

Registered Charity No: 1142479
Registered Company No: 07470232

UNIVERSITY OF SURREY STUDENTS' UNION

**TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 July 2012

UNIVERSITY OF SURREY STUDENTS UNION

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UNIVERSITY OF SURREY STUDENTS' UNION ADMINISTRATIVE INFORMATION

Charitable Status

The University of Surrey Students' Union (USSU) is an incorporated charity (Company Limited by Guarantee) established under the Education Act 1994 and registered with the Charity Commission (No. 1142479) and Companies House (No. 07470232).

Principal Address

Union House
Guildford
Surrey
GU2 5XH

Charity Trustees

| | <u>July 2012/13</u> | <u>July 2011/12</u> |
|---|---------------------|---------------------|
| Full-time (Sabbatical) Officers | | |
| President | David Halls | Osama Salih |
| VP Societies and Individual Development | Emily Bollon | Jake Willis |
| VP Welfare | Bakita Kasadha | David Halls |
| VP Sport & Recreation | Arabella Gilby | Trung Nguyen-Le |
| VP Education | Sam Ratzer | Sam Ratzer |

Part-time (Non-sabbatical) Officer

| | | |
|-------------|------------------|-------------|
| Union Chair | Charlie Eastaugh | Oliver Deed |
|-------------|------------------|-------------|

External Trustees

| | |
|-----------------|-----------------|
| Barry Hitchcock | Barry Hitchcock |
| Marian Lynch | Marian Lynch |
| Hash Alsaidi | Hash Alsaidi |
| David Hill | David Hill |
| Harri ap Rees | Harri ap Rees |

Part-time Executive Officers (Non-trustees)

| | | |
|--|-----------------------|----------------|
| Communications Officer | Kat Heneghan | Bakita Kasadha |
| Community Officer | Jade Roberts | Jade Foley |
| Equality & Diversity Officer | Munyaradzi Mudarikiri | Peter Smeed |
| Ethics & Environmental Officer | Katie McManus | John Cook |
| Events & Trading Officer | Anna Lawrence | Mazin Hussien |
| International Students Development Officer | Maria Sklirou | Ramin Torabi |
| Postgraduate Development Officer | Imogen Jones | Aaran Steers |
| Editor in Chief (new for 2012/13) | Abbie Stone | N/a |

Auditors

Crowe Clark Whitehill LLP
Statutory Auditor
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers

National Westminster Bank Plc
University of Surrey
Guildford
Surrey
GU2 7XS

Solicitors

Bates Wells and Braithwaite
2-6 Cannon St
London
EC4M 6YH

USSU employs a Chief Executive Officer to work closely with the Executive Officers and ensure effective management of the charity as head of a senior management team as follows:-

| | |
|---|----------------|
| Chief Executive Officer | Bob Anderson |
| Membership Services Director | Alan Roy |
| Finance Manager | Debra Rideout |
| Human Resources & Staff Development Manager | Caroline Royle |
| Commercial Manager | Ben McCauley |

UNIVERSITY OF SURREY STUDENTS' UNION TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2012

The Board of Trustees present their Annual Report for the year ended 31 July 2012, which includes the administrative information set out on page 1, together with the audited accounts for that year.

Structure, governance and management

USSU is constituted under the Education Act 1994 as a charity (see page 2) with internal regulations or Rules approved by the governing body of the University of Surrey. USSU charitable Objects under the Act, to advance the Universities' educational purposes by providing representation and support for the students of the University, are supplemented by the further Object of helping members to develop their own charitable activities as active participants in civil society.

USSU is administered by its Executive Committee of thirteen students elected annually by cross-campus secret ballot of the USSU membership. The five posts of President, VP Education, VP Welfare, VP Societies & ID and VP Sport & Recreation are full-time, or 'sabbatical', posts remunerated as authorised by the Education Acts and cannot exceed two years duration for each holder. The five full-time and eight part-time Executive Officers are regarded as the charity trustees of USSU for the purposes of the Charities Acts.

Risk Management

The Executive Committee has examined the major strategic, business and operational risks faced by USSU. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Procedures and Policies of Trustee Induction and Training

The new external Trustees for the University of Surrey Students' Union took up office in September 2011. At the start of their term of office they were given a briefing on the organisation; booklets from the NCVO giving information on their responsibilities as a Trustee and two external trustees attended an NCVO Trustee event in November 2011. This enabled them to report back to the Board and raise a number of queries concerning their role and how the organisation would operate going forward. In July 2012 six new trustees took up office on the Board and were given a full week's induction training which included briefing and training on their roles as Trustees and the governance process. On-going training will be made available to the trustees during their term of office including attendance at conferences, specific training events and access to website training materials.

