UNIVERSITY OF PORTSMOUTH STUDENTS UNION

England & Wales · Charity number 1136115

Details

Status	Registered
Legal form	Charitable company
Company number	03934555
Registered	2010-06-01
Register	View on the Charity Commission register

Contact

Address	University Of Portsmouth Student Union 1-13 Lord Montgomery Way Portsmouth PO1 2AH
Phone	02392843666
Email	hello@upsu.net
Website	www.upsu.net

Activities

Objects: THE OBJECTS OF THE UNION ARE THE ADVANCEMENT OF EDUCATION OF STUDENTS AT THE UNIVERSITY OF PORTSMOUTH FOR THE PUBLIC BENEFIT BY:1) PROMOTING THE INTERESTS AND WELFARE OF STUDENTS AT THE UNIVERSITY OF PORTSMOUTH DURING THEIR COURSE OF STUDY AND REPRESENTING, SUPPORTING AND ADVISING STUDENTS.2) BEING THE RECOGNISED REPRESENTATIVE CHANNEL BETWEEN STUDENTS AND THE UNIVERSITY OF PORTSMOUTH AND ANY OTHER EXTERNAL BODIES AND.3) PROVIDING SOCIAL, CULTURAL, SPORTING AND RECREATIONAL ACTIVITIES AND FORUMS FOR DISCUSSIONS AND DEBATE FOR THE PERSONAL DEVELOPMENT OF ITS STUDENTS.

Activities: The advancement of education of students at the University of Portsmouth for the public benefit

Downloaded from opencharities.uk/ew/1136115

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, Accommodation/housing, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** PORTSMOUTH
- Hampshire
- Portsmouth City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£1,679,118	£1,566,412	£-971,036	62
2024-07-31	£1,849,638	£1,798,657	£-1,079,595	58
2023-07-31	£1,991,982	£1,843,597	£-1,004,075	101
2022-07-31	£1,709,700	£1,588,991	£-805,424	80
2021-07-31	£1,447,232	£1,373,901	£-885,218	80
2020-07-31	£1,843,205	£1,672,608	£-916,158	77

Downloaded from opencharities.uk/ew/1136115

Trustees

Name	Role	Appointed
Alexander Hannan		2025-02-01
Blessing Okafor		2024-07-01
Charday Stone		2025-07-01
Ka Ki Dorothy Ku		2024-12-11
Maia Graham		2026-02-04
Robert William Thrower		2026-04-29
Sarah Shaw		2026-02-04
Simbarashe Mushambi Dube		2025-07-01
Verity Knight		2025-06-01

Downloaded from opencharities.uk/ew/1136115

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

England & Wales - Charity number 1136115

Accounts

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

Registered Company Number: 03934555 (England and Wales)
Charity Registration No. 1136115

REPORT OF THE TRUSTEES AND AUDITED GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025 FOR THE UNIVERSITY OF PORTSMOUTH STUDENTS' UNION

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

The University of Portsmouth Students' Union
Contents of the Financial Statements
for the Year Ended 31 July 2025

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 34

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

The University of Portsmouth Students' Union
Report of the Trustees
for the Year Ended 31 July 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Full-time (Elected) Officer Trustees

Welfare Officer	Connor Sutherland (appointed 1st July 2024, resigned 30th June 2025)
Welfare Officer	Verity Knight (appointed 1st July 2025)
Learning Experience Officer	Blessing Okafor (appointed 1st July 2024, resigned 30th June 2025)
Education Offcer	Blessing Okafor (appointed 1st July 2025)
Development Officer	Ummu-Salamah Danjuma (appointed 1st July 2024, resigned 30th June 2025)
Opportunity Officer	Charday Stone (appointed 1st July 2025)
Academic Representation Officer	Marija Solic (appointed 1st July 2024, resigned 30th June 2025)
Democracy and Campaigns Officer	Anwar Jawula (appointed 26th August 2023, resigned 30th June 2025)
Inclusion Offier	Simbarashe Dube (appointed 1st July 2025)

Student Trustees

Non-Portfolio	Oliver Cripps (appointed 25th April 2023)
Non-Portfolio	Dorothy Ku (appointed 23rd October 2024)
Non-Portfolio	Vacant

University Nominated Trustee

Non-Portfolio	Mary Williams (appointed 21st April 2020, resigned 24th June 2025)

External Trustees

Non-Portfolio	Victoria Turner (appointed on 29th January 2019, 31st January 2025)
Non-Portfolio	Ian Robinson (appointed on 29th January 2019, 31st January 2025)
Non-Portfolio	Richard Askey (appointed 24th April 2024)
Non-Portfolio	Alexander Hannan (appointed 1st February 2025)
Non-Portfolio	Nicholas Leggett (appointed 1st February 2025, resigned 25th July 2025)

Company Secretary
Anwar Jawula (appointed 1st July 2024, resigned 30th June 2025)
Blessing Okafor (appointed 1st July 2025)

Chief Executive Anna Clodfelter (resigned 21st March 2025)
Chief Executive Fern Lewis (appointed 22nd March 2025)

Registered Office
Student Union Building
Cambridge Road
Portsmouth
Hants
PO1 2EF

Registered Company Number
03934555

Registered Charity Number
1136115

Auditors
MC Audit Limited
Station House,
North Street
Havant PO9 1QU

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

Charity Bank Limited
194 High Street
Tonbridge
Kent TN9 1BE

Santander UK Plc
Abbey National House
2 Triton Square
Regents Place
London NW1 3AN

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham B1 2HB

Lloyds TSB Bank Plc
25 Gresham Street
London EC2V 7HN

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Solicitors
Warner Goodman LLP
Colman House
2-4 Landport Terrace
Portsmouth PO1 2RG

The Trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of Charities Act 2011 and Companies Act 2006, together with the accounts for the year ended 31st July 2025.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS 102) in preparing the annual report and financial statements of the University of Portsmouth Students’ Union (the Union).

STRUCTURE GOVERNANCE AND MANAGEMENT
The Union is a registered charity (Charity No: 1136115) linked to the University of Portsmouth (the University). The Union is also a company limited by guarantee registered in England and Wales (Company No: 3934555).

The Union is constituted by its Memorandum and Articles of Association and is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made by simple majority vote.

The Union is a students’ union, as defined in the Education Act 1994, with internal regulations and rules approved by its Board of Trustees. The Union has twelve Trustees and are made up of the following persons:

i. Five Officer Trustees, elected annually in accordance with the Union’s Memorandum and Articles of Association and elections rules
ii. Three Student Trustees, appointed in accordance with the Union’s Memorandum and Articles of Association
iii. One University Nominated Trustee, appointed in accordance with the Union’s Memorandum and Articles of Association
iv. Three External Trustees, appointed in accordance with the Union’s Memorandum and Articles of Association.

The Union’s Board of Trustees meets at least quarterly and are responsible for maintaining legal, financial and reputational stewardship. The Board of Trustees is also responsible for setting the organisation’s strategy, in line with student member priorities. The Board approves general policies and approving the annual budgets and accounts.

All Trustees are provided with the Charity Commission’s Guidance to Trustees and are given an introduction to the activities of the Union by the existing Board and the Chief Executive. Trustees are provided with training as and when required, based on individual and collective needs.

The current Governance Structure comprises of two subcommittees, Finance and Risk Committee and Student Focus & Governance Committee.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Student Focus and Governance Committee

The Student Focus and Governance Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. maintains effective and influential representation
b. maintains accessible, equitable and inclusive activity to proactively engage students from across the student community
c. give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2025 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
d. maintains student leadership through fit for purpose and effective governance and democratic structures
e. maintains robust governance in relation to the Unions statutory requirements
f. ensures the Union responds at Board level to democratic outcomes in a way that shows respect and a commitment to the Union as a student-led organisation

The Student Focus and Governance Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair
- Two External or one University Trustee and one External trustee (appointed by Leadership Team with regard to skills and experience) the External Trustee will vice-chair.
- Two Student Trustees (appointed by Leadership Team with regard to skills and experience)
- Student Council Representative
- Deputy Chief Executive
- Director of Membership Services
- In an advisory capacity only ie non-voting members: The Chief Executive, Senior Operations Managers (Representation, Opportunities, Business, Marketing)

There shall be at least two meetings in each academic year, at least one before Christmas.

Finance and Risk Committee

The Finance & Risk Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. remains in sound financial health
b. maintains effective risk management practices
c. complies with relevant legislation and regulations

The Finance & Risk Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External and/or University Trustees (appointed by Leadership Team with regard to skills and experience) one of which will vice-chair.
- One student trustee (appointed by Leadership Team with regard to skills and experience)
- Deputy to the Chief Executive
- Head of Central Services
- In an advisory capacity only - The Chief Executive and Union Financial Advisers

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

The committee meets on a quarterly basis in line with financial quarter reporting framework.

The democratic and representative framework of UPSU is as follows:

'Have your say' is a democratic process at the Union that enables students to get their voice heard and changes made. Every student can have a say on the Union and the University by submitting an idea through our Have Your Say platform. Ideas are then reviewed by Student Council and actioned or put out to students to a vote if further student consultation is needed.

The Board of Trustees maintains an oversight of these policies in accordance with the Board's duties to maintain legal, financial and reputational stewardship.

Student Council is the student-led decision making body at the Students' Union. They work together to tackle issues and run campaigns which affect all parts of student life, from course based issues and ideas to lobbying and resolving challenges that affect their wider University experience.

In 24/25 Student Council was made up of our 5 Elected Officers, 10 Faculty Reps and 10 Student Experience Officers, covering the wider student experience at UPSU and UoP, including education, experience, and liberation.

UPSU concluded a Democracy Review in 2024 aimed at streamlining its democratic decision making, engage more students in the process and evaluate the full time officer positions. The next democracy review is scheduled for 2027 and the research stages will begin this academic year. While the democracy review is taking place, a yearly enhancement plan is reviewed and supported by UPSU leadership to ensure improvements are made year on year based on student and officer feedback.

Day to day running of the Union is delegated by The Board of Trustees to a Chief Executive (CEO).

To ensure effective management the Chief Executive leads a Strategic Leadership Team, with responsibility for strategic delivery and operational oversight of the Union's activities and services.

During this financial year, the Head of Marketing & Engagement and the CEO resigned. This meant that an interm structure was put in place while CEO recruitment was underway:

i. Interim Chief Executive - Fern Lewis (SMT)
ii. Interim Deputy Chief Executive - Membership Services - Brendan McCarthy (SMT)
iii. Interim Deputy Chief Executive - Central & Business - Cherelyn Cuthbert

To help free up capactity, the Central Admin Function Manager was uplifted to a Senior Operations Manager - Central, who led on the CEO recruitment and supported with SMT projects. Fern Lewis was apppointed as the permanent CEO after a successful interview and recruitment process in June, and with plans to review SMT Management Structure.

The four Officer Trustees and the Senior Management Team are members of the Union's Leadership Team.

The role of the Leadership Team is to review the mid-level performance of the organisation, approve operational policies and coordinate ongoing activities in accordance with the Union's strategy and directions from the Board of Trustees. The full terms of reference for the Leadership Team can be seen within the Union's byelaws.

The Union employs 32 permanent staff and a further 30 occasional staff for the sake of quality delivery, continuous improvement and for the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties, via a line-management structure of delegated authority.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Salary bandings for all staff were reviewed through a sector benchmarking project with Southampton and Sussex SUs, against sector comparators and taking into account post covid market shifts. They were agreed by trustees in June 2022, they will be reviewed again in 2025.

The Union operates a performance related pay framework for all staff including the Strategic Management Team. Staff are appraised against agreed annual objectives by line managers and pay awards are agreed annually by the Finance and Risk Committee. The CEO obejctives and pay award is approved by the Board of Trustee, CEO appraisal is undertaken by a panel of Trustees.

RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in a Financial Memorandum of Understanding and a Partnership Agreement. The Union receives a Block Grant from the University. The Union also part-occupies buildings owned by the University and enjoys a positive and supportive relationship with the institution; this non-monetary support is intrinsic to the relationship between the University and the Union and the associated benefits to the student body.

Although the Union continues to generate supplementary income through mutual trading activities, it remains reliant on the University's Block Grant.

In 2023/24, the University made significant budget reductions to protect its overall financial stability. As part of this, UPSU's additional project funding (£250k per year for two years) was reduced by £63k, and it was confirmed that this funding would not continue beyond the project period. The Block Grant itself remained unchanged in 2024/25 (for the fifth consecutive year), with the only reduction being the removal of the Student Outcomes Change Project investment.

Following a review of the Union's work, the University recognised that the Block Grant had been underfunded. As a result, for 2025/26 the Block Grant has been increased by £213k, with a planned uplift of £100k in each of the following two years. This will bring the Block Grant to £1,681k by 2027/28.

The Union welcomes this renewed investment and appreciates the University's commitment to providing sustained financial support at these levels for the foreseeable future, subject to its financial position.

The 1994 Education Act imposes a duty on the University to ensure that the Union operates in a fair and democratic manner and is accountable for its finances. A joint Code of Practice and a Financial Memorandum of Understanding exists between the two organisations which is reviewed annually and approved by both the Union Finance & Risk Committee and University Infrastructure and Finance Committee.

The Union's trading company; Portsmouth Students' Union Trading Company Ltd (PSUT) is a wholly owned trading subsidiary company of the Union, which generates commercial income to support the Union's charitable objectives. In 2024/25 PSUT generated an operating profit of £22,915 from its activities, of which £22,915 was gifted to the Union.

AFFILIATIONS

There were no affiliation resolutions during the year 24/25 as defined within the provisions of the 1994 Education Act.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union.

