

**READING UNIVERSITY STUDENTS' UNION**  
**FINANCIAL STATEMENTS**

**31<sup>st</sup> JULY 2018**

**Registered Charity Number 1158523**

**READING UNIVERSITY STUDENTS' UNION**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31<sup>st</sup> JULY 2018**

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## **READING UNIVERSITY STUDENTS' UNION**

### **TRUSTEE BOARD AND UNION INFORMATION**

#### **Charitable Status**

Reading University Students' Union ('RUSU') is a company limited by guarantee registered in England and Wales (company number 8840709) which was formally registered as a charity with the Charity Commission in September 2014 (registration number 1158523).

#### **Registered Office/Principle Address**

Reading University Students' Union. PO Box 230, Whiteknights. Reading, Berkshire, RG6 6AZ.

#### **The Board of Trustees**

The Directors of RUSU are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees serving during the year and since the year end are as follows:

#### **Officer Trustees**

##### To 24.06.18

President (Chair)	Tristan Spencer
Education Officer	Edward White
Welfare Officer	Rose Lennon
Student Activities Officer	Charlotte O'Leary
Diversity Officer	Leen Al Najjab

##### From 25.06.18

President (Chair)	Jason Dabydoyal
Education Officer	Lille-Mae Firmin
Welfare Officer	Daniel Bentley
Student Activities Officer	Alison Perry
Diversity Officer	Nozomi Tolworthy

#### **Student Trustees**

##### To 04.06.18

Jemima Tabeart (Deputy Chair)  
Holly Cottingham  
Eliot Smith  
Elizabeth Farquhar

##### From 05.06.18

Elizabeth Farquhar (Deputy Chair)  
Grace Martin  
Callum Cleary-Raphael  
Simone Zondagh

#### **External Trustees**

Iain Franklin (from 16.09.15)  
Mark Stoddart (from 16.09.15)  
Robert Dwyer (from 08.06.16)  
Frances McConnell (from 03.10.17)

**READING UNIVERSITY STUDENTS' UNION**

**TRUSTEE BOARD AND UNION INFORMATION**

**Auditor**

Knox Cropper  
65 Leadenhall Street  
London  
EC3A 2AD

**Bank**

Barclays  
4<sup>th</sup> Floor  
Apex Plaza  
Forbury Road  
Reading  
RG1 1AX

**Solicitor**

Barrett & Co.  
Salisbury House  
54 Queens Road  
Reading  
RG1 4AZ

Reading University Students' Union (RUSU) employs a Chief Executive, Richard Silcock who supports the Officer Trustees and the Trustee Board. The day-to-day management of the organisation is delegated to the Chief Executive who manages RUSU by implementing the policy and strategy adopted by and within a budget approved by the Trustees and, where appropriate, advises the Trustees in relation to such policy, strategy and budget.

**READING UNIVERSITY STUDENTS' UNION****TRUSTEES REPORT**

The Board of Trustees, who act as Directors for the purposes of Company Law, present their Annual Report for the year ended 31 July 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act Purposes. The administrative information is set out on pages 1 and 2, together with the audited accounts for the year.

**Structure, Governance and Management**

RUSU operates on democratic principles, with policy and campaigns being acted upon by the five Officer Trustees.

During the academic year full members have the opportunity to bring forward ideas for policies and campaigns using the online 'Change It' portal. These submissions are reviewed in the first instance by the Ideas Feasibility Group, discussed at Management Committee and referred to the Trustee Board as necessary.

Policy and Campaigns submissions that are eligible are then put to an online vote. The policy that exceeds quorum and receives the highest number of votes becomes RUSU Policy for two years. The Officer Trustees are mandated to campaign on the winning campaign for at least two years or until the campaign aim is achieved.

**Governance**

RUSU is constituted under the Education Act and the Regulations of the University of Reading. The primary aim of RUSU is the advancement of education of students at the University of Reading for the public benefit. RUSU is governed by its Memorandum & Articles of Association (Constitution) and supporting Bye Laws.

The Board of Trustees is responsible for the strategic direction, governance and financial sustainability of RUSU. The Board is made up of five Officer Trustees, four Student Trustees and four External Trustees. The Officer Trustees and two of the Student Trustees are elected by and from the students of the University of Reading each year, through a cross-campus secret ballot, and serve in office for one year.

The External Trustees and the remaining two Student Trustees are recruited to the Board and are recommended to the Board by the Appointments Committee. The External Trustees are recruited to the Board to bring a wider perspective and skill set from outside RUSU. A term in office for an External Trustee lasts for up to three years and they may be reappointed for a second term.

The Student Trustees are appointed for a term in office of one year and they must be registered students for the duration of their term in office. They are selected on the basis of their skills, knowledge and experience, taking into account the demographics of the elected student Board members.

Upon appointment, all trustees receive an induction, which includes their legal obligations and other trustee responsibilities and is tailored according to their knowledge and experience. The Officer Trustees receive a more intensive and in-depth induction and training programme as they have a variety of responsibilities in the Students' Union, University and local community in addition to their unpaid Trustee roles.

## **READING UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT**

The Trustee Board has overall responsibility for the effective governance of the organisation. Trustees are collectively responsible for the following key decisions:

- Management, appraisal and appointment of the Chief Executive
- Approving and monitoring progress towards the annual budget
- Ensuring that the organisation is working towards its strategic objectives
- Monitoring and taking action to mitigate organisational risks
- Reviewing the effectiveness of the Board
- Overseeing the work of its sub-committees

The Board of Trustees is supported in its work by its sub-committees which meet regularly throughout the year. The main committees and their roles are:

The Finance Committee monitors financial performance against agreed budgets and investigates any significant variances. It is also responsible for making recommendations to the Trustee Board relating to the annual budget, major capital projects, investment decisions and the Reserves Policy. The Committee also reviews the annual cost of living award for the permanent staff team.

The remuneration of all staff including key management personnel is linked to an organisational pay scheme. All staff are appraised annually and if they have achieved their objectives they move up to the next salary point unless they have already reached the top of their band. This salary scale is reviewed on a periodic basis by an external consultant to ensure that there is parity between the individual bands and also to benchmark against key external groups.

The Elections Committee oversees the planning, promotion and administration of all elections to representative positions.

The Policy and Procedures Committee reviews and updates all organisational policies and makes recommendations to the Trustee Board.

The Appointments Committee oversees the recruitment of External Trustees, appointed Student Trustees and the Chief Executive as required. Recommendations for appointment are presented to the Board.

