

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 2018

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

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**UNIVERSITY OF SUNDERLAND STUDENTS' UNION
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2018**

The Trustees present their annual report for the year ended 31 July 2018 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 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	Colin Ranshaw	
	Marie Foalle	
	Laura Pike	
	Mandi Purvis	Appointed 1 July 2018
	Diana Tretjak	Appointed 1 July 2018
	Dagogo Pepple	Appointed 1 July 2018
	Sarah Kerton	Resigned 30 June 2018
	Jelena Paschenko	Resigned 30 June 2018
	Peter Tosan Velor	Resigned 30 June 2018
	Deonte Bibroma Jam	Resigned 30 June 2018
	Kevin Robert Slight	Resigned 31 May 2018
	Harrison Chirnside	Resigned 30 October 2017

Professional Advisers

Auditors Haines Watts
Floor 11, Cale Cross House
156 Pilgrim Street
Newcastle upon Tyne, NE1 6SU

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

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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

Wrigleys Solicitors LLP
19 Cookridge Street,
Leeds LS2 3AG

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)

Anne Marie Nixon (to 1 March 2018 – maternity leave)
Phil Benton (from 1 March 2018 – maternity cover)

Deputy Chief Executive
(Member Support)

Eleanor Farrington

Head of Policy & Communications

Katie D'Arcy

Central Services Manager

Louise Bell

Finance Manager

Lynne Gordon

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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 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. The external trustees may serve a term of 3 years, renewable up to a maximum term of office of 9 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 Human 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.

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.

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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 with particular assistance from a Risk Management working party consisting of the chair of trustees and the Chief Executive, 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 considered to be:

University Relationships

- Failure to maintain positive and mutually beneficial relationship with the University

Environment and Union Spaces

- Failure to adapt or respond to the changing Higher Education environment and needs of our membership resulting in lower levels of engagement with the Union's activities and reduced relevance. One example risk could be the growing number of Students' Union choosing to boycott the National Student Survey (NSS). While Sunderland SU currently has no plans to boycott NSS, it is possible that future student officers may wish to explore this option. As many of our KPIs rely on data from NSS, the SU would in this instance be required to find alternative methods of measuring success and support those officers in their political position.
- Failure to ensure the SU improves its visibility and physical spaces in a newly redeveloped campus environment.

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Services and Activities

- Failure to improve opportunities for students to lead societies and SU activity effectively. Any existing societies which move under the SU governance systems are not supported to meet their obligations.
- A decline in the level of student engagement with, or failure to ensure the membership understands the SU's democratic processes, undermining the strength of the Union's voice and ability to represent the interests of all members.
- Failure to meet the changing demands for quality advice and support for students.

Governance and Compliance

- Failure to comply with key legislation or regulatory reporting requirements.
- Failure to enable good governance.

Financial

- Failure to maintain the financial health of the organisation.
- Ability to afford increases in pension deficit funding.

Resources

- Failure to implement an effective people strategy leading to staffing challenges and stakeholder relationship management affected.

Safety and Reputational

- A serious unanticipated incident, which results in serious reputational damage.
- A serious health and safety incident occurs where policies and procedures have not been followed resulting in reduction in future activity or prosecution.

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident-reporting and monitoring systems and insurance cover wherever appropriate.

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Aims, Objectives and activities

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

- 1.1 The Union's objects ('Objects') are specifically restricted to the following charitable objects:
- 1.2 The advancement of education of students of the University for the public benefit by:
 - 1.2.1 advancing the educational and general welfare of its membership;
 - 1.2.2 providing appropriate professional student advice facilities and promoting the interests of its membership in those economic, social and welfare issues which have an effect on education or upon the position of its membership in society;
 - 1.2.3 providing Members with services of common benefit without prejudice to race, age, disability, gender, sexual orientation, marital status, religion or belief or any other discriminatory factor;
 - 1.2.4 representing and communicating the interests of students of the University to the University, its Committees, its staff and to appropriate external bodies and further by providing a recognised means of communication between its Members and the Vice Chancellor of the University without prejudice to the individual rights of each Member;
 - 1.2.5 encouraging, promoting and co-ordinating, by provision of facilities, services and otherwise, the educational, cultural, social, and recreational interests of its Members, including personal development and skills enhancement;
 - 1.2.6 encouraging student participation in democratic processes;
 - 1.2.7 promoting and encouraging contact and co-operation between students;
 - 1.2.8 assisting in the maintenance of good order and discipline within the Union and in the University;
 - 1.2.9 promoting the Policies of the Union, both inside and outside the Union, whilst upholding the legitimate freedom of expression within the law;
 - 1.2.10 conducting its affairs at all times in accordance with relevant legislation;
 - 1.2.11 working with the University to further its educational and civic purposes;

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 2014-18 strategic plan sets out the following objectives for the organisation to pursue.

