

Charity Registration Number: 1144886

CHARITY COMMISSION

The Students' Union at Bournemouth University
Financial Statements
31 July 2018

FILER KNAPPER LLP
Chartered accountant & statutory auditor
10 Bridge Street
Christchurch
Dorset
BH23 1EF

The Students' Union at Bournemouth University

Financial Statements

Year ended 31 July 2018

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The Students' Union at Bournemouth University

Trustees' Annual Report

Year ended 31 July 2018

The Trustees present their report and the financial statements of the charity for the year ended 31 July 2018.

Reference and administrative details

Registered charity name	The Students' Union at Bournemouth University
Charity registration number	1144886
Principal address	Talbot Campus, Fern Barrow, Poole, Dorset BH12 5BB

The Trustees

The Trustees who served the charity during the year were as follows:

Officer

Daniel Oluyomi Asaya	Tenure concluded 06.07.18
Abdurasheed Adeyinka Balogun	Tenure commenced 07.06.18

External

Graham Briscoe	Tenure concluded 28.02.18
Chris Buckley	Tenure concluded 28.02.18
Ian Catley	Tenure concluded 01.11.17
Arthur Richier	Tenure commenced 01.02.18
Catriona Cannon	Tenure commenced 01.02.18
Jennifer Winter	Tenure commenced 01.02.18
Martin James	Tenure commenced 01.02.18

Student

Geneva Guerrieri	Tenure concluded 30.06.18
Karen Churchill	
Elizabeth Howe	Tenure concluded 30.06.18
Mark Smith	
Robert Garza	Tenure concluded 30.06.18
Devon Biddle	Tenure commenced 01.02.18
Imuetinya Giwa-Osagie	Tenure commenced 07.06.18
Jack Towyn Wallis	Tenure commenced 07.06.18
Lotachukwu Nwokolo	Tenure commenced 07.06.18

Executive Trustee

Alexandra Casacu	Tenure commenced 01.02.18	Concluded 30.06.18
Benjamin Jean-Jacque	Tenure commenced 01.02.18	Concluded 30.06.18

Staff

Sophie Nott	Tenure commenced 01.02.18
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Senior Management

Alan James	General Manager
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Auditor

Filer Knapper LLP
10 Bridge Street
Christchurch
Dorset
BH23 1EF

Bankers

Barclays Bank Plc
Barclays House
Southampton
Hampshire
BX3 2BB

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

CHAIR'S REVIEW

The academic year, 2017/18, was a challenging one but tremendously satisfying at the same time with significant progress on many fronts.

The spirit of SUBU has always been for the elected officers to work with staff and volunteers on projects, campaigns, representation and student related issues in general.

Sometimes we rely on the passion and energy of a few students, which makes what we offer feel a bit inconsistent when these students leave. Over the last two years the officers and staff have worked very hard to ensure projects and successful groups 'stick' from one year to the next.

All of the above is supported by our Trustee Board, made up of externals, students, plus elected executive committee and staff members. We are grateful for the unpaid time they give to guide our strategy.

We are immensely proud of all the elected officers and the staff of SUBU. They do incredible work to represent students and to offer services to them at the same time as encouraging them to be 'empowered' and to grow and develop by doing things for themselves. Learning by doing - and occasionally making mistakes - is a key feature of the SUBU approach.

We also cannot fail to mention the diverse and more representative engagement that we have seen over the past two years, which has been one of our proudest achievements as a Students' Union. We recognise the need for SUBU to remain accessible and inclusive to ALL students regardless of race, sexuality, gender, ability, nationality or class. This has always been a cornerstone of our approach as a Students' Union and will remain so as we move onto our next VISION and Strategic plan to 2023.

Abdurasheed Adeyinka Balogun
Chair of the Trustee Board 2018/19 President, 2018/19

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

OBJECTIVES AND ACTIVITIES

Charitable Objects

The principal purposes and aims of the Union are the advancement of education of Students at Bournemouth University for the public benefit by:

- Promoting the interests and welfare of Students at Bournemouth University during their course of study and representing, supporting and advising Students;
- Being the recognised representative channel between Students and Bournemouth University (BU) and any other external bodies; and
- Providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Students.

With these objects the Union aims to make a positive impact on every Bournemouth University (BU) student's journey. These aims are set out in the strategic plan, Vision to 2018, which contains five key themes:

- i) Creating friendships.
- ii) Helping people to realise their potential.
- iii) Being ethical and environmental in its activities.
- iv) Being understood and recognised as well as more accessible and approachable to all students.
- v) Being a major collective force for all students.

Insight and Policy

Full and part time officers work with national representative bodies such as the National Union of Students (NUS) to further influence both local and national government on student matters. The representation carried out by the elected officers is supported by the Insight and Policy department which has been created over the last few years. This department provides evidence based research to inform the officers of the situation for students. The department also supported the SUBU debates, an initiative which first developed during 2016/17.

Representation

The academic and student experience 'Rep' system is one of the most important aspects of SUBU's work and the total spend in this area was £20,033 (2016/17 - £21,571) not including staff costs. The staff team works with elected representatives (Student Reps and Senior Reps) to facilitate them to represent the 'student voice' to the University and the local community. Over 5,002 students in 2017/18 engaged with the online tool SimOn, which also sends relevant feedback directly to some BU Services, thus allowing feedback to be received by the relevant parties immediately. There are four other Students' Unions around the country that now use the SimOn feedback tool that Bournemouth created, with another couple looking to move forward in 2018/19.

Democracy and Equality

The Democracy and Equality Department empowers students to have a say in decisions that impact on their student experience. It also ensures that the 'student voice' reflects the diversity of the student body.

It supports the elected officers most notably the President and Vice President Welfare who lead on 'liberation' campaigns.

The six liberation campaigns are based on recognised protected characteristics and ensure that diverse and smaller groups of students are able to have their voice heard and that the student experience also considers their needs. The department oversees all SUBU democratic processes including support for the Executive Committee, administration for Big Student Meetings as well as all Part and Full-Time Officer Elections. In 2017/18 we had a record 34 candidates nominated for Full Time Officer Positions in the elections and a voter turnout of 2,626. It was the most diverse set of candidates ever, reflecting BU's developing demographics and two international Masters students were among the victors.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

OBJECTIVES AND ACTIVITIES *(continued)*

Advice

SUBU operates an Advice service at both Talbot and Lansdowne campuses; costs relating to this area were £11,368 (2016/17 - £8,713).

