Academic Societies

The original intention had been for all students to automatically be enrolled on academic societies related to their course; this was highly ambitious and hadn't considered student leadership or sustainability as much as required. Consequently, we are working with the University to redefine the parameters of our provision for academic societies

SU Loves You: Our annual awards event has grown since last year. We have added an additional 4 categories including the Presidential award. There were 42 categories across the remaining 11 categories; nominees have organised online events, supported student wellbeing, raised fund to buy food for vulnerable families and represented the academic interests of their student colleagues.

What are our next challenges?

- We will continue to consider our new strategic direction and ensure that we work to achieve the needs of our students
- We will continue to focus on improving student engagement, both in Sunderland and in London
- We will continue to build on the positive working relationship with the University and look to extend this within the community
- We will continue to embed EDI across our work
- We will continue to work with staff to support increased students' participation

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Financial review

The Union's gross income from all sources this year totalled £1,448,453 (2020: £1,087,639). Total expenditure of £1,156,731 (2020: £1,893,604) on the wide-ranging student benefits we provide within a broadly balanced budget, as well as on the modest fundraising and other revenue-generating activities we undertake, left an operating surplus for the year of £291,722 (2020: deficit of £805,965) after movements between unrestricted and designated funds and the annual adjustment of the Union's pension deficit obligations. £127k of the operating costs relate to the adjustment of the pension liability as outlined below.

Since the entry into effect of FRS102 there has been a change of accounting policy regarding pension deficits. Previously, a prior year adjustment was recognised for the full SUSS deficit plan payable over 17 years allowing for the three year advance payment made in October 2014 and unwinding the discount received on that early payment. In June 2019 SUSS underwent its latest triennial actuarial valuation and the outcome was reported to member Unions in March 2020. Notifications of increases in deficit contributions were received in May 2020, and therefore the accounts recognise an increase in the Union's liability for those charges up to 2035.

During the 2020/21 financial year, deficit reduction contributions were made totalling £141,738. The year-end accounts have recalculated the net present value of the revised expected contributions up to October 2035. An adjustment to the revised future contributions has been charged to the SOFA, leaving the Union's total liability as £2,846,094 (2020: £2,890,685). The Union has an agreement with the University over how future contributions will be supported from 1 August 2020. The Union's total contributions over the current three-year valuation period will be £471,528. The University is contributing restricted funding of £361,000 to these costs between August 2020 and July 2023. The Union's pension deficit reserve will fund the remaining £111,528.

The Trustee Board took a decision in July 2016 to create a designated fund to contribute to the three year Students' Union Superannuation Scheme (SUSS) deficit payments that have been required from October 2017 onwards. At 1 August 2020 the fund stood at £152,018. During the 2020/21 financial year £0 was spent from the fund on the year's pension deficit payments, together with £141,738 from restricted funds provided by the University. At year end, the fund was increased to £200,000 by transferring £47,982 from unrestricted reserves.

Additionally, at the end of the 2018/19 financial year another designated fund was established to support the costs of delivering the Union's People Strategy, developed in 2018/19 to underpin the strategic plan. £5,450 was spent from this fund during 2020/21, leaving a balance of £4,550 at year end. Two further funds were created at the end of the 2020/12 year. One designated fund contains £8,000 to represent the use of some deferred funding from the 2020/21 year to support on line Freshers' Week activity in September 2021. Another fund contains £5,000 to support development costs for the Union's website.

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Reserves level and policy

The Trustees have adopted a reserves policy, the objective of which is to protect the Union and its charitable activities by ensuring adequate liquidity while the organisation adjusts to any short term (two to three months) changes it encounters in its financial and operating environment. At the same time the Trustees wanted to ensure reserves were not too high in order to maximise the resources applied to the Union's charitable purpose, and to be able to designate specific funds to support the ongoing activities of the Union. Following this policy the Trustees have set a target of the Union holding £200,000 in unrestricted funds (not including the pension deficit reserve).