Aims, Objectives and activities

The Board of Trustees has identified The University of Surrey Students' Union's vision and mission as 'To be a leading Students' Union, that has a positive impact on every University of Surrey Student. The University of Surrey Students' Union exists through the University Charter and is the sole representative body for the students at the University of Surrey. The Students Union is an independent, membership led organisation; committed to providing the services our members need, and to creating the changes our members want.' (The University of Surrey Students' Union Strategy 2010-15). The Students' Union's long term objectives under this vision and mission statement are as follows:

- **Community**
The University of Surrey is made up of a rich mix of different cultures, interests and personalities. The campus environment allows an opportunity for students from all backgrounds to expand their cultural and social horizons beyond their academic life. By creating and supporting strong student communities, the Union will enrich the experience of its members.
- **Societies**
Societies have always been an important part of University life. Societies create strong communities within the student population, as well as introducing members to new experiences and cultures. We shall support society leaders by providing the resources they need and reduce red tape allowing more time for society activity and less on administration.

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

Societies will be encouraged to run independently, and we shall provide the skills to society leaders to enable this

- **Sport**
Participating in Sport at University promotes wellbeing, health and teamwork as well as the opportunity to make friends for life. We will encourage participation in sport and recreation for our members and provide the effective resources with our partners to make this accessible to all.
- **Social Experience**
Many members first experience of independent living is when they arrive at the University of Surrey, and our members have always embraced a multi-cultural campus. We will provide an excellent social experience, enabling all sections of the student community to meet others, relax and have fun.
- **Volunteering**
University is not just about learning, but gaining an education in preparation for life. We will continue to strengthen our links with local and national volunteering organisations to provide opportunity for our members to engage with the wider community beyond campus and make a positive contribution to the wider Surrey community.
- **Virtual Community**
As the campus population expands and virtual learning technology develops, we will adapt our service to give a complete experience for all members regardless of their location or how often they visit the University campus.

- **Satisfaction**
Our core vision is to have a positive impact on the lives of our members. The work of the Students' Union will lead to a better experience for all our members, whether they are directly or indirectly involved in their Union.
- **Representation**
The absolute core function of the Students' Union is to inform the University on current student opinion. Our members expect us to make their voice heard when consulting with the University and wider stakeholders. We will represent our member's views to others with professionalism and accuracy.
- **Delivery**
We will never treat our members as simple customers; we will always be a membership organisation. This strategy will be continually adapted according to the wishes of our members, and embedded into everything we do. Our members should not just be satisfied, but love their Union.
- **Second to none**
We recognise that best practice often lies beyond our own campus and there are many world class Student Unions across the UK. We will embrace the opportunity to learn from other Unions, and benchmark our performance against them
- **Training & Development**
The learning experience does not end in the lecture theatre. Our members will be provided with opportunities for personal and skills development in a peer to peer framework. Training & development will not be provided for the purpose of collecting certificates but for providing real skills and benefits to our members. We will seek to provide the opportunities that our members require.
- **Legacy**
Aspirations will always remain pipe dreams unless there are resources to make them a reality, and each generation of students hold the Union in trust for the next. As a charity, and an organisation funded by its membership, we have a responsibility to always ensure the Union has a secure financial base to work from as well as maximising opportunities to support our membership.
- **Not for profit, just for students**
Finance is becoming more challenging every year for our members. We will continue to operate cost efficient trading activities, generating enough surpluses to enhance the annual subvention grant and provide investment for the future. We will not profiteer, but provide

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

best value as part of the University economy. The Union will only partner with private enterprise when there is a clear benefit to our members

- **Transparent**
Although the Students' Union is not a public body we will go beyond the reporting standards required for public bodies and ensure our members know exactly where their money goes. Reporting will be clear for all our members to understand and available to all.
- **Innovation & Enterprise**
The core activities of the Students' Union will always be providing appropriate services to our members. We will review these services to ensure we are delivering what is needed. Where we are providing redundant services for no financial or service benefit these will cease to operate. We will look for new opportunities to enhance the subvention grant with commercial enterprises available to non-members, only when there is no impact on the services we provide to members and no commercial conflict exists with the University.
- **Democracy**
A membership organisation is most effective with an active and engaged membership. It is the duty of the Union to listen to, discuss with and inform its membership on its work. We will not only listen to those who shout the loudest, nor will we abandon those who are disconnected with their Union.
- **Communication**
A dynamic membership organisation should have a continuing conversation with its stakeholders. We will not communicate in only one direction but continue to innovate allowing our members to communicate with their Union in the way they want, and not how we dictate.
- **Research**
We have a duty to provide an accurate reflection of our members views which will shape the direction of the University. We will improve our research on student opinion to move away from the out-dated models of the past and provide representation fit for the 21st century
- **Accessibility**
The Union will remove unnecessary barriers to the organisation. Our rules, procedures and governance will be reviewed annually with the aim to keep bureaucracy to a minimum. Our members will have confidence that they are able to participate fully in their Student Union without having to dedicate disproportionate time to understanding the structure.
- **Democratic & Accountable**
Our democratic procedure shall also be reviewed on a regular basis to ensure those are appropriate and meeting the requirements of our members. We will not listen to only those who make the most noise. The Union will not protect those officers or leaders who abuse the trust of our members for the sake of reputation.

In pursuit of these aims for public benefit, The University of Surrey Students' Union will ensure the diversity of its membership is recognised, valued and supported and has established services for use by its members and to support its work with the University and other organisations on behalf of students. These include the Student Union support service, volunteering and training, diverse student activities, and support for student sports clubs and societies, alongside our commercial activities which include Chancellors Bar and Restaurant, and our Rubix nightclub. The Executive Officers of the Union sit on the majority of the committees of the University of Surrey and meet regularly with department and central service heads on campus.