The Appeals Committee meets as required to hear appeals relating to the removal from office of an appointed trustee.

The Ideas Feasibility Group was introduced in 2017/2018 to review the campaign and policy proposals submitted by students through the 'Change It!' portal to ensure that they are in the best interests of the organisation and its membership.

More operational decisions are delegated to the Management Committee which consists of the Officer Trustees and members of the Senior Management Team by invitation.

The Trustee Board has overall governance responsibility for the charity with the President acting as line manager for the Chief Executive (senior staff member). The core functions of RUSU alongside its fund-raising activities are managed and run by a team of experienced and dedicated staff who work towards fulfilling the organisation's charitable objects. A number of

## **READING UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT**

departments also employ teams of student staff which alongside providing valuable income and employability skills for students also ensure that our services remain student focused.

#### **Relationship with Subsidiary Companies**

**Little Learners at RUSU Ltd** (company number 03723877) and **RUSU Trading Limited** (company number 08308331) are both limited liability companies wholly owned by Reading University Students' Union. Little Learners at RUSU Ltd operates a nursery which provides childcare exclusively for students and staff at the University of Reading. RUSU Trading Limited operates a number of services for non-students which are classed as non-primary purpose trading.

#### **Relationship with the University of Reading**

Under the Education Act 1994, the University of Reading has a statutory duty to take such steps as are reasonably practicable to ensure that RUSU operates in a fair and democratic manner and is held to account for its finances. A code of practice within the University Calendar governs the formal interaction between the two organisations. RUSU is also required to seek University Council approval, through the Student Experience Committee for any changes to its Memorandum and Articles of Association (Constitution), its budget, audited accounts and Officer Trustee elections report.

#### **Relationship with the National Union of Students**

RUSU is a member of the NUS and pays an annual affiliation fee to access training, resources and centrally negotiated purchasing agreements. RUSU, where appropriate works, with the NUS in pursuit of some of its charitable objects mainly related to campaigning on national student issues.

#### **Financial Review**

This year RUSU has made an overall surplus of £465k. The surplus before the movement in the pension deficit amounted to £593k which is slight reduction on the previous year but ahead of the budgeted surplus.

The Student Social Venues and Events continued to perform well both in income and surplus contributing £202k compared with £353k in the previous financial year. This figure represents an excellent result for an area which is in decline nationally and within the student market. As part of its ongoing investment and development plans RUSU has worked closely with the University to fully refurbish the 3sixty venue space to ensure that this growth is able to continue. In order for the redevelopment to take place, 3sixty was closed from the end of the Spring Term to the start of the Autumn Term.

At the end of the 2016/2017 financial year RUSU surrendered the lease on the Student Shops outlet named Campus Central. This was taken over by a high street convenience store brand. There is therefore no revenue in 2017/2018.

The Business Development department, which focuses on generating new income from the RUSU facilities increased its income level to £272k from £206k. The income for the Marketing and Sponsorship department at £32k is on a par with last year at £30k but higher staff costs and an increased share of overhead costs resulted in a deficit for the year of £213k.

**READING UNIVERSITY STUDENTS' UNION****TRUSTEES REPORT**

Little Learners Nursery continues to produce a modest surplus in a very difficult industry. A combination of a nationally underfunded free nursery places initiative and the fact that parents are increasingly limiting the number of sessions they are contracted to means that it is more difficult for independent nurseries to remain economically viable. As Little Learners is a separate limited company it is charged at full cost for support services provided by the charity and this year the figure was £64k compared to £73k in the previous year. RUSU remains committed to providing high quality childcare and to enable this the Board implemented an agreed 10% increase in fees for the 2017/18 financial year.

The net cost of Student Activities groups increased again this year from £563k from £483k and the support offered in terms of Student Democracy and Representation and Advice Services also increased in capacity due to an increase in staffing.

The Support Services department, which provides the majority of non-student facing activities remained under budget for expenditure and helped the organisation continue to effectively support its members.

**Reserves Policy**

The RUSU Reserves Policy is reviewed on a periodic basis by the Finance Committee and any recommendations for change are discussed at Trustee Board level. The policy states that RUSU should hold reserves equivalent to three months operating expenses which equates to approximately £550k.

The current level of net current assets is £2,179,515 which does not take into account the Fixed Assets of £503,192 as these are only accessible following the sale of these assets. The inclusion of the overall pension deficit and the outstanding loans to the University reduce the overall net assets to £1,273,889.

The General Reserve amounts to £1,337,639 and Restricted Funds amount to £8,254. Designated Reserves are made up of the following: Student Activity Groups balances, funds set aside for development of the building and the funds tied up in existing fixed assets. There is also a negative designated pension reserve representing the long term pension deficit provision. The current level of the general reserve is on target. This figure is monitored by the Finance Committee and planned expenditure, such as the RUSU contribution toward the costs of the 3sixty development are designated from this excess to ensure that we are able to continually improve the quality of the services and facilities we provide to the membership.

**Funding**

A significant funding source is the University of Reading which provides a grant payment each year based on student numbers, a Retail Price Index calculation and the inclusion of any additional funds to cover special projects. The total grant for the current year is £1,617,976 and this income is used alongside the surplus from Charitable Activities to provide support, services and extra-curricular activities for Reading students in line with our Charitable Objects.



**READING UNIVERSITY STUDENTS' UNION****TRUSTEES REPORT****Investments**

The RUSU Investments Policy which was agreed during the 2015/16 financial year and has the following investment objectives:

- To increase the capital value of any investment with a minimum level of risk;
  - To ensure that any investment provides a higher return than the main deposit account;
- and
- To ensure that any invested assets are readily available to meet the requirements of the Reserves Policy

**Reserves Policy**

The policy includes a commitment to investing responsibly to ensure that the student membership is satisfied that the funds are being invested in line with our commitment to ensuring high standards of ethical and environmental behaviour.

The policy is based on negative screening model to exclude companies, such as tobacco, arms and fossil fuels, that RUSU either has policy against or are not in line with our Ethical & Environmental policy.

**Pension Liabilities**

The defined benefit pension provision is included on the Balance Sheet to comply with the Charities SORP (FRS 102). The overall impact of this inclusion is £1,269,818 compared to a figure of £1,386,028 for the previous year. Despite the inclusion of this substantial amount the considerable level of the accumulated reserves, noted above, ensure that RUSU remains a going concern.

