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Alex Doyle – President and Chair of UPSU Trustee Board

The 2017/18 academic year was another successful one for UPSU. We continue to deliver a high quality student experience, win awards and achieve significant accreditations, which are testament to both our success and to our great staff and officer team.

Despite our successes, the year was not without its challenges. We continue to have ongoing operational and financial pressures due to increasing uncontrollable costs, commercial competition both on and off campus and with the additional challenge of some of our revenue streams being very volatile making it difficult for us to plan and budget. However, we still managed to deliver a great service to our students and achieve a bottom line surplus for the year.

There were two key factors that affected the figures and presentation of our 2017/18 annual accounts, which we would like to take this opportunity to bring to your attention.

Firstly, at the start of this financial year on 1st August 2017 UPSU, the parent Charity, incorporated to become a company limited by guarantee (CLG) receiving all of the assets and liabilities of the previous unincorporated Charity. This means that the assets and liabilities of the old predecessor charity, transferred on incorporation of the new entity. Furthermore, this is why there are no prior year comparison figures shown in the accounts as they relate to a different legal entity.

Secondly, the impact of the Financial reporting Standards continues to significantly alter the representation of our financial position in our financial statements, particularly our net reserves position. Due to a contractual agreement under a multi-employer defined benefit scheme to fund a past deficit must be accrued for as a liability, discounted to net present value. The total SUSS liability provision is estimated to have now decreased by £216k to £969k, primarily due to the 3-year upfront payment we made in October 2017.

During the year, the Unions in the SUSS scheme were made aware of a possible future increase in the overall deficit which was identified during a scheme audit. The outcome of this is not yet known, but will potentially result in an additional £43m liability being added to the scheme of which UPSU will have a share. This has been recognised as a contingent liability in our accounts this year. The increasing deficit of the SUSS scheme and rising repayments are a real concern for the Trustees of UPSU.

Our consolidated gross income from all sources this year totalled £5,964k and our total expenditure was £5,742k on the wide-ranging student benefits we provide as well as our other revenue generating activities. After a net transfer into designated and restricted reserves, an unrestricted surplus of £57k was generated. A number of transfers to reserves were made in order to undertake some refurbishments and to purchase and enhance a range of operational assets, in particular £115k for a much needed refresh of our Bar and Food areas. We have also invested again this year in sport, with the purchase of new management system for the gym and other sports equipment.

UPSU undertakes tight financial controls and robust monitoring of our income and expenditure surplus throughout the year, via our Management Accounts, and despite the challenges mentioned earlier we were pleased to report a year-end surplus, which exceeded our predicted budget. If you were to exclude the pension and adjustments then we would have a strong Balance Sheet total well in excess of £1m with the growth of reserves in line with our reserves policy. Last year’s net funds position on the Balance Sheet showed a deficit of £129,605, whereas this year we are reporting positive net funds of £90,088, and our Trustees are pleased with the turnaround, albeit quite small. We absolutely need to be able to transfer monies into reserves each year to maintain our Balance Sheet position and to remain financially sustainable. Our free, undesignated reserves stood at £269k last year, which have increased from £33,280 in 2009 but they have now been significantly been depleted due to the 3-year upfront pension deficit repayment leaving a balance of £42k.

Our Trustees and Leadership team invested heavily during the year in the research and development of our new 3 year Strategic Plan, which included the introduction of our new Purpose Statement. We are currently developing key goals and performance indicators along with a new process for obtaining feedback on our progress from our members.

We continue to celebrate the successes of all of our communities our award ceremonies including the union wards and SSTAR awards. We saw many students recognised for key awards with 612 detailed and inspiring nominations submitted this year, highlighting an abundance of best practice across the University.

Our Sabbatical Officers and student representatives ran a number of successful campaigns and events during the year with the help and support of key UPSU and University staff. These included Barriers to Engagement, Black History Month, Stress Less, Green Week and Hidden Course costs.

UPSU also continues to be recognised as a high achieving organisation and Students’ Union; we were awarded a NUS Best Bar None Gold award again this year, coming in 3rd place in the whole country. We were, yet again, awarded a NUS Green Impact excellence award for our work around sustainability and were delighted that we went up into 36th position in the NSS Students’ Union league table this year. Our Advice Centre and the University funding department also received a joint award for “Best Partnership” at the National Association of Money Advisors national awards for recognition of their partnership working and an exemplar of best practice.

Both our officers and staff continue to work hard to enhance community relationships and partnerships. We have worked closely with partners on campaigns and organising events and with the Police and evening and night-time economy groups to help improve the safety of our students both on the campus and in the city.

Overall, in terms of our finances and also the broad, diverse activities and services we provide, UPSU had another an excellent year.

**The Year Ahead**

The setting of our 2018/19 budget was again very challenging for us. We try to be realistic and prudent with our commercial forecasts whilst also trying to remain innovative and keep up with our competitors. Our rising core costs and volatile income streams are our main challenge and that, coupled with the decision by the University not to give us an inflationary increase in our Block Grant this year, made things even more challenging. We do however although disappointing, fully understand the rationale for the decision and the financial situation the University is also in at the current time. As part of a cost cutting exercise we undertook a staffing reorientation over the summer which unfortunately resulted in some redundancies, but enabled us to save approximately £100k in salary costs. We will still however have to potentially make more staffing savings moving forwards or alternatively cut back on the services we provide to our students if the difficult financial situation continues and in light of our worsening pension situation. The UPSU Trustees and SLT are monitoring the situation very closely.

In the meantime, we will try to maintain our financial position with the aim of continuing to build reserves in line with our reserves policy and supply services to our students and their communities at the very best level of quality that can be afforded, within the resources we have.

We have had a very positive, busy start to the 2018/19 academic year with all our staff and officers working exceptionally hard to welcome our new students and we have already delivered some great events and activities. I am pleased to report that we have seen good initial engagement from our members, across all departments, with our commercial areas achieving their budgets and sign-ups for clubs, societies and activities going well. We had a successful audit, are continuing to work on some key strategic projects and have an array of exciting events, campaigns and activities planned. A very good start to our year so far.

We are currently developing a 5-year, costed capital plan to ensure that we try to maintain our building as best we can and have a more planned approach. However it is highly likely that some of our facilities will need some significant investment from the University to keep us operating safely and successfully over the next few years.

Finally, on behalf of the Trustees, Sabbatical Officers and staff at UPSU, we would like to express our sincere thanks again to you, the membership over the last year and look forward to continuing to working together. We will ensure that the Students’ Union plays an important part in delivering the best student experience here at the University of Plymouth.

**Alex Doyle**

**UPSU President and Chair of Trustees**