The Union maintains a risk register that is updated quarterly and fully reviewed annually with exceptions and occurrences reported quarterly to the Finance and Risk Committee. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union. Health & Safety processes and frameworks and Finance processes are continually reviewed and updated by staff teams resulting in the embedding of excellent practice across the organisation.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the Union.

All other types of risk have specific mitigation activities that are delegated to senior and operational managers of the Union.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Union currently operates a three year strategic cycle - 23/24 was year one of the 23-26 Strategy as developed, with student consultation, in 22/23. Strategic planning for the next 26-29 strategy commenced July 2025.

Our Vision, Values and Guiding Principles: (Updated April 2023 with student consultation)

Vision:

“We have a positive impact with every Portsmouth student: students are heard, students are empowered, students thrive”.

Our Values:

A Union you can count on
A Union led by students
A Union for every student
A Union that makes a difference

Guiding Principles:

I. Students Democratically guide us
II. Equity of Opportunity for students
III. Our independent status is paramount
IV. Partnerships strengthen our work
V. Relevant and resilient for current and future students
VI. We fight for students rights

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

Our Constitutional Objects: (as defined in our Article of Association)
The Union is committed to the fulfilment of its charitable objects for the public benefit through the advancement of education of Students at the University of Portsmouth for the public benefit by:

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

These are supplemented by the further object of;
'helping members to develop their own charitable activities as active participants in civil society.' These objects are wholly consistent with the Union's Constitutional objects.

How we deliver our Objects:
In pursuit of these aims for the public benefit, the Union has established departments and services for use by its members and works with the University and other organisations on behalf of students.

The Union ensures diversity of its membership is recognised by implementing activity for and monitoring its participation from all sections of the student community and by electing and supporting students as champions of liberation campaigns.

The Union represents students of the University on relevant local, national and international issues by maintaining a number of quality representatives:

- **5 Elected Officers** (formerly known as Sabbatical Officers- Full time and paid) - This was reduced from 5 to 4 during the March 25 Elections and they came into office on 1st July 2025, due to an organisation restructure.
- **13 Student Council members** - academic, liberation and student experience reps.
- **172 Course reps and 5 Faculty Reps** - The number of reps were significantly reduced due to changes agreed with the University in the delivery and operation of the Course Rep System.
- **5 Union Led representative group leads** - Made up of the UPSU Groups Exec - the previous year we had PGM Ambassadors but responsibility for these moved to the University for 24/25 onwards.

Student representatives are present on all policy and strategy making bodies in UPSU and across the formal governance structure in the University. In summer 2024, the collaboration and commitments for student involvement through University development and decision making was formalised in a recognised Partnership Agreement.

When reviewing the Union's objectives and planning the Union's activities, the Union gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

Our Aims and Outcomes 2024/25:
In year one of our 23-26 strategy the KPIs and aims were set and agreed by Board from benchmarks established as part of the strategic development:

As an organisation - UPSU	Question	Measured via	2022/23 benchmark	2023/24 (Year 1 of Strategy)	2024/25 (Year 2 of Strategy)	2025/26 (Year 3 of Strategy)	By 2026 recommendations
Representation	The students' union effectively represents students' academic interests	NSS Q26	69.72% - 103rd Score Quartile 2 Ranking Quartile 3	70.97% - 97th Score Quartile 2 Ranking Quartile 3	71.2% - 115th Score Quartile 2 Ranking Quartile 3		Remain in score quartile 2
Net Promoter Score	I would recommend my Student's Union	Annual Survey	-2.98	-16.35	-8.98		-10 to 0
Vision	The Student's Union has had a positive impact on my time at University	Annual Survey	52.00%	72.80%	82.50%		No lower than benchmark & monitor over time as they are new metrics
Values	How much do you agree that UPSU is a Union you can count on	Annual Survey	60.30%	83.50%	85.50%		
	How much do you agree that UPSU is a Union led by students	Annual Survey	42.00%	91.30%	89.70%		
	How much do you agree that UPSU is a Union for every student	Annual Survey	69.00%	83.30%	86.40%		
	How much do you agree that UPSU is a Union that makes a difference	Annual Survey	59.70%	79.00%	81.70%		

The current 3 year Strategy is due to end July 2026 and the next Strategic cycle is currently under development

Our Functions all have annual plans to deliver objectives in line with the strategy - there are plans for Advice, Representation, Development, Projects, Marketing, Insights, Central Services and the Business

A detailed annual operational plan with supporting operational aims and KPIs in line with the delivery of the Unions strategic objectives can be obtained by request by emailing hello@upsu.net

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

Operational Outcomes 24/25:

1. To achieve the overall budget for the union for 2024/25
   A. Not achieved with a deficit of £26,437 against a deficit of £16,330 on the overall budget.
2. To achieve the budget for PSUT - trading company - for 2024/25
   A. Not achieved with a surplus of £22,915 against a budgeted surplus of £87,254
3. To maintain a 5 year forward financial plan in-line with Future Union strategic aims:

A. Following the increase in the block grant and the projected growth over the next two years, UPSU has developed a five-year financial plan that includes additional fixed-term staffing to ensure long-term affordability. The plan proposes the use of approximately £100,000 from reserves over the next two years, with the understanding that if the anticipated funding increases do not materialise, the additional staffing arrangements will be reviewed in line with available resources.

4. Business as usual - quality outcomes for UoP students

A. Of the KPIs across a range of representative, welfare and development objectives for the organisation:
   i. 75% Success or exceeded
   ii. 25% Not met of removed

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has 4269 Unique Society members that are supported to facilitate and participate in student activities. In addition to this we had approximately 172 Course Reps, 5 Faculty Reps and 13 Student Council members.

There are 641 committee roles leading our student groups, collectively volunteering over 20,000 hours across the year. This estimation is based on anecdotal discussions with committee members at our 'Groups Drop-In', where most agreed that they averaged around an hour of admin per week of the academic year.

Our school reps recorded roughly 12000 hours of volunteer time and our student council members around 300 hours.

FINANCIAL REVIEW

The group's gross income from all sources totalled £1,679,118 (2024: £1,849,638). Core expenditure was £1,566,412(2024: £1,798,657) plus a further movement in Pension deficit liability of loss of £4,147 due to an increase in inflation and revaluation of the pension (2024: £126,501) giving a 2025 total of £1,579,763 (2024: £1,716,544) and, other than the pension movement, was broadly within the stated budget with the following exceptions:

- Addtional income from UoP of £60k due to NTE contract withdrawl
- Decrease in management charge income of £12k due to recruitment gaps reduction in operating costs.
- Decrease in PSUT income of £65k of which all had been reported to Board of Directors and a new forecast tartget had been set at £16k. The new target was exceeded by £7k. Retail new target of £40k was exceeded by 11.7k (original budget of £72.1k decrease of £20.5k), Partnerships decrease of £6k due to payment of new NTE not being fulfilled and written off as a bad debt (original budget of £158.5k decrease of £60.2k the original NTE contract) Expenditure new forecast came in break even (orignal budget £143k reduced by £15.6k)
- £32.9k underspend on Salaries due to recruitment gaps, offset by overspend on casual staff salaries of £37k

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

FINANCIAL REVIEW (Continued)

- £8.5k overspend on Operating costs due to:
  Central - overspend on Legal & Professional fees of £18k for CEO recruitment and HR issues that followed, offset by an underspend on printing of £4.3k, an overspend on subscriptions of £2.4k, underspend of £1.3k and underspend on VAT of £2.9k
  Finance - underspend of £7.8k due to not carrying out the £2k governance review, additional bank interest of £3.5k and savings on payroll bureau of £1.7k.
  HR - overspend of £3.6k due to an overspend on recruitment of £4.4k, an overspend of £2k on staff welfare due to the number of OH referrals, offset by an underspend on the PPF levy and training & travel

The Union budgeted an overall deficit in 24/25 approved by Trustees of £16,330. This overall budget includes payment of the in year pension deficit contribution. A deficit of £26,437 was achieved.

When comparing against the core budget only, which excludes the pension contribution, the union achieved a surplus of £114,492 compared to a budgeted surplus of £124,598.

The variance is primarily due to CEO recruitment and related HR costs totaling £14k. This overspend was partially offset by savings from a reduction in PPF Levy expenses.

The Union has continued to benefit from the recognition and support of the University, and for 24/25 the Union received £1,267,550 in block grant plus an additional £60k to assist with the additional NI contributions and the withdrawl of our Night Time Economy partner after budgeting had been set.

The Union last reviewed its reserves requirements during 22/23 assessing the required amount of charitable funds allocated to Reserves and Development funds. The updated reserves policy was signed off at Finance & Risk Committee in October 2022 - the reserves and development funds policy is as follows:

“The calculated minimum reserves is £246k.

An additional balance of reserves are designated to be utilised for the development fund. This amount will be determined periodically by the board/committee. The amount available will not exceed the difference between the free reserves and the minimum reserves.

The development fund is available for longer term Union development or to provide specific protection against the pensions related risks in future years”

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

FINANCIAL REVIEW (Continued)

Total reserves	(971,036)
Less: Restricted reserves	(61,046)
Add: Pension deficit	1,579,763
Less: Fixed assets	-
	547,681

The Union's accounts show an updated provision for the future liabilities due to the Students' Union Superannuation Scheme based on the 30 June 2022 valuation. The valuation of the liabilities show the amount available to pay pension benefits in the future has declined when compared to its future liabilities. The Union in common with other participating student unions has to pay its share of the increased funding shortfall and is required to pay increased contributions based on previous contributions payable and the term has been extended. A separate reserve has been created in the accounts due to the long-term nature of the liability.

The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £32,148 (2024: £20,530) and expenditure of £33,933 (2024: £29,603) in addition to the grant- supported funds disbursed to them as shown in the accounts.

Student Groups at the Union raised around £7,000 in activities and fundraisers this year for local and national charities. The process has changed to increase development and independence for our groups, we let them do this all independently with little input!

The Union did not make any grants to other organisations during this or the preceding year.

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2025/26 has been set at £1,481,000, this is in an increase of £213,000 and the Union is very grateful for the Block Grant funding. The commercial activities for 2025/26, through PSUT, are budgeted at £12,507.

FUTURE PLANS

The Union remains committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students.

Year three of our strategic plan delivery continues within the three themes:

Academic Success - All students' academic outcomes are improved as a result of the work that we do
Future Readiness - Students' futures are made clearer and enhanced by the work that we do
Social Capital - Students are supported to find themselves, be themselves, connect and belong

Each theme has a set of commitments identifying the key outcomes that 'students will say', aiming to retain focus on the positive impact we deliver for students.

Strategy and commitments can be found at
https://docs.google.com/document/d/1FojCTDFtvjNHNRrqmj4XlFdGrwLmWeaN_jaK7SqUpBM/edit?tab=t.0

The Plans, Objectives and KPIs for 25/26 can be found at
https://docs.google.com/spreadsheets/d/1Kc99jbqU1kW4aP9OoKgERcsORJi55PIx7VOsID09Zc0/edit?gid=681826585#gid=681826585

Our enabling strategies remain as:

- Digital
- Climate and Sustainability
- EDI
- People
- Spaces
- Trading
- Finance

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

FUTURE PLANS (Continued)

Additional areas of focus for 24/25 include:

- Performing a complete Governance review of all the Unions Governance structures
- The completion of the building move into temporary accommodation for two years from December 2025
- The continued socialising and optimising of the new Partnership Agreement across faculties and services, supported by our DVC Education as the UoP lead partner in this project
- Launch of the 26-29 Union strategy and alignment with the University strategic priorities
- Creation of the new "Membership first" ethos which will form part of our new strategy, ensuring we keep members at the heart of what we do and that they are aware of their benefits from their Union

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of The University of Portsmouth Student's Union (A Company Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Appointment of Auditors

In accordance with the union's financial procedures a formal tender process was undertaken in April 2022 to appoint auditors for (21/22) the Auditors were appointed by the Board of Trustees on 28th June 2022 and the next tender process will take place in April 2026.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006 and was approved by the Board and signed on its behalf.