This is an independent, confidential, free and non-judgemental service and is designed to support and empower students with advice that they require to address the problems that they are facing. These tend to focus on finance, accommodation and/or academic matters. The team can also advise on consumer, employment and academic issues.

In 2017/18, the SUBU Advice Service put £86,810 (2016/17 - £156,000) back into students' pockets. This was a significant decline, due to the change in BU providing funding for Care Leavers, which used to be £16,000 per student.

Community

The Community Team supports students to help them settle in to and contribute to the local community.

SUBU hires 10 Community Wardens annually who 'patrol' streets in Winton and Charminster, to create positive community relationships and to also help students living in the community with landlord and other housing matters.

Volunteering

Each year, the Community Team supports students who wish to volunteer their time in the local community and environment whilst at University. Approximately 400 students were registered as volunteers in 2017/18 and are able to volunteer to do opportunities with over 60 different charities and not-for-profit organisations in the Bournemouth and Dorset area.

Sustainability Action

The Community Team have also helped the Green Taskforce, a student body, in their campaigns and events, to help other students understand their green impact now and, in the future, and are guided by the United Nations 17 Goals for Sustainable Development.

The expense of Community, Volunteering and Sustainability are £25,928 in 2017/18 (2016/17 - £9,929).

RAG (raising and giving) also raised £53,033 in 2017/18 (2016/17 - £65,958).

All fundraising is undertaken in accordance with The Code of Fundraising Practice, including dealing with complaints.

Clubs and Societies

There were 121 operational clubs, societies and networks in 2017/18, involving over 1905 unique students.

In total we spent £74,122 (2016/17 - £83,996) on Clubs and Societies (excluding apportioned salary costs).

Nerve Media

Nerve Media is completely run by around 150 students and comprises: Nerve Radio Station, Nerve Magazine, Nerve TV, Nerve Now (website) and Nerve News. It is based on the 4th floor of the Student Centre. In 2017/18 Nerve Magazine produced 7 magazines distributed across campus and online. Nerve Radio had a huge amount of early year interest and held their busiest ever October team meeting with over 70 students attending. Nerve Radio also staged a successful FM community broadcast in April with 40 student presenters live to the local population, and Nerve TV was nominated for an award at the NasTa Awards. To end the year Nerve Media provided a media team to cover SUBU's Summer Ball.

The cost of this department was £20,345 (2016/17 - £21,181).

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

OBJECTIVES AND ACTIVITIES *(continued)*

Commercial Activities

Through its wholly owned subsidiary, Feelprime Limited, SUBU operates a stand-alone nightclub, the Old Fire Station, in the heart of the Lansdowne campus. Feelprime Limited also runs the Fund Raising Summer Ball.

SUBU also has a successful café, a kitchen and bar, and a retail shop at Talbot Campus.

The total turnover of the Commercial Activities is just over £3.4 Million (2016/17 - £3.3M), generating a cash surplus for the charity of over £390,000.

SUBU and Feelprime Limited employ a significant number of student staff, in excess of 120 per annum. This is a significant part of SUBU's USP (Unique Selling Proposition).

ACHIEVEMENTS AND PERFORMANCE

Each of the strategic themes has KPIs which the Union departments incorporate and manage into their action plans.

These KPIs are **not exhaustive** but rather indicative. Inevitably in an organisation under the direct influence of students via their annually elected officers, there are some initiatives that are more ad hoc, opportunistic and short term.

Principal activities relating to the strategic themes in 2017/18 were:

i) Creating friendships

Strategic KPI: There will be at least one academically orientated society from each school.

SUBU Activities (Volunteering, Clubs and Societies and RAG) are the most obvious areas where friendships can be formed.

There are now 121 clubs, societies or networks, all of which are formed and managed by students (slightly down from 132 in 2016/17).

Our original KPI of 150 club and societies has not yet been achieved but with over 1905 students involved we are pleased with our ability to encourage students into activities. However, friendships can develop not in very obvious scenarios as with activities, but also when students gather to debate issues or run for election or find themselves with like-minded people or even people who are very different from them.

Our student staff also form friendships together often around their shift or place of work patterns. We increase year on year our student staff as full time staff leave and there has been a significant growth in our departments in the Student Centre as students are employed to support communications and administration in the student engagement departments.

We have a KPI of at least one academic society from each faculty. This has been easily achieved, however we are now looking to adjust to the new academic structure and to have an academic society for each department (an academic subset of a faculty).

ii) Helping people to realise their potential

Strategic KPI: We will train 100% of our Students Reps.

This KPI remains important for SUBU to train as many student reps as possible, either face to face or online. It is proving elusive due to the very nature of the voluntary and to some extent transient role of the faculty based student reps.

Results	2017/18	2016/17
Total registered Student Reps:	760	687
Total Student Reps trained:	689 (91%)	647 (94%)

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

ACHIEVEMENTS AND PERFORMANCE *(continued)*

iii) Being ethical and environmental in its activities

Strategic KPI: At least two campaigns of an ethical and environmental nature will be initiated and delivered by SUBU.

The 7 student-led ethical and environmental volunteering projects that ran in 2017/18 included the following:

- 'Conservation Rangers' (partner project with the RSPB), included a really successful student engagement project at the Kingfisher Barn in Muscliff.
- Bournemouth Beach Champions (partner project with Litter Free Coast and Sea and Marine Conservation Society); working on collecting coastal litter research data, awareness raising and campaigning around the issue of marine litter.
- Slades Farm Community Garden Project; adjacent to Talbot Campus, bio-diverse gardening and wildlife maintenance.

SUBU achieved an excellent score in the new Green Impact Syllabus set by the National Union of Students. The new syllabus for Green Impact had a stronger focus on student engagement than the older program which focused a lot more on operational sustainability.