As noted above, due to the recognition of the pension scheme requirements of FRS102, the Union's income and expenditure reserves are an accumulated deficit of £2,219,860 (2020: £2,511,582). Within that figure, unrestricted reserves total £179,364 (2020: £183,014). Whilst this figure still falls short of the £200,000 target figure, the Union is confident that it is working towards achieving a sustainable level of reserves, subject to future changes in pension deficit contributions.

The implementation of this policy sees the Union holding the following reserves for the stated purpose:

Item	31 July 2020 £	31 July 2021 £
Unrestricted funds	183,041	179,364
Pension Reserve	(2,860,685)	(2,846,094)
Restricted Pension Reserve – being a fund representing the restricted funding provided by the University to support the Union's pension deficit payments	-	219,262
Designated Capital Fund – being a fund representing the net book value of fixed assets owned by the charity	4,044	10,058
Designated Pension Deficit Payment Reserve – being a fund setting aside a contribution to future pension deficit payments	152,018	200,000
Designated Staff Development Reserve - being a fund to cover staff learning and development in support of the people strategy	10,000	4,550
Designated Freshers' Week IT Fund	-	8,000
Designated Website Development Reserve	-	5,000
Total Reserves	(2,511,582)	(2,219,860)

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Covid 19 Pandemic

The Covid 19 pandemic has not had a significant impact on the company's operations. Unlike many other students' unions, Sunderland SU is not reliant on large scale commercial operations to produce income in addition to its grant funding. Nonetheless, the closure of the University campus from March 2020 and the continued restrictions on in-person attendance during 2020/21 reduced the opportunities available to the Union to generate income through media sales and merchandise retailing. Specifically, the lack of a physical freshers' fair and a physical graduation week saw the Union lose its main income generation opportunities. However, the shift to working from home and delivering support and activities online saved the organisation at least as much as it had lost via its income generation routes.

Following negotiations with the University the Union has been successful in agreeing an increase in grant funding for 2021/22, plus additional support for its pension deficit contributions. The budget allows for a small operating surplus to be achieved on that basis meaning that the Union's unrestricted reserves should not need to be used to help fund its ongoing activities.

The trustees continue to review and update their financial forecasts for the short- and medium-term future. Senior management of the Union have regular briefing meetings with the University's senior leadership, and are reassured that the University remains committed to maintaining its grant funding of the Union at the current level for at least the next financial year. The trustee board also receives regular updates directly from the University's Pro Vice Chancellor (Academic) which underscores the institution's ongoing financial support for the Union. At the point of signing the accounts, the trustees are satisfied that Sunderland SU remains a going concern.

Trustees' Responsibilities

The charity trustees (who are also the directors of the University of Sunderland Students' Union for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

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.

In so far as the trustees are aware at the date of approval of this report:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps 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.

Approved by the Board of Trustees on 13 December 2021 and signed on its behalf by



Kirsty Bond
Chair of the Trustee Board

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF SUNDERLAND STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2021

Opinion

We have audited the financial statements of University of Sunderland Students' Union (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, funders, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on page 14 and the accounting policies note

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF SUNDERLAND STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2021

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF SUNDERLAND STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the companies Act 2006 and we report in accordance with this Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF SUNDERLAND STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2021

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

Use of our report

This report is made solely to the 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.



Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts North East Audit LLP

Statutory Auditors

15 December 2021

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from:						
Donations	4	982,679	-	361,000	1,343,679	987,519
Charitable activities	5	104,507	-	-	104,507	98,005
Investment income	6	267	-	-	267	2,115
		<u>1,087,453</u>	<u>-</u>	<u>361,000</u>	<u>1,448,453</u>	<u>1,087,639</u>
Expenditure on:						
Charitable activities	7	1,022,585	6,999	-	1,029,584	984,147
Recalculation of pension liability		-	127,147	-	127,147	909,457
		<u>1,022,585</u>	<u>134,146</u>	<u>-</u>	<u>1,156,731</u>	<u>1,893,604</u>
Net movement in funds before transfers		64,868	(134,146)	361,000	291,722	(805,965)
Transfers	17	(68,545)	210,283	(141,738)	-	-
Net movement in funds		<u>(3,677)</u>	<u>76,137</u>	<u>219,262</u>	<u>291,722</u>	<u>(805,965)</u>
Reconciliation of funds						
Fund balances brought forward		183,041	(2,694,623)	-	(2,511,582)	(1,705,617)
Fund balances carried forward		<u>179,364</u>	<u>(2,618,486)</u>	<u>219,262</u>	<u>(2,219,860)</u>	<u>(2,511,582)</u>

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

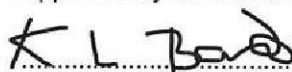
UNIVERSITY OF SUNDERLAND STUDENTS' UNION

BALANCE SHEET
AS AT 31 JULY 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	13		10,058		4,044
Current assets					
Stocks		4,628		5,991	
Debtors	14	138,656		23,810	
Cash at bank and in hand		692,860		386,605	
		<u>836,144</u>		<u>416,406</u>	
Liabilities					
Creditors: amounts falling due within one year	15	(347,115)		(213,085)	
Net current assets			<u>489,029</u>		<u>203,321</u>
Total assets less current liabilities			<u>499,087</u>		<u>207,365</u>
Creditors: amounts falling due after one year					
- Pension liability	16		(2,718,947)		(2,718,947)
Net assets			<u>(2,219,860)</u>		<u>(2,511,582)</u>
Funds					
Unrestricted funds			179,364		183,041
Designated funds					
- Capital fund			10,058		4,044
- Pension Payment fund			200,000		152,018
- Pension Liability			(2,846,094)		(2,860,685)
- Freshers' Week IT fund			8,000		-
- Website Development Reserve			5,000		-
- Staff development			4,550		10,000
Restricted fund			<u>219,262</u>		<u>-</u>
	17		<u>(2,219,860)</u>		<u>(2,511,582)</u>

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

Approved by the Board on 13th November, 2021 and are signed on their behalf by:



Kirsty Bond
Chair of the Trustee Board

Company Registration Number. 07702161

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

STATEMENT OF CASH FLOWS

AS AT 31 JULY 2021

	Notes	2021 £	2020 £
Cash used in operating activities	22	313,550	(47,237)
Cash flows from investing activities			
Interest income		267	2,115
Purchase of tangible fixed assets		(7,562)	(5,035)
Receipt from sale of tangible fixed assets		-	360
<i>Cash provided by (used in) investing activities</i>		<u>(7,295)</u>	<u>(2,560)</u>
Change in cash and cash equivalents in the year		306,255	(49,797)
Cash and cash equivalents at the beginning of the year		386,605	436,402
Cash and cash equivalents at the end of the year		<u>692,860</u>	<u>386,605</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>692,860</u>	<u>386,605</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

University of Sunderland Students' Union meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2 Going concern

The Union is dependent, in the absence of other funding, on the continued financial support of the University of Sunderland. The Trustees believe, on the basis of discussions held, that further support will continue to be made available from the University.

A pension liability of £2,846,094 shown in note 15 and 16 has been provided in the financial statements in accordance with FRS 102. The liability represents the additional contributions required in line with the Recovery Plan which runs to 2035. Further detail in relation to the recognition of the liability can be found in note 1.14. The pension liability does not fall due immediately therefore the trustees continue to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that might be necessary if the University were not to provide further support. Were this not the case, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

1.3 Funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2021

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

1.5 Donated services and facilities

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, and the receipt of economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the directors report for more information about their contribution.

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

1.6 Expenditure and irrecoverable VAT

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

Irrecoverable VAT is charged against the cost in which the expenditure was incurred.