Approved by order of the board of trustees on 22nd October 2025 and signed on its behalf by:



.....
Blessing Okafor (Education Officer, Company Secretary)

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

Report of the Independent Auditors to the Members of The University of Portsmouth Students' Union For the Year Ended 31 July 2025

We have audited the financial statements of The University of Portsmouth Students' Union (the 'charitable company') for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2025 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

Report of the Independent Auditors to the Members of The University of Portsmouth Students' Union For the Year Ended 31 July 2025

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Underwood

Paul Underwood (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Station House
North Street
Havant

Hampshire
PO9 1QU

Date: 22 October 2025

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

The University of Portsmouth Students' Union
Consolidated Statement of Financial Activities
(Incorporating a Consolidated Income and Expense Account)
For the year ended 31 July 2025

	Notes	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	**2**	1,415,150	-	1,415,150	1,535,780
Other trading activities	**3**	203,862	-	203,862	260,842
Income from investments	**4**	4,010	-	4,010	3,839
Charitable activities	**5**	15,828	32,148	47,976	37,363
Other income	**6**	8,120	-	8,120	11,814
Total income		**1,646,970**	**32,148**	**1,679,118**	**1,849,638**
EXPENDITURE ON					
Raising funds	**9**	62,334	-	62,334	69,605
Charitable activities	**7**	1,470,145	33,933	1,504,078	1,729,052
Total		1,532,479	33,933	1,566,412	1,798,657
Net income/(expenditure)		**114,491**	**(1,785)**	**112,706**	**50,981**
Other recognised gains/(losses)					
Actuarial losses on defined benefit schemes	**22**	(4,147)	-	(4,147)	(126,501)
Net movements in funds		**110,344**	**(1,785)**	**108,559**	**(75,520)**
Reconciliation of funds					
Total funds brought forward		(1,142,426)	62,831	(1,079,595)	(1,004,075)
Total funds carried forward		**(1,032,082)**	**61,046**	**(971,036)**	**(1,079,595)**

All incoming resources and resources expended are derived from continuing activities.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

The University of Portsmouth Students' Union
Consolidated Balance Sheet
For the year ended 31 July 2025

	Notes	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Fixed assets					
Investments	**13**	-	-	1	1
Tangible Assets	**14**	-	-	-	-
Total fixed assets		-	-	1	1
Current assets					
Stocks	**15**	31,306	46,971	-	-
Debtors	**16**	29,062	27,360	61,049	90,272
Cash at bank and in hand		649,640	755,352	624,790	721,677
Total current assets		710,007	829,684	685,839	811,949
Liabilities					
Creditors falling due within one year	**17**	(101,280)	(192,735)	(77,113)	(175,001)
Net current assets/(liabilities)		608,727	636,949	608,726	636,948
Total assets less current liabilities		608,727	636,949	608,727	636,949
Provisions for liabilities	**22**	(1,579,763)	(1,716,544)	(1,579,763)	(1,716,544)
Net (liabilities)/assets		(971,036)	(1,079,595)	(971,036)	(1,079,595)
Funds					
Pension deficit		(1,579,763)	(1,716,544)	(1,579,763)	(1,716,544)
General funds		547,681	574,118	547,681	574,118
Unrestricted funds	**20**	(1,032,082)	(1,142,426)	(1,032,082)	(1,142,426)
Restricted funds		61,046	62,831	61,046	62,831
Total charity funds		(971,036)	(1,079,595)	(971,036)	(1,079,595)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 22 October 2025 and were signed on its behalf by:

.....

Blessing Okafor (Education Officer, Company Secretary)

Registered Company Number: 03934555 (England and Wales)
Charity Registration No. 1136115

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

The University of Portsmouth Students' Union
Statement of Cash Flows and Consolidated Statement of Cash Flows
for the year ending 31 July 2025

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash flows from operating activities					
Cash generated from operations	**1**	(109,722)	18,739	(100,897)	24,179
Net cash provided by (used in) operating activities		(109,722)	18,739	(100,897)	24,179
Cash flows from investing activities					
Interest income		4,010	3,839	4,010	3,839
Cash provided by investing activities		4,010	3,839	4,010	3,839
Change in cash and cash equivalents in the reporting period		(105,712)	22,578	(96,887)	28,018
Cash and cash equivalents at the beginning of the reporting period		755,352	732,774	721,677	693,659
Total cash at the end of the year		**649,640**	**755,352**	**624,790**	**721,677**

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

The University of Portsmouth Students' Union
Notes to the Cash Flow Statement
for the year ended 31 July 2025

1) Reconciliation of net income to net cash flow from operating activities

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Net income for the reporting period (as per the statement of financial activities)	108,559	(75,520)	108,559	(75,520)
Adjustments for:				
Interest income	(4,010)	(3,839)	(4,010)	(3,839)
Finance cost of pension deficit	4,147	126,501	4,147	126,501
Pension deficit repayments	(140,928)	(134,220)	(140,928)	(134,220)
Decrease/(increase) in stocks	15,665	16,455	-	-
(Increase)/decrease in debtors	(1,700)	20,916	29,224	42,119
Increase/(decrease) in creditors	(91,456)	68,446	(97,889)	69,138
Net cash provided by (used in) operating activities	(109,722)	18,739	(100,897)	24,179

2) Analysis of changes in net debt

Group	**At 1.4.24 £**	**Cash flow £**	**At 31.3.25 £**
Net cash			
Cash at bank and in hand	755,352	(105,712)	649,640
	755,352	(105,712)	649,640

Charity	**At 1.4.24 £**	**Cash flow £**	**At 31.3.25 £**
Net cash			
Cash at bank and in hand	721,677	(96,887)	624,790
	721,677	(96,887)	624,790

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

1 Accounting Policies

Basis of preparation

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The consolidated financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity. The Charitable company does participate in a defined benefit scheme and at the date of this report the liability on this scheme was £1,579,763 which is repayable by annual instalments. This liability is currently ring-fenced in the unrestricted reserves. The trustees have considered this factor in their assessment and they do not consider there to be any significant concern in being able to continue as a going concern.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Portsmouth Students' Union Trading (Company Number 06320382) on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with the use of resources.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. These estimates and judgements are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the current financial year, the trustees did not make any critical accounting judgements or identify any key sources of estimation uncertainty that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by Charities SORP (FRS 102), the donation of these facilities is included as an incoming resource within note 2 and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable ordinary shares.

Trade and other debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

1 Accounting Policies - continued

Trade and other creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Employee benefits
When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The University of Portsmouth Students' Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of 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 pension scheme trustees on 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 University of Portsmouth Student's Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the SUSS continued after the closure of the scheme in the form of deficit funding and levies.

Tangible fixed assets
Tangible fixed assets under the cost model are stated at historical costs less accumulated depreciation and anyaccumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	10% and 20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively appropriate, or if there is an indication of a significant change since the last reporting date.

At each reporting date, the entity assesses whether there is any indication that a tangible fixed asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fixed asset investments
Fixed asset investments comprise the entire share capital of the charity's subsidiary trading company, Portsmouth Students' Union Trading Limited. The investment is valued at cost.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

1 Accounting Policies - continued

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

Taxation
The charity is exempt from corporation tax on its charitable activities.

The subsidiary has entered into a deed of covenant to donate all of its distributable profits to the parent charity, thereby reducing its current tax liability to nil.

Deferred Taxation
As the charity is exempt from corporation tax on its charitable activities and has no taxable temporary timing differences, no deferred tax is recognised.

Irrecoverable VAT
The charity qualifies for exemptions in respect of its income from charitable activities. As other activities are standard rates, a proportion of VAT paid by the company is recoverable in respect of those activities. The amount irrecoverable will fluctuate from year to year in accordance with the levels of income generated by the various activities. The irrecoverable amount is offset against charitable services costs.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Provisions for liabilities
Provisions are made where an event has taken place that gives the company a legal or constructive obligationthat probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of theobligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2 Donations and legacies

	2025 £	2024 £
Block grant received	1,267,550	1,267,560
Additional grants received	60,000	186,620
Donated Facilities	87,600	81,600
	1,415,150	1,535,780

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

3 Other trading activities

	2025 £	2024 £
Income from trading subsidiary		
Commercial partnerships	104,286	145,260
Retail Income	99,576	115,582
	203,862	260,842

4 Income from investments

	2025 £	2024 £
Bank deposit interest	4,010	3,839
	4,010	3,839

All investment income is derived from assets held in the United Kingdom.

5 Income from charitable activities

	2025 £	2024 £
Development - Group income	47,976	37,363
	47,976	37,363

6 Other Income

	2025 £	2024 £
Events	2,639	9,702
Postage	1,221	1,765
Other	4,260	347
	8,120	11,814

7 Charitable activities costs

	Direct Costs £	Support costs (note 8) £	Totals £
Development	70,594	385,322	455,916
Representation	199,069	390,888	589,957
Welfare	37,148	385,322	422,470
Other charitable activities	-	35,735	35,735
	306,811	1,197,267	1,504,078

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

8 Support costs

	Central Operations £	Governance Costs £	Totals £
Development	384,856	466	385,322
Representation	390,422	466	390,888
Welfare	384,856	466	385,322
Other charitable activities	10,521	25,214	35,735
	1,170,655	26,612	1,197,267

Support costs have been apportioned on a basis that is consistent with use of resources.

Support costs, included in the above, are as follows:

Central Operations

	2025 Total activities	2024 Total activities
	£	£
Salaries and training	854,451	993,650
Membership engagement	41,148	52,194
Central admin and overheads	269,533	359,156
Irrecoverable VAT	5,523	6,054
	1,170,655	1,411,054

Governance costs

	2025 Total activities	2024 Total activities
	£	£
Auditors' remuneration	9,160	9,307
Auditors' remuneration - non audit services	2,500	2,300
Central Admin	6,502	5,588
Management accounts	7,250	10,500
Trustee Expenses	1,200	1,014
	26,612	28,709

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

9 Raising funds expenditure

	2025	2024
	£	£
Other activities	62,334	69,605

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2025	2024
	£	£
Auditors' remuneration	9,160	9,307
Auditors' remuneration - non audit services	2,500	2,300
	11,660	11,607

11 Staff costs

	2025	2024
	£	£
Wages and salaries	1,015,315	1,236,300
Social security costs	88,133	74,219
Other pension costs	22,608	26,168
	1,126,056	1,336,687

The average monthly number of employees during the year for the group was as follows:

	2025	2024
	64	99

The average number of employees with emoluments (excluding employer pension contributions and employer National Insurance contributions) above £60,000 in this or the preceding year is as follows:

	2025	2024
£70,001 - £80,000	1	1

The key personnel management of The University Portsmouth Student's Union are considered to be the CEO, Deputy CEO, Director of Student Engagement and the Head of Central Services. The total remuneration paid in the year ended 31 July 2025 amounted to £240,445 (2024: £220,605).

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

12 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Portsmouth Students' Union Trading Limited (Company Number: 06320382).

The summary financial performance of the charity alone is:

	2025 £	2024 £
Turnover	1,616,786	1,780,033
Expenditure on charitable activities	(1,504,078)	(1,729,052)
Other recognised gains/(losses)	(4,147)	(126,501)
Net Income	**108,561**	**(75,520)**
Total funds brought forward	(1,079,595)	(1,004,075)
Total funds carried forward	(971,034)	(1,079,595)
Represented by:		
Unrestricted funds		
General Funds	547,683	574,118
Pension Deficit	(1,579,763)	(1,716,544)
Restricted funds	61,046	62,831
	(971,034)	**(1,079,595)**

13 Financial Performance of the subsidiary

Portsmouth Students' Union Trading Company Limited (company number 06320382) is a wholly owned trading subsidiary incorporated in the United Kingdom. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2025 £	2024 £
Turnover	203,862	260,842
Cost of sales and administration costs	(61,950)	(69,224)
Management charges	(118,997)	(112,189)
	22,915	79,429
Donations of profits to parent charity	(22,915)	(79,429)
Net profit	-	-
Retained in subsidiary	**-**	**-**

The assets and liabilities of the Portsmouth Students' Union Trading Company Limited were:

	2025 £	2024 £
Total assets	84,478	107,497
Total liabilities	(84,477)	(107,496)
Total net assets	1	1
Aggregate share capital and reserves	1	1

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

14 Tangible fixed assets – Charity and group

	Fixtures & fittings	Total
	£	£
Cost		
At 1 August 2024	215,248	215,248
Additions	-	-
At 31 July 2025	215,248	215,248
Depreciation		
At 1 August 2024	215,248	215,248
Charge for year	-	-
At 31 July 2025	215,248	215,248
Net book value		
At 31 July 2025	-	-
At 31 July 2024	-	-

15 Stocks - Group

	2025	2024
	£	£
Stocks	31,306	46,971

16 Debtors

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Trade debtors	28,822	27,360	502	510
VAT receivable	240	-	2,818	-
Amounts owed by the subsidiary	-	-	57,729	89,762
	29,062	27,360	61,049	90,272

Amounts owed by the subsidiary are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

17 Creditors: Amounts Falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	11,403	2,048	9,952	2,048
Social security and other taxes	-	19,137	-	19,137
Accruals	87,041	96,488	64,965	85,793
Deferred income	-	63,376	-	63,376
Other creditors	2,837	3,287	2,196	3,106
VAT payable	-	8,400	-	1,542
	101,280	192,736	77,113	175,002

18 Deferred income

Deferred income relates to additional block grant income received in advance to offset some of the inflation for the 2024/25 year.

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Balance as at 1 August 2024	63,376	-	63,376	-
Amount released to incoming resources	(63,376)	-	(63,376)	-
Amount deferred in year	-	63,376	-	63,376
Balance as at 31 July 2025	-	63,376	-	63,376

19 Analysis of net assets between funds - Group

	Unrestricted fund £	Restricted fund £	2025 Total funds £	2024 Total funds £
Fixed assets	-	-	-	-
Current assets	648,961	61,046	710,007	829,684
Current liabilities	(101,280)	-	(101,280)	(192,735)
Provisions	(1,579,763)	-	(1,579,763)	(1,716,544)
	(1,032,082)	61,046	(971,036)	(1,079,595)

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

20 Movement in funds - Group

	At 1.8.24 £	Net movement in funds £	Transfers £	At 31.7.25 £
Unrestricted funds				
Pension deficit	(1,716,544)	(4,147)	140,928	(1,579,763)
General funds	574,118	114,491	(140,928)	547,681
Total unrestricted funds	(1,142,426)	110,344	-	(1,032,082)
Restricted funds				
Sports and societies	62,073	(1,785)	-	60,288
Ring fenced funds	758	-	-	758
Total restricted funds	62,831	(1,785)	-	61,046
TOTAL FUNDS	(1,079,595)	108,559	-	(971,036)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(4,147)	(4,147)
General funds	1,646,970	(1,532,479)	-	114,491
Restricted funds				
Sports and societies	32,148	(33,933)	-	(1,785)
Ring fenced funds	-	-	-	-
	1,679,118	(1,566,412)	(4,147)	108,559

Comparative for movement in funds - Group

	At 1.8.23 £	Net movement in funds £	Transfers £	At 31.7.24 £
Unrestricted funds				
Pension deficit	(1,724,263)	(126,501)	134,220	(1,716,544)
General funds	648,284	60,054	(134,220)	574,118
Total unrestricted funds	(1,075,979)	(66,447)	-	(1,142,426)
Restricted funds				
Sports and societies	71,146	(9,073)	-	62,073
Ring fenced funds	758	-	-	758
Total restricted funds	71,904	(9,073)	-	62,831
TOTAL FUNDS	(1,004,075)	(75,520)	-	(1,079,595)

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

20 Comparative for movement in funds - Group - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(126,501)	(126,501)
General funds	1,829,108	(1,769,054)	-	60,054
Restricted funds				
Sports and societies	20,530	(29,603)	-	(9,073)
Ring fenced funds	-	-	-	-
	1,849,638	(1,798,657)	(126,501)	(75,520)

Sports and societies

Sports and societies is in relation to funds set aside for students to run various sports clubs and societies

Ring fenced funds

Ring-fenced funds are held separately for the Participation Fund and the Gender Expression Fund.