The Green Taskforce student led leadership team continued to increase and engage, running environmental awareness campaigns both on campus and in the community, they ran campaigns around ethical and sustainable food and living a zero waste lifestyle. Supported by the SUBU Community Team, the Green Taskforce played an active role in the People and Planet Go Green Week, ensuring we had a full program of activities and events for students to take part in. These included a film screening about marine litter and promotional and engagement stands featuring our 'How Bad are Bananas' engagement game, which shows students the carbon content of everyday activities and items.

SUBU continues to work with the BU Sustainability Team in order to keep up the SUBU related criteria for the Eco Campus (ISO 14001) assessment. This requires continuous improvement and includes operational activities including the Old Fire Station, the Green Taskforce student campaigns as well as SUBU community collaboration campaigns such as the Big Give?

SUBU will be acknowledged as making a difference in the local community.

'The Big Give' project continued to be a big success, by encouraging students living in Winton and Charminster and University halls of residence, to recycle and donate items when they leave their accommodation for summer. It is anticipated that at least £40k will be raised for the British Heart Foundation

iv) Being understood and recognised as well as more accessible and approachable to all students.

In 2016/17 the NSS (National Student Survey) question was changed to focus on how well Students' Unions represent their members on academic matters. SUBU scored 66.9% on this. This was still ten percentage points higher than the sector average and comfortably in the top 25% of Students' Unions. In 2017/18 the SUBU response remained high (ie the percentage of students who agreed that SUBU effectively represents BU students' academic interests) at 66.8% and remained over 10 percentage points higher than the sector average. SUBU was in 9th place for those Universities responding to the NSS.

The 2018 'How's SUBU For You?' (HS4U) Survey was completed by 1,063 respondents, which is a slight increase on 2016/17.

The survey asked about the three most important things SUBU should excel at to have the most impact on a student's BU experience and the top answers for this were Activities, Communication and information, Commercial/events followed very closely by Support/ help.

When asked for three phrases to describe their ideal Students' Union, the students responded with Fun/enjoyable, Friendly/welcoming and Approachable.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

ACHIEVEMENTS AND PERFORMANCE *(continued)*

v) Being major collective force for all students

Strategic KPI: In order to evaluate BU and its values and vision at least one piece of research carried out per term on:

- a) academic matters*
- b) the student experience as delivered by BU student services.*
- c) the BU values.*

Continuing on from the 2016/17 change to 'Insight and Policy', in 2017/18 a third member of staff (part-time) was added to the department as Data Analyst.

This department's role is to capture relevant research and evidence with which the elected officers can influence the University with regards to the provision of the BU 'student experience' and policies related to it.

The department works closely with the Representation Department in order to provide 'evidence' based research from SimOn data for the elected officers to represent to BU. The department also runs SUBU Debates and the student research team (GOAT – Go Out And Talk), supports student feedback collection in a number of ways to support elected officers in their manifesto work and policy development, and also works with BU on initiatives to enhance the quality of the academic experience.

Examples of evidence and feedback worked on by the department during 2017/18 include the analysis and reporting on 10,970 student comments from SimOn at a faculty- and institution-level and on 1,063 responses to the Arrivals Survey.

'Democracy' activity

In 2017/18 SUBU has gone from strength to strength in encouraging and facilitating a range of ways of enhancing student participation, for example:

- Over 100 students participated in inaugural Liberation Campaign Conferences and all six campaigns are up and running;
- 33 student candidates ran in the full-time Officer elections, the highest ever with the most diverse range of candidates ever;
- 2 international students elected to sabbatical positions;
- Creation of a Mental Health Zone to campaign and raise awareness around this key area;
- Two quorate Big Student Meetings;
- FTO Election turnout of 2,700.

We have also worked to develop SUBU's contribution towards inclusion, retention and success and have redesigned our staff role to better link up with identified institutional priorities as identified in the BU Fair Access Plan.

There has been continued progress on engagement with all the priority groups through Societies, Liberation Campaigns and initiatives such as Family Zone.

Events we coordinated included:

- A highly successful Black History Month, featuring multiple events. This led up to the BME Awards in December;
- One World Day, which celebrated different cultures and saw hundreds of students taking part in the day of events;
- The third Bournemouth Student Pride during LGBT History Month, bringing together students from BU and AUB for a day of celebration.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

PUBLIC BENEFIT

In undertaking the activities of the last twelve months, the Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities should be undertaken. Through adherence to the objectives and the activities undertaken in the year, the Trustees have diligently and purposefully fulfilled its obligations.

The main activities for Public Benefit are the furtherance of education of Bournemouth University Students and this is achieved through the activities described above.

FINANCIAL REVIEW

SUBU's gross income from all sources including; Block grant, Mutual Trading, Fundraising and the subsidiary, Feelprime Limited, this year totalled £5,230,025 (2017 - £5,165,711).

Total expenditure of £5,170,931 (2017 - £4,964,139) on wide-ranging student benefits we provide within a broadly balanced budget, as well as on the fundraising and other revenue generating activities we undertake, resulted in a surplus for the year of £59,094 (2017 - £201,572), reducing our total reserves deficit from £433,966 to £374,872.

The principle funding sources are the income from the trading subsidiary, income from the kitchen/bar, café and shop and the Block grant from the University. This year's Block grant was the same as the previous year. The Block grant is predetermined under a 3 year grant document by the University and largely contributes to the resources used in achieving our key activities.

SUBU receives a Block grant from Bournemouth University to supplement its various activities, and occupies some buildings owned by the University, which also pays for the utilities. As recommended by the Charities SORP, an estimated value to SUBU for this free accommodation has been included in the financial statements valued at £639,106 (2017 - £641,577)

The Trustees believe that this or equivalent support from the University, and occupancy of the premises, will continue for the foreseeable future.

The commercial surplus was in a period of decline from 2011 to 2015, this now seems to be on the increase.

Reserves

The Statement of Recommended Practice (SORP) for Accounting and Reporting by Charities defines reserves as income which becomes available to the Union and is to be spent at the Trustees' discretion in furtherance of any of the Union's objects, but which is not yet spent, committed or designated. This definition of reserves therefore excludes restricted and designated funds and income funds which could only be realised by disposing of fixed assets held for Union use.