**Risk Management**

The Board of Trustees reviews the major strategic, operational and reputational risks faced by the organisation on an annual basis or as required. The Risk Management Policy notes the major risks and identifies both their probability and likely impact on the organisation.

The key risk areas highlighted are; Financial, Reputational, Staffing, Infrastructure and the relationship with the University.

Systems and procedures are designed and put in place to mitigate the risks.

Financial and control risks are mitigated through a robust budget management process and supporting Financial Procedures for the authorisation and processing of transactions. Procedures are also in place to ensure the health and safety of staff, volunteers and participants in all activities organised by RUSU. The Trustees believe that all major risks are appropriately addressed. The Risk Register is reviewed by the Policy and Procedures Committee on an annual basis as a minimum.

**Aims, Objectives and Activities**

The primary aim of RUSU is the advancement of education of students at the University of Reading for the public benefit. RUSU achieves this through:

- promoting the interests and welfare of students of the University of Reading during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and the University of Reading and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of students.

In order to achieve these aims RUSU focuses on its mission and values.

## **READING UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT**

RUSU is a student-led charity which exists to support students and enhance their University experience.

- We are accountable to our members;
- We aim to provide inclusive services and facilities;
- We are a dynamic forward thinking organisation; and
- We act with integrity.

#### **Public Benefit Statement**

The Trustees have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The three-year Strategic Operating Plan created and approved by the Trustee Board is based on the organisation's Charitable Objects.

RUSU provides a variety of services and activities for students including:

#### **Student Advice**

RUSU provides a free and confidential specialist advice service to our members in the areas of housing, money and academic issues. The level of demand continues to increase in all areas with a particular focus on academic issues. The advice team operate an appointments system, drop in sessions and telephone/Skype conversation for students who are not able to visit the centre or are studying abroad.

The team are professionally trained staff and members of a number of professional bodies including: Advice UK, National Association of Student Money Advisers (NASMA), and National Homelessness Advice Service (NHAS).

The Advice Service was initially awarded the Advice Quality Standard (AQS) in 2013 and has maintained this accreditation to date with another successful assessment in December 2017. The AQS is awarded to organisations who give advice to members of the public on legal issues and is reassessed every two years.

During 2017/18 our advisers opened 1049 new cases, advised 958 individual students and overall the impact of the service meant that students were better off by £214k.

Advice cases fall in to three main categories:

- 34% Academic of which the majority are related to supporting students through the University appeals process;
- 41% Housing of which the majority are related to helping students sort out disputes with landlords and letting agents; and
- 25% Money of which the majority are related to assisting students with applications for hardship funds and dealing with student finance providers.

#### **Student Activities**

RUSU provides support and funding to a diverse mix of activity groups which range from traditional sports and student media to cultural and academic societies. Overall 2,808 students were involved in sports, 4,185 in societies and 282 in volunteering to support 15 projects.

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### **TRUSTEES REPORT**

Successes in the sporting field include Men's Rugby 1<sup>st</sup> XV, Ladies Hockey 1<sup>st</sup> team and Golf 1<sup>st</sup> team being promoted to the British University and Colleges Sports (BUCS) Premier League and Reading beating Oxford Brookes with a score of 26-16 in a hard fought multi discipline Varsity competition.

In addition to these groups RUSU also provides opportunities for students to get involved in a variety of community-based activities and to raise money for charity through the Raise and Give (RAG) group. RAG raised a total of £16,893 for their chosen charities.

The Student Activities team also provide support to the elected Junior Common Room (JCR) Committees who provide recreational activities and support to students living in University of Reading halls of residence.

#### **Representation and Campaigning**

RUSU is led by a team of five full-time Officer Trustees who undertake this role after graduating or by taking a sabbatical year during their degree. The Officers listen to the views of the thousands of students on campus and represent the student voice on campus, in the local community and nationally.

Each year the Officer Trustee team develop a list of priorities based on their individual manifestos that represent the core issues for their year in Office. The Officer Trustee priorities for the 2017/18 academic year were:

- Accommodation. Including the cost and redevelopment of halls, the experience of students in hotels, private landlords and the potential to introduce an accreditation scheme.
- Facilities and Study Space. Including securing funding for a 4G pitch, increasing the capacity for student use of sports facilities, highlighting the lack of suitable teaching/study space and ensuring that the University works to provide facilities for increasing student numbers.
- Active Campus/Health. Including the development of a Sports Strategy, promoting health living campaigns and developing 24-hour mental health support for students.
- Inclusivity, Diversity, Equality and Accessibility. Including reducing barriers to involvement, reducing the additional costs of studying, pushing for more diverse staff and a more diverse curriculum.
- Transparency and Accountability. Including increased accountability for RUSU Officers, the development of Student Voice, promoting the work of RUSU and the development of a mobile app.

The Officer Trustees are supported in their role by a team of Part Time Officers who represent and campaign for the rights of students who are under-represented or discriminated against.

RUSU also supports the work of over 344 undergraduate and postgraduate Course Representatives alongside 15 undergraduate School level Representatives who are elected by their peers each year to work with the University to improve the academic experience.

## **READING UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT**

#### **Outlets and Services**

RUSU provides a variety of services from many different outlets in and around the Students' Union building. The main entertainment venues are the 3sixty venue, Café Mondial, Mojós Bar and the flexible Monterey Lounge space. These venues give RUSU an overall capacity of 2,600 people which enable the venue team to provide a wide range of student focused events from small activity group sessions to running the largest and most successful night time venue in Reading.

The main building also includes a number of Franchise Spaces including Blackwells bookstore, a hairdresser and a dissertation binding service. These facilities provide a range of services to students and also provide a consistent income stream to support the student facing facilities.

#### **Little Learners at RUSU**

RUSU also operates a 106 place nursery which cares for the children of students and University staff. The most recent Ofsted inspection rated the setting, which takes children from 3 months to 5 years, as Good.

#### **Achievements and Performance**

Work towards our Strategic Plan 2016-2019, led by the Chief Executive, was worked towards by the staff and management team via departmental plans and individual appraisals.

#### **Future Plans**

The year ahead includes a number of challenges and opportunities for RUSU as it continues to improve the quality and range of services it offers to an increasingly diverse membership.

A key focus is to complete the refurbishment of the 3sixty space and working to mitigate any risks involved with project delays. For the year ahead the organisation will also need to review the catering services provided.