1.7 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2021

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures and Fittings	-	20% and 33% on a straight line basis
Motor Vehicles	-	33% on a straight line basis

All assets costing more than £500 are capitalised.

1.9 Stock

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

1.10 Debtors

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

1.11 Cash at bank and in hand

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

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 JULY 2021

1.14 Pensions

University of Sunderland Students' Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the University of Sunderland Students' Union. Under the terms of FRS17, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid throughout the year.

In line with FRS 102 any additional contributions required as part of a recovery plan need to be recognised in full at net present value at the balance sheet date.

1.15 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Legal status

University of Sunderland Students' Union is a company limited by guarantee, registered in England and Wales, (No 07702161) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 JULY 2021

3. Comparative Statement of Financial Activities

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:						
Donations	4	950,519	-	37,000	987,519	974,000
Charitable activities	5	98,005	-	-	98,005	121,454
Investment income	6	2,115	-	-	2,115	2,176
		<u>1,050,639</u>	<u>-</u>	<u>37,000</u>	<u>1,087,639</u>	<u>1,097,630</u>
Expenditure on:						
Charitable activities	7	981,778	2,369	-	984,147	996,475
Recalculation of pension liability		-	909,457	-	909,457	63,596
		<u>981,778</u>	<u>911,826</u>	<u>-</u>	<u>1,893,604</u>	<u>1,060,071</u>
Net movement in funds before transfers		68,861	(911,826)	37,000	(805,965)	37,559
Transfers	17	(4,704)	41,704	(37,000)	-	-
Net movement in funds		<u>64,157</u>	<u>(870,122)</u>	<u>-</u>	<u>(805,965)</u>	<u>37,559</u>
Reconciliation of funds						
Fund balances brought forward		118,884	(1,824,501)	-	(1,705,617)	(1,743,176)
Fund balances carried forward		<u>183,041</u>	<u>(2,694,623)</u>	<u>-</u>	<u>(2,511,582)</u>	<u>(1,705,617)</u>

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2021

4. Donations

	2021 £	2020 £
University of Sunderland		
Block grant	934,000	927,000
Pension deficit grant (<i>restricted</i>)	361,000	37,000
Other	45,000	13,000
Government grants	3,679	10,519
	<u>1,343,679</u>	<u>987,519</u>

The government grants received relates to the JRS claim.

5. Incoming resources from charitable activities

	2021 £	2020 £
Student services income	85,706	73,866
Commercial income	14,801	24,139
	<u>100,507</u>	<u>98,005</u>

6. Investment income

All of the charitable company's investment income arises from money held in interest bearing deposit accounts.

7. Charitable expenditure

	Activities undertaken directly £	Support costs £	2021 £	2020 £
Student Services	716,136	313,448	1,029,584	982,525
Commercial	-	-	-	1,622
	<u>716,136</u>	<u>313,448</u>	<u>1,029,584</u>	<u>984,147</u>

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 JULY 2021

8. Support Costs

	2021	2020
	£	£
Finance	52,578	53,718
Administration	250,163	222,020
Human Resources	5,340	4,590
Information Technology	192	300
Governance (note 9)	5,175	22,678
	<u>313,448</u>	<u>303,306</u>

Support costs are allocated based on the overall expenditure of the activities.

9. Governance

	2021	2020
	£	£
Salaries	-	17,737
Audit fee	5,175	4,500
Trustee costs	-	141
Other professional fees	-	300
	<u>5,175</u>	<u>22,678</u>

10. Net income/(expenditure) for the year

This is stated after charging:	2021	2020
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,549	1,474
Loss of disposal of tangible fixed assets	-	60
	<u></u>	<u></u>

11. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the charity's auditors for the audit of the charity's annual accounts	5,450	4,800
	<u></u>	<u></u>

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 JULY 2021

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	594,266	619,852
Social security costs	51,653	49,282
Other pension costs	30,209	31,115
	<u>676,128</u>	<u>700,249</u>

The average monthly number of employees during the year was as follows:

	2021	2020
	Number	Number
Direct	3	3
Administration	18	15
Management	4	5
	<u>25</u>	<u>23</u>

There was one employee who received total employee benefits (excluding employer pension costs) of more than £60,000 (2020 – none).