The University of Surrey Students' Union continues to represent the students of this University on relevant local, national and international issues by maintaining a high proportion of student representatives. The Union facilitates training and communication with 600 student academic representatives, and has a committee of 13 executive officers contributing across the University from SSLC (student liaison committees) to the highest University committees, Senate and Council.

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

To further enhance the student experience, The University of Surrey Students' Union attracts students from all walks of life to get involved, by actively promoting the benefits of volunteering in student-led activities. As a result, in 2011/12, 1800 students volunteered to work on projects within the local community or within the University or Union. The Students' Union was also recognised as an Investor in Volunteers (part of the Investors in People scheme). The Union continues to be voted 'best welcome' in the national 'i-graduate' survey as a result of the efforts of our 250 'Freshers' Angels' volunteers, who again encourage new students to get involved from the moment they arrive at the University.

When reviewing our objectives and planning our activities, we have given due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Achievements and performance

The University of Surrey Students' Union achieved the following published objectives for 2011/12 (measures are published in the Students' Union 1 year action plan underneath the five year strategy)

| Objective | Achievement |
|---|--|
| (i) Increase users of new website, create a strong virtual community on facebook and twitter, maintain a responsive online presence, produce relevant online content and a rich virtual experience for our members. | The Students' Union surpassed its target for facebook 'fans', reaching over 12,000. Our Twitter followers (target of 1900) have reached 3,173. Our fast web response and web transparency (including our innovative live webcasts) were raised by students during our SUEI audit and this was highlighted by our auditor. We continue to update and re-publish data on our new website, which has an average weekly traffic of 3436 unique visitors per week. |
| (ii) Increase participation in sport (via team surrey and union clubs), improve the recreational side of sport, increase attendance at varsity, and make more advertising of different sports available. | The Students' Union has surpassed its target of a 15% increase in students with involvement in sport, has run an increased number of events for recreational (non-competition) sports, and has far surpassed its target for attendees at the annual Varsity competition between Surrey and Kingston, which reached close to 1000 (target was over 300 spectators). Students now have a greater prominence at Surrey Sports Park and are using the Union website to create their own club areas online. |

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

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| (iii) | Ensure society training meets the needs of members, encourage societies to evaluate the events they host, increase knowledge of unique society members, increase student award nominations. Increase the safety of societies and awareness of risk. | Societies received training at the start of the year and support completing risk assessments whenever necessary. 81 risk assessments were signed off this year. Society event benchmarking will be easily recorded from next year as this is one the criteria in our new scheme. The Union has produced a clear guide on hosting an event. Increasingly popular committee training was held once again this year. |
| (iv) | Encourage student volunteers to take the lead and improve access to student volunteering. Ensure our volunteers are recognised for their efforts. Achieve Investors in Volunteers accreditation. Ensure that awareness of volunteering is widespread on a local level. | In May 2012 the Students' Union underwent a vigorous assessment under the Investors in Volunteers Scheme and recently achieved recognition as an official Investor in Volunteers. We continue to promote volunteering in the Union and local community, promoting the work of our volunteers to enhance perceptions of students in the local community. |
| (v) | Maintain silver award status under the Best Bar None scheme. Raise student perceptions of value for money within Union commercial services. Increase the number of society led events and advertising for these events. Increase student involvement in commercial services through research. Train all Union part time student staff to BII standard. | The Union's BBN score was unchanged, however changes to the scheme resulted in the Union being accredited Bronze this year. The number of society led events have increased although advertising has remained the same. Research has not been carried out on student perceptions of commercial services, however, perceptions of value for money have improved by 7%, reaching 43% (target was 42%) |
| (vi) | Democracy committee to meet prior to elections to review. Union review panels to take place during the year to scrutinise the performance of sabbatical officers. Monitor and set targets for the election candidates and voters. Review sections of the membership voting in the elections. Track representational issues in order to make the Union more accountable to members. | Democracy committee met regularly throughout the year and initiated an election nomination campaign which saw the Union surpass candidate targets. The vote turn out has remained steady over the last two years at 21% of the student population. Democracy committee meetings were broadcast live online. The Union has not tracked representational issues in a formal plan, however election turnout has been analysed and key target areas identified for promotion next year. |