The Officer Trustee priorities for the 2018/19 academic year are:

- Student Engagement
- Campus Culture
- Mental health & wellbeing
- Campus Facilities
- Local Environment

#### **Custodian Activities**

RUSU acts as a custodian for several activities • Funds raised by the student activity groups including Junior Common Rooms. These funds are separately identified in the accounts as designated reserves and the balance at the year-end was £180,826. • Funds raised by students under the Raising and Giving (RAG) initiative for distribution to nominated local and national charities. £16,893 was raised in the year.

#### **Declaration**

The Trustees who held office at the date of approval of this trustees' report confirm that they are aware of all the relevant audit information and that there is no relevant audit information which has not been supplied to the charity's auditors.

We wish to thank all staff and volunteers at RUSU for their continued commitment and hard work to make this another successful year for our members.

## **READING UNIVERSITY STUDENTS' UNION**

### **TRUSTEES REPORT**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Charity law requires the Charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources for that period.

In preparing these financial statements, the Trustees are required to: -

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the governing document.

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

The Trustees confirm that, in the case of each of the persons who are Trustees at the date of this report, the following applies:

- So far as each Trustee is aware there is no relevant audit information (information needed by the Charity's auditors in connection with preparing their report) of which the Charity's auditors are unaware; and
- Each Trustee has taken all the steps necessary to make herself/himself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees and signed by order of the Board:

.....  
Mark Stoddart- External Trustee

.....  
Date

## **READING UNIVERSITY STUDENTS' UNION**

### **INDEPENDENT AUDITORS REPORT**

#### **Opinion**

We have audited the financial statements of Reading University Students' Union (the 'charitable company') for the year ended 31<sup>st</sup> July 2018 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31<sup>st</sup> July 2018 and of its group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

## **READING UNIVERSITY STUDENTS' UNION**

### **INDEPENDENT AUDITORS REPORT**

#### **Matters on which we are required to report by exception**

In the light of the 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 included within the trustees' 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 trustees' 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 a strategic report.

#### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

#### **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: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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.

Kevin Lally (Senior Statutory Auditor)  
For and on behalf of Knox Cropper, Statutory Auditor  
65 Leadenhall Street  
London  
EC3A 2AD

**READING UNIVERSITY STUDENTS' UNION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018**

	<b>Note</b>	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total 2018</b>	<b>Total 2017 (as restated)</b>
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS</b>						
<b>Grant Income</b>		1,617,976	-	-	1,617,976	1,249,564
<b>Charitable Activities</b>						
Student Social Venues and Events	2	1,996,872	-	-	1,996,872	1,978,642
Student Shops	3	-	-	-	-	1,486,467
Student Activities (Clubs and Societies)	4	38,122	607,991	-	646,113	705,248
Little Learners (Nursery)	5	728,338	-	-	728,338	719,460
<b>Other Trading Activities</b>						
Franchised Space	6	88,000	-	-	88,000	100,163
Business Development	8	272,216	-	-	272,216	205,620
Commercial Trading	9	43,429	-	-	43,429	36,320
Marketing & Sponsorship	7	31,800	-	-	31,800	30,100
<b>Interest Receivable</b>		4,813	-	-	4,813	3,401
<b>Other</b>		832	-	-	832	244
<b>Total Income</b>		<u>4,822,398</u>	<u>607,991</u>	<u>-</u>	<u>5,430,389</u>	<u>6,515,229</u>
<b>EXPENDITURE</b>						
<b>Charitable Activities</b>						
Student Social Venues and Events	2	1,794,707	-	-	1,794,707	1,625,590
Student Shops	3	(17,187)	-	-	(17,187)	1,464,090
Student Democracy and Representation	10	259,444	-	-	259,444	224,615
Student Activities (Clubs and Societies)	4	580,298	610,067	18,543	1,208,908	1,188,626
Advice Services	12	310,388	-	-	310,388	261,420
Affiliations	11	54,342	-	-	54,342	60,178
Little Learners (Nursery)	5	711,128	-	-	711,128	713,973
<b>Raising Funds</b>						
Franchised Space	6	23,576	-	-	23,576	7,954
Marketing and Sponsorship	7	244,818	-	-	244,818	172,804
Business Development	8	197,344	-	-	197,344	159,474
Commercial Trading	9	49,558	-	-	49,558	29,910
<b>Other</b>						
Movement in Pension Deficit		-	128,497	-	128,497	344,010
<b>Total Expenditure</b>		<u>4,208,416</u>	<u>738,564</u>	<u>18,543</u>	<u>4,965,523</u>	<u>6,252,644</u>
<b>Net Income/(Expenditure)</b>		613,982	(130,573)	(18,543)	464,866	262,585
Transfers between Funds	26	(833,938)	841,234	(7,296)	-	-
<b>Net Movement in Funds</b>		<u>219,956</u>	<u>710,661</u>	<u>(25,839)</u>	<u>464,866</u>	<u>262,585</u>
<b>Reconciliation of Funds</b>						
Total Funds brought Forward		<u>1,557,595</u>	<u>(782,665)</u>	<u>34,093</u>	<u>809,023</u>	<u>546,438</u>
<b>Funds Carried Forward</b>		<u>£1,337,639</u>	<u>£(72,004)</u>	<u>£8,254</u>	<u>£1,273,889</u>	<u>£809,023</u>

All transactions noted above derive from continuing operations.

A full Comparative SOFA for 2017 is included in note 31.



**READING UNIVERSITY STUDENTS' UNION****CONSOLIDATED BALANCE SHEET****AS AT 31<sup>st</sup> JULY 2018**

		<b>Consolidated</b>		<b>Parent</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>(as restated)</b>
					<b>£</b>
<b>Fixed Assets</b>	15		503,192	386,053	498,952
<b>Investments</b>	16		-	-	4
			<u>503,192</u>	<u>386,053</u>	<u>498,956</u>
<b>CURRENT ASSETS</b>					
Stocks	17	76,652	74,559	74,802	73,339
Debtors	18	173,080	224,515	168,658	233,727
Cash at Bank and In Hand		2,383,178	2,102,962	2,309,564	2,027,088
		<u>2,632,910</u>	<u>2,402,036</u>	<u>2,553,024</u>	<u>2,334,154</u>
<b>CREDITORS : Amounts falling due within one year</b>	19	(453,395)	(525,606)	(387,182)	(456,868)
<b>NET CURRENT ASSETS</b>		<u>2,179,515</u>	<u>1,876,430</u>	<u>2,165,842</u>	<u>1,877,286</u>
<b>CREDITORS : Amounts falling due more than one year</b>	20	(1,408,818)	(1,453,460)	(1,408,818)	(1,453,460)
<b>NET ASSETS</b>		<u>£1,273,889</u>	<u>£809,023</u>	<u>£1,255,980</u>	<u>£803,400</u>
<b>RESERVES</b>					
General funds		1,337,639	1,557,595	1,319,730	1,551,972
Designated funds	26	(72,004)	(782,665)	(72,004)	(782,665)
Restricted funds	27	8,254	34,093	8,254	34,093
<b>Total Reserves</b>		<u>£1,273,889</u>	<u>£809,023</u>	<u>£1,255,980</u>	<u>£803,400</u>