At 31 July 2018 the Union had consolidated unrestricted funds amounting to a deficit of £374,873 (2017 - deficit £435,017), all of which were free reserves. This is consistent with prior years and the Union's policy to maintain sufficient reserves to cover committed salary costs for a period of three months, by means of judicious management of our assets. The amount of reserves relating to tangible fixed assets that would be required to be sold to release the reserves are £65,561 (2017 - £60,741) and these are not included in the free reserves figure above. Included within the unrestricted funds is our element of the SUSS multi-employer pension scheme deficit, as set out in Note 23, and the result of this is to decrease our overall reserves by the deficit in this fund of £1,124,083 at the year end (2017 - £1,187,316). There is a Recovery Plan in place for full repayment by 2032. These repayments are included in our expense calculations and as such are not considered to affect our reserves policy level.

The deficit position on the reserves has only occurred by recognising the pension scheme liability which is subsequently being met under the agreed payment plan. On this basis we continue to present the financial statements on a going concern basis.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

FINANCIAL REVIEW *(continued)*

Financial Instruments

The charity's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the charity's operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity is managed by ensuring sufficient funds are available to meet amounts due.

PLANS FOR FUTURE PERIODS

After a challenging couple of years SUBU is in the process of developing its new Vision and Strategic plan to 2023. This is likely to be unveiled early in 2019. In the meantime, the Vision to 2018 will remain in place as a Mission statement and departmental Action plans will still be orientated to continuous improvement in achieving the KPIs in our themes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Students' Union at Bournemouth University (SUBU) is an unincorporated charity, governed by its Constitution, which was updated in November 2016. The Constitution governs what the Union can do and how it will be administered by a Trustee Board on behalf of its student members.

SUBU has been registered with the Charity Commission since 2 December 2011. Prior to registering, the Union was not required to prepare financial statements in the charity format.

Recruitment of Trustees and Administration

Appointment and re-election of Trustees is conducted in accordance with the Constitution and Bye-Laws and the Board of Trustees shall comprise:

- Not more than five Sabbatical Officer Trustees, but normally one
- Not more than two Executive Committee Trustees, but normally one
- Not more than six Student Trustees
- Not more than one Staff Trustee
- Not more than four External Trustees

The methods for recruitment and appointment are set out in full in our Constitution and By Laws which are available on our website www.subu.org.uk

Training for Trustees

All Trustees are provided with a variety of information upon their induction and are briefed on their legal obligations and Trustees' responsibilities.

They receive both face to face meetings and induction packs of information.

The President, Executive Committee and Staff Trustees are provided with additional support from both fellow staff members and outgoing officers to insure both a smooth transition period and to support the new Trustees with the support and information to understand and undertake their responsibilities.

They also have on-going staff support to guide them through Board and Committee papers, reports and to advise on areas such as conflicts of interest.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Powers of the Trustees

The Board of Trustees shall be responsible for the management and administration of the Union and (subject to the Education Act, the Constitution and the Bye-Laws) may exercise all the powers of the Union.

The Board of Trustees oversees the strategic and financial activities of the Students' Union and shall hold a minimum of three meetings in any Academic Year.

The Board is chaired by the President and is comprised of not more than four External Trustees, not more than six Student Trustees, an Executive Committee Trustee and a Staff Trustee.

The President is elected by secret ballot to serve a term of one year and may be re-elected to the post for a maximum further term of one year. The Executive Committee and Staff Trustees are elected from amongst the Executive Committee and Staff respectively.

The Trustee Board has one permanent Committee, Audit and Risk, to deal with a specific area and also currently uses task and finish groups in an ad hoc way as well as specially convened committees for the recruitment of Trustees.

The Audit and Risk Committee is responsible for ensuring that there is a framework for internal controls and accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the organisation is complying with all aspects of the law, relevant regulations and good practice.

The Executive Committee

This Committee meets fortnightly during undergraduate term time and supports the Full Time Officers and staff of the Union in their work and decision making with regards to day to day operational matters.

The Executive Committee consisted of the five Full Time elected Officers and eight Part Time elected Officers. This Committee along with the General Meetings holds the Full Time elected Officers to account.

It is the responsibility of the Trustee Board, in lieu of the Executive Committee to set the pay and remuneration of key management and this is done by reference to market-rates, prior experience of the candidate and the responsibilities of the role in question.

The Union General Meetings and Annual General Meeting

The Union General Meetings are held once per term and are an important part of permitting student members to formally raise and debate issues with their peers in an open forum to which all students are invited. Decisions made at such meetings are, subject to ratification by the Trustee Board, held to be 'Union Policy' for a period of two years.

The Annual General Meeting is held annually, normally in the spring term, at which the audited financial statements of the Union for the previous year are presented, together with other statutory charity AGM requirements.

Delegated responsibilities

The Board of Trustees delegates day-to-day management of the organisation to the General Manager who is responsible for implementing the policies and strategies of the organisation and within budgets approved by the Trustees and if applicable to advise the Trustees in relation to such policy, strategy and budget.

The General Manager, Alan James, is supported by Senior Managers responsible for Finance, Sarah Newland; and Commercial Activities, Alan Dove.

Group Structure and Relationships

The charity has a wholly owned non-charitable limited company subsidiary, Feelprime Limited, whose activities and performance are discussed on page 4. A list of affiliates is detailed per note 26.

Risk Management

The Trustees are responsible for the management of the risks faced by the Union. Through the use of a risk register, risks, especially those relating to the operations and finances of the Union, are identified, assessed and controls are established on an ongoing basis and reviewed annually.

The Trustees are satisfied that systems in place will mitigate exposure to the major risks.

The Students' Union at Bournemouth University

Trustees' Annual Report *(continued)*

Year ended 31 July 2018

CUSTODIAN ACTIVITIES: CLUBS & SOCIETIES AND RAG FUNDS

SUBU acts as custodian for funds raised by the students' many Clubs and Societies themselves, amounting to £51,062 (2017 - £66,872) at the year end, in addition to the funds it disburses to them as shown in the financial statements.

SUBU is also custodian of the RAG funds generated from activities and events throughout the year. The balance at the 31 July 2018 was £4,776 (2017 - £9,457).