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

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| (vii) | Collect all feedback in a standard format, posting in a 'you said, we did' format online and on display. Give sabbaticals a more transparent presence in the Union building with activity published. Ask members how communication can be improved. Create opinion panel. | Feedback forms are standardised across Union activities – training, volunteering, trips etc, and feedback is analysed regularly. The Union has created an 'in-out' board showing students the availability of sabbaticals and the whole staff team in the Union. Opinion panels (focus groups) have taken place regularly this year including how the Union could better communicate with students. |
| (viii) | Students choose to have their say in the Union via elections and forums. Increase the number of candidates for elections. Encourage students to have their say via the national union of students. Create and run a full executive committee. | As above, the Union's election turnout is stable, at 21%.The Union's number of election candidates doubled this year. Surrey sent a full delegation to the NUS conference, and were successful in delivering a motion jointly with Reading and Oxford students' unions on the cost of student living in the south east. The Union's executive committee was complete for the last academic year and held regular meetings, minutes and published online. |
| (ix) | Ensure that the Union's end of year survey runs and reflects accurate trends in student opinion. Hold focus groups regularly. Run a full communications committee. Ensure targets are set based on student trends. Union staff to be trained in conducting surveys online without support from University staff. | The Union's end of year survey continues to run each June, although survey responses were low this year and this will be placed in review to ensure our survey data is as valid as possible. Nevertheless results remain positive with nearly 90% of members saying the Union has a positive impact on their University life. The communications committee is constituted in the Union's committee structure but has not run regularly this year. Targets for the next academic year will be set based on trend data. Union staff are trained in conducting their own surveys through the Union website. |
| (x) | Ensure that training is delivered to a high standard of student satisfaction and is effective. Expand reach of training within the student body and adapt training to suit the changing needs of students. Explore new training methods. | Training is continuing to be evaluated with summary feedback presented to trainers to inform improvement. SurreyLearn VLE will be adopted for a trial as a new training method |

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

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|--------|--|---|
| (xi) | Host well attended academic representative assembly, senior University staff responsive to assembly outcomes. Members should agree the Union has an influence. Sabbaticals well informed of student opinion. Access to University exec board members used to raise student issues. | Academic rep assembly has continued to take place during this academic year although attendance and response could be improved for next year. The Union has successfully received support from the University (funding) for a new member of staff in representation who will work on this issue. The amount of members who agree that the Union has an influence has risen slightly (by 3%), there has also been a slight drop in students who do not know or disagree with this question in our annual survey. During this academic year the Union created a 'Presidents' Report' which was delivered to all members of the University Exec Board and focussed entirely on student issues. |
| (xii) | Produce quarterly reports, based on the annual report. Ensure all documents are available in print and online. Hold annual USSU24 event and regular pop up union event. | This year an interim report was produced, this will be done with more regularity for the next academic year. All Union documents (mini guides for students) are available both in pdf and print. The annual ussu24 event and pop up union took place this year, and will be repeated next year. |
| (xiii) | Improve efficiency through technology, reduce printing costs, create online ticketing system, use website to its full potential, decrease business overheads/costs. | We have recently tendered for a new photocopying contract and reduced fixed costs by 1/3, implemented new procedures to reduce numbers of unwanted printing. Online ticketing system is currently being written with an expected go-live date of January 2013. A new minibus booking and billing system is being written to integrate bookings with GPS tracking to ensure all trips are correctly billed |

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2012**

Future plans

USSU will continue with its core functions of representation and provision of student activities for the foreseeable future.

No plans are currently afoot for expansion of membership service provision; but with long-term strategy planning underway alongside the University of Surrey, a clearer picture of the 'Students' Union of future' should be created, enabling USSU to work towards an envisioned Students' Union, suitable for the coming decades. A need has been identified for further support in administering student groups, though this is funding-dependent. New societies and sports clubs can be accommodated where there is a will from the student body for such groups to be created; in line with the Union constitution.

USSU will continue to develop its provision of support and activities in order to meet the ever-changing needs of the University's demographic; through feedback from members. The Union will aim to re-enter the Students' Union Evaluation Initiative (or equivalent).

USSU will continue its association with all external bodies from 2011/12 (BUCS, NUS, IIV, BII, etc.), unless a popular vote from members deems this unsatisfactory.

Financial review

USSU gross income from all sources this year totalled £3,533,167. Total expenditure was £3,526,718. This left a surplus for the year of £6,449. The Students' Unions Trading services raised the £121,961 short fall in subvention (Block Grant) needed to run the membership services for the students.

USSU has continued to benefit from the recognition and support of the University, and this year received an annual Block Grant of £736,164

Custodian Activities: Clubs' & Societies' Funds

USSU acts as custodian for funds raised by the students' many Clubs & Societies themselves, amounting to £54,373 at the year-end, in addition to the grant-support funds it disburses to them as shown in the accounts. USSU is also custodian of the annual RAG proceeds from fundraising events organised by the students under USSU auspices for distribution to the intended charities.

Future Funding

The Executive Committee confirms that USSU has sufficient funds to meet all its obligations; the Block Grant for 2012/13 has been confirmed at £780,000, along with the budgeted surplus of £160,000 from commercial activities. This will entail Membership Services to achieve its support, welfare and representation services for the coming year.

**UNIVERSITY OF SURREY STUDENTS' UNION
TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2012**

Trustees' Responsibilities

Charity law require us as the charity Trustees to prepare annual financial statements giving a true and fair view of the state of affairs of the Union and of the surplus or deficit for that year.

In preparing those financial statements we are required to:-

- select the most suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is not appropriate to presume that the Union will continue in business.