These financial statements were approved by the Board of Trustees on  
are signed on their behalf by:

and

.....  
R. Silcock – Chief Executive

.....  
M. Stoddart - Trustee

Company Number 08840709

**READING UNIVERSITY STUDENTS' UNION****CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018**

	Note	2018 £	2017 £
<b>Cash Flows from Operating Activities</b>			
Net movement of funds for the period		464,866	262,585
<b>Adjustments for:</b>			
Depreciation		155,834	196,331
Fixed assets written off		-	138,789
Loan waived		-	(220,000)
Interest received from investments		(4,813)	(3,401)
(Increase)/Decrease in Stock		(2,093)	39,866
(Increase)/Decrease in Debtors		51,436	(34,347)
Increase/(Decrease) in Pension Provision		(116,210)	344,010
Increase/(Decrease) in Other Creditors		18,357	(15,959)
<b>Net Cash provided by Operating Activities</b>		<u>567,377</u>	<u>707,874</u>
<b>Cash Flows from Investing Activities</b>			
Interest received from investments		4,813	3,401
Payments to acquire fixed assets		<u>(272,973)</u>	<u>(110,938)</u>
<b>Net Cash provided by Investing Activities</b>		<u>(268,160)</u>	<u>(107,537)</u>
<b>Cash Flows from Financing Activities</b>			
Loan Repaid		<u>(19,000)</u>	<u>(29,000)</u>
<b>Net Cash provided by Financing Activities</b>		<u>(19,000)</u>	<u>(29,000)</u>
Change in cash and equivalents in the period		280,217	571,337
Cash and equivalents at the start of the period		<u>2,102,962</u>	<u>1,531,625</u>
<b>Cash and equivalents at the end of the period</b>		<u>2,383,179</u>	<u>2,102,962</u>

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****1. ACCOUNTING POLICIES****Basis of Accounting**

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Practice "Accounting by Charities", the Companies Act 2006 and UK Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Union is a public benefit entity as defined by FRS 102.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset as follows:

Other Equipment	5 – 10 years
Bars	5 – 10 years
Shops	5 – 10 years
Office and Facilities	3 – 10 years
Motor Vehicles	3 years

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension Costs**

The Union participated in the Student Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. This scheme is now closed to future accrual. The fund continues to be valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable in respect of the past deficit being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under FRS 102 the discounted value of contributions payable in respect of past service deficit have been provided for.

The National Union of Students Pension Scheme (NUSPS), and the National Employment Savings Trust (NEST) are defined contribution schemes and are accounted for in the year in which they are due.

**Investments**

Investments are stated at cost less any provision for diminution in value.

**Taxation**

No provision is made in these accounts for tax as the Union is entitled to the exemptions available to charities provided all income is applied for charitable purposes.

**Consolidation**

The Statement of Financial Activities and Balance Sheet consolidate the results of the two subsidiary companies, Little Learners @ RUSU Ltd and RUSU Trading Ltd.

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****2. STUDENT SOCIAL VENUES AND EVENTS**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
Sales	1,732,864	1,788,815
Events	258,458	184,944
Games Machines	5,550	4,883
	<u>1,996,872</u>	<u>1,978,642</u>
<b>EXPENDITURE</b>		
Cost of Sales	892,271	822,056
Direct Staff Costs	495,562	460,325
Other Direct Costs	116,570	119,715
Contribution to Overhead Support	290,304	223,494
	<u>1,794,707</u>	<u>1,625,590</u>
Surplus for Year	<u>£202,165</u>	<u>£353,052</u>

**3. STUDENT SHOPS**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
Sales	-	1,486,467
<b>EXPENDITURE</b>		
Cost of Sales	(17,187)	979,937
Direct Staff Costs	-	234,552
Other Direct Costs	-	146,476
Contribution to Overhead Support	-	184,336
	<u>(17,187)</u>	<u>1,545,301</u>
Profit/(Deficit) for Year	<u>£17,187</u>	<u>£(58,834)</u>
Transfer to University		
Assets Written Off	-	(138,789)
Loans Waived	-	220,000
	<u>£nil</u>	<u>£81,211</u>
Net Surplus after Transfer	<u>£17,187</u>	<u>£22,377</u>

The above expenditure includes a charge for rent levied by the University.

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****4. STUDENT ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
Subs and Other Self-Generated Income	607,991	632,681
Other Income	38,122	40,067
Grant Income	-	32,500
	<u>646,113</u>	<u>705,248</u>
 <b>EXPENDITURE</b>		
Activity Groups	235,063	250,584
Other Direct Costs	135,797	126,560
Expenditure from Self Generated Income	610,067	620,248
Grant Expenditure	18,543	89
Contribution to Overhead Support	209,438	191,145
	<u>1,208,908</u>	<u>1,188,626</u>
 Net Cost	<u>£(562,795)</u>	<u>£(483,378)</u>

**5. LITTLE LEARNERS NURSERY**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
Nursery Fees	642,473	637,557
Local Authority Funding	81,426	79,417
Other Income	4,439	2,486
	<u>728,338</u>	<u>719,460</u>
 <b>EXPENDITURE</b>		
Permanent Staff Costs	559,346	510,832
Other Costs	87,674	129,650
Support Cost Recharge	64,108	73,491
	<u>711,128</u>	<u>713,973</u>
 Surplus/(Deficit) for Year	<u>£17,210</u>	<u>£5,487</u>

The Nursery is operated by a subsidiary company, Little Learners, which is 100% owned by Reading University Students' Union.