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Enhance our members' Learning Experience

A positive experience of learning is a priority for all our members. The primary reason our members come to university is to develop their knowledge and skill and to help realise their ambitions, both in the job market and in life.

In order to help our members participate in high quality education, it is our role to work with our members, with the University, and with our partners, to continually develop good and innovative teaching and learning. Learning experience is relevant to every one of our members.

Support our members' Wellbeing

Wellbeing is essential for a positive university experience. Being happy, healthy and safe at university helps our members achieve personally, academically and professionally.

We will work with our members and partners to develop pastoral care, wellbeing campaigns and focus on the City of Sunderland as a place of learning, sharing, fun and enjoyment for our members.

Build our members' Confidence and Connections

Confidence and connections help members get the best from their university experience.

We will work with our members to develop their confidence, to have high life aspirations and the connections with individuals and organisations that can help realise those aspirations. We will empower our members to establish personal and professional networks, not limited by geography, personal background and academic specialism.

We will provide access to a range of experiences, which will be transformational in terms of personal and professional development, with members enjoying and achieving in new and different areas.

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.

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Achievements and performance

The Union achieved the following published objectives for 2017/18:

Enhancing our members' Learning Experience

Sunderland SU works with members, partners and staff to develop student engagement in learning and use our expertise to access sector research & intelligence and benchmark services for quality impact and reach.

In 2017/18, the SU delivered the following effective learning experience campaigns and projects aimed at enhancing our members' learning experience:

Periodic Review support

We provided Periodic Review support to the University to ensure that students concerns were addressed in relation to their course.

Partnership with the Police and Crime Commissioner

We worked with Northumbria Police and helped prepared the PCC Report for the police & crime plan. We also developed a strong working relationship with the PCC and developed plans for future collaborative working.

Elections Results Event

We supported a team of events management students to provide a very successful elections results night event celebrating the results of our 2018 sabbatical officer elections.

NUS Zones committees

We supported our sabbatical officers to contribute to NUS zones committees.

Working on local issues

We worked proactively with our local Councillors on local issues which matter to our students such as housing.

NUS National Policy submissions

We supported policy submissions to NUS National Conference.

Officer Role Review

We developed work on the Officer role review and launched 3 new officer roles for the 2018 elections with clearer role descriptions and responsibilities.

Officer induction and training

We delivered a full programme of officer induction and training sessions to introduce them to their roles as officers and trustees.

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NSS Analysis

We prepared analysis work on the NSS results to better inform our future planning and establish key areas for development.

Let's be Clear

We continued work on our 'Let's be Clear' democracy project which aims to review our articles of association to make democracy in the Students' Union easier and more engaging for members. This project will be complete in the 2018/19 academic year.

School Co-ordinators

We successfully recruited and trained 12 School Co-ordinators to represent the interests of students and report back at University Committees and Boards.

Supporting our members' Wellbeing and Happiness

City Venues Guide

The WearSafe project (supported by the Police and Crime Commissioner) developed to become 'City Venues Guide' an online guide to venues in the city of Sunderland which have declared as 'student friendly' with measurement against a checklist agreed by the Students' Union. So far 11 venues are fully registered as part of the guide with plans to expand the scheme in the coming year.

University and national campaigns and activities

We co-produced *Report it! Get Supported* campaign including shaping University policy and reporting process and creating a video to raise awareness.

We've taken part in a group consultation on the University's Fair Access and Participation Plan.

We also worked in partnership with the University on a number of national wellbeing awareness and liberation campaigns and University wide activities inc. Time to Talk, University Mental Health Day, Sunderland Pride, Black History Month, LGBTQ+ History Month, Mental Health Awareness Week and Bystander Training.

SU Buddies

We successfully delivered 3 'Mate Dates' attended by 136 students, to increase interaction between Buddies and their students, reward Buddies for the time they volunteer and develop a significant peer network.

We trained 76 Buddies and supported 156 students to find their feet at University, make new friends and connections and develop their social skills.