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 us to ensure that the financial statements comply with charity law and the particular requirements of the Union of Surrey Students' Union under the Education Act 1994. The Trustees are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

.....
Trustee On Behalf of the Board

Dated:

**UNIVERSITY OF SURREY STUDENTS' UNION
AUDITORS REPORT
FOR THE YEAR ENDED 31 JULY 2012**

Independent Auditor's Report to the Members of the University of Surrey Students' Union

We have audited the financial statements of the University of Surrey Students' Union for the year ended 31 July 2012 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets and the related notes numbered 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**UNIVERSITY OF SURREY STUDENTS' UNION
AUDITORS REPORT
FOR THE YEAR ENDED 31 JULY 2012**

Matters on which we are required to report by exception

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

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

Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Reading

UNIVERSITY OF SURREY STUDENTS' UNION
STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES FOR THE YEAR
(Incorporating income and expenditure account)
FOR THE YEAR ENDED 31 JULY 2012

| | Note | Unrestricted Income | Restricted Income | Capital Grants | Total £ |
|--|------|------------------------|----------------------|-------------------|------------------|
| Gross Income | | | | | |
| Voluntary income: | | | | | |
| - Donations, University Grant, etc. | 2 | 795,290 | - | - | 795,290 |
| Activities to generate funds: | | | | | |
| - Commercial trading income | | 37,185 | - | - | 37,185 |
| - Advertising and marketing | | 160,402 | - | - | 160,402 |
| Charitable activities for students: | | | | | |
| - Bars & Catering | | 1,515,972 | - | - | 1,515,972 |
| - Retail | | 261,419 | - | - | 261,419 |
| - Entertainments & security | | 478,574 | - | - | 478,574 |
| - Societies & clubs | | - | 281,035 | - | 281,035 |
| Other income | | 3,290 | - | - | 3,290 |
| Total income | | 3,252,132 | 281,035 | - | 3,533,167 |
| Resources expended | | | | | |
| Costs of Generating Funds: | | | | | |
| - Advertising and Marketing | | 37,735 | - | - | 37,735 |
| Charitable Activities for students: | | | | | |
| - Advice & Welfare | | 921,825 | - | - | 921,825 |
| - Bars & Catering | | 1,412,182 | - | - | 1,412,182 |
| - Retail | | 263,595 | - | - | 263,595 |
| - Entertainments & security | | 479,852 | - | - | 479,852 |
| - Societies & clubs | | 26,284 | 273,362 | - | 299,646 |
| Governance | | 111,883 | - | - | 111,883 |
| Total expenditure | 3-5 | 3,253,356 | 273,362 | - | 3,526,718 |
| Net incoming resources for the year | | (1,224) | 7,673 | - | 6,449 |
| Transfer between funds | | 17,285 | - | (17,285) | - |
| Transferred in from unincorporated entity and trading subsidiary | | 836,638 | 46,700 | 130,505 | 1,013,843 |
| Fund balances carried forward | | 852,699 | 54,373 | 113,220 | 1,020,292 |

The notes on pages 15 to 22 form part of these accounts.

UNIVERSITY OF SURREY STUDENTS' UNION
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2012

| | Notes | 2012 £ | £ |
|--|-------|------------------|-------------------------|
| Fixed Assets | | | |
| Tangible fixed assets | 6 | | 796,115 |
| Investments | 7 | | 1,910 |
| | | | <u>798,025</u> |
| Current Assets | | | |
| Stocks | | 33,597 | |
| Debtors & prepayments | 8 | 228,012 | |
| Cash at bank & in hand | | <u>416,304</u> | |
| | | 677,913 | |
| Current Liabilities | | | |
| Creditors: Amounts due within one year | 9 | <u>(441,432)</u> | |
| Net Current Assets | | | <u>236,481</u> |
| Total Assets less Current Liabilities | | | 1,034,506 |
| Creditors: Amounts due after one year | 10 | | <u>(14,214)</u> |
| Net Assets | | | <u><u>1,020,292</u></u> |
| Representing Charitable Funds:- | | | |
| Restricted Income Funds | | | |
| Students' Societies & Club Funds | 11 | 54,373 | |
| Other restricted funds | 12 | <u>113,220</u> | |
| | | | <u>167,593</u> |
| Unrestricted Income Funds | | | |
| Free reserves (Undesignated) | | <u>852,699</u> | |
| | | | <u>852,699</u> |
| Total Funds | 13 | | <u><u>1,020,292</u></u> |

The financial statements were approved by the Trustees on

and signed on their behalf, by:

David Halls
President

Trustee
On Behalf of the Board

The notes on pages 15 to 22 form part of these accounts.