Transfer between funds

The transfer between funds represent the pension contribution paid by the charity in the year.

21 Pension Commitments

The charity operates a defined contribution scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £22,608 (2024: £26,168).

22 Provision for liabilities

	2025 £	2024 £
Provisions	1,579,763	1,716,544

The charity is a Participating Employer 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 United Kingdom. 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 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30th September 2011 the Scheme closed to future accrual.

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2022 and showed that the market value of the Scheme's assets was £106.7m (2019: £119.1m) excluding AVC's and incurred pensioners with these assets representing 46% (2019: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £136.7m (2019: £140.9m).

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

22 Provision for liabilities continued

The actuarial valuation of the Scheme as at 30 June 2022 revealed a funding shortfall (Technical Provisions minus value of assets) of £133,645,000. To eliminate this funding shortfall, the Trustees and NUS (the Principal Employer) have agreed that additional contributions will be paid to the Scheme by the participating unions as follows:

- £745,671 per month, to be paid towards the Scheme from 1 October 2023, increasing by 5% at each subsequent 1 October.
- These amounts include an allowance for the expenses of administering the Scheme of £536,038 per annum from 1 October 2023, increasing by 5% at each subsequent 1 October.
- The amounts also include an allowance for an expense reserve of £3,000,000 which is an estimated of the costs associated with winding-up the Scheme and the completion of the GMP equalisation exercise.
- These contributions are payable monthly in arrears, within 19 days of the end of each month. A participating union may, at their discretion, pay all or part of the contributions in advance. Participating unions will be given the option of paying a discounted lump sum instead of their monthly contributions between October 2023 and either September 2026, September 2029 or September 2032.

The funding shortfall is expected to be eliminated in 13 years 7 months of 1 October 2023, which is by 1 May 2037.

This expectation is based on the following assumptions:

- Technical Provisions calculated according to the method and assumptions set out in the Statement of Funding Principles; and
- the return on existing assets and the return on new contributions during the period being consistent with the calculation of the Technical Provisions as at 30 June 2022 but allowing for an initial additional investment return of 0.5% p.a. in year 1-4, linearly reducing to zero over year 5-12.

During the year ended 31 July 2025, the University of Portsmouth Students' Union made a deficit contribution which amounted to £140,928 (2024: £134,220).

At the balance sheet date the charity had monthly commitments to pay deficit funding contributions of £9,145 increasing in line with the recovery plan of 5% per annum until 31 July 2033.

	2025 £	2024 £
Provision at start of the period	1,716,544	1,724,263
Effect of unwinding discount and changes in rate	4,147	126,501
Deficit contribution paid	(140,928)	(134,220)
Provision at the end of the period	1,579,763	1,716,544
Income and expenditure impact		
Effect of unwinding discount and changes in rate	4,147	126,501
	4,147	126,501

Assumptions

	31.07.25 % per annum	31.07.24 % per annum
Rate of discount	5.55%	4.75%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Docusign Envelope ID: DDA09390-87C9-4604-805C-20E42B2EFE14

23 Related party transactions

The charity's trustees, as detailed on page 1, were reimbursed or had expenses paid on their behalf totalling £6,766 (2024: £10,258) in respect of travel, subsistence and training.

The University of Portsmouth Students' Union (UPSU) operates a trading subsidiary, Portsmouth Students' Union Trading Company Limited (PSUT). PSUT is wholly owned by UPSU and was established to handle the sales of clothing, merchandise, advertising and exhibition space on behalf of the students' union.

A monthly management charge is made by the charity in respect of the operation and administration of this company. £118,615 (2024: £112,189)

Annually the company pays their profit as a donation to the charity as per their deed of covenant agreement. £22,915 (2024: £79,429)

As at the end of the reporting period, the entity had a debtors balance of £57,730 (2024: 89,762) with company.

The University of Portsmouth is, by virtue of the provisions of section 22 of the Education Act 1994, required to take all practical steps to ensure that the charity operates fairly and democratically and accounts for its finances. During the year under review, the charity received grants totalling £1,267,550 (2024: £1,267,560) from the University of Portsmouth.

24 Trustee Remuneration and Benefits

As authorised under section 6 of the Articles of Association, a total of £116,902 (2024: £96,563) was paid in remuneration to 7 (2024: 8) elected officer trustees.

Pension contributions paid by the Union on behalf of five (2024: five) of the trustees listed above totalled £2,927 (2024: £1,875).

25 Ultimate controlling party

The charitable company is not under the control of another entity or any one individual.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

England & Wales - Charity number 1136115

Accounts

Registered Company Number: 03934555 (England and Wales)
Charity Registration No. 1136115

The University of Portsmouth Students' Union

Report and Consolidated Financial Statements

For the year ended 31 July 2024

The University of Portsmouth Student's Union
Contents of the Financial Statements
for the Year Ended 31 July 2023

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 34

The University of Portsmouth Student's Union
Report of the Trustees
for the Year Ended 31 July 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Full-time (Elected) Officer Trustees

Welfare Officer	Ines Brzychcyk (appointed 1st July 2023, resigned 30th June 2024)
Welfare Officer	Connor Sutherland (appointed 1st July 2024)
Learning Experience Officer	Kajetan Albin (appointed 1st July 2023, resigned 30th June 2024)
Learning Experience Officer	Blessing Okafor (appointed 1st July 2024)
Development Officer	Temidayo Dosunmu (appointed on 1st July 2022, resigned 30th June 2024)
Development Officer	Ummu-Salamah Danjuma (appointed 1st July 2024)
Academic Representation Officer	Marija Solic (appointed 1st July 2023)
Democracy and Campaigns Officer	Maizey Annear (appointed 1st July 2023, resigned 25th August 2023)
Democracy and Campaigns Officer	Anwar Jawula (appointed 26th August 2023)

Student Trustees

Non-Portfolio	Subhlesh Nair (appointed 25th April 2023, resigned 24th October 2023)
Non-Portfolio	Oliver Cripps (appointed 25th April 2023)
Non-Portfolio	Eguonoghene Adams (appointed 1st July 2023, resigned 24th April 2024)

University Nominated Trustee

Non-Portfolio	Mary Williams (appointed 21st April 2020)

External Trustees

Non-Portfolio	Victoria Turner (appointed on 29th January 2019)
Non-Portfolio	Ian Robinson (appointed on 29th January 2019)
Non-Portfolio	Richard Askey (appointed 24th April 2024)

Company Secretary	Marija Solic (appointed 1st July 2023, resigned 30th June 2024) Anwar Jawula (appointed 1st July 2024)
Chief Executive	Anna Clodfelter

Registered Office
Student Union Building
Cambridge Road
Portsmouth
Hants
PO1 2EF

Registered Company Number
03934555

Registered Charity Number
1136115

Auditors
Morris Crocker
Station House,
North Street
Havant PO9 1QU

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

Charity Bank Limited
194 High Street
Tonbridge
Kent TN9 1BE

Santander UK Plc
Abbey National House
2 Triton Square
Regents Place
London NW1 3AN

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham B1 2HB

Lloyds TSB Bank Plc
25 Gresham Street
London EC2V 7HN

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Solicitors
Warner Goodman LLP
Colman House
2-4 Landport Terrace
Portsmouth PO1 2RG

The Trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of Charities Act 2011 and Companies Act 2006, together with the accounts for the year ended 31st July 2024.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the University of Portsmouth Students' Union (the Union).

STRUCTURE GOVERNANCE AND MANAGEMENT

The Union is a registered charity (Charity No: 1136115) linked to the University of Portsmouth (the University).

The Union is also a company limited by guarantee registered in England and Wales (Company No: 3934555).

The Union is constituted by its Memorandum and Articles of Association and is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made by simple majority vote.

The Union is a students' union, as defined in the Education Act 1994, with internal regulations and rules approved by its Board of Trustees. The Union has twelve Trustees and are made up of the following persons:

i. Five Officer Trustees, elected annually in accordance with the Union's Memorandum and Articles of Association and elections rules
ii. Three Student Trustees, appointed in accordance with the Union's Memorandum and Articles of Association
iii. One University Nominated Trustee, appointed in accordance with the Union's Memorandum and Articles of Association
iv. Three External Trustees, appointed in accordance with the Union's Memorandum and Articles of Association.

The Union's Board of Trustees meets at least quarterly and are responsible for maintaining legal, financial and reputational stewardship. The Board of Trustees is also responsible for setting the organisation's strategy, in line with student member priorities. The Board approves general policies and approving the annual budgets and accounts.

All Trustees are provided with the Charity Commission's Guidance to Trustees and are given an introduction to the activities of the Union by the existing Board and the Chief Executive. Trustees are provided with training as and when required, based on individual and collective needs.

The current Governance Structure comprises of two subcommittees, Finance and Risk Committee and Student Focus & Governance Committee.

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Student Focus and Governance Committee

The Student Focus and Governance Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. maintains effective and influential representation
b. maintains accessible, equitable and inclusive activity to proactively engage students from across the student community
c. give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2023 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
d. maintains student leadership through fit for purpose and effective governance and democratic structures
e. maintains robust governance in relation to the Unions statutory requirements
f. ensures the Union responds at Board level to democratic outcomes in a way that shows respect and a commitment to the Union as a student-led organisation

The Student Focus and Governance Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair
- Two External or one University Trustee and one External trustee (appointed by Leadership Team with regard to skills and experience) the External Trustee will vice-chair.
- Two Student Trustees (appointed by Leadership Team with regard to skills and experience)
- Student Council Representative
- Deputy Chief Executive
- Director of Membership Services
- In an advisory capacity only ie non-voting members: The Chief Executive, Head of Marketing & Insights (or appointed function Manager), Head of Student Opportunities & Operations (or appointed function Manager), Function Manager Insights

There shall be at least two meetings in each academic year, at least one before Christmas.

Finance and Risk Committee

The Finance & Risk Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. remains in sound financial health
b. maintains effective risk management practices
c. complies with relevant legislation and regulations

The Finance & Risk Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External and/or University Trustees (appointed by Leadership Team with regard to skills and experience) one of which will vice-chair.
- One student trustee (appointed by Leadership Team with regard to skills and experience)
- Deputy to the Chief Executive
- Head of Central Services
- In an advisory capacity only - The Chief Executive and Union Financial Advisers

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

The committee meets on a quarterly basis in line with financial quarter reporting framework.

The democratic and representative framework of UPSU is as follows:

'Have your say' is a democratic process at the Union that enables students to get their voice heard and changes made. Every student can have a say on the Union and the University by submitting an idea through our Have Your Say platform. Ideas are then reviewed by Student Council and actioned or put out to students to a vote if further student consultation is needed.

The Board of Trustees maintains an oversight of these policies in accordance with the Board's duties to maintain legal, financial and reputational stewardship.

Student Council is the student-led decision making body at the Students' Union. They work together to tackle issues and run campaigns which affect all parts of student life, from course based issues and ideas to lobbying and resolving challenges that affect their wider University experience.

In 23/24 Student Council was made up of 10 Faculty Reps and 4 Student Officers took up post with a focus on the student experience and liberation issues.

UPSU is currently undertaking a Democracy Review to improve its democratic decision making, engage more students in the process and evaluate the volunteer and full time officer positions. A yearly enhancement plan is reviewed and supported by UPSU leadership to ensure that whilst the review is taking palce improvements are made year on year based on student and officer feedback.

It should be noted that, due to financial constraints the Board took the decision to reduce the five full time officers to four for the elections in 2025. Processes are being implemented to ensure the four roles are based on student need and we will be gaining student feedback on this during the first quarter of 24/25. This will be implemented for a full two years (25/26 and 26/27) to enable its impact to be monitored before further review.

Day to day running of the Union is delegated by The Board of Trustees to a Chief Executive (CEO).

To ensure effective management the Chief Executive leads a Strategic Leadership Team, with responsibility for strategic delivery and operational oversight of the Union's activities and services.

During this financial year there were significant changes in staffing due to funding restrictions, the restructure resulted in a number of compulsory redundancy processes and in addition to natural reduction, reduced the staffing FTA by approximately 30%. The impact on the Senior staff team was the reduction of Senior staff posts from 7 to 5. There was an uplift of one post to create a third SMT role:

i. Chief Executive - Anna Clodfelter (SMT)
ii. Deputy Chief Executive - Fern Lewis (SMT)
iii. Director of Membership Services - Brendan McCarthy (SMT)
iv. Head of Central Services - Cherelyn Cuthbert
v. Head of Marketing and Engagement - Anita Butler

The five Officer Trustees and the Senior Management Team are members of the Union's Leadership Team.