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In order to reward our Buddies for all of their fantastic work, we distributed a monthly 'Buddy Box' full of treats to recognise those Buddies who really went the extra mile to support our members.

Look After Your Mate

82 students attended the Student Minds 'Look After Your Mate' workshop to increase their knowledge around good mental health and how to support a peer that is struggling. All Accommodation RA's received the LAYM training in order to equip them with the skills to support students in Halls who may go to them for support.

Peer Coaching

20 coaches were trained in academic year 17/18, and delivered regular sessions helping students to develop their problem solving skills. We successfully ran 3 'Coaching Catch Ups' to increase interaction peer coaches and develop a peer network for them to practise their skills and share common interests.

4 Peer Coaches were trained as Mental Health First Aiders.

Advice and Guidance

We supported many members through our advice service, offering advice and guidance on a wide range of topic including academic and housing advice. During the period 4 July 2017- 3 June 2018 we opened:

- 145 Academic cases (36% increase against the same period last year)
- 72 Housing cases (9% increase against the same period last year)

We carried out research with 55 students on the University's Fit to Sit Policy and created new information and guidance as a result.

We spoke to 64 students at the Student Housing Fair about their experiences of housing and created new info and guidance as a result.

We also carried out a Student Satisfaction Survey pilot to find out what students experiences were of the SU Advice Service - 27 out of 29 indicated that engaging with the Advice Service had a positive impact.

Sexual Health And Guidance (SHAG) Week:

54 students participated in activities for Sexual Health and Guidance Week.

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Other work

We have undertaken a range of projects to support the provision of high-quality academic advice and learning enhancement:

- We coordinate the Northern Academic Advisers Forum.
- Coordinate Learning Enhancement projects in partnership with the School Coordinators and academic community, including a Student Success Stories Conference, held at Hope Street Exchange, in March 2018.
- Worked with our 600 student representatives to develop and promote democratic engagement to improve the learning experience for students.
- We support school coordinators, course representatives and students to play a leading role in educational development partnership projects with the University, including a Retention and Achievement Project and national contribution to the Teaching Excellence Framework submission.
- We lead and deliver research projects to support high quality policy proposals, including designing and executing original research.
- Support students and elected Sabbatical Officers to contribute confidently and successfully to the University's Committee framework.
- Lead Sunderland SU's work with the University's Learning and Teaching Plan.
- Represent students nationally at The Student Engagement Partnership.

Building our members' Confidence and Connections

Volunteering

Volunteering continues to provide students with many opportunities to increase their skills, employability, achieve their SUPA, make friends and get involved in the community. That's why we created 62 volunteering opportunities throughout the year with 344 volunteers taking part in training and development activities and with 1222 hours of volunteering achieved.

32 volunteers were rewarded for reaching 10 volunteering hours, 16 reached 30 hours and 8 reached 50 hours.

As part of the Tall Ships Races we recruited and supported 7 students to join the crew of the Black Diamond of Durham on a special delivery voyage to Sunderland.

184 course reps were trained to represent their course and support students in achieving their academic expectations of teaching and learning.

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Freshers' Week

Over 7000 students attended our Freshers' Week 2017 events and activities which were aimed at welcoming new students to the city, welcoming back returning students and helping them explore Sunderland, make friends and discover something new about the city.

Student Opportunities Week:

Successes

- Over 170 members informed about SU Communities and Find Funding
- 300 students informed of Students Opportunities Week in 10 lectures and 80 students attended the opportunities drop in
- Over 2,500 Facebook impressions for Student Opportunities Week activities
- 50 new students registered as volunteers
- 48 students involved in community volunteering opportunities
- 31 students attended First Aid training

Events

We ran a series of events over the year with over 5000 students participating overall.

We ran 6 'Good Vibes Good Luck' giveaways over the summer exam period with over 700 students participating. These events helped support our members through a stressful time, giving them a positive boost before going into the exam hall.

3 'Volunteer Thank You' events were held over the year to thank our volunteers for their time and hard work. For 1 of these we supported a team of events management students to deliver the event – this was successfully delivered with over 100 student attendances.

SU Communities

The Students' Union continued to build on the work of the previous year by developing SU Communities and preparing the business case for the SU to take on responsibility for Societies from the University. This has now happened and SU Communities will be absorbed into a new and improved Societies offer in the next academic year.