The trustees are made up of external trustees and sabbatical officers; external trustees were not paid or received any other benefits from employment in the year (2020 – £nil), sabbatical trustees were paid £58,290 (2020 – £61,723) as permitted by the Students' Union's Ordinance and Regulations. No trustee received payment for professional or other services supplied to the charity (2020 – £nil).

The reimbursement of trustees expenses was as follows:

	2021	2021	2020	2020
	Number	£	Number	£
Travelling expenses	-	-	9	833

The key management personnel of the charity comprise the Chief Executive Officer, Head of Student Engagement, Marketing and Communications Manager, Student Opportunities Manager, Finance Manager, HR & Operations Manager and the Student Voice Manager. The total employee benefits of the key management personnel of the charity were £257,947 (2020 – £206,236).

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 JULY 2021

13. Tangible fixed assets		Fixtures, Fittings & Equipment £
Cost		
At 1 August 2020		73,792
Additions		7,562
Disposals		-
At 31 July 2021		<u>81,354</u>
Depreciation		
At 1 August 2020		69,747
Charge for the period		1,549
Disposals		-
At 31 July 2021		<u>71,296</u>
Net book value		
At 31 July 2021		<u>10,058</u>
At 31 July 2020		<u>4,044</u>
14. Debtors	2021	2020
	£	£
Trade debtors	93,339	9,141
Other debtors	10,256	973
Prepayments and accrued income	35,061	13,696
	<u>138,656</u>	<u>23,810</u>
15. Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	77,516	15,935
Taxes and social security	18,640	13,595
Other creditors	17,098	16,293
Accruals and deferred income	106,714	25,524
Pension liability	127,147	141,738
	<u>347,115</u>	<u>213,085</u>

In other creditors are funds of £12,109 (2020 - £9,536) held on behalf of the University communities.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2021

16. Creditors: amounts falling due more than one year

	2021 £	2020 £
Pension deficit payment plan liability	2,846,094	2,718,947

17. Analysis of funds

<u>Year ended 31 July 2021</u>	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Unrestricted fund					
General fund	183,041	1,087,453	(1,022,585)	(68,545)	179,364
Designated funds					
Capital fund	4,044	-	(1,549)	7,563	10,058
Pension payment fund	152,018	-	-	47,982	200,000
Pension deficit	(2,860,685)	-	(127,147)	141,738	(2,846,094)
Staff development fund	10,000	-	(5,450)	-	4,550
Freshers' Week IT Fund	-	-	-	8,000	8,000
Website Development Fund	-	-	-	5,000	5,000
Restricted funds					
Pension fund	-	361,000	-	(141,738)	219,262
	(2,511,582)	1,448,453	(1,156,731)	-	(2,219,860)
<u>Year ended 31 July 2020</u>	<u>Brought forward £</u>	<u>Income £</u>	<u>Expenditure £</u>	<u>Transfers £</u>	<u>Carried forward £</u>
Unrestricted fund					
General fund	118,884	1,050,639	(981,778)	(4,704)	183,041
Designated funds					
Capital fund	873	-	(1,533)	4,704	4,044
Pension payment fund	250,000	-	-	(97,982)	152,018
Pension deficit	(2,086,210)	-	(909,457)	134,982	(2,860,685)
Rebrand fund	836	-	(836)	-	-
Staff development fund	10,000	-	-	-	10,000
Restricted funds					
Pension fund	0	37,000	-	(37,000)	-
	(1,705,617)	1,087,639	(1,893,604)	-	(2,511,582)

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE YEAR ENDED 31 JULY 2021

17. Analysis of funds *(Continued)*

Designated funds

Capital Fund – being a fund representing the net book value of fixed assets owned by the charity.