The role of the Leadership Team is to review the mid-level performance of the organisation, approve operational policies and coordinate ongoing activities in accordance with the Union's strategy and directions from the Board of Trustees. The full terms of reference for the Leadership Team can be seen within the Union's byelaws.

The Union employs 28 permanent staff and a further 30 occasional staff for the sake of quality delivery, continuous improvement and for the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties, via a line-management structure of delegated authority.

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Salary bandings for all staff were reviewed through a sector benchmarking project with Southampton and Sussex SUs, against sector comparators and taking into account post covid market shifts. They were agreed by trustees in June 2022, they will be reviewed again in 2025.

The Union operates a performance related pay framework for all staff including the Strategic Management Team. Staff are appraised against agreed annual objectives by line managers and pay awards are agreed annually by the Finance and Risk Committee. The CEO obejctives and pay award is approved by the Board of Trustee, CEO appraisal is undertaken by a panel of Trustees who also oversee the DCE appraisal.

RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in a Financial Memorandum of Understanding and a Partnership Agreement. The Union receives a Block Grant from the University. The Union also part-occupies buildings owned by the University and enjoys a positive and supportive relationship with the institution; this non-monetary support is intrinsic to the relationship between the University and the Union and the associated benefits to the student body.

Although the Union continues to generate supplementary funding from various mutual-trading activities, it is dependent on the University's Block Grant. The University made a commitment to invest £250k for 2 years 22/23 and 23/24 for the UPSU Student Outcomes Change Project, with the ambition of establishing a long term partnership and co-funded project. During the 23/24 year the University needed to make significant cuts to ensure the financial stability of the University. The 2nd year of the investment of £250k was reduced by £63k and it was confirmed that ongoing funding for this work would not be available. The University continues to review spending. It has been confirmed that the Block Grant remains static for the 5th year. Whilst financially challenging for all, the Union appreciates the University's investment in the Union and for confirming that they will provide continued financial support at similar levels of block grant for the foreseeable future, subject to their financial health.

The 1994 Education Act imposes a duty on the University to ensure that the Union operates in a fair and democratic manner and is accountable for its finances. A joint Code of Practice and a Financial Memorandum of Understanding exists between the two organisations which is reviewed annually and approved by both the Union Finance & Risk Committee and University Infrastructure and Finance Committee.

The Union's trading company; Portsmouth Students' Union Trading Company Ltd (PSUT) is a wholly owned trading subsidiary company of the Union, which generates commercial income to support the Union's charitable objectives. In 2023/24 PSUT generated an operating profit of £79,429 from its activities, of which £79,429 was gifted to the Union.

AFFILIATIONS

There were no affiliation resolutions during the year 23/24 as defined within the provisions of the 1994 Education Act.

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union.

The Union maintains a risk register that is updated quarterly and fully reviewed annually with exceptions and occurrences reported quarterly to the Finance and Risk Committee. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union. Health & Safety processes and frameworks and Finance processes are continually reviewed and updated by staff teams resulting in the embedding of excellent practice across the organisation.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the Union.

All other types of risk have specific mitigation activities that are delegated to senior and operational managers of the Union.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The Union currently operates a three year strategic cycle - 23/24 was year one of the 23-26 Strategy as developed, with student consultation, in 22/23

Our Vision, Values and Guiding Principles: (Updated April 2023 with student consultation)

Vision:

"We have a positive impact with every Portsmouth student: students are heard, students are empowered, students thrive".

Our Values:

A Union you can count on
A Union led by students
A Union for every student
A Union that makes a difference

Guiding Principles:

I. Students Democratically guide us
II. Equity of Opportunity for students
III. Our independent status is paramount
IV. Partnerships strengthen our work
V. Relevant and resilient for current and future students
VI. We fight for students rights

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

Our Constitutional Objects: (as defined in our Article of Association)

The Union is committed to the fulfilment of its charitable objects for the public benefit through the advancement of education of Students at the University of Portsmouth for the public benefit by:

1. promoting the interests and welfare of Students at the University of Portsmouth during their course of study and representing, supporting and advising Students; being the recognised representative channel between Students and the University of Portsmouth and any other external bodies; and

2. providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Students.

These are supplemented by the further object of;
'helping members to develop their own charitable activities as active participants in civil society.' These objects are wholly consistent with the Union's Constitutional objects.

How we deliver our Objects:

In pursuit of these aims for the public benefit, the Union has established departments and services for use by its members and works with the University and other organisations on behalf of students.

The Union ensures diversity of its membership is recognised by implementing activity for and monitoring its participation from all sections of the student community and by electing and supporting students as champions of liberation campaigns.

The Union represents students of the University on relevant local, national and international issues by maintaining a high proportion of student representatives - over 1200 - but this is to be reviewed in 24/25 to increase the quality of representation over the volume of representatives:

- **5 Elected Officers** (formerly known as Sabbs - **full time paid**)
- **20 Student Council members** - academic, liberation and student experience reps
- **1,050 Course reps and 5 Faculty Reps**
- **15 Union Led representative group leads** - including PGM Ambassadors & Group Exec

Student representatives are present on all policy and strategy making bodies in UPSU and across the formal governance structure in the University. In summer 2024, the collaboration and commitments for student involvement through University development and decision making was formalised in a recognised Partnership Agreement.

When reviewing the Union's objectives and planning the Union's activities, the Union gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

Our Aims and Outcomes 2023/24:

In year one of our 23-26 strategy the KPIs and aims were set and agreed by Board from benchmarks established as part of the strategic development:

As an organisation - UPSU	Question	Measured via	2022/23 benchmark	2023/24	By 2026 recommendations
Representation	The students' union effectively represents students' academic interests	NSS Q26	69.72% - 103rd	70.97% - 97th	Remain in score quartile 2
Net Promoter Score	I would recommend my Student's Union	Annual Survey	-2.98	-16.35	-10 to 0
Vision	The Student's Union has had a positive impact on my time at University	Annual Survey	52.00%	72.80%	No lower than benchmark & monitor over time as they are new metrics
Values	How much do you agree that UPSU is a Union you can count on	Annual Survey	60.30%	83.50%	
	How much do you agree that UPSU is a Union led by students	Annual Survey	42.00%	91.30%	
	How much do you agree that UPSU is a Union for every student	Annual Survey	69.00%	83.30%	
	How much do you agree that UPSU is a Union that makes a difference	Annual Survey	59.70%	79.00%	

The full impact report for the year 23/24 can be found at https://docs.google.com/presentation/d/1iAlhZhrUBgDbb-G1PiFnxraegiYVLtskrCUUcv5O2Vw/edit#slide=id.p

Due to the financial challenges and resultant restructure that took place between November 23 and May 24, the Union focussed its resources on core activity and the completion of the Student Outcomes Project.

Informed by student data, annual priorities were set as part of the Strategy development (International students, Student Leaders, EDI, Cost of Living, Climate, Digital and Wellbeing)

Our Functions all have annual plans to deliver objectives in line with the strategy - there are plans for Advice, Representation, Development, Projects, Marketing, Insights, Central Services and the Business

A detailed annual operational plan with supporting operational aims and KPIs in line with the delivery of the Unions strategic objectives can be obtained by request by emailing hello@upsu.net

Operational Outcomes 23/24:

1. To achieve the overall budget for the union for 2023/24
   A. Achieved with a deficit of £71,435 against a deficit of £76,481 on the overall budget.
2. To achieve the budget for PSUT - trading company - for 2023/24
   A. Not achieved with a surplus of £79,429 against a budgeted surplus of £140,992

2. To maintain a 5 year forward financial plan in-line with Future Union strategic aims:
   A. Due to the uncertainty of future Block Grant increases, the 5 year Financial plan has been updated to reflect the University position. In anticipation of funding discussions with the University in early 2025 the forward plan has assumed a freeze in block grant and deficit budgets subsidised by reserves in excess of reserves policy levels for the next two years ending in 25/26 and circa £150k deficit for 26/27.

3. Business as usual - quality outcomes for UoP students
   A. Of the KPIs across a range of representative, welfare and development objectives for the organisation:
      i. 75% Success or exceeded
      ii. 25% Not met of removed

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 7,000 Unique Society members that are supported to facilitate and participate in student activities. In addition to this we had approximately 800 Course Reps, 5 Faculty Reps and 12 Student Council members.

There were 700 committee members for student groups, collectively volunteering over 22,400 hours across the year. This estimation is based on anecdotal discussions with committee members at our 'Groups Drop-In', where most agreed that they averaged around an hour of admin per week of the academic year.

Our faculty reps recorded roughly 300 hours of volunteering, course reps recorded 30,000 hours of volunteer time and student council members around 200 hours.

FINANCIAL REVIEW

The group's gross income from all sources totalled £1,849,638 (2023: £1,991,982). Core expenditure was £1,798,657 (2023:£1,843,597) plus a further movement in Pension deficit liability of loss of £126,501 due to an increase in inflation and revaluation of the pension (2023: £347,036) giving a 2024 total of £1,716,544 (2023: £1,724,263) and, other than the pension movement, was broadly within the stated budget with the following exceptions:

- Reduction of £63.4k in UoP funding from the second year of Student Outcomes Project due to UoP going through a reset process
- Decrease in management charge income of £27.1k due to recruitment gaps reduction in operating costs.
- Decrease in PSUT income of £60.2k of which £50k had been already reported and agreed at the Board of Directors due to unrealised targets in Q1. A new target for Retail of £64.7k was not achieved. The data identified the same number of customers but lower value per transaction (total under budget of £16.8k). Partnerships had been reduced by £65k due to night time economy partner and inhouse sales to £154.6k achieving only £145.2k due to loss of Graduation opportunity due to UoP model of inviting clients onsite for zero cost (total under budget of £74.5k) both offset by and underspend on expenses of £31.1k
- £126.7k underspend in Salaries due to recruitment gaps and reset in year, redundancies and associated staff churn
- £22.4k overspend on casual staff additional shifts to cover recruitment gaps

FINANCIAL REVIEW (Continued)

- £28.9k underspend on Operating costs made up from £15.8k in central costs mainly due to depreciation, printing reduction, irrecoverable VAT reduction, £16.1k in Finance mainly due to not implementing the onboarding system, pause on a governance review as one was completed in the previous year and additional interest on bank accounts, offset by £3.6k overspend on HR mainly due to recruitment charges

The Union budgeted an overall deficit in 23/24 approved by Trustees of £76,481. This overall budget includes payment of the in year pension deficit contribution. A deficit of £71,435 was achieved.

When comparing against the core budget only, which excludes the pension contribution, the union achieved a surplus of £64,123 compared to a budgeted surplus of £57,739.

This positive outcome is credit to the staff teams who responded at pace to make cost savings to meet in year revised budgets and efficiencies whilst protecting the quality of service to our student members, all in a year of significant disruption and change due to the unplanned restructure.

The Union has continued to benefit from the recognition and support of the University, and for 23/24 the Union received £1,267,551 in block grant.

The Union last reviewed its reserves requirements during 22/23 assessing the required amount of charitable funds allocated to Reserves and Development funds. The updated reserves policy was signed off at Finance & Risk Committee in October 2022 - the reserves and development funds policy is as follows:

"The calculated minimum reserves is £246k.

An additional balance of reserves are designated to be utilised for the development fund. This amount will be determined periodically by the board/committee. The amount available will not exceed the difference between the free reserves and the minimum reserves.

The development fund is available for longer term Union development or to provide specific protection against the pensions related risks in future years"

The Union's free reserves stood at £574,118 (2023: £648,284) at the year-end which meets the Union's desired reserve levels. Reserves have been calculated as follows:

Total reserves	- 1,079,595
Less: Restricted reserves	- 62,831
Add: Pension deficit	1,716,544
Less: Fixed assets	-
	574,118

The Union's accounts show an updated provision for the future liabilities due to the Students' Union Superannuation Scheme based on the 30 June 2023 valuation. The valuation of the liabilities show the amount available to pay pension benefits in the future has declined when compared to its future liabilities. The Union in common with other participating student unions has to pay its share of the increased funding shortfall and is required to pay increased contributions based on previous contributions payable and the term has been extended. A separate reserve has been created in the accounts due to the long-term nature of the liability.

The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £20,530 (2023: £25,799) and expenditure of £29,603 (2023: £22,680) in addition to the grant-supported funds disbursed to them as shown in the accounts.

FINANCIAL REVIEW (Continued)

Student Groups at the Union raised around £7,000 in activities and fundraisers this year for local and national charities. The process has changed to increase development and independence for our groups, we let them do this all independently with little input!

The Union did not make any grants to other organisations during this or the preceding year.

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2024/25 has been set at £1,267,554 the Student Outcomes additional funding received for the last two years has now ceased with an in year reduction of £63.5k of the budgeted £250k. The Union is very grateful for the Block Grant funding and the Investment for the Student Outcomes Project from the University received over the last two years. The commercial activities for 2024/25, through PSUT, are budgeted at £87,254.

FUTURE PLANS

Despite a significant reduction in staffing and resources, the Union remains committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students.

Year two of our strategic plan delivery continues within the three themes:

Academic Success - All students' academic outcomes are improved as a result of the work that we do
Future Readiness - Students' futures are made clearer and enhanced by the work that we do
Social Capital - Students are supported to find themselves, be themselves, connect and belong

Each theme has a set of commitments identifying the key outcomes that 'students will say', aiming to retain focus on the positive impact we deliver for students.