Find Funding

Find Funding continued in this academic year to offer students the chance to access money and make their ideas a reality through a student led, democratic process. £900 was awarded to 3 separate groups of students to fund a variety of projects including funding Events Management students to organize an Elections Results celebration event, a 2nd year fashion show and a 2 day cultural celebration called 'Africans Unite'. There were 18 applications and 400 students voting for their projects.

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Campus Vibrancy

We worked with Sunderland University to develop the campus vibrancy project aimed at increasing students' dwell time on campus and enhancing the atmosphere at the University.

Being a 21st Century Students' Union, living our values

Elections 2018

We delivered the 2018 sabbatical officer elections, running the 3 new and improved officer roles for the first time. We provided elections training sessions for all candidates and managed candidate care throughout the process. The elections turnout was 1926.

Inductions

We presented a range of induction sessions to different cohorts of students across the University, offering an insight into the work of the Students' Union and giving information about how to get involved.

Internships

We recruited for 2 internships within our Communications Team aimed at developing our digital marketing and communications to make sure our members are able to engage with us easily through our website and on social media. The internships are specifically for Sunderland graduates, creating real employment opportunities for our members. We also developed 4 further internship opportunities in other parts of the organisation which were recruited for in July/August 2018.

Brand review

We continued our brand review with stakeholder research including a survey and focus groups with student groups. The brand launched at the start of the 2018/19 academic year.

Strategic Plan

2016/17 was the final year of the Union's existing corporate plan and so much of the work over the past year has focused on finalising and launching a strategic plan to take the Union beyond 2017 and consulting with key stakeholders on the development of the new strategic plan. The new plan launched in early 2018 with work carrying on throughout the remainder of the academic year to realign staff teams to the new plan and communicate objectives to stakeholders and members.

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Future plans

Launching the new strategic plan

The new strategic plan launched in January 2018 alongside a realignment of our staff structure which was launched in June 2018. The new plan aligns our goals, activities and resources in order to meet the needs and expectations of Sunderland students and fulfil our mission to make the University experience of our members valuable for life. The plan is organised under 3 clear objectives:

- YOUR Voice
- YOUR Course and YOU
- YOUR Place

In the last 2 years, we have spent a lot of time getting to know our members better and conducting wide-reaching research into students' ambitions, experiences and aspirations for their time at the University of Sunderland and beyond. The Students' Union has used the findings along with existing research and insight data covering the current themes in the higher education sector as a whole, the University of Sunderland and Students' Union to create a plan that helps us to deliver a high performing, membership-led organisation.

We know that every University experience is different, with different students needing different things from their Students' Union. We're here to make sure they not only get the most from their course, but also out of the whole University of Sunderland experience, which we want to make personal to them.

The objectives, strategies and activities outlined in the plan focus our activities on three key areas:

- The plan will have a positive impact on how students feel about the voice they have and how their interests are represented about their university experience. The Union is the voice of Sunderland students and we will ensure that they are able to direct our work and make their voices heard. It's important that the experiences and interests of all student groups are represented, valued and supported effectively through our democratic and representation systems, inclusive student led opportunities and group activities. Objective 1: **YOUR Voice** will achieve this, by being fully student led; with students directing their own activities within the Union and that we represent the interests of all our members.

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- We know that a students' course, their academic achievement and career prospects are their biggest concerns and that's why it's at the heart of our Objective 2: **YOUR Course and YOU**. We also know that courses are changing and that the 'academic interests' we aim to represent, means different things to different people. Through the plan we'll help students understand their rights and empower them to make informed decisions and take the action they choose, especially on academic issues. It is important the Union supports students to stay on their course and help them achieve their education goals.
- Research findings show that there are clear opportunities for the Union to contribute to improving student satisfaction with university life. Students see their Union as having an important role to play in their social experience, and we want to help them to feel welcome, valued, included and supported from the moment they become a member. We want to be positive and proactive representatives of our university and city, to help students enjoying living, studying and belonging to Sunderland and the University. Objective 3: **YOUR Place** aims to create excellent opportunities for students to be active in their communities, take part in and develop student-led activities and city-wide cultural and social events.

Financially the strategic plan will be achieved by the SU targeting its spending on its key delivery budgets of Member Support, Advice, and Policy and Campaigns. Together these areas account for 50% of the Union's expenditure and ensure that the plan is effectively resourced. The Union is funded through a combination of direct grant funding from the University of Sunderland, and income it is able to generate from its own activities. The SU will work with the University on the development of the Union spaces to provide students with a flexible, social learning space, opportunities for income generation, fit to serve and support student's needs.