These funds are included in the Union's Statement of Financial Position under Money in Bank and Funds Held for Third Parties (note 19), and are carefully managed, on the instruction of those entities, by the Union.

The activities of these funds are not reflected in the Union's Statement of Financial Activities. Both the Clubs and Societies and the RAG have aims and objectives considered to be in line with those of the Union.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

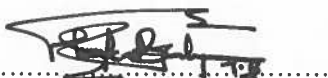
The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that 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 trust deed. 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 are responsible for the maintenance and integrity of the Charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed by order of the Trustees



Abdurasheed Adeyinka Balogun
Chair of the Trustees / President 2018/19

Approved by the Trustees on 14/02/2019

The Students' Union at Bournemouth University

Independent Auditor's Report to the Members of The Students' Union at Bournemouth University

Year ended 31 July 2018

Opinion

We have audited the financial statements of The Students' Union at Bournemouth University for the year ended 31 July 2018 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity 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 charity'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.

The Students' Union at Bournemouth University

Independent Auditor's Report to the Members of The Students' Union at Bournemouth University *(continued)*

Year ended 31 July 2018

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

The Students' Union at Bournemouth University

Independent Auditor's Report to the Members of The Students' Union at Bournemouth University *(continued)*

Year ended 31 July 2018

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10 Bridge Street
Christchurch
Dorset
BH23 1EF

CHRISTOPHER RATCLIFFE (Senior Statutory Auditor)
For and on behalf of
Filer Knapper LLP
Chartered accountant & statutory auditor

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The Students' Union at Bournemouth University

Consolidated Statement of Financial Activities

31 July 2018

	Note	Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
Income and endowments					
Donations and legacies	4	1,829,106	-	1,829,106	1,843,890
Charitable activities	5	1,733,943	-	1,733,943	1,733,198
Other trading activities	6	1,665,900	-	1,665,900	1,587,088
Investment income	7	1,076	-	1,076	1,535
Total income		<u>5,230,025</u>	<u>-</u>	<u>5,230,025</u>	<u>5,165,711</u>
Expenditure					
Expenditure on raising funds:					
Expenditure of trading subsidiary	8	1,609,420	-	1,609,420	1,522,716
Expenditure on charitable activities	9,10	3,560,461	1,050	3,561,511	3,441,423
Total expenditure		<u>5,169,881</u>	<u>1,050</u>	<u>5,170,931</u>	<u>4,964,139</u>
Net income and net movement in funds		<u>60,144</u>	<u>(1,050)</u>	<u>59,094</u>	<u>201,572</u>
Reconciliation of funds					
Total funds brought forward		(435,017)	1,051	(433,966)	(635,538)
Total funds carried forward		<u>(374,873)</u>	<u>1</u>	<u>(374,872)</u>	<u>(433,966)</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

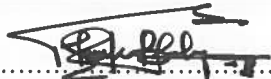
The Students' Union at Bournemouth University

Statement of Financial Position

31 July 2018

		Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
Fixed assets					
Tangible assets	15	65,561	60,714	65,561	60,714
Investments	16	-	-	1	1
		<u>65,561</u>	<u>60,714</u>	<u>65,562</u>	<u>60,715</u>
Current assets					
Stocks	17	73,755	78,985	51,681	55,497
Debtors	18	89,146	56,121	110,574	228,102
Cash at bank and in hand		922,449	806,239	807,409	602,533
		<u>1,085,350</u>	<u>941,345</u>	<u>969,664</u>	<u>886,132</u>
Creditors: Amounts falling due within one year	19	<u>(401,700)</u>	<u>(248,709)</u>	<u>(302,911)</u>	<u>(210,006)</u>
Net current assets		<u>683,650</u>	<u>692,636</u>	<u>666,753</u>	<u>676,126</u>
Total assets less current liabilities		<u>749,211</u>	<u>753,350</u>	<u>732,315</u>	<u>736,841</u>
Net assets excluding pension liability		<u>749,211</u>	<u>753,350</u>	<u>732,315</u>	<u>736,841</u>
Defined benefit pension liability	20	<u>(1,124,083)</u>	<u>(1,187,316)</u>	<u>(1,124,083)</u>	<u>(1,187,316)</u>
Net assets		<u>(374,872)</u>	<u>(433,966)</u>	<u>(391,768)</u>	<u>(450,475)</u>
Funds					
Restricted	21	1	1,051	-	1,050
Pension reserve	20	<u>(1,124,083)</u>	<u>(1,187,316)</u>	<u>(1,187,316)</u>	<u>(1,187,316)</u>
		<u>(1,124,082)</u>	<u>(1,186,265)</u>	<u>(1,187,316)</u>	<u>(1,186,266)</u>
Unrestricted	21	<u>749,210</u>	<u>752,299</u>	<u>795,548</u>	<u>735,791</u>
Total charity funds		<u>(374,872)</u>	<u>(433,966)</u>	<u>(391,768)</u>	<u>(450,475)</u>

These financial statements were approved by the Board of Trustees and authorised for issue on, and are signed on behalf of the board by:



 Abdurasheed Adeyinka Balogun
 President/Chair of the Trustees

The Students' Union at Bournemouth University

Statement of Cash Flows

Year ended 31 July 2018

	2018	2017
	£	£
Cash flows from operating activities		
Net income	59,094	201,572
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	62,568	50,628
Other interest receivable and similar income	(1,076)	(1,535)
Accrued (income)/expenses	(14,232)	(19,214)
<i>Changes in:</i>		
Stocks	5,230	186
Trade and other debtors	(33,025)	14,170
Trade and other creditors	167,223	26,942
Defined benefit pension liability	(63,233)	22,041
Cash generated from operations	<u>182,549</u>	<u>294,790</u>
Interest received	1,076	1,535
Net cash from operating activities	<u>183,625</u>	<u>296,325</u>
Cash flows from investing activities		
Purchase of tangible assets	(67,415)	(43,975)
Net cash used in investing activities	<u>(67,415)</u>	<u>(43,975)</u>
Net increase in cash and cash equivalents	116,210	252,350
Cash and cash equivalents at beginning of year	806,239	553,889
Cash and cash equivalents at end of year	<u>922,449</u>	<u>806,239</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements

Year ended 31 July 2018

1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is Talbot Campus, Fern Barrow, Poole, Dorset, BH12 5BB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

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

Going concern

Due to the recognition of the multi-employer pension-scheme deficit as a result of FRS102 requirements, the charity continues to present a negative statement of financial position from transition. The pension deficit liability is being met by way of an agreed recovery repayment plan over a number of years, and this has been in operation for several years. The annual repayment requirement is currently being met within the working capital of the charity. The pension scheme is undergoing an actuarial revaluation following which the amended recovery plan will be announced in 2019. While it is anticipated that deficit and thus the repayments will rise, it is not anticipated that this rise will be unduly onerous or outside the capabilities of the charity to meet the repayments. As such, and on the basis of the continued support of Bournemouth University, the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

Group financial statements

These financial statements consolidate the results of The Students' Union at Bournemouth University and its wholly owned subsidiary, Feelprime Limited, on a line by line basis. A separate statement of financial activities for the charity itself is not presented.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives and residual values are assessed annually, taking maintenance programmes into account.

Tax

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

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the Consolidated Statement of Financial Activities (SoFA), net of Value Added Tax as applicable, when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Grants are recorded in full when receivable. The Bournemouth University donation of serviced accommodation is accounted for as income and expenditure of the year at an estimated value to SUBU by reference to the market value of this donation.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

3. Accounting policies *(continued)*

Resources expended

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

Costs of raising funds includes the operating costs of its subsidiary trading company; Expenditure on charitable activities includes Students' Union, shop, bar and rent costs; and Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Raising funds costs include those costs attributable to the charity's wholly owned trading subsidiary and fund raising balls.

Charitable activity costs comprise those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other support costs include those costs associated with Governance, meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

The value of the donated serviced accommodation is apportioned on an estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects on a usage basis, pro-rata to the total cost of each project or activity undertaken.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

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

Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	25% straight line

Investments

Qualifying shares in buying consortia and other fixed asset investments are stated at cost less impairment.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

3. Accounting policies *(continued)*

Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each year end date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Stocks

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

Financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Defined benefit plans

SUSS

The Union participates in the Student Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the Trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 102 in these circumstances, contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year. This scheme was frozen to new contributions in September 2011.

AEGON

The Union also participates in AEGON. This is a defined contribution scheme and as such only the amounts recorded as paid during the year are shown. No further liability is attributable with this type of scheme.

NEST

As required by the Government's auto enrolment policy, the Union now participates in a NEST defined contribution scheme.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The Students' Union at Bournemouth University

Notes to the Financial Statements (continued)

Year ended 31 July 2018

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donated rent and overheads	639,106	-	639,106
Grants			
Bournemouth University (block grant)	1,190,000	-	1,190,000
Other grants	-	-	-
	<u>1,829,106</u>	<u>-</u>	<u>1,829,106</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donated rent and overheads	641,577	-	641,577
Grants			
Bournemouth University (block grant)	1,190,000	-	1,190,000
Other grants	5,263	7,050	12,313
	<u>1,836,840</u>	<u>7,050</u>	<u>1,843,890</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bar and shop income	1,190,134	1,190,134	1,185,246	1,185,246
Marketing income	143,770	143,770	157,025	157,025
Sundry income	4,313	4,313	4,533	4,533
SCC income	395,727	395,727	386,394	386,394
	<u>1,733,944</u>	<u>1,733,944</u>	<u>1,733,198</u>	<u>1,733,198</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Income from trading subsidiary	<u>1,665,900</u>	<u>1,665,900</u>	<u>1,587,088</u>	<u>1,587,088</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bank interest receivable	<u>1,076</u>	<u>1,076</u>	<u>1,535</u>	<u>1,535</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

8. Expenditure of trading company

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bar operating costs	1,444,581	1,444,581	1,351,334	1,351,334
Donated rent and overheads	164,839	164,839	171,382	171,382
	<u>1,609,420</u>	<u>1,609,420</u>	<u>1,522,716</u>	<u>1,522,716</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Union	1,544,008	-	1,544,008
Shop and bar	1,055,475	-	1,055,475
Marketing	55,497	-	55,497
Support costs	905,481	1,050	906,531
	<u>3,560,461</u>	<u>1,050</u>	<u>3,561,511</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Union	1,409,710	39,096	1,448,806
Shop and bar	1,045,363	-	1,045,363
Marketing	51,962	-	51,962
Support costs	895,292	-	895,292
	<u>3,402,327</u>	<u>39,096</u>	<u>3,441,423</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Union	1,544,008	267,675	1,811,683	1,690,013
Shop and bar	1,055,475	119,521	1,174,996	1,175,456
Marketing	55,497	-	55,497	51,962
Donated rent and overheads	-	474,267	474,267	470,195
Governance costs	-	45,068	45,068	53,797
	<u>2,654,980</u>	<u>906,531</u>	<u>3,561,511</u>	<u>3,441,423</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

11. Allocation of support costs

The breakdown of support costs included in the Charitable Expenditure costs above, and how they are allocated between different activities, is shown below. Costs are allocated on a basis consistent with the use of resources as shown below:

Cost type	Apportionment basis	Year to 31 Jul 18			Year to 31 Jul 17	
		Student services £	Shop and bars £	Marketing £	Total Allocated £	Total Allocated £
Insurance	Turnover	22,907	8,352	-	31,259	27,896
Office costs	Cost	31,781	-	-	31,781	24,904
Administration salaries	Time spent	182,584	60,919	-	243,503	251,416
Depreciation	Asset split	2,927	59,641	-	62,568	50,628
Repairs and maintenance	Cost	-	18,085	-	18,085	16,456
Rent and overheads	Area	379,267	95,000	-	474,267	470,195
Governance	Cost	45,068	-	-	45,068	53,797
		<u>664,534</u>	<u>241,997</u>	<u>-</u>	<u>906,531</u>	<u>895,292</u>

12. Governance costs

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Auditors' remuneration - audit fees	4,970	4,970	4,820	4,820
Auditors' remuneration – other services	1,254	1,254	300	300
Legal fees	28,601	28,601	40,989	40,989
Trustee expenses	8,161	8,161	5,836	5,836
Trustees and officers insurance	2,082	2,082	1,851	1,851
	<u>45,068</u>	<u>45,068</u>	<u>53,796</u>	<u>53,796</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018 £	2017 £
Wages and salaries	1,577,308	1,561,174
Social security costs	99,647	95,833
Employer contributions to pension plans	124,596	186,926
	<u>1,801,551</u>	<u>1,843,933</u>

The average head count of employees during the year was 121 (2017 - 120). The average number of employees during the year is analysed as follows:

	2018 No.	2017 No.
Number of permanent staff	49	47
Number of student staff	72	73
	<u>121</u>	<u>120</u>

No employee received employee benefits of more than £60,000 during the year (2017 - Nil).