The pension deficit fund has been designated under FRS 102 to represent the net present value of the future contributions required over 15 years to clear the pension fund deficit.

Pension Deficit Payment Reserve – being a fund setting aside a contribution to future pension deficit payments

Brand Development Fund – being a fund to cover the implementation costs of the Union's new brand identity

Staff Development Reserve- being a fund to cover staff learning and development in support of the people strategy.

Restricted funds

The pension funds relates to the additional grant received from the University to fund the additional deficit contributions.

18. Analysis of net assets

<u>Year ended 31 July 2021</u>	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total Fund £
Tangible assets	-	10,058	-	10,058
Cash and current investments	224,042	249,556	219,262	692,860
Other current assets	143,284	-	-	143,284
Current liabilities	(187,962)	(159,153)	-	(347,115)
Creditors more than one year	-	(2,718,947)	-	(2,718,947)
	<u>179,364</u>	<u>(2,618,486)</u>	<u>219,262</u>	<u>(2,219,860)</u>

<u>Year ended 31 July 2020</u>	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total Fund £
Tangible assets	-	4,044	-	4,044
Cash and current investments	224,587	162,018	-	386,605
Other current assets	29,801	-	-	29,801
Current liabilities	(71,347)	(141,738)	-	(213,085)
Creditors more than one year	-	(2,718,947)	-	(2,718,947)
	<u>183,041</u>	<u>(2,694,623)</u>	<u>-</u>	<u>(2,511,582)</u>

19. Pensions

Pension Scheme – Defined contribution

Since 1 October 2011 all participating employees have been in a defined contribution pension scheme, National Union of Students Pension Scheme (NUSPS). Contributions are at the rate of 6% for the employer and 6% for the employee. The Union's cost of contribution in the year amounted to £30,209 (2020 - £31,115).

Students' Union Superannuation Scheme – Defined benefit

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

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

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

The following assumptions applied at 30 June 2019:-

- The investment return would be 4.0% per annum before retirements and 2.0% per annum after retirement
- Pensions accruing on post 1997 basis would revalue at 3.7% per annum and 3.4% per annum on the post 2000 basis
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2019 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 15 years and increased by 5% in October 2020, 14.2% from October 2021 and at least 5% each year thereafter. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme. These rates will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2022. Surpluses or deficits which arise at future valuations will also impact on the Guild's future contribution commitment. In addition to the above contributions, the Guild also pays its share of the scheme's levy to the Pension Protection Fund.

In accordance with FRS 102, the net present value of the future contributions required by the University of Sunderland Students' Union over 16 years to clear the funding deficit is £2,860,685 (2019 - £2,086,210). In calculating this net present value, annual increases of 5% in November 2020, 14.6% in November 2021 and annual increases of 5% thereafter have been made and a discount rate of 1.5% representing the typical yield of high quality corporate bonds has then been applied.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 JULY 2021

20. Commitments under operating leases

At 31 July 2021 the company had annual commitments under non cancellable operating leases as follows:

	2021	2020
	£	£
Expiry date:		
Within one year	-	2,896
Between two and five years	-	-
	<u>-</u>	<u>2,896</u>
	<u>-</u>	<u>2,896</u>

21. Related party transactions

Included within trade creditors include an amount of £nil (2020 - £561) owing to The University of Sunderland.
Included within trade debtors is an amount of £82,050 (2020 - £8,781) owed by The University of Sunderland.

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

	2021	2020
	£	£
Net income for the year	291,722	(805,965)
Interest received	(267)	(2,115)
Depreciation of tangible fixed assets	1,549	1,444
Profit/(loss) on disposal of tangible fixed assets		60
Decrease/(increase) in stock	1,363	(2,291)
Decrease/(increase) in debtors	(114,846)	7,642
(Decrease)/increase in creditors	134,029	(753,988)
Net cash in operating activities	<u>313,550</u>	<u>(47,237)</u>