

Portsmouth Students' Union Trading (PSUT) Limited
Board of Directors
MINUTES
3.00pm 21st June 2016
Room 1, The Union Building

Present:

Nick Johnson (NJ - Chair), Elisa Kanagarajah (EK), Rhian Johns (RJ), Ian Watson (IW), Tom Worman (TW), Carla Watton (CW)

In Attendance:

James Belmonte (JB), Oludolapo Bolaji (OB), Alexandra Paschali (AP), Bethany Moody (BM), Ben Conway (BC), Anna Clodfelter (AC), Lucy Simpson - Minutes

1. Apologies for Absence

No apologies received, welcome to Sabb Elects and introductions.

2. Declaration of Interests

No declarations of interest.

3. Minutes of Previous Meeting

Minutes from 22/03/16 agreed.

4. Matters Arising and Action Points From Those Minutes

4.1 Amend the F&R minutes (£180k to £108k) – LS **COMPLETE**

5. Business Matters

5.1 Trading Report - for note and questions only - TW

Report taken as read.

AC – would like to comment on the student staff award. Thinks it's a really good thing that TW did for our student staff to give them the recognition. We don't pay them very much and really they are extraordinary. Thank you TW for doing this and huge congratulations and fingers crossed that they get the national award.

TW – they've won the institution award and the south west award and now they go to the national award. Unfortunately it's really expensive to go to the awards ceremony. £170 and the prize is only £100 so they would end up out of pocket. We have asked the University to fund it but they haven't got the money. It's in Birmingham and would require 2 overnight stays and both are now working anyway. Believes they have a relatively good chance considering who the other award winners are.

NJ – it's a good advert for us as well when we're trying to recruit.

RJ – question on 3.2 retail activity and summer school. Was wondering whether historically that's a good market for us or if it's something we can develop?

TW – it does tend to be. We went through a stage a few years ago where we were closed during the summer school times and there was an obvious demand. So we've changed our opening and its standard 9-5 now. It has built up as an income stream. They tend to want to buy hoodies and it generally sells out the stock that hasn't sold throughout the year because they buy the smaller sizes and things that are left over so yes it does tend to be a reasonable stream. One of the things they have invited us previously to do is to go to the halls of accommodation in the evening times when they're having meals but unfortunately staffing wise we haven't been able to commit to that previously but also the University is very willing to work with us in terms of sharing promotional materials with us. The University see it as a good thing, which is good. There's potentially some interesting conversations to come on branded

merchandise as the University go through a re-branding process but interestingly just had a discussion with the Director of Marketing who said that the University do it and so do we but they think that we should do it and this could be a good thing for retail.

NJ – are we being kept up to date with all the branding information?

TW – yes. TW sits on the branding panel and this will come back to Directors as a when we get authority from the University.

BOARD OF DIRECTORS NOTED THE TRADING REPORT

5.2 Purple Wednesday Discussion CONFIDENTIAL – TW (moved to end of agenda)

Report taken as read - **CONFIDENTIAL DISCUSSION**

Sabb Elects not present for discussion.

BOARD OF DIRECTORS NOTED THE PURPLE WEDNESDAY REPORT

5.3 Trading Review Update - for approval - TW

Report taken as read.

TW – at the last Directors we discussed principles but Project 25 has almost superseded that and AC/TW have agreed that it makes sense for the Charity to come first and then PSUT back fills and works out where our position is later and that's set out in the schedule for Project 25. The remainder of this update is just looking at the next 2 years and what we're going to do to keep sustaining within a changing marketplace and some of the areas that we think we're going to look to develop in without suddenly taking on lots of new businesses. It's just keeping it bubbling and meeting the changing marketplace.

JB – just about the point on the launch of the first student travel event, is it planned to involve our student groups?

TW – we want to work very closely with RAG as it's a natural opportunity to partner together in terms of doing that. And also the New AU Touring Executive, it's in their job description to work with PSUT to launch this travel event so students are key to it. There's no point in delivering something that is going to compete. EK/TW have already spoken about it.

CW – is PSUT looking to internationalise itself in terms of our associate colleges and partner colleges.

TW – doesn't envisage at this stage just selling into Malaysia at the moment. Would like us to get our online presence in the UK sorted first before we start venturing out there. We have had requests for international purchases and what we do is fulfil them on a case by case basis because the postage to air freight stuff is quite expensive and sometimes it doesn't equate. Someone ordered 20 mugs to be sent abroad and we had to talk them through the process and the cost of that and it was quite substantial. They did pay for it but it was about £100 worth of postage.

NJ – as the University is looking at International Students this is a good point. We as a students' union need to look at this as well – how we represent students abroad.

TW – it will be part of any on-going business review.

BOARD OF DIRECTORS NOTED THE TRADING REVIEW UPDATE AND APPROVED THE BUSINESS DEVELOPMENT BRIEF

6. Finance Matters

6.1 PSUT Management Accounts for note

TW – there is quite a large negative figure in advertising. Bear in mind that this is counteracted by on site and partnership incomes. A lot of this is to do with where things were posted around Freshers that we've previously discussed at this Board. So that was to do with posting. Overall, TW is really quite happy with where we're at. We stopped trading in the main at Easter to allow us to focus on next year but allowed retail to continue. Retail is still performing strong but the bulk of the income as seen in the trading report is mainly through NUS Extra cards.

IW – is there a reason our trading margins at retail have gone down?