UNIVERSITY OF SURREY STUDENTS' UNION
UNION BALANCE SHEET
AS AT 31 JULY 2012

Registered company number: 07470232

| | Notes | £ | 2012 | £ |
|--|-------|---|-----------|-----------|
| Fixed Assets | | | | |
| Tangible fixed assets | 6 | | | 796,115 |
| Investments | 7 | | | 1,911 |
| | | | | 798,026 |
| Current Assets | | | | |
| Stocks | | | 4,276 | |
| Debtors & prepayments | 8 | | 206,048 | |
| Cash at bank & in hand | | | 396,254 | |
| | | | | 606,578 |
| Current Liabilities | | | | |
| Creditors: Amounts due within one year | 9 | | (369,379) | |
| Net Current Assets | | | | 237,199 |
| Total Assets less Current Liabilities | | | | 1,035,225 |
| Creditors: Amounts due after one year | 10 | | | (14,214) |
| Net Assets | | | | 1,021,011 |
| Representing Charitable Funds:- | | | | |
| Restricted Income Funds | | | | |
| Students' Societies & Club Funds | 11 | | 54,373 | |
| Other restricted funds | 12 | | 113,220 | |
| | | | | 167,593 |
| Unrestricted Income Funds | | | | |
| Free reserves (Undesignated) | | | 853,418 | |
| | | | | 853,418 |
| Total Funds | 13 | | | 1,021,011 |

The financial statements were approved by the Trustees on

and signed on their behalf, by:

David Halls
President and Chair

Trustee
On Behalf of the Board

The notes on pages 15 to 22 form part of these accounts

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

1 Accounting Policies

(a) **Accounting convention**

These accounts are prepared under the Charities Act 2011 on the historical cost convention in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities' published in March 2005 (SORP 2005) and with applicable UK Accounting & Financial Reporting Standards.

Consolidated financial statements ('group accounts') have been prepared in respect of the charity and its wholly owned subsidiary, Origin Events Limited. The investment of Nice Curve Limited has not been consolidated on the grounds of immateriality. The parent has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006.

Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements.

Going concern

The charity has cash resources and is supported by the University of Surrey. The trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

(b) **Incoming resources**

All income and capital resources are recognised in the accounts when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. The University grant of free serviced accommodation on the campus is accounted for as income and expenditure of the year at an estimated value to the Union by reference to the alternatives available on the commercial market.

(c) **Resources expended**

Expenditure includes irrecoverable VAT. Charitable expenditure comprises the direct and indirect costs of delivering public benefit. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers. Other central overhead costs are apportioned to charitable and other projects/activities on a usage basis, pro rata to the amount of staff hours attributable to each project or activity undertaken.

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

1 Accounting Policies (continued)

(d) **Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Equipment, fixtures and fittings are included at cost. Depreciation is provided at the following annual rates in order to write the cost of assets off over their estimated useful lives:-

| | | | |
|--------------------|---|--------|-------------------------|
| Building works | - | 10% | per annum straight line |
| Equipment | - | 20% | per annum straight line |
| Sub Aqua Equipment | - | 10-20% | per annum straight line |
| Web development | - | 33% | per annum straight line |
| Motor Vehicles | - | 25% | per annum straight line |
| Computer Equipment | - | 33% | per annum straight line |

No depreciation is charged in the year of acquisition.

(e) **Investments**

University of Surrey Students' Union's fixed asset investments are valued at cost, as these assets are not readily saleable and a reliable market value if not readily ascertainable.

(f) **Pension costs**

The Union now operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Differences between contributions payable in the year and paid are shown as accruals or prepayments in the balance sheet.

(g) **Leased assets**

Rentals payable under operating leases are charged as expenditure on a straight line basis over the period of the lease.

(h) **Stock**

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

(i) **Fund accounting**

(i) **Unrestricted Funds** representing unspent income which may be used for any activity/purpose at the Executive Committee's own discretion;

(ii) **Capital Grant Funds** are released annually in line with the depreciation policy on the capital spend.

(ii) **Restricted funds** raised and administered by USSU for specific purposes, such as Club and Societies Accounts, as well as revenue received for purposes specified by the donor. The costs of raising and administering such funds are charged against the specific fund.

(j) **Taxation**

No provision is made in these accounts for corporation tax as the union is exempt from such taxes as a result of its charitable status.

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

2 Grants Receivable

| | £ |
|-------------------------------------|----------------|
| University Block Grant (Subvention) | 736,164 |
| Donations | 59,126 |
| Total | 795,290 |

3a) Charitable and other Activity costs

| | Cost of sales £ | Staff costs £ | Rent £ | Other costs £ | Total £ |
|--|--------------------|------------------|----------------|------------------|------------------|
| Activities for generating funds | | | | | |
| Advertising & marketing | - | 26,611 | - | 11,124 | 37,735 |
| Charitable activities | | | | | |
| Advice, Welfare & Student Activities | - | 472,531 | 55,246 | 394,048 | 921,825 |
| Bars & catering | 480,241 | 533,310 | 32,525 | 366,106 | 1,412,182 |
| Retail | 167,453 | 67,491 | 3,882 | 24,769 | 263,595 |
| Entertainments & Security | 199,788 | 97,200 | 11,995 | 170,869 | 479,852 |
| Societies & Clubs | 273,362 | 11,941 | - | 14,343 | 299,646 |
| Governance | - | 95,497 | - | 16,386 | 111,883 |
| Total costs | 1,120,844 | 1,304,581 | 103,648 | 997,645 | 3,526,718 |

Included in the above governance costs is the annual audit fee of £11,475.