The Students' Union is set up so that students are able to directly influence our work through Union activities, Union Council and through the elected Executive Officer team which is made up of both full time and part time student officers. Our staff team is fundamental to the Union's ability to deliver its activities set out in the plan in partnership with students. We will ensure that the Union staff team can learn from and support one another through a new people strategy in order to achieve this.

An analysis of the impact of the strategic plan on our stakeholders and how we will work together with others demonstrates wide-ranging benefits. We will ensure that the Union effectively communicates, engages with, and supports participation from, all our stakeholders throughout each annual cycle.

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Brand review

Following research, our new visual brand identity launched in September 2018 with the next phase planned being an overhaul of our website to bring it in line with our new brand guidelines and make it more accessible and easy to navigate.

Developing student-led spaces on campus

Following a successful lobbying campaign, the Union has agreement from the University to develop the Union space on campus to create a student-led, flexible space. Plans for this development will continue throughout the 2018/19 academic year with the aim of launching our new space during Welcome Week 2019.

Development of Societies

Ownership of Societies formally transferred from the University to the Union in August 2018. The coming year will see the Union develop the Societies offer and focus on growing and developing new societies with a particular focus on Academic societies linked to courses on offer at the University.

Financial review

The Union's gross income from all sources this year totalled £1,198,111 (2017 - £1,245,448). Total expenditure of £906,455 (2017 - £1,853,908) 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 £291,656 (2017 - deficit of £608,460) after movements between unrestricted and designated funds and the recalculation of the Union's pension deficit contributions.

The Trustee Board took a decision in July 2016 to create two new designated funds. One new fund provided £50,000 to support the Union's development of its next strategic plan during 2016/17. The other reserve set aside a further £50,000 to contribute to the next three year Students' Union Superannuation Scheme (SUSS) deficit payments that will be required from October 2017 onwards. An additional £100,000 was added to the pension payment fund in 2017.

From the 2018 financial results, a further £100,000 has been added to the pension payment reserve to support the payment of increased deficit costs. During 2017/18 a total of £20,385 was spent from the strategic development reserve to use up the funds set aside. A new designated fund has been created at year end to pay for the costs of the Union's recent rebranding exercise. £10,000 has been allocated to this fund.

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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 2016 SUSS underwent its triennial actuarial valuation and the outcome was reported to member Unions in February 2017. Notifications of increases in deficit contributions were received in June 2017, and therefore the accounts recognise an increase in the Union's liability for those charges up to 2033.

During the 2017/18 financial year, deficit reduction contributions were made totalling £92,934. The year-end accounts have recalculated the net present value of the remaining expected contributions up to June 2033. An adjustment to the revised future contributions has been charged to the SOFA, leaving the Union's total reserves with an accumulated deficit of £1,743,176 (2017: £2,034,832).

During 2017/18, the SUSS Trustees have advised the scheme's employers that an issue has arisen in relation to the benefits provided by SUSS. The issue concerns the pension increases paid by SUSS referable to pensionable service built-up prior to 31 December 1993, in respect of members who left the scheme after 1 October 1988. This has resulted in the SUSS Trustees informing employers that they are likely to face additional unfunded scheme liabilities.

The outcome of this contingent liability is not yet known, and it cannot be quantified at this stage. As a result, the Union's Trustees do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2018.

The additional unfunded liabilities will be measured again at 30 June 2019 when the next actuarial valuation of SUSS will take place. The next actuarial valuation will be undertaken on the basis of market conditions as at 30 June 2019 and the technical provisions will be set according to the SUSS trustees' views of the strength of the SUSS participating unions' covenant at that time.

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 £250,000 in unrestricted funds (not including the pension deficit reserve) by 2020.

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 £1,743,176 (2017 - £2,034,832). Within that figure, unrestricted reserves total £108,587 (2017 - £91,797).

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

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2018

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

Item	31 July 2018 £	31 July 2017 £
Unrestricted funds	108,587	91,797
Pension Reserve	(2,151,170)	(2,299,213)
Designated Capital Fund – being a fund representing the net book value of fixed assets owned by the charity	1,341	2,199
Designated Brand Development Fund – being a fund to cover the implementation costs of the Union's new brand identity	10,000	-
Designated Union Strategic Development Fund – being a fund to cover the costs of developing a new corporate plan	-	20,385
Designated Pension Deficit Payment Reserve – being a fund setting aside a contribution to future pension deficit payments	250,000	150,000
Restricted Funds		
Restricted Pension Deficit Payment Reserve -being a fund to carry forward the balance of restricted pension funding provided by the University of Sunderland	38,066	-
Total Reserves	(1,743,176)	(2,034,832)

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

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2018

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.