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****6. FRANCHISE SPACE**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
Rental Income	88,000	100,163
	<u>88,000</u>	<u>100,163</u>
<b>EXPENDITURE</b>		
Direct Costs	3,000	1,701
Contribution to Overhead Support	20,576	6,253
	<u>23,576</u>	<u>7,954</u>
Surplus for Year	<u><u>£64,424</u></u>	<u><u>£92,209</u></u>

**7. MARKETING AND SPONSORSHIP**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
	31,800	30,100
	<u>31,800</u>	<u>30,100</u>
<b>EXPENDITURE</b>		
Staff Costs	112,488	77,396
Other Direct Costs	27,247	22,745
Contribution to Overhead Support	105,083	72,663
Expenditure for the Year	<u>244,818</u>	<u>172,804</u>
Deficit for Year	<u><u>£(213,018)</u></u>	<u><u>£(142,704)</u></u>

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****8. BUSINESS DEVELOPMENT**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>		
Freshers Fayre	27,900	29,770
NUS Cards	129,660	137,602
Other Income	114,656	38,248
	<u>272,216</u>	<u>205,620</u>
<b>EXPENDITURE</b>		
Direct Staff Costs	15,914	10,547
Other Direct Costs	135,641	115,964
Contribution to Overhead Support	45,788	32,963
	<u>197,344</u>	<u>159,474</u>
Surplus/(Deficit) for Year	<u><u>£74,872</u></u>	<u><u>£46,146</u></u>

**9. COMMERCIAL TRADING**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>	<u>43,429</u>	<u>36,320</u>
<b>EXPENDITURE</b>		
Staff Costs	12,640	11,373
Other Direct Costs	16,778	10,217
Support Cost Recharge	20,140	8,320
	<u>49,558</u>	<u>29,910</u>
Surplus for the Year	<u>£(6,129)</u>	<u>£6,410</u>

**10. STUDENT DEMOCRACY AND REPRESENTATION**

	<b>2018</b>	<b>2017</b>
	£	£
<b>INCOME</b>	<u>3,829</u>	<u>1,650</u>
<b>EXPENDITURE</b>		
Staff Costs	128,792	114,439
Other Direct Costs	29,699	24,515
Contribution to Overhead Support	104,782	87,311
	<u>263,273</u>	<u>226,265</u>
Net Cost for the Year	<u><u>£(259,444)</u></u>	<u><u>£(224,615)</u></u>

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****11. AFFILIATIONS**

	<b>2018</b>	<b>2017</b>
	£	£
<b>EXPENDITURE</b>		
NUS Affiliation	45,722	50,255
NUSSL Membership	-	380
BUCS Affiliation	8,620	8,793
Other Memberships and Affiliations	-	750
	<u>£54,342</u>	<u>60,178</u>

**12. ADVICE SERVICES**

	<b>2018</b>	<b>2017</b>
	£	£
<b>EXPENDITURE</b>		
Staff Costs	190,291	163,808
Other Direct Costs	8,494	5,280
Contribution to Overhead Support	111,603	92,332
	<u>£310,388</u>	<u>£261,420</u>

**13. OVERHEAD SUPPORT COSTS**

	<b>Support Staff</b>	<b>Repairs Maintenance and Cleaning</b>	<b>Office Costs</b>	<b>Other Costs</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£	£	£
Student Social Venues and Events	110,771	53,992	47,947	77,594	290,304	223,494
Student Shops	-	-	-	-	-	184,336
Student Activities	73,703	40,820	36,250	58,665	209,438	191,145
Little Learners	64,108	-	-	-	64,108	73,491
Franchised Space	2,617	5,401	4,796	7,762	20,576	6,253
Marketing & Sponsorship	45,355	17,962	15,951	25,815	105,083	72,663
Business Development	13,519	9,704	8,618	13,947	45,788	32,963
Commercial Trading	2,181	5,401	4,796	7,762	20,140	8,320
Student Democracy & Representation	38,159	20,036	17,793	28,794	104,782	87,311
Advice Services	42,084	20,907	18,566	30,046	111,603	92,332
	<u>392,497</u>	<u>174,223</u>	<u>154,717</u>	<u>250,385</u>	<u>971,822</u>	<u>£972,308</u>

Governance costs, including the audit fee of £9,475 (2017: £9,300), are included above under other costs.

The Student Shop required significant support staff time, so after it was closed a reallocation of support costs was performed based on updated staff time.



**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****14. NET INCOMING RESOURCES**

The net incoming resources is stated after charging:

	<b>2018</b>	<b>2017</b>
	£	£
Depreciation of tangible fixed assets	155,834	196,331
Operating Lease rentals	200	62,485
Audit Fees	<u>9,475</u>	<u>9,300</u>

**15. TANGIBLE FIXED ASSETS**

	<b>Venues</b>	<b>Shops</b>	<b>Office and Facilities</b>	<b>Other Equipment</b>	<b>Nursery</b>	<b>Total</b>
	£	£	£	£	£	£
<b>Cost</b>						
At 1 <sup>st</sup> August 2017	1,634,981	40,850	616,908	210,662	19,234	2,522,635
Additions	117,925	-	38,981	115,043	1,024	272,973
Disposals	(1,034,224)	-	(20,493)	(27,747)	-	(1,082,464)
Transfers	40,850	(40,850)	-	-	-	-
<b>At 31<sup>st</sup> July 2018</b>	<u>759,532</u>	<u>-</u>	<u>635,396</u>	<u>297,958</u>	<u>20,258</u>	<u>1,713,144</u>
<b>Depreciation</b>						
At 1 <sup>st</sup> August 2017	1,429,162	28,261	460,671	205,737	12,751	2,136,582
Charge for the Year	71,915	1,592	63,985	15,075	3,267	155,834
Disposals	(1,034,224)	-	(20,493)	(27,747)	-	(1,082,464)
Transfers	29,853	(29,853)	-	-	-	-
<b>At 31<sup>st</sup> July 2018</b>	<u>496,706</u>	<u>-</u>	<u>504,163</u>	<u>193,065</u>	<u>16,018</u>	<u>1,209,952</u>
<b>NET BOOK VALUE</b>						
<b>At 31<sup>st</sup> July 2018</b>	<u>£262,826</u>	<u>£-</u>	<u>£131,233</u>	<u>£104,893</u>	<u>£4,240</u>	<u>£503,192</u>
At 31 <sup>st</sup> July 2017	<u>£205,819</u>	<u>£12,589</u>	<u>£156,237</u>	<u>£4,925</u>	<u>£6,483</u>	<u>£386,053</u>

During the year the shop was closed and the remaining assets transferred to different areas.