Strategy and commitments can be found at
https://docs.google.com/document/d/1FojCTDFtvjNHNRrqmj4XlFdGrwLmWeaN_jaK7SqUpBM/edit?tab=t.0

The Plans, Objectives and KPIs for 24/25 can be found at
https://docs.google.com/spreadsheets/d/1TbqsUBDHOHuyoqeZRpFNuBYgpEWNYqbcudh3dlFSFGw/edit?gid=493780042#gid=493780042

Our annual priorities for 2024/5, as informed by student data are:

- Student Mental Health
- Cost of Living
- Belonging and Community

Our enabling strategies remain as:

- Digital
- Climate and Sustainability
- EDI
- People
- Spaces
- Trading
- Finance

FUTURE PLANS (Continued)

Additional areas of focus for 24/25 include:

- Reforming the academic rep structure - a pilot commences September 2024 with the aim to implement a sector leading framework for Sept 25
- The completion of the building move into temporary accommodation for two years - Nov 24
- The socialising and optimising of the new Partnership Agreement across faculties and services, supported by our DVC Education as the UoP lead partner in this project, we are very grateful for her support in developing and implementing this long needed partnership framework - from Oct 24
- University Strategy Alignment - as the University revises its strategy, the Union will seek opportunities to support and enhance the aims and objectives of the University for the benefit of students - Oct 24 onwards

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of The University of Portsmouth Student's Union (A Company Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that

Appointment of Auditors

In accordance with the union's financial procedures a formal tender process was undertaken in April 2022 to appoint auditors for (21/22) the Auditors were appointed by the Board of Trustees on 28th June 2022 and the next tender process will take place in April 2026.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006 and was approved by the Board and signed on its behalf.

Approved by order of the board of trustees on 23rd October 2024 and signed on its behalf by:

AJ

.....

Anwar Jawula (Democracy & Campaigns Officer, Company Secretary)

Report of the Independent Auditors to the Members of The University of Portsmouth Student's Union For the Year Ended 31 July 2024

We have audited the financial statements of The University of Portsmouth Student's Union (the 'charitable company') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2023 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

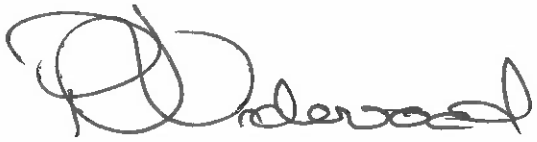
The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union
For the Year Ended 31 July 2024

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant

Hampshire
PO9 1QU

Date: 24th October 2024

The University of Portsmouth Student's Union
Consolidated Statement of Financial Activities
For the year ended 31 July 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,535,780	-	1,535,780	1,649,156
Other trading activities	3	260,842	-	260,842	289,302
Income from investments	4	3,839	-	3,839	1,785
Charitable activities	5	16,833	20,530	37,363	43,990
Other income	6	11,814	-	11,814	7,749
Total income		**1,829,108**	**20,530**	**1,849,638**	**1,991,982**
EXPENDITURE ON					
Raising funds	9	69,605	-	69,605	75,750
Charitable activities	7	1,699,449	29,603	1,729,052	1,767,847
Total		1,769,054	29,603	1,798,657	1,843,597
Net income/(expenditure)		**60,054**	**(9,073)**	**50,981**	**148,385**
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes	22	(126,501)	-	(126,501)	(347,036)
Net movements in funds		**(66,447)**	**(9,073)**	**(75,520)**	**(198,651)**
Reconciliation of funds					
Total funds brought forward		(1,075,979)	71,904	(1,004,075)	(805,424)
Total funds carried forward		**(1,142,426)**	**62,831**	**(1,079,595)**	**(1,004,075)**

All incoming resources and resources expended are derived from continuing activities.

The University of Portsmouth Student's Union
Consolidated Balance Sheet
For the year ended 31 July 2024

	Notes	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Fixed assets					
Tangible assets	14	-	-	-	-
Investments	13	-	-	1	1
Total fixed assets		-	-	1	1
Current assets					
Stocks	15	46,971	63,426	-	-
Debtors	16	27,360	48,277	90,272	132,391
Cash at bank and in hand		755,352	732,774	721,677	693,659
Total current assets		829,684	844,477	811,949	826,050
Liabilities					
Creditors falling due within one year	17	(192,735)	(124,289)	(175,001)	(105,863)
Net current assets/(liabilities)		636,949	720,188	636,948	720,187
Total assets less current liabilities		636,949	720,188	636,949	720,188
Provisions for liabilities	22	(1,716,544)	(1,724,263)	(1,716,544)	(1,724,263)
Net (liabilities)/assets		(1,079,595)	(1,004,075)	(1,079,595)	(1,004,075)
Funds					
Pension deficit		(1,716,544)	(1,724,263)	(1,716,544)	(1,724,263)
General funds		574,118	648,284	574,118	648,284
Unrestricted funds	20	(1,142,426)	(1,075,979)	(1,142,426)	(1,075,979)
Restricted funds		62,831	71,904	62,831	71,904
Total charity funds		(1,079,595)	(1,004,075)	(1,079,595)	(1,004,075)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 23rd October 2024 and were signed on its behalf by:

.....

Anwar Jawula (Democracy & Campaigns Officer, Company Secretary)

The notes form part of these financial statements

The University of Portsmouth Student's Union
Statement of Cash Flows and Consolidated Statement of Cash Flows
for the year ending 31 July 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Net income for the reporting period (as per the statement of financial activities)					
Cash generated from operations	1	18,740	(59,422)	24,180	(80,553)
Net cash provided by (used in) operating activities		18,740	(59,422)	24,180	(80,553)
Cash flows from investing activities					
Interest income		3,839	1,785	3,839	1,785
Purchase of tangible fixed assets		-	-	-	-
Cash provided by (used in) investing activities		3,839	1,785	3,839	1,785
Change in cash and cash equivalents in the reporting period		22,578	(57,637)	28,018	(78,768)
Cash and cash equivalents at the beginning of the reporting period		732,774	790,411	693,659	772,427
Total cash at the end of the year		**755,352**	**732,774**	**721,677**	**693,659**

The University of Portsmouth Student's Union
Notes to the Cash Flow Statement
for the year ended 31 July 2024

1) Reconciliation of net income to net cash flow from operating activities

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Net income for the reporting period (as per the statement of financial activities)	(75,520)	(198,651)	(75,520)	(198,651)
Adjustments for:				
Depreciation charges	-	12,000	-	12,000
Interest income	(3,839)	(1,785)	(3,839)	(1,785)
Finance cost of pension deficit	126,501	347,036	126,501	347,036
Pension deficit repayments	(134,220)	(127,824)	(134,220)	(127,824)
Decrease/(increase) in stocks	16,455	(15,799)	-	-
(Increase)/decrease in debtors	20,917	7,978	42,120	(23,827)
Increase/(decrease) in creditors	68,446	(82,377)	69,138	(87,502)
Net cash provided by (used in) operating activities	18,740	(59,422)	24,180	(80,553)

2) Analysis of changes in net debt

Group	**At 1.4.23** £	**Cash flow** £	**At 31.3.24** £
Net cash			
Cash at bank and in hand	732,774	22,578	755,352
	732,774	22,578	755,352

Company	**At 1.4.23** £	**Cash flow** £	**At 31.3.24** £
Net cash			
Cash at bank and in hand	693,659	28,018	721,677
	693,659	28,018	721,677

Accounting Policies

Basis of preparation

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The consolidated financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity. The Charitable company does participate in a defined benefit scheme and at the date of this report the liability on this scheme was £1,716,544 which is repayable by annual instalments. This liability is currently ring-fenced in the unrestricted reserves. The trustees have considered this factor in their assessment and they do not consider there to be any significant concern in being able to continue as a going concern.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Portsmouth Students' Union Trading on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with the use of resources.

1 **Accounting Policies continued**

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by Charities SORP (FRS 102), the donation of these facilities is included as an incoming resource within note 2 and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

University of Portsmouth Students' Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of 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 pension scheme trustees on 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 University of Portsmouth Student's Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the SUSS continued after the closure of the scheme in the form of deficit funding and levies.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles	25% on cost
Fixtures and fittings	10% and 20% on cost
AU Equipment	33% on cost

Fixed asset investments

Fixed asset investments comprise the entire share capital of the charity's subsidiary trading company, Portsmouth Students' Union Trading Limited. The investment is valued at cost on the basis there is no available fair value for the share capital.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable ordinary shares.

1 Accounting Policies - continued

Trade and other debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

Taxation
The charity is exempt from corporation tax on its charitable activities.
The company is subject to tax which is recognised at the amount of tax payable using the tax rates and laws that have been enacted of substantively enacted by the balance sheet date.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Donations and legacies

	2024 £	2023 £
Block grant received	1,267,560	1,297,556
Additional grants received	186,620	270,000
Donated Facilities	81,600	81,600
	1,535,780	1,649,156

3 Other trading activities

	2024	2023
	£	£
Income from trading subsidiary		
Commercial partnerships	145,260	164,971
Retail Income	115,582	123,531
Other income	-	800
	260,842	289,302

4 Income from investments

	2024	2023
	£	£
Bank deposit interest	3,839	1,785
	3,839	1,785

5 Income from charitable activities

	2024	2023
	£	£
Development - Group income	37,363	43,990
	37,363	43,990

6 Other Income

	2024	2023
	£	£
Events	9,702	5,800
Postage	1,765	1,244
Other	347	705
	11,814	7,749

7 Charitable activities costs

	Direct Costs	Support costs (note 8)	Totals
	£	£	£
Development	74,283	464,257	538,540
Representation	190,862	473,631	664,493
Welfare	24,144	464,257	488,401
Other charitable activities	-	37,618	37,618
	289,289	1,439,763	1,729,052

8 Support costs

	Central Operations £	Governance Costs £	Totals £
Development	463,899	358	464,257
Representation	473,273	358	473,631
Welfare	463,899	358	464,257
Other charitable activities	9,983	27,635	37,618
	1,411,054	28,709	1,439,763

Support costs have been apportioned on a basis that is consistent with use of resources.

Support costs, included in the above, are as follows:

Central Operations

	2024 Total activities	2023 Total activities
	£	£
Salaries and training	993,650	1,012,947
Membership engagement	52,194	42,825
Central admin and overheads	359,156	366,617
Irrecoverable VAT	6,054	3,762
Central depreciation	-	12,000
	1,411,054	1,438,151

Governance costs

	2024 Total activities	2023 Total activities
	£	£
Audit	11,607	12,350
Central Admin	5,588	6,465
Management accounts	10,500	10,682
Trustee Expenses	1,014	321
	28,709	29,818

9 Raising funds expenditure

	2024	2023
	£	£
Other activities	69,605	75,750

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration - current auditors audit fees	11,607	12,350
Depreciation - owned assets	-	12,000
	11,607	24,350

11 Staff costs

	2024	2023
	£	£
Wages and salaries	1,236,300	1,210,890
Social security costs	74,219	84,453
Other pension costs	26,168	25,190
	1,336,687	1,320,533

The average monthly number of employees during the year for the group was as follows:

2024	2023
99	101

There average number of employees with emoluments (excluding employer pension contributions and employer National Insurance contributions) above £60,000 in this or the preceding year is as follows:

	2024	2023
£70,001 - £80,000	1	1

The key personnel management of The University Portsmouth Student's Union are considered to be the CEO, Deputy CEO, Director of Student Engagement and the Head of Central Services. The total remuneration paid in the year ended 31 July 2024 amounted to £220,605 (2023: £185,954).

12 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Portsmouth Students' Union Trading Limited.

The summary financial performance of the charity alone is:

	2024 £	2023 £
Turnover	1,780,033	1,916,232
Expenditure on charitable activities	(1,729,052)	(1,767,847)
Other recognised gains/(losses)	(126,501)	(347,036)
Net Income	**(75,520)**	**(198,651)**
Total funds brought forward	(1,004,075)	(805,424)
Total funds carried forward	(1,079,595)	(1,004,075)
Represented by:		
Unrestricted funds		
General Funds	574,118	648,284
Pension Deficit	(1,716,544)	(1,724,263)
Restricted funds	62,831	71,904
	(1,079,595)	**(1,004,075)**

13 Financial Performance of the subsidiary

Portsmouth Students' Union Trading Company Limited is a wholly owned trading subsidiary incorporated in the United Kingdom (company number 06320382). A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2024 £	2023 £
Turnover	260,842	289,302
Cost of sales and administration costs	(69,224)	(75,369)
Management charges	(112,189)	(139,553)
	79,429	74,380
Gift aid payment to UPSU	(79,429)	(74,380)
Net profit	-	-
Retained in subsidiary	-	-

The assets and liabilities of the Portsmouth Students' Union Trading Company Limited were:

	2024 £	2023 £
Total assets	107,497	123,226
Total liabilities	(107,496)	(123,225)
Total net assets	1	1
Aggregate share capital and reserves	1	1

14 Tangible fixed assets – Charity and group

	Fixtures & fittings £	Total £
Cost		
At 1 August 2023	215,248	215,248
Additions	-	-
Disposals	-	-
At 31 July 2024	215,248	215,248
Depreciation		
At 1 August 2023	215,248	215,248
Charge for year	-	-
On disposals	-	-
At 31 July 2024	215,248	215,248
Net book value		
At 31 July 2024	-	-
At 31 July 2023	-	-

15 Stocks

	2024 £	2023 £
Stocks	46,971	63,426

16 Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	27,360	21,623	510	938
Prepayments and accrued income	-	26,654	-	26,654
Other debtors	-	-	-	-
Intercompany	-	-	89,762	104,799
	27,360	48,277	90,272	132,391

17 Creditors: Amounts Falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	2,048	8,460	2,048	4,703
Social security and other taxes	19,137	-	19,137	-
Accruals and deferred income	159,864	107,610	149,169	95,572
Other creditors	3,287	5,664	3,106	4,472
VAT payable	8,400	2,555	1,542	1,116
	192,735	124,289	175,001	105,863

18 Deferred income

Deferred income relates to additional block grant income received in advance to offset some of the inflation for the 2023/24 year.