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

14. Trustees and key management personnel remuneration and expenses

In accordance with SUBU's governing document, during the year the full-time Sabbatical Officer, Staff Officer and Student Trustees received remuneration for qualifying services as distinct from their Trustee responsibilities. The Sabbatical Officers received a total of £24,727 (2017 - £22,486), which includes employer's national insurance and pension costs, per annum (pro-rated for change in appointment) for the representation, campaigning and support work they undertook. The Staff Officer received total remuneration (including employer's national insurance and pension costs) of £9,384 (2017 - £23,229) for managerial and operational work (pro-rated for change in appointment). The Student Trustees received total remuneration of £6,965 (2017 - £4,443). The total amount of employee benefits received by key management personnel is £178,338 (2017 - £202,608).

Three Trustees incurred reimbursed expenses in relation to travel and subsistence totalling £8,161 (2017 - £5,835). No other Trustee remuneration was paid in the year.

No Trustee received remuneration of more than £60,000 during the year (2017 - None).

15. Tangible fixed assets

Group	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 August 2017	743,901	35,228	779,129
Additions	67,415	-	67,415
Disposals	(42,103)	(9,709)	(51,812)
At 31 July 2018	<u>769,213</u>	<u>25,519</u>	<u>794,732</u>
Depreciation			
At 1 August 2017	685,749	32,666	718,415
Charge for the year	61,714	854	62,568
Eliminated on disposal	(42,103)	(9,709)	(51,812)
At 31 July 2018	<u>705,360</u>	<u>23,811</u>	<u>729,171</u>
Net book value			
At 31 July 2018	<u>63,853</u>	<u>1,708</u>	<u>65,561</u>
At 31 July 2017	<u>58,152</u>	<u>2,562</u>	<u>60,714</u>

The premises occupied by the trading subsidiary and from which it operates are occupied under an informal agreement with Bournemouth University as set out in the Trustees' Annual Report. The Trustees are of the opinion that such occupancy will continue for at least the period of the expected useful lives of the refurbishments to the buildings and equipment purchased, included in fixtures, fittings and equipment above.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

15. Tangible fixed assets *(continued)*

Charity	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 August 2017	691,504	35,228	726,732
Additions	67,415	-	67,415
Disposals	(42,103)	(9,709)	(51,812)
At 31 July 2018	<u><u>716,816</u></u>	<u><u>25,519</u></u>	<u><u>742,335</u></u>
Depreciation			
At 1 August 2017	633,352	32,666	666,018
Charge for the year	61,714	854	62,568
Eliminated on disposal	(42,103)	(9,709)	(51,812)
At 31 July 2018	<u><u>652,963</u></u>	<u><u>23,811</u></u>	<u><u>676,774</u></u>
Net book value			
At 31 July 2018	<u><u>63,853</u></u>	<u><u>1,708</u></u>	<u><u>65,561</u></u>
At 31 July 2017	<u><u>58,152</u></u>	<u><u>2,562</u></u>	<u><u>60,714</u></u>

16. Investments

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Cost				
At 1 August 2016	-	-	1	1
At 31 July 2017	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net book value				
At 1 August 2016	-	-	1	1
At 31 July 2017	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The charity's investments comprise 1 Ordinary £1 share in the charity's wholly owned trading subsidiary, Feelprime Limited (company number 04001419), which operates off campus bars and entertainment for students and the general public.

The statement of financial position of the trading subsidiary is shown below:

	2018 £	2017 £
Assets	172,184	239,241
Liabilities	(155,285)	(222,731)
Share capital	1	1
Retained profits	16,898	16,509

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

16. Investments *(continued)*

The results for the year ended 31 July 2018 of the trading subsidiary are shown below:

	2018	2017
	£	£
Turnover	1,665,900	1,587,088
Direct costs and overheads	(1,403,734)	(1,312,612)
Operating charges paid to parent charity	(73,012)	(63,952)
Net profit	<u>189,154</u>	<u>210,524</u>
Distribution made to parent charity	(188,765)	(210,050)
Surplus retained	<u><u>389</u></u>	<u><u>474</u></u>

17. Stocks

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bar and food stocks	31,930	33,050	9,856	9,562
General trading stocks	41,825	45,935	41,825	45,935
	<u>73,755</u>	<u>78,985</u>	<u>51,681</u>	<u>55,497</u>

The total amount of stocks recognised as an expense during the year was £1,506,557.

18. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	22,157	27,423	15,026	22,192
Amounts owed by group undertakings	-	-	56,498	184,028
Prepayments and accrued income	31,946	21,153	25,674	14,337
Other debtors	35,043	7,545	13,376	7,545
	<u>89,146</u>	<u>56,121</u>	<u>110,574</u>	<u>228,102</u>

19. Creditors: Amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	155,733	94,437	104,418	68,870
Taxation and social security	139,147	33,220	104,843	24,393
Other creditors and accruals	50,982	44,723	37,812	40,414
Funds held for third parties	55,838	76,329	55,838	76,329
	<u>401,700</u>	<u>248,709</u>	<u>302,911</u>	<u>210,006</u>

Funds held for third parties

The charity holds and administers funds on behalf of the RAG Fund and Clubs and Societies. The net movement of funds in and out was £4,681 (2017 - £2,264) for the RAG Fund and £15,810 (2017 - £8,711) for Clubs and Societies.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

20. Analysis of charitable funds

Unrestricted funds

	At 1 August 2017 £	Income £	Expenditure £	At 31 July 2018 £
General funds	752,299	5,230,025	(5,233,114)	749,210
Pension	(1,187,316)	-	63,233	(1,124,083)
	<u>(435,017)</u>	<u>5,230,025</u>	<u>(5,169,881)</u>	<u>374,873</u>

Restricted funds

	At 1 August 2017 £	Income £	Expenditure £	At 31 July 2018 £
Student Community Warden Grant	1	-	-	1
Bursary payments	1,050	-	(1,050)	-
	<u>1,051</u>	<u>-</u>	<u>(1,050)</u>	<u>1</u>

Student Community Warden Grant

The Bournemouth University gave a grant to fund a warden to work to improve relations between students

Bursary payments

The Bournemouth University gave a grant of £1,050 to fund selected bursary assistance as required.