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

3b) Central Overhead Costs included in Note 3a

| | Usage | Staff £ | Other £ | Total £ |
|--|-------|----------------|----------------|-----------------------|
| Activities for generating funds | | | | |
| Advertising & marketing | 3.0% | 4,478 | 5,870 | 10,348 |
| Charitable activities | | | | |
| Advice, Welfare & Student Activities | 23.0% | 34,329 | 45,006 | 79,335 |
| Bars & catering | 43.0% | 64,180 | 84,141 | 148,321 |
| Retail | 7.0% | 10,448 | 13,697 | 24,145 |
| Entertainments & Security | 16.0% | 23,881 | 31,308 | 55,189 |
| Societies & Clubs | 8.0% | 11,941 | 15,654 | 27,595 |
| Total costs | | <u>149,257</u> | <u>195,676</u> | <u>344,933</u> |

All central overhead costs have been apportioned on a usage basis, pro rata to the total costs of each project or activity undertaken.

Other Costs comprised:-

| | |
|--------------|---------------|
| | £ |
| Depreciation | 43,385 |
| Insurance | <u>18,585</u> |

4 Staff Costs

| | |
|--------------------|-------------------------|
| | £ |
| Wages and salaries | 1,131,556 |
| Social security | 85,102 |
| Pension costs | <u>87,923</u> |
| | <u>1,304,581</u> |

The number of employees whose emoluments exceed £60,000 was:

| | |
|-------------------|----------|
| £70,000 - £80,000 | <u>1</u> |
|-------------------|----------|

The average staffing was as follows:-

| | |
|---------------------------|------------------|
| Full time | 29 |
| Students – term time only | <u>52</u> |
| | <u>81</u> |

5 Trustees' Remuneration and Expenses

Osama Salih received a salary of £21,697; the other 4 Trustees received a total of £73,808. Reimbursed expenses to the 11 Trustees totalled £1,878.

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

| 6 Tangible Fixed Assets – Group and Union | | | | | | |
|--|--------------------------------------|------------------------|--------------------------------|--------------------------------|-----------------------------|-------------------------|
| | Fixtures & fittings £ | Equipment £ | Computer Hardware £ | Computer Software £ | Motor Vehicles £ | Total £ |
| COST | | | | | | |
| Transferred from unincorporated association | 1,479,390 | 783,418 | 100,340 | 109,823 | 227,067 | 2,700,038 |
| Additions | 21,047 | - | 35,997 | - | 7,958 | 65,002 |
| Disposals | <u>(6,120)</u> | <u>(132,489)</u> | <u>(63,354)</u> | <u>-</u> | <u>(71,225)</u> | <u>(273,188)</u> |
| At 31 July 2012 | <u>1,494,317</u> | <u>650,929</u> | <u>72,983</u> | <u>109,823</u> | <u>163,800</u> | <u>2,491,852</u> |
| DEPRECIATION | | | | | | |
| Transferred from unincorporated association | 757,604 | 735,545 | 95,194 | 10,982 | 198,689 | 1,798,014 |
| Charge for the year | 107,165 | 29,458 | 4,371 | 20,000 | 9,917 | 170,911 |
| On disposals | <u>(6,120)</u> | <u>(132,489)</u> | <u>(63,354)</u> | <u>-</u> | <u>(71,225)</u> | <u>(273,188)</u> |
| At 31 July 2012 | <u>858,649</u> | <u>632,514</u> | <u>36,211</u> | <u>30,982</u> | <u>137,381</u> | <u>1,695,737</u> |
| NET BOOK VALUE | | | | | | |
| At 31 July 2012 | <u>635,668</u> | <u>18,415</u> | <u>36,772</u> | <u>78,841</u> | <u>26,419</u> | <u>796,115</u> |
| Transferred from unincorporated association at 1 August 2011 | <u>721,785</u> | <u>47,873</u> | <u>5,146</u> | <u>98,841</u> | <u>28,378</u> | <u>902,023</u> |

7 Investments

| | Group £ | Union £ |
|--|---------------------|---------------------|
| COST: | | |
| Transferred from unincorporated association on 1 August 2011 | <u>1,860</u> | <u>1,861</u> |
| Additions | 50 | 50 |
| COST: | | |
| At 31 July 2012 | <u>1,910</u> | <u>1,911</u> |

At 31 July 2012 the Union held investments in the following companies which are incorporated in the United Kingdom.

| Name of Company | Main Trading Activity | Equity Held |
|------------------------|------------------------------|--------------------|
| NUS Services Limited | Purchasing Services | |
| A Shares | | 0.33% |
| B Shares | | 1.23% |
| Origin Events Limited | Bar and shop trading | 100.00% |
| Nice Curve Limited | Entertainment | 50.00% |

All profits from the wholly owned subsidiary, Origin Events Limited, have been gifted to the Union. Retained Profits at the year end for Origin Events Limited were £nil and Net Liabilities were £718.