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****16. INVESTMENTS**

	<b>2018</b>	<b>2017</b>
	£	£
<b>Subsidiary Companies:</b>		
Little Learners @ RUSU Limited	2	2
RUSU Trading Limited	2	2
	<u>4</u>	<u>4</u>
<b>Total Parent Investments</b>	<u>4</u>	<u>4</u>

Little Learners at RUSU Limited (Company Number: 03723877) operates a nursery. The results of the subsidiary are consolidated in these accounts and are set out in note 5. The net assets of the company at the year end amounted to £17,911.

RUSU Trading Limited (Company Number: 08308331) was incorporated on 27<sup>th</sup> November 2012 and commenced to trade on 1<sup>st</sup> August 2015. The company was dormant throughout 2017/18. The net assets of the company at the year end amounted to £2.

**17. STOCKS**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£
Bars	35,527	35,199	35,527	35,199
Shops	29,341	31,320	29,341	31,320
Catering	9,934	6,820	9,934	6,820
Nursery	1,850	1,220	-	-
	<u>£76,652</u>	<u>£74,559</u>	<u>£74,802</u>	<u>£73,339</u>

**18. DEBTORS**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	(as restated) £
Trade Debtors	46,940	62,866	40,140	56,224
Other Debtors	55,452	102,502	55,451	102,502
Intercompany Balance	-	-	2,511	15,981
Gift Aid from Subsidiary Company	-	-	-	-
Prepayment and Accrued Income	70,688	59,147	70,556	59,020
	<u>£173,080</u>	<u>£224,515</u>	<u>£168,658</u>	<u>£233,727</u>

See note 31 for details on the prior year adjustment.

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****19. CREDITORS:** Amounts falling due within one year

	<b>Consolidated</b>				<b>Parent</b>			
	<b>2018</b>		<b>2017</b>		<b>2018</b>		<b>2017</b>	
	£	£	£	£	£	£	£	£
University Loans		19,000		29,000		19,000		29,000
Trade Creditors		161,976		108,950		141,039		100,828
University Creditor		2,957		7,877		2,957		7,877
Other Creditors								
including Taxation:								
PAYE Social Security	35,355		37,120		35,355		37,120	
VAT	-		-		-		-	
Other Creditors	56,162		64,122		34,668		42,271	
Pension Liability	-		80,568		-		80,568	
Holiday Pay accrual	21,233		19,735		21,233		19,735	
Accruals and								
Deferred Income	156,712		178,234		132,930		139,469	
		269,462		379,779		224,186		319,163
		<u>£453,395</u>		<u>£525,606</u>		<u>£387,182</u>		<u>£456,868</u>

**20. CREDITORS:** Amounts falling due after one year

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£
Pension Provision	1,269,818	1,305,460	1,269,818	1,305,460
University Loans	139,000	148,000	139,000	148,000
	<u>£1,408,818</u>	<u>£1,453,460</u>	<u>£1,408,818</u>	<u>£1,453,460</u>

The loan is an interest free loan repayable in instalments until 2031.

**21. STAFF COSTS AND KEY MANAGEMENT PERSONNEL**

	<b>2018</b>	<b>2017</b>
	£	£
Permanent Staff		
Gross Salaries	1,126,826	1,179,427
Employers N.I.	91,952	100,320
Employers Pension	40,470	41,195
Part Time Students	248,005	338,978
Total Staff Costs	<u>1,507,253</u>	<u>1,659,920</u>

The average number of permanent staff in the year was 72 (2017: 80)

The average number of temporary student staff in the year was 106 (2017: 132)

One employee earned more than £60,000 in the year (2017: 1) whose salary was in the band £60,000 to £70,000. Employer pension contributions amount to 6% of gross salary which is in line with amounts paid for other employees. Key management personnel consist of 6 managers who earn a combined salary of £297,397 (2017: 6 managers, £279,663).

Travel expenses paid to trustees during the period amounted to nil (2017: £314).

**READING UNIVERSITY STUDENTS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018**

**22. PENSIONS**

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

The most recent valuation of the scheme was carried out as at 30<sup>th</sup> June 2016 and showed that the market value of the scheme's assets was £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m.

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 2016 valuation recommended a contribution requirement by each Union expressed in monetary terms intended to clear the on-going funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for cost of the on-going administrative and operational expenses of running the scheme. These rates applied with effect from 1 October 2017. In accordance with FRS 102 provision has been made for the discounted value of contributions receivable. Surpluses and deficits which arise at future valuations will also impact on the Unions future contribution commitment. In addition to the above contributions, the Union also pays its share of the schemes levy to the Pension Protection Fund. The discount rate applied was 3.4%.

The total contributions paid into the scheme in respect of the funding deficit for the period ended 31<sup>st</sup> July 2018 amounted to £244,707 (2016: £nil) as the Union took advantage of a discount being offered by the SUSS in 2017 and have paid three years of contributions up front.

From 1<sup>st</sup> October 2011 the Union has participated in the National Union of Students Pension Scheme, NUSPS, which is a defined contribution scheme. This scheme was closed to new entrants on 31<sup>st</sup> January 2014. From 1<sup>st</sup> February 2014 new staff are automatically enrolled in the National Employment Savings Trust (NEST). Contributions to these schemes are accounted for in the year in which they are due and amounted to £40,470 (2017:£41,195).

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****23. COMMITMENTS UNDER OPERATING LEASES**

At 31<sup>st</sup> July 2017 the company had total commitments under non-cancellable operating leases as set out below:

	<b>2018</b>		<b>2017</b>	
	<b>Land &amp; Buildings</b>	<b>Other Items</b>	<b>Land &amp; Buildings</b>	<b>Other Items</b>
	£	£	£	£
<i>Operating Leases which expire :</i>				
Within 1 year	200	-	200	-
After more than 5 years	1,500	-	1,700	-
	<u>£1,700</u>	<u>£-</u>	<u>£1,900</u>	<u>£-</u>

The above amount relates to the lease on the nursery building which runs until March 2019 and the lease on the Student Union building which runs until 2036. Other accommodation is provided free of charge by the University. Were the Union to pay for additional space it uses for its operations this charge would increase by up to £675,000. The previous year's commitment included rent payable in connection with the shop which has now been transferred back to the University.

**24. DONATIONS**

The Union made no donations to external bodies during the year except where collections were made on behalf of various charities and lodged with the Union prior to payment to the charity.

**25. RELATED PARTY TRANSACTIONS**

The Union is in receipt of a recurrent grant from the University of Reading of £1,617,976 (2017: £1,249,564).