TW – our gross profit is in line with our KPI so we're operating at 51% GP (off the top of head).
 IW – it looks like it's gone from about 30% to about 35%. So our margins dropped by about 5%.
 TW – will look into this. Some of that will probably be because of things like management charge and staffing changes. At the beginning of the year we had an out-going staff member plus in-coming so there was a cross over in staffing and we have brought in some more operational costs which were previously picked up by the Charity (postage and products etc.) so this was brought in. Probably little changes where we've aligned things that PSUT should have really been carrying the costs for.

IW – do we think it's all been cleaned up now?

TW – hope so. Spoke to Blue Spire yesterday and they are fairly confident with where we are at now.

IW – is it worth getting Blue Spire to do a piece of work to really go through our costs and check it passes the sniff test that we have really apportioned things so we get true end to end transparency? Particularly with everything we're looking at in terms of what is commercial and what isn't and just being really clear about allocations as they make such a big difference.

TW – it is something that has been discussed with AC in depth at various stages. And also with Cherylyn our Finance Manager as well, particularly looking forwards as look to try and separate PSUT and the Charity a bit more and making sure PSUT is carrying the right costs. It's on the top of our agenda. Even actually in this year's budget for example, the cost to PSUT of Freshers has gone up by £1500 - £2000 because it wasn't fairly attributed. The Charity was carrying more of the cost for PSUT than it should have been. So we are looking at that consistently as we go.

IW – we could look at the management charge just to go back to basics and if we were starting from scratch, how are we thinking about this and what is the right way of doing this.

TW – that's exactly what was being discussed with Blue Spire yesterday about Vat and cross charging and how this works. It's definitely on our agenda.

IW – once we've got that settled down then it would be really useful to get them to go back and quickly re-state previous years so we have a base to compare otherwise we'll never have a comparator. Get it settled first but then it would be worth rejigging the numbers which shouldn't be too arduous.

TW – how quickly would we like this completed as we are just about to go into Project 25 which will look at all this so doesn't want to push anything through for next Board which might be something that is part of the bigger project.

AC – how about the next budget?

IW – yes, it's not a do or die but it is an opportunity for us to see what's going on.

CW – what would happen if we left the NUS? The money that we make from NUS cards goes into PSUT but obviously we'd be £48k better off for UPSU. So what would happen with that revenue?

TW – we would very quickly launch our own student discount card as have Lancashire and various others that have done similar. It is a risk if we lose it but then the Charity as a whole would actually be still up a little bit because we get £35k from NUS Extra and the affiliation fee is £48k so ultimately the Charity remains up. It is a big risk though and it's something we need to be aware of and should it come through we'll address it when we need to. There are other solutions and we have some options available.

Action – TW to investigate the drop in PSUT trading margins

Action – TW to discuss with Blue Spire the re-aligning of previous years of PSUT (in line with new allocation of management charges etc.) to enable comparisons for next budget cycle

BOARD OF DIRECTORS NOTED THE PSUT MANAGEMENT ACCOUNTS

6.2 Finance & Risk Sub-Committee minutes (including formal approval of the PSUT Budget) for note and questions

NJ – this is for formal adoption as it was approved at Finance & Risk.

TW – it’s all outlined in the previous document.

NJ – thank you to the team for all their work.

BOARD OF DIRECTORS NOTED THE FINANCE & RISK SUB-COMMITTEE MINUTES

BOARD OF DIRECTORS APPROVED THE ADOPTION OF THE PSUT BUDGET AS APPROVED BY F&R COMMITTEE

7. AOB

7.1 UPSU disaffiliation from I Love Tour - TW

A discussion was held about the separation of brand relationships between UPSU and I Love Tour. Detailed minutes remain confidential.

BOARD OF DIRECTORS NOTED THE UPSU DISAFFILIATION FROM I LOVE TOUR AND APPROVED A 1 YEAR EXCLUSION AGAINST I LOVE TOUR MARKETING THROUGH THE STUDENTS’ UNION AS A BREAK TO SEPARATE THE BRAND RELATIONSHIP (EK abstained from the vote)

7.2 Bank Account Signatories

LS – to note for the minutes, the Barclays Bank accounts need to be changed on a yearly basis with the agreement of the Board. The following will become the official bank account signatories for both UPSU and PSUT from 1st July 2016 and all other named on the account will be removed:

Anna Clodfelter

Tom Worman

5 new Sabbatical Officers (James Belmonte, Alexandra Paschali, Oludolapo Bolaji, Bethany Moody, Ben Conway)

7.3 Sub-Committee Allocation

NJ – just to let Board know that Sabbatical Officer allocation onto Board of Directors will be completed over handover and will go to Leadership. Board of Directors will be informed of the decision.

NJ – thank you to CW/EK and good luck to all new Sabbatical Officers.

AC – thank you to NJ as Chair.

8. Date and Time of Next Meeting

Tuesday 11th October 2016 at no later than 5pm – Room 1, The Union Building

ACTIONS

Action	Who	Update	Status
6.1 – investigate the drop in PSUT trading margins	TW	The drop in margins in retail are due to the volume of sales and therefore discounts we have had to operate to drive footflow and purchases.	Complete
6.1 – discuss with Blue Spire the re-stating of previous years of PSUT (in line with new allocation of management charges etc.) to enable comparisons for next budget cycle	TW	To come back to BoD for next budget cycle	Ongoing

CONFIDENTIAL ITEMS

Purple Wednesday Discussion
I Love Tour Discussion

Minutes Approved: _____

Date: _____