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Balance as at 1 August 2023	-	50,000	-	50,000
Amount released to incoming resources	-	(50,000)	-	(50,000)
Amount deferred in year	63,376	-	63,376	-
Balance as at 31 July 2024	63,376	-	63,376	-

19 Analysis of net assets between funds - Group

	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
Fixed assets	-	-	-	-
Current assets	766,853	62,831	829,684	844,477
Current liabilities	(192,735)	-	(192,735)	(124,289)
Pension deficit	(1,716,544)	-	(1,716,544)	(1,724,263)
	(1,142,426)	62,831	(1,079,595)	(1,004,075)

20 Movement in funds - Group

	At 1.8.23 £	Net movement in funds £	Transfers £	At 31.7.24 £
Unrestricted funds				
Pension deficit	(1,724,263)	(126,501)	134,220	(1,716,544)
General funds	648,284	60,054	(134,220)	574,118
Total unrestricted funds	(1,075,979)	(66,447)	-	(1,142,426)
Restricted funds				
Sports and societies	71,146	(9,073)	-	62,073
Ring fenced funds	758	-	-	758
Total restricted funds	71,904	(9,073)	-	62,831
TOTAL FUNDS	(1,004,075)	(75,520)	-	(1,079,595)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(126,501)	(126,501)
General funds	1,829,108	(1,769,054)	-	60,054
Restricted funds				
Sports and societies	20,530	(29,603)	-	(9,073)
Ring fenced funds	-	-	-	-
	1,849,638	(1,798,657)	(126,501)	(75,520)

Comparative for movement in funds - Group

	At 1.8.22 £	Net movement in funds £	Transfers £	At 31.7.23 £
Unrestricted funds				
Pension deficit	(1,505,051)	(347,036)	127,824	(1,724,263)
General funds	630,842	145,266	(127,824)	648,284
Total unrestricted funds	(874,209)	(201,770)	-	(1,075,979)
Restricted funds				
Sports and societies	68,027	3,119	-	71,146
Ring fenced funds	758	-	-	758
Total restricted funds	68,785	3,119	-	71,904
TOTAL FUNDS	(805,424)	(198,651)	-	(1,004,075)

20 Comparative for movement in funds - Group - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(347,036)	(347,036)
General funds	1,966,183	(1,820,917)	-	145,266
Restricted funds				
Sports and societies	25,799	(22,680)	-	3,119
Ring fenced funds	-	-	-	-
	1,991,982	(1,843,597)	(347,036)	(198,651)

21 Pension Commitments

The charity operates a defined contribution scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £26,168 (2023: £25,190).

22 Provision for liabilities

	2024 £	2023 £
Provisions	1,716,544	1,724,263

The union is a Participating Employer 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 United Kingdom. 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 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30th September 2011 the Scheme closed to future accrual.

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2022 and showed that the market value of the Scheme's assets was £106.7m (2019: £119.1m) excluding AVC's and incurred pensioners with these assets representing 46% (2019: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £136.7m (2019: £140.9m).

22 Provision for liabilities continued

The actuarial valuation of the Scheme as at 30 June 2022 revealed a funding shortfall (Technical Provisions minus value of assets) of £133,645,000. To eliminate this funding shortfall, the Trustees and NUS (the Principal Employer) have agreed that additional contributions will be paid to the Scheme by the participating unions as follows:

- £745,671 per month, to be paid towards the Scheme from 1 October 2023, increasing by 5% at each subsequent 1 October.
- These amounts include an allowance for the expenses of administering the Scheme of £536,038 per annum from 1 October 2023, increasing by 5% at each subsequent 1 October.
- The amounts also include an allowance for an expense reserve of £3,000,000 which is an estimated of the costs associated with winding-up the Scheme and the completion of the GMP equalisation exercise.
- These contributions are payable monthly in arrears, within 19 days of the end of each month. A participating union may, at their discretion, pay all or part of the contributions in advance. Participating unions will be given the option of paying a discounted lump sum instead of their monthly contributions between October 2023 and either September 2026, September 2029 or September 2032.

The funding shortfall is expected to be eliminated in 13 years 7 months of 1 October 2023, which is by 1 May 2037.

This expectation is based on the following assumptions:

- Technical Provisions calculated according to the method and assumptions set out in the Statement of Funding Principles; and
- the return on existing assets and the return on new contributions during the period being consistent with the calculation of the Technical Provisions as at 30 June 2022 but allowing for an initial additional investment return of 0.5% p.a. in year 1-4, linearly reducing to zero over year 5-12.

During the year ended 31 July 2024, the University of Portsmouth Students' Union made a deficit contribution which amounted to £134,220 (2023: £127,824).

At the balance sheet date the charity had monthly commitments to pay deficit funding contributions of £9,145 increasing in line with the recovery plan of 5% per annum until 31 July 2033.

	2024	2023
	£	£
Provision at start of the period	1,724,263	1,505,051
Effect of unwinding discount and changes in rate	126,501	347,036
Deficit contribution paid	(134,220)	(127,824)
Provision at the end of the period	1,716,544	1,724,263
Income and expenditure impact		
Effect of unwinding discount and changes in rate	126,501	347,036
	126,501	347,036

Assumptions

	31.07.24	31.07.23
	% per annum	% per annum
Rate of discount	4.75%	5.10%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

24 Related party transactions

The charity's trustees, as detailed on page 1, were reimbursed or had expenses paid on their behalf totalling £10,258 (2023: £12,665) in respect of travel, subsistence and training.

As authorised under section 6 of the Articles of Association, a total of £96,563 (2023: £121,946) was paid in remuneration to 8 (2023: 9) elected officer trustees.

Pension contributions paid by the Union on behalf of five (2023: five) of the trustees listed above totalled £1,875 (2023: £2,461).

The University of Portsmouth Students' Union (UPSU) operates a trading subsidiary, Portsmouth Students' Union Trading Company Limited (PSUT). PSUT is wholly owned by UPSU and was established to handle the sales of clothing, merchandise, advertising and exhibition space on behalf of the students' union. A monthly management charge is made by the charity in respect of the operation and administration of this company.

The University of Portsmouth is, by virtue of the provisions of section 22 of the Education Act 1994, required to take all practical steps to ensure that the charity operates fairly and democratically and accounts for its finances. During the year under review, the charity received grants totalling £1,267,560 (2023: £1,317,559) from the University of Portsmouth.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

England & Wales - Charity number 1136115

Accounts

Registered Company Number: 03934555 (England and Wales)
Charity Registration No. 1136115

The University of Portsmouth Students' Union

Report and Consolidated Financial Statements

For the year ended 31 July 2023

The University of Portsmouth Student's Union
Contents of the Financial Statements
for the Year Ended 31 July 2023

	Page
Report of the Trustees	1 to 12
Report of the Independent Auditors	13 to 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21 to 33

The University of Portsmouth Student's Union
Report of the Trustees
for the Year Ended 31 July 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Full-time (Elected) Officer Trustees

Welfare Officer	Natasha Layley (appointed 1st July 2021, resigned 30th June 2023)
Welfare Officer	Ines Bryzchcyk (appointed 1st July 2023)
Learning Experience Officer	Jade Underwood (appointed 1st July 2021, resigned 30th June 2023)
Learning Experience Officer	Kajetan Albin (appointed 1st July 2023)
Development Officer	Temidayo Dosunmu (appointed on 1st July 2022)
Academic Representation Officer	Ayoola Johnson (appointed 1st July 2022, resigned 4th May 2023)
Academic Representation Officer	Marija Solic (appointed 1st July 2023)
Democracy and Campaigns Officer	Dominic Owen (appointed 1st July 2021, resigned 30th June 2023)
Democracy and Campaigns Officer	Maizey Annear (appointed 1st July 2023)

Student Trustees

Non-Portfolio	Maizey Annear (appointed 24th January 2023, resigned 30th June 2023)
Non-Portfolio	Subhlesh Nair (appointed 25th April 2023)
Non-Portfolio	Oliver Cripps (appointed 25th April 2023)
Non-Portfolio	Eguonoghene Adams (appointed 1st July 2023)

University Nominated Trustee

Non-Portfolio	Mary Williams (appointed 21st April 2020)

External Trustees

Non-Portfolio	Victoria Turner (appointed on 29th January 2019)
Non-Portfolio	Ian Robinson (appointed on 29th January 2019)
Non-Portfolio	Heidi Harrison (appointed 18th October 2022, resigned 17th February 2023)

Company Secretary Temidayo Dosunmu (appointed on 1st July 2022)

Chief Executive Anna Clodfelter

Registered Office
Student Union Building
Cambridge Road
Portsmouth
Hants
PO1 2EF

Registered Company Number
03934555

Registered Charity Number
1136115

Auditors
Morris Crocker
Station House,
North Street
Havant PO9 1QU

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

Charity Bank Limited
194 High Street
Tonbridge
Kent TN9 1BE

Santander UK Plc
Abbey National House
2 Triton Square
Regents Place
London NW1 3AN

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham B1 2HB

Lloyds TSB Bank Plc
25 Gresham Street
London EC2V 7HN

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Warner Goodman LLP
Colman House
2-4 Landport Terrace
Portsmouth PO1 2RG

The Trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of Charities Act 2011 and Companies Act 2006, together with the accounts for the year ended 31st July 2023.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the University of Portsmouth Students' Union (the Union).

STRUCTURE GOVERNANCE AND MANAGEMENT

The Union is a registered charity (Charity No: 1136115) linked to the University of Portsmouth (the University).

The Union is also a company limited by guarantee registered in England and Wales (Company No: 3934555).

The Union is constituted by its Memorandum and Articles of Association and is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made by simple majority vote.

The Union is a students' union, as defined in the Education Act 1994, with internal regulations and rules approved by its Board of Trustees. The Union has twelve Trustees and are made up of the following persons:

i. Five Officer Trustees, elected annually in accordance with the Union's Memorandum and Articles of Association and elections rules
ii. Three Student Trustees, appointed in accordance with the Union's Memorandum and Articles of Association
iii. One University Nominated Trustee, appointed in accordance with the Union's Memorandum and Articles of Association
iv. Three External Trustees, appointed in accordance with the Union's Memorandum and Articles of Association.

The Union's Board of Trustees meets at least quarterly and are responsible for maintaining legal, financial and reputational stewardship. The Board of Trustees is also responsible for setting the organisation's strategy, in line with student member priorities. The Board approves general policies and approving the annual budgets and accounts.

All Trustees are provided with the Charity Commission's Guidance to Trustees and are given an introduction to the activities of the Union by the existing Board and the Chief Executive. Trustees are provided with training as and when required, based on individual and collective needs.

The current Governance Structure comprises of two subcommittees, Finance and Risk Committee and Student Focus & Governance Committee.

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Student Focus and Governance Committee

The Student Focus and Governance Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. maintains effective and influential representation
b. maintains accessible, equitable and inclusive activity to proactively engage students from across the student community
c. give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2023 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
d. maintains student leadership through fit for purpose and effective governance and democratic structures
e. maintains robust governance in relation to the Unions statutory requirements
f. ensures the Union responds at Board level to democratic outcomes in a way that shows respect and a commitment to the Union as a student-led organisation

The Student Focus and Governance Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External or one University Trustee and one External trustee (appointed by Leadership Team with regard to skills and experience) the External Trustee will vice-chair.
- Two Student Trustees (appointed by Leadership Team with regard to skills and experience)
- Good Governance Officer or other appointed representative from UAB
- Deputy Chief Executive
- Head of Representation
- In an advisory capacity only ie non-voting members: The Chief Executive, Head of Marketing & Insights (or appointed function Manager), Head of Student Opportunities & Operations (or appointed function Manager), Function Manager Insights

There shall be at least two meetings in each academic year, at least one before Christmas.

Finance and Risk Committee

The Finance & Risk Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. remains in sound financial health
b. maintains effective risk management practices
c. complies with relevant legislation and regulations

The Finance & Risk Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External and/or University Trustees (appointed by Leadership Team with regard to skills and experience) one of which will vice-chair.
- One student trustee (appointed by Leadership Team with regard to skills and experience)
- Deputy to the Chief Executive
- Head of Central Services
- In an advisory capacity only - The Chief Executive and Union Financial Advisers

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

The committee meets on a quarterly basis in line with financial quarter reporting framework.

A Revision of the Unions Articles of Association was approved by students at an EGM and approved by the UPSU Board and University governors in 2022. Changes included a change in Company Law members from the student body to the UPSU trustees. This review was supported and overseen by legal advisors Wrigleys

The democratic and representative framework of UPSU is as follows:

'Have your say' is a democratic process at the Union that enables students to get their voice heard and changes made. Every student can have a say on the Union and the University by submitting an idea through our Have Your Say platform. Ideas are then reviewed by Student Council and actioned or put out to students to a vote if further student consultation is needed.

The Board of Trustees maintains an oversight of these policies in accordance with the Board's duties to maintain legal, financial and reputational stewardship.

Student Council is the student-led decision making body at the Students' Union. They work together to tackle issues and run campaigns which affect all parts of student life, from course based issues and ideas to lobbying and resolving challenges that affect their wider University experience.

In 22/23 Student Council was made up of 10 Faculty Reps and 4 Student Officers took up post with a focus on the student experience and liberation issues.