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.

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

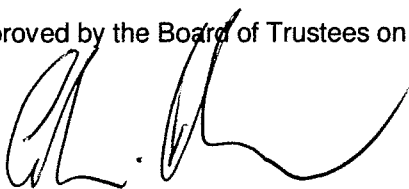
TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2018

Trustees' statement of disclosure of information to the auditors

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 30 October 2018 and signed on its behalf by:



.....
Colin Ranshaw
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 2018

Opinion

We have audited the financial statements of University of Sunderland Students' Union (the 'charitable company') for the year ended 31 July 2018 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 2018, 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

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 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 TO THE MEMBERS OF UNIVERSITY OF SUNDERLAND STUDENTS' UNION
FOR THE YEAR ENDED 31 JULY 2018**

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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, 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.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNIVERSITY OF SUNDERLAND STUDENTS' UNION
FOR THE YEAR ENDED 31 JULY 2018**

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 located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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

...6 November 2018

Statutory Auditors

Floor 11, Cale Cross House
156 Pilgrim Street
Newcastle upon Tyne
NE1 6SU

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2018

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income from:						
Donations	3	927,000	-	131,000	1,058,000	1,085,000
Charitable activities	4	139,375	-	-	139,375	160,253
Investment income	5	736	-	-	736	195
		<u>1,067,111</u>	<u>-</u>	<u>131,000</u>	<u>1,198,111</u>	<u>1,245,448</u>
Expenditure on:						
Charitable activities	6	939,821	21,743	-	961,564	1,153,358
Pension deficit costs		-	(55,109)	-	(55,109)	700,550
		<u>939,821</u>	<u>(33,366)</u>	<u>-</u>	<u>906,455</u>	<u>1,853,908</u>
Net income/(expenditure)		127,290	33,366	131,000	291,656	(608,460)
Transfers	17	(110,500)	203,434	(92,934)	-	-
Net movement in funds		<u>16,790</u>	<u>236,800</u>	<u>38,066</u>	<u>291,656</u>	<u>(608,460)</u>
Reconciliation of funds						
Total funds brought forward		91,797	(2,126,629)	-	(2,034,832)	(1,426,372)
Total funds carried forward		<u>108,587</u>	<u>(1,889,829)</u>	<u>38,066</u>	<u>(1,743,176)</u>	<u>(2,034,832)</u>

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

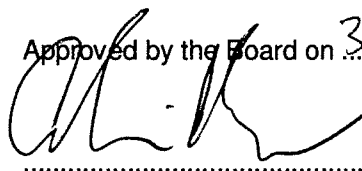
UNIVERSITY OF SUNDERLAND STUDENTS' UNION

BALANCE SHEET AS AT 31 JULY 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		1,341		2,199
Current assets					
Stocks		2,989		3,542	
Debtors	13	35,760		49,370	
Cash at bank and in hand		445,701		288,949	
		<u>484,450</u>		<u>341,861</u>	
Liabilities					
Creditors: amounts falling due within one year	14	(206,356)		(203,591)	
Net current assets			278,094		138,270
Total assets less current liabilities			<u>279,435</u>		<u>140,469</u>
Creditors: amounts falling due after one year					
- Pension liability	16	(2,022,611)		(2,175,301)	
Net assets			<u>(1,743,176)</u>		<u>(2,034,832)</u>
Funds					
Unrestricted funds			108,587		91,797
Designated funds					
- Capital fund			1,341		2,199
- Strategic Development fund			-		20,385
- Pension Payment fund			250,000		150,000
- Pension Liability			(2,151,170)		(2,299,213)
- Rebrand fund			10,000		-
Restricted fund			38,066		-
	17		<u>(1,743,176)</u>		<u>(2,034,832)</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 30 October 2018 and are signed on their behalf by:



Colin Ranshaw
Chair of the Trustee Board

Company Registration Number. 07702161

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

STATEMENT OF CASH FLOWS
AS AT 31 JULY 2018

	Notes	2018 £	2017 £
Cash used in operating activities	23	156,517	(18,778)
Cash flows from investing activities			
Interest income		736	195
Purchase of tangible fixed assets		(501)	-
Receipt on sale of fixed assets		-	4,250
<i>Cash provided by (used in) investing activities</i>		<u>235</u>	<u>4,445</u>
Change in cash and cash equivalents in the year		156,752	(14,333)
Cash and cash equivalents at the beginning of the year		288,949	303,282
Cash and cash equivalents at the end of the year		<u>445,701</u>	<u>288,949</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>445,701</u>	<u>288,949</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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 on 16 July 2014, 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 as it applies from 1 January 2017.