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

| | | | |
|-----------|------------------------------------|-----------------------|-----------------------|
| 8. | Debtors | Group | Union |
| | | £ | £ |
| | Trade debtors | 208,999 | 121,905 |
| | Amounts owed by group undertakings | - | 65,130 |
| | Other debtors | 7,991 | 7,991 |
| | Prepayments & accrued income | <u>11,022</u> | <u>11,022</u> |
| | | <u><u>228,012</u></u> | <u><u>206,048</u></u> |

| | | | |
|-----------|---|-----------------------|-----------------------|
| 9. | Creditors: Amounts falling due within one year | Group | Union |
| | | £ | £ |
| | Loan & overdrafts due within one year | 72,459 | 72,459 |
| | Trade creditors | 261,776 | 211,025 |
| | Social security & other taxes | 34,260 | 34,253 |
| | Other creditors | 5,511 | 2,549 |
| | Accruals | <u>67,426</u> | <u>49,093</u> |
| | | <u><u>441,432</u></u> | <u><u>369,379</u></u> |

| | | | |
|-----------|--|---------------|---------------|
| 10 | Creditors: Amounts due after one year | Group | Union |
| | | £ | £ |
| | Loans | <u>14,214</u> | <u>14,214</u> |

The two loans totalling £300,000 were taken out for 5 years in October and December 2008. During 2010/11 the University of Surrey agreed with the Students' Union to repay the loans, with the Union repaying the University under the original terms. The loans bear interest at a rate of 1.25% plus base.

| | | |
|-----------|--|-----------------------------|
| 11 | Restricted Funds held for Student Societies & Clubs – Group and Union | |
| | | £ |
| | Transferred from unincorporated association | 46,700 |
| | Income | 281,035 |
| | Expenditure | <u>(273,362)</u> |
| | Funds held at 31 July 2012 | <u><u>54,373</u></u> |

Restricted funds represent amounts raised by the Student Societies and Clubs of the Union for their own use.

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

12 Capital Grant Fund – Group and Union

| | £ |
|---|-----------------------|
| Transferred from unincorporated association | 130,505 |
| Transfers to unrestricted funds | <u>(17,285)</u> |
| | <u><u>113,220</u></u> |

This Fund represents capital grant funds received from the University. It is amortised to unrestricted funds over the life of the assets in line with the Unions' depreciation policy on the assets.

13 Analysis of Net Assets between Funds

| | Unrestricted Funds | Restricted Income Funds | Capital Grant Fund | Total |
|-----------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| Group | £ | £ | £ | £ |
| Fixed assets | 684,805 | - | 113,220 | 798,025 |
| Net current assets | 182,108 | 54,373 | - | 236,481 |
| Long term liabilities | <u>(14,214)</u> | <u>-</u> | <u>-</u> | <u>(14,214)</u> |
| | <u><u>852,699</u></u> | <u><u>54,373</u></u> | <u><u>113,220</u></u> | <u><u>1,020,292</u></u> |

| | Unrestricted Funds | Restricted Income Funds | Capital Grant Fund | Total |
|-----------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| Union | £ | £ | £ | £ |
| Fixed assets | 684,806 | - | 113,220 | 798,026 |
| Net current assets | 182,826 | 54,373 | - | 237,199 |
| Long term liabilities | <u>(14,214)</u> | <u>-</u> | <u>-</u> | <u>(14,214)</u> |
| | <u><u>853,418</u></u> | <u><u>54,373</u></u> | <u><u>113,220</u></u> | <u><u>1,021,011</u></u> |

14 Leasing Commitments – Group and Union

At 31 July 2012 the Union had annual commitments under non-cancellable operating leases as detailed below:-

| | £ |
|--|----------------------|
| Plant and machinery | |
| Operating leases expiring within one year | 21,235 |
| Operating leases expiring within two to five years | <u><u>22,296</u></u> |

15 Control Relationship

Ultimate control of the University of Surrey Students' Union rests with its membership, represented by the Union Trustee board.

UNIVERSITY OF SURREY STUDENTS' UNION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

16 Related Parties

The Union is in receipt of a recurrent grant from the parent body of £736,164.

The sabbatical members of the executive committee receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £95,505.

Origin Events Limited is considered to be a related party of the Union as it is a wholly owned subsidiary. The company made a payment under gift aid to the Union of £244,226 resulting in a balance due from the company at the year end of £65,130.

17 Pension Costs

In 2011 the Union moved from a defined benefit to a defined contribution retirements benefit scheme. As part of the arrangement the University agreed to take over the future liability of the previous membership. The Union pays a contribution rate of 22% and 22.4% of pensionable salaries for TUPE employees. Pension contribution for all staff employed after 1st August 2011 is 8%. The total pension cost for the year was £87,923.

18 Transfer of Assets of Unincorporated Entity

On 1 August 2011 the assets, liabilities and trade of the University of Surrey Students' Union (unincorporated charity) were transferred to the University of Surrey Students' Union (incorporated charity limited by guarantee). The assets and liabilities of the University of Surrey Students' Union (unincorporated charity) were as set out below:

| | Book Value £ |
|-------------------------------|-------------------------------|
| Tangible fixed assets | 902,023 |
| Investments | 1,861 |
| Stock in hand | 39,726 |
| Cash at bank and in hand | 430,984 |
| Debtors | 275,476 |
| Total Assets | 1,650,070 |
| Creditors due within one year | (578,650) |
| Creditors due after one year | (56,858) |
| Net Assets | 1,014,562 |