21. Analysis of net assets (between restricted and unrestricted funds)

	Tangible fixed assets £	Other net assets £	Total £
Restricted funds	-	1	1
General fund	65,561	683,649	749,210
Pension fund	-	(1,124,083)	(1,124,083)
	<u>65,561</u>	<u>(440,433)</u>	<u>(374,872)</u>

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

22. Capital commitment and contingent liability

During the year the charitable company was made aware of a possible increase in the liability for the pension deficit. The outcome of this contingent liability is not yet known and it cannot be quantified at this stage. As a result the charitable company do not consider it necessary to provide for any additional liabilities in the financial statements for the year ended 31 July 2018.

The Students' Union receives income from a diverse number of activities and has always sought reassurance from HMRC as to the correctness of its VAT treatment. HMRC have subsequently sought to implement retrospectively a change in their interpretation of the VAT treatment of fundraising income.

The Union was party to a joint hearing with other Student Unions at a VAT tribunal which unfortunately was decided in HMRC's favour.

The Union has appointed professional representation who are actively pursuing this matter and have advised that they have a strong case with which to defend the original VAT treatment.

HMRC have, however, raised an assessment in the sum of £77,388 which, if the Union is unsuccessful, will become payable, together with interest, giving a total liability of approximately £92,000, for which full provision has been made in these financial statements.

HMRC are also reviewing the VAT treatment of the same activities in the Union's subsidiary, Feelprime Limited, which was not a party to the VAT tribunal case. The Union is relying on its professional advisers that it has a strong case to defend any assessment that may possibly be raised in relation to this income and, in consequence, has made no provision for the potential liability of approximately £132,000 including interest in relation to this entity.

23. Pension contributions

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

The most recent valuation of the scheme was carried out as at 30 June 2013 and showed that the market value of the scheme's assets was £80,910,623, with these assets representing 52% 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 £73,849,000.

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

The following assumptions applied at 30 June 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

23. Pension contributions *(continued)*

The 2013 valuation recommended a monthly contribution requirement by each participating employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the scheme. These rates applied with effect from 1 October 2014 and were formally reviewed following completion of the next valuation due with an effective date of 1 June 2016. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the scheme's levy to the Pension Protection Fund.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2018 amounted to £73,490 (2017 - £69,993), but this includes a higher proportion of contributions in respect of future accrual.

The Union also participated in both the National Union of Students Pension Scheme and the National Employment Savings Trust. The total employers' contributions paid into the NUSPS defined contribution scheme during the year amounted to £96,513 (2017 - £82,646). The total employer's contributions paid into the NEST Government workplace pension during the year amounted to £9,851 (2017 - £5,294).

Under FRS 102, SUBU are required to recognise the Union's deficit on the SUSS pension scheme as a liability in the financial statements from the date of transition onwards, calculated using the discounted value of the additional contributions the Union is committed to paying under the Recovery Plan ending in 2032. The net present value of this liability as at 31 July 2018 is £1,124,083 (2017 - £1,187,316).

24. Related parties

The Union is in receipt of a block grant from Bournemouth University of £1,190,000 (2017 - £1,190,000) and other grants of £Nil (2017 - £12,313). In addition, the Union occupies the University's buildings on a rent free basis under an informal arrangement, and the Trustees have valued the use of the buildings and utilities with reference to market rents and costs at £639,106 (2017 - £641,577). There were other net trading transactions during the year, under normal trading terms, of £1,698 (2017 - £4,273). There was a balance due to the University at the year end of £3,600 (2017 - £1,302 due from). The balance is not secured and is repayable on demand being settled in cash.

The charity is controlled by the Trustee Board which is, in part, subject to the democratic election by voting membership of the Union.

25. Affiliations

The Union's affiliations and transactions with these during the year are listed below:

	2018	2017
	£	£
Community Transport Association	-	49
National Union of Students	33,270	28,664
New Forest Water Park	-	1,200
National Association of Student Money Advisors	60	-

The Students' Union at Bournemouth University

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

26. Clubs and societies expenditure

	2018	2017
	£	£
American Football	-	14,430
Archery	1,802	630
Awards	3,695	3,390
Boxing	100	-
C & S admin salary and general expenses	83,033	95,706
Cartoon Society	180	-
Cheerleading	15,098	16,396
Cheese Society	-	30
Climbing	-	200
Cycling Society	3,089	2,820
Dance	-	549
Design	1,140	-
Training for students	2,143	383
General clubs	6,516	4,847
Give It A Go	193	229
Handball	250	847
HSS integrated practice	122	-
Indian cultural Society	150	-
Islamic Society	1,513	745
LGBTQ+	-	287
Live action replay Society	160	-
Nigerian Society	475	-
Magic the gathering	453	-
Pakistan Society	-	105
Parts	-	2,113
Physiotherapy	-	40
Polo	4,087	-
Poker	2,205	1,500
Pre Hospital and emergency care	-	2,053
Quidditch	1,179	203
Reductarian Society	65	-
Rowing	13,749	17,393
Sailing	2,560	792
Star Scheme	-	180
Student activities general expenses and training	-	1,666
Students Action for Refugees	55	54
Swimming	945	1,633
Trampolining	1,650	838
Ultimate Frisbee	465	1,400
Wake and kite	-	200
Yoga	-	100
	<hr/>	<hr/>
	147,072	171,759
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