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 £2,151,170 shown in note 14 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 2032. 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 2018

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 2018

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 2018

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.

3. Donations

	2018	2017
	£	£
University of Sunderland - grant	1,058,000	1,026,000
University of Sunderland – additional grant	-	59,000
	<u>1,058,000</u>	<u>1,085,000</u>

4. Incoming resources from charitable activities

	2018	2017
	£	£
Bar income	-	17,300
Student services income	95,967	106,265
Commercial income	43,408	36,688
	<u>139,375</u>	<u>160,253</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

5. Investment income

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

6. Charitable expenditure

	Activities undertaken directly	Support costs	2018	2017
	£	£	£	£
Bars	-	-	-	92,600
Student Services	707,046	252,989	960,035	1,044,400
Commercial	1,126	403	1,529	16,358
	<u>708,172</u>	<u>253,392</u>	<u>961,564</u>	<u>1,153,358</u>

7. Support Costs

	2018	2017
	£	£
Finance	48,595	41,728
Administration	167,286	202,773
Human Resources	11,539	16,490
Information Technology	1,462	5,000
Governance (note 8)	24,510	27,662
	<u>253,392</u>	<u>293,653</u>

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

8. Governance

	2018	2017
	£	£
Salaries	16,015	18,488
Audit fee	5,000	6,000
Trustee costs	3,495	3,173
	<u>24,510</u>	<u>27,661</u>

9. Net income/(expenditure) for the year

This is stated after charging:	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,358	3,455

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

10. Auditors' remuneration

	2018	2017
	£	£
Fees payable to the charity's auditors for the audit of the charity's annual accounts	5,000	6,000

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

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	555,301	625,935
Social security costs	45,492	52,589
Other pension costs	27,280	28,506
	628,073	707,030

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

	2018	2017
	Number	Number
Direct	3	3
Administration	18	22
Management	5	2
	26	27

There were no employees who received total employee benefits (excluding employer pension costs) of more than £60,000 (2017 – 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 (2017 – £nil), sabbatical trustees were paid £50,043 (2017: £70,000) as permitted by the Students' Union's Ordinance and Regulations. No trustee received payment for professional or other services supplied to the charity (2017 - £nil).

The reimbursement of trustees expenses was as follows:

	2018	2018	2017	2017
	Number	£	Number	£
Travelling expenses	8	3,136	10	4,447

The key management personnel of the charity comprise the Chief Executive Officer, Head of Learning Experience, Head of Confidence, Connections and Wellbeing, Marketing and Communications Manager, Central Services Manager, Head of Finance and Finance Manager. The total employee benefits of the key management personnel of the charity were £176,914 (2017 - £172,559).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

12. Tangible fixed assets		Fixtures, Fittings & Equipment £
Cost		
At 1 August 2017		68,257
Additions		500
Disposals		-
At 31 July 2018		<u>68,757</u>
Depreciation		
At 1 August 2017		66,058
Charge for the period		1,358
Disposals		-
At 31 July 2018		<u>67,416</u>
Net book value		
At 31 July 2018		<u>1,341</u>
At 31 July 2017		<u>2,199</u>
13. Debtors	2018	2017
	£	£
Trade debtors	8,898	24,113
Other debtors	10,112	6,247
Prepayments and accrued income	16,750	19,010
	<u>35,760</u>	<u>49,370</u>
14. Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	46,942	39,314
Taxes and social security	8,646	14,735
Other creditors	3,991	5,567
Accruals and deferred income	18,218	20,063
Pension liability	128,559	123,912
	<u>206,356</u>	<u>203,591</u>

In other creditors are funds of £741 held on behalf of the University communities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

15. Deferred income

	2018	2017
	£	£
Opening balance	-	3,454
Released in the year	-	(3,454)
Arising in the year	-	550
Closing balance	<u>-</u>	<u>550</u>