In addition, the Union occupies its building under a lease from The University of Reading for a charge of £100 per year until 25<sup>th</sup> March 2036 under an agreement whereby the Union maintains the building in a good state of repair.

The trustees of the Union are the members of the Trustee Board. The Officer Trustees of the Trustee Board receive remuneration for their services as provided for within the Constitution (see note 21).

## **READING UNIVERSITY STUDENTS' UNION**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018**

#### **26. UNRESTRICTED FUNDS**

	General Reserve	-----Designated Reserves----- Student Activities Balances	Capital Equipment	Future Project Fund	Pension Reserves
<b>Balance Brought Forward</b>	1,557,595	182,902	202,569	217,892	(1,386,028)
<b>Income</b>	4,822,398	607,991	-	-	-
<b>Expenditure</b>	(4,208,416)	(610,067)	-	-	(128,497)
<b>Transfers:</b>					
<b>Capital Expenditure Funding</b>	93,473	-	138,383	(231,856)	-
<b>Future Project Fund</b>	(440,000)	-	-	440,000	-
<b>Volunteering Project</b>	7,296	-	-	-	-
<b>Pension Payment</b>	(244,707)	-	-	-	244,707
<b>Additional Pension Liability</b>	(250,000)	-	-	-	250,000
<b>Balance Carried Forward</b>	£1,337,639	£180,826	£340,952	£426,036	£(1,019,818)

#### Funding of Capital Expenditure

The Capital Equipment Fund represents the Unions investments in fixed assets. All capitalised assets acquired from general funds or other designated funds (eg Future Project Fund) are represented by the Capital Equipment Fund and appropriate transfers are made. Fixed assets depreciation is charged against this fund. To the extent loans which have financed fixed asset acquisitions are repaid, a transfer is made from general funds to the capital fund.

#### Pension Reserve

The Pension Reserve represents the pension provision in respect of the SUSS Scheme (£1,269,818) and the estimated additional liability of £250,000 that will be valued properly by the SUSS scheme in 2019. See note 22 for details of the pension liability and note 30 for further information on the additional liability.

#### **27. RESTRICTED FUNDS**

	Balance B/F	Income	Expenditure	Transfers	Balance C/F
Activities Balances	25,000	-	(18,086)	-	6,914
Volunteering	9,093	-	(457)	(7,296)	1,340
Other	-	-	-	-	-
	£34,093	£nil	£(18,543)	(7,296)	£8,254

The transfer of £7,296 to unrestricted funds is the reimbursement of funds paid out of unrestricted reserves towards the University of Monsters volunteering project.

#### **28. CONTROLLING PARTY**

The Union is controlled by the Trustee Board, 7 members of which are subject to democratic election by the voting membership of the Union. The ultimate control of the Union is vested under the constitution in the membership in General meeting. As such no single person or entity controls the Union as defined by Financial Reporting Standard 8. The Trustee Board also contains 4 externally appointed Trustees.

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****29. CAPITAL COMMITMENTS**

At the year end the Union had committed to building refurbishment works and other capital projects totalling £426,036 (2017: £217,892).

**30. CONTINGENT LIABILITY**

During the year, the organisation was made aware of a possible increase in the liability for the SUSS pension deficit. The outcome of this contingent liability is not yet known, and it cannot be quantified at this stage. As a result, it is not considered necessary to provide any additional liabilities in the accounts for the year ended 31 July 2018.

**31. PRIOR YEAR ADJUSTMENT**

Due to a change in legislation during the year, profits gift aided from subsidiary companies are treated as a dividend and therefore not recognised until confirmed, which did not occur during the year. Therefore, the gift aid debtor from Little Learners of £4,924 in 2016/17 has been reversed in the Charity accounts, and there is no gift aid debtor in 2018/19.

Little Learners will continue to gift aid its profits to RUSU after the year end.

**READING UNIVERSITY STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31<sup>st</sup> JULY 2018****31. COMPARATIVE SOFA 2017**

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total 2017</b>
	£	£	£	£
<b>INCOME AND ENDOWMENTS</b>				
<b>Grant Income</b>	1,249,564	-	-	1,249,564
<b>Charitable Activities</b>				
Student Social Venues and Events	1,978,642	-	-	1,978,642
Student Shops	1,486,467	-	-	1,486,467
Student Activities (Clubs and Societies)	40,067	632,681	32,500	705,248
Little Learners (Nursery)	719,460	-	-	719,460
Student Lettings	-	-	-	-
<b>Other Trading Activities</b>				
Franchised Space	100,163	-	-	100,163
Business Development	205,620	-	-	205,620
Commercial Trading	36,320	-	-	36,320
Marketing & Sponsorship	30,100	-	-	30,100
<b>Interest Receivable</b>	3,401	-	-	3,401
<b>Other</b>	244	-	-	244
<b>Total Income</b>	<u>5,850,048</u>	<u>632,681</u>	<u>32,500</u>	<u>6,515,229</u>
<b>EXPENDITURE</b>				
<b>Charitable Activities</b>				
Student Social Venues and Events	1,625,590	-	-	1,625,590
Student Shops	1,464,090	-	-	1,464,090
Student Democracy and Representation	224,615	-	-	224,615
Student Activities (Clubs and Societies)	568,289	620,248	89	1,188,626
Advice Services	261,420	-	-	261,420
Affiliations	60,178	-	-	60,178
Little Learners (Nursery)	713,973	-	-	713,973
Student Lettings	-	-	-	-
<b>Raising Funds</b>				
Franchised Space	7,954	-	-	7,954
Marketing and Sponsorship	172,804	-	-	172,804
Business Development	159,474	-	-	159,474
Commercial Trading	29,910	-	-	29,910
<b>Movement in Pension Deficit</b>	-	344,010	-	344,010
<b>Total Expenditure</b>	<u>5,288,297</u>	<u>964,258</u>	<u>89</u>	<u>6,252,644</u>
<b>Net Income/(Expenditure)</b>	561,751	(331,577)	32,411	262,585
Transfers between Funds	61,699	(61,699)	-	-
<b>Net Movement in Funds</b>	<u>623,450</u>	<u>(393,276)</u>	<u>32,411</u>	<u>262,585</u>
<b>Reconciliation of Funds</b>				
Total Funds Brought Forward	934,145	(389,389)	1,682	546,438
<b>Funds Carried Forward</b>	<u>£1,557,595</u>	<u>£(782,665)</u>	<u>£34,093</u>	<u>£809,023</u>