16. Creditors: amounts falling due more than one year

	2018	2017
	£	£
Pension deficit payment plan liability	2,022,611	2,175,301

17. Analysis of funds

	Brought forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
Unrestricted fund					
General fund	91,797	1,067,111	(939,821)	(110,500)	108,587
Designated funds					
Capital fund	2,199	-	(1,358)	500	1,341
Strategic Development fund	20,385	-	(20,385)	-	-
Pension payment fund	150,000	-	-	100,000	250,000
Pension deficit	(2,299,213)	-	55,109	92,934	(2,151,170)
Rebrand fund	-	-	-	10,000	10,000
Restricted funds					
Pension fund	-	131,000	-	(92,934)	38,066
	<u>(2,034,832)</u>	<u>1,198,111</u>	<u>(906,455)</u>	<u>-</u>	<u>(1,743,176)</u>

Designated funds

The capital fund represents the written down value of capital assets held by the Charity.

The pension payment fund is designated to contribute to the next three year Students' Union Superannuation Scheme (SUSS) deficit payment.

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.

The rebrand fund is designated to cover the implementation costs of the Union's new brand identity.

UNIVERSITY OF SUNDERLAND STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

17. Analysis of funds (*continued*)

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

	Unrestricted Fund	Designated Fund	Restricted Fund	Total Fund
	£	£	£	£
Tangible assets	-	1,341	-	1,341
Cash and current investments	157,635	250,000	38,066	445,701
Other current assets	28,749	10,000	-	38,749
Current liabilities	(77,797)	(128,559)	-	(206,356)
Creditors more than one year	-	(2,022,611)	-	(2,022,611)
	<u>108,587</u>	<u>(1,899,829)</u>	<u>38,066</u>	<u>(1,743,176)</u>

19. Pensions

Pension Scheme – Defined contribution

Since 1 October 2011 all participating employees have been in a new 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 £52,589 (2017 - £30,572).

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 2017 and showed that the market value of the Scheme's assets was £101,313,000 with these assets representing 42% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119,700,000.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

19. Pensions – (continued)

The following assumptions applied at 30 June 2017:-

- The investment return would be 4.3% per annum before retirements and 2.3% per annum after retirement
- Pensions accruing on post 1997 basis would revalue at 3.6% per annum and 3.1% 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 2017 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 9 months and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2018 and will be formally reviewed following completion of the next valuation due with an effective date of no later than 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the University of Sunderland Students Union's future contribution commitment. In addition to the above contributions, the University of Sunderland Students Union 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 £2,151,170 (2017 - £2,299,213). In calculating this net present value, annual increases of 5% have been made and a discount rate of 3% representing the typical yield of high quality corporate bonds has then been applied.

20. Commitments under operating leases

At 31 July 2018 the company had annual commitments under non cancellable operating leases as follows:

	2018	2017
	£	£
Expiry date:		
Within one year	5,792	6,335
Between two and five years	8,688	14,480
	<u>14,480</u>	<u>20,815</u>

21. Related party transactions

Included within trade creditors include an amount of £30 (2017 - £1,189) owing to The University of Sunderland. Included within trade debtors is an amount of £6,145 (2017 - £23,453) owed by The University of Sunderland.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

22. Contingent liabilities

During 2017/18, the SUSS Trustees have advised the scheme's employers that an issue has arisen in relation to the benefits provided by SUSS. The issue concerns the pension increases paid by SUSS referable to pensionable service built-up prior to 31 December 1993, in respect of members who left the scheme after 1 October 1988. This has resulted in the SUSS Trustees informing employers that they are likely to face additional unfunded scheme liabilities.

The outcome of this contingent liability is not yet known, and it cannot be quantified at this stage. As a result, the Union's Trustees do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2018.

The additional unfunded liabilities will be measured again at 30 June 2019 when the next actuarial valuation of SUSS will take place. The next actuarial valuation will be undertaken on the basis of market conditions as at 30 June 2019 and the technical provisions will be set according to the SUSS trustees' views of the strength of the SUSS participating unions' covenant at that time.

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

	2018 £	2017 £
Net income for the year	300,800	(608,460)
Interest received	(736)	(195)
Depreciation of tangible fixed assets	1,359	3,452
Profit/(loss) on disposal of tangible fixed assets	-	3,799
Decrease/(increase) in stock	554	5,487
Decrease/(increase) in debtors	13,610	42,216
(Decrease)/increase in creditors	(159,070)	534,923
Net cash in operating activities	<u>156,517</u>	<u>(18,778)</u>