At the request of UPSU trustees in 2021 UPSU is currently undertaking a Democracy Review to improve its democratic decision making, engage more students in the process and evaluate the volunteer and full time officer positions. This review will conclude in late 2024. A yearly enhancement plan is reviewed and supported by UPSU Leadership to ensure that whilst the review is taking place improvements are made year on year based on student and officer feedback.

Day to day running of the Union is delegated by The Board of Trustees to a Chief Executive (CEO).

To ensure effective management the Chief Executive leads a Strategic Leadership Team, with responsibility for strategic delivery and operational oversight of the Union's activities and services.

During 2021/22 there were significant changes, ultimately merging the Senior management team of 2 with an enhanced team of 5 x Operational Heads of function (Business, Central Services, Representation, Development and Marketing) to support SMT:

i. Chief Executive – Anna Clodfelter
ii. Deputy Chief Executive – Fern Lewis

This model has continued through 22/23 and is working well. The five Officer Trustees and the Senior Management Team are members of the Union's Leadership Team.

The role of the Leadership Team is to review the mid-level performance of the organisation, approve operational policies and coordinate ongoing activities in accordance with the Union's strategy and directions from the Board of Trustees. The full terms of reference for the Leadership Team can be seen within the Union's byelaws.

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

The Union employs 35 permanent staff and a further 45 occasional staff for the sake of quality delivery, continuous improvement and for the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties, via a line-management structure of delegated authority.

Salary bandings for all staff were reviewed through a sector benchmarking project with Southampton and Sussex SUs, against sector comparators and taking into account post covid market shifts. They were agreed by trustees in June 2022.

The Union operates a performance related pay framework for all staff including the Strategic Management Team. Staff are appraised against agreed annual objectives by line managers and pay awards are agreed annually by the Finance and Risk Committee. The CEO objectives and pay award approved by the Board of Trustee, CEO appraisal is undertaken by a panel of Trustees who also oversee the DCE appraisal.

RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in a Memorandum of Understanding and the Union receives a Block Grant from the University. The Union also part-occupies buildings owned by the University and enjoys a positive and supportive relationship with the institution; this non-monetary support is intrinsic to the relationship between the University and the Union and the associated benefits to the student body.

Although the Union continues to generate supplementary funding from various mutual-trading activities, it is dependent on the University's Block Grant. The University made a commitment to invest £250k for 22/23 and £250k for 23/24 for the UPSU Student Outcomes Change Project. The University is reviewing all spending and needing to make significant cuts in year and moving forward, this will mean that The Union will need to make in year savings of approximately 5% which will reduce the block grant and additional income originally budgeted for. The Union is appreciative of the University's investment in the Union and for confirming that they will provide continued financial support at similar levels of block grant for the foreseeable future, subject to their financial health.

The 1994 Education Act imposes a duty on the University to ensure that the Union operates in a fair and democratic manner and is accountable for its finances. A Financial Memorandum of Understanding exists between the two organisations which is reviewed annually and approved by the Union Finance & Risk Committee and University Infrastructure and Finance Committee.

The Union's trading company; Portsmouth Students' Union Trading Company Ltd (PSUT) is a wholly owned trading subsidiary company of the Union, which generates commercial income to support the Union's charitable objectives. In 2022/23 PSUT generated an operating profit of £74,380 from its activities, of which £74,380 was gifted to the Union.

AFFILIATIONS

There were no affiliation resolutions during the year 22/23 as defined within the provisions of the 1994 Education Act.

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union.

The Union maintains a risk register that is updated quarterly and fully reviewed annually with exceptions and occurrences reported quarterly to the Finance and Risk Committee. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union. Health & Safety processes and frameworks and Finance processes are continually reviewed and updated by staff teams resulting in the embedding of excellent practice across the organisation.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the Union.

All other types of risk have specific mitigation activities that are delegated to senior and operational managers of the Union.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Our interim 20-22 strategy ended in July 22. Our strategic planning lasted for the Academic year 22/23 with a new strategy approved in April 23 and in place by August 23. During the course of the year we used student data and research to lay the foundation of our strategy planning and direction of travel for the year. We reviewed our vision, values and guiding principles to check they are still relevant for our students and implemented the reviewed Vision, values and guiding principles April 23.

Our Vision:

The Union's Vision – as set with student consultation in 2023 is: "We have a positive impact with every Portsmouth student: students are heard, students are empowered, students thrive".

Our Values (Amended April 2023):

A Union you can count on
A Union led by students
A Union for every student
A Union that makes a difference

Our Guiding Principles (Amended April 2023):

I. Students Democratically guide us
II. Equity of Opportunity for students
III. Our independent status is paramount
IV. Partnerships strengthen our work
V. Relevant and resilient for current and future students
VI. We fight for students rights

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

Our Objects:

The Union is committed to the fulfilment of its charitable objects for the public benefit through the advancement of education of Students at the University of Portsmouth for the public benefit by:

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

These are supplemented by the further object of;
'helping members to develop their own charitable activities as active participants in civil society.' These objects are wholly consistent with the Union's Constitutional objects.

How we deliver our Objects:

In pursuit of these aims for the public benefit, the Union has established departments and services for use by its members and works with the University and other organisations on behalf of students.

The Union ensures diversity of its membership is recognised by implementing activity for and monitoring its participation from all sections of the student community and by electing and supporting students as champions of liberation campaigns.

The Union represents students of the University on relevant local, national and international issues by maintaining a high proportion of student representatives - over 1200:

- **5 Elected Officers** (formerly known as Sabbs - **full time paid**)
- **20 Student Council members** - academic, liberation and student experience reps
- **1050 Course reps and 5 Faculty Reps**
- **15 Union Led representative group leads** - including PGM Ambassadors & Group Exec

Student representatives are present on all policy and strategy making bodies in UPSU and across the formal governance structure in the University.

When reviewing the Union's objectives and planning the Union's activities, the Union gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Our Aims 2022/23:

During 22/23 we were in between the development of a new strategy and completing our old strategy, as well as meeting aims of year one of the Better Student Outcomes project (funded for two years)

The aims, objectives and achievements of our annual priorities as part of the Strategy development (International students, Student engagement, EDI, Partnerships, Climate, digital and wellbeing) and our functions (Advice, Representation, Development, Projects, Marketing, Insights. Central Services and Business) can be found at https://upsu.net/your-union/information/useful-documents

The aims, objectives and achievements of year one of the Better Student Outcomes Project (Targeted Consultancy Service, Enhanced Development Offer and Course representative Enhancement) can be found at https://upsu.net/your-union/information/for-staff

A detailed annual operational plan supporting the delivery of these strategic objectives can be obtained by request by emailing hello@upsu.net

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

A year of future proofing and change:

In addition to the Unions usual 22/23 activity, we undertook year 1 of our two year project funding of £500k (£250k pa over two years) to enhance student outcomes by continuing Course Representative enhancement programme, intervention models to increase student outcomes and tailored development opportunities for students, building on a pilot year which commenced in 21/22.

Outcomes:

The original operational delivery and KPIs are around 75% met or exceeded vs 25% not met or removed.
The KPI's / success measures of the Better Student Outcomes projects were

Although there were some challenges to getting all elements of the BSO project off the ground, and we are yet to see all of the impact we are having - particularly when delivering targeted support projects - against the more long term measurements that will help up to gauge the overall project success - the impact for students has been remarkable - evidenced through the influential interaction with UoP, the engagement from academic staff and student service teams with targeted support and enhance course rep support, and through the delivery of 38 individual projects in collaboration with the University.

In addition the enabling objectives are:

1. To maintain or increase the Union's 2022/23 National Student Survey (NSS) question 25 (previously question 26) score of 50% with intention to increase to 55% by 2026:
A. Exceeded - Increased to 69.72%, a 20% increase on the previous year. It should be noted that due to the change in answer format, on average all question 25 saw an increase of 18% across institutions. We achieved 2% more than the average increase.

2. To achieve the overall budget for the Union for 2022/23:
A. Achieved with a surplus of £92,744 against a deficit of £75,715 on the overall budget.

3. To achieve the budget for PSUT - trading company - for 2022/23
A. Not achieved with a surplus of £74,380 against a budget of £95,328.

4. To maintain a 5 year forward financial plan in-line with Future Union strategic aims
A. The 5 year Financial plan that had been altered for Covid was updated for a post Covid landscape and scenarios approved with the budget in June 2023.

5. Business as usual - quality outcomes for UoP students
A. Of the KPI's across a range of representative, welfare and development objectives for the organisation:
i. 80% Success of exceeded
ii. 20% Not met or removed

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 1750 volunteers that are supported to facilitate and participate in the majority of student groups and community volunteering projects as well as Student Council, Course Reps and Faculty Reps.

The 22/23 academic year has seen a large increase in engagement with societies and our student membership and volunteer numbers have now returned to pre covid numbers figures calculated this year from our annual volunteering report for student groups alone: There were 440 core committee members for student groups, collectively volunteering around 3080 hours across the year. In addition we had 289 other committee volunteers, taking on smaller roles within student societies. These volunteers gave around 672 hours to enhance the offer of our student groups.
Our faculty reps recorded 1000 hours of volunteering, course reps recorded 40000 hours of volunteer time and student council members around 200 hours.

FINANCIAL REVIEW

The group's gross income from all sources totalled £1,991,982 (2022: £1,709,700). Core expenditure was £1,843,597 (2022: £1,588,991) plus a further movement in Pension deficit liability of loss of £347,036 due to an increase in inflation and revaluation of the pension (2022: £40,915) giving a 2023 total of £2,190,633 (2022: £1,629,906) and, other than the pension movement, was broadly within the stated budget with the following exceptions:

1. Decrease in management charge income of £3.4k due to recruitment gaps.
2. Decrease in PSUT income of £21k due to Corporate Merch sales down by 49% because of University cuts. Footfall in the building has impacted greatly on sales in all areas of Retail with a negative variance of £15.5k. Partnerships were impacted by the current climate down by £10.9k both offset by reduction in costs of £4.7k.
3. £10.2k underspend in Salaries due to recruitment gaps.
4. £62k underspend on casual staff due recruitment starting late and not being able to fill all shifts.
5. £8.4k underspend for Marketing due to a delay in refreshing of building signage of £5k, underspend of digital provision of £1k due to using a different platform and reduction in welcome materials.
6. £20.9k underspend for Projects due to due to Welcome month, Freshers Fayre events being under budget by £4k, Activity fund for Rapid Response underspent by £16.8k offset by an agreed overspend of £0.7k for PAL project from Elected Officer Projects, an overspend of £0.7k on Agile
7. £17.5k underspend for Development/Groups made up from an underspend on Development grants of £5.2k, underspend on Activity delivery for Student Outcomes of £12.7k.
8. £3.4k underspend for Student Focus due overspend on training of £0.9k, an overspend on internal conferences of £1.4k, offset by an underspend on Engagement of £2.7k and Activity delivery for Student Outcomes of £3k.
9. £6.3k overspend on Insights due to relaunching the Segmentation project.

The Union budgeted an overall deficit in 22/23 approved by Trustees of £75,715. This overall budget includes payment of the in year pension deficit contribution. A surplus of £92,774 was achieved. The variance was mainly due to an increase in income.

When comparing against the core budget only, which excludes the pension contribution, the union achieved a surplus of £92,744 compared to a budget of £52,109.

The Union has continued to benefit from the recognition and support of the University, and for 22/23 the Union received £1,267,551 in block grant.

FINANCIAL REVIEW (Continued)

The Union last reviewed its reserves requirements during 22/23 assessing the required amount of charitable funds allocated to Reserves and Development funds. The updated reserves policy was signed off at Finance & Risk Committee in October 2022 - the reserves and development funds policy is as follows:

"The calculated minimum reserves is £246k.

An additional balance of reserves are designated to be utilised for the development fund. This amount will be determined periodically by the board/committee. The amount available will not exceed the difference between the free reserves and the minimum reserves.

The development fund is available for longer term Union development or to provide specific protection against the pensions related risks in future years"

The Union's free reserves stood at £648,284 (2022: £618,842) at the year-end which meets the Union's desired reserve levels. Reserves have been calculated as follows:

Total reserves	(1,004,075)
Less: Restricted reserves	(71,904)
Add: Pension deficit	1,724,263
Less: Fixed assets	0
	648,284

The Union's accounts show an updated provision for the future liabilities due to the Students' Union Superannuation Scheme based on the 30 June 2023 valuation. The valuation of the liabilities show the amount available to pay pension benefits in the future has declined when compared to its future liabilities. The Union in common with other participating student unions has to pay its share of the increased funding shortfall and is required to pay increased contributions based on previous contributions payable and the term has been extended. A separate reserve has been created in the accounts due to the long-term nature of the liability.

The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £25,799 (2022: £22,133) and expenditure of £22,680 (2022: £46,014) in addition to the grant-supported funds disbursed to them as shown in the accounts.

Student Groups at the Union raised around £8,000 in activities and fundraisers this year for local and national charities. The process has changed to increase development and independence for our groups, we let them do this all independently with little input!

The Union did not make any grants to other organisations during this or the preceding year.

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2023/24 has been set at £1,267,554 which includes £20k to assist our PGM Ambassador programme, in addition to this the second year Investment of £250k for our Student Outcomes Project. The University is reviewing all spending and needing to make significant cuts in year and moving forward, this will mean that The Union will need to make in year savings of approximately 5% which will reduce the block grant and additional income. The Union is very grateful for the Block Grant funding and the Investment for the Student Outcomes Project from the University. The commercial activities for 2023/24, through PSUT, are budgeted at £140,992.

FUTURE PLANS

The Union remains committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students.

With Elected Officer direction, supported by Trustee Board, students and staff - the Union undertook a robust strategic planning process with the timeline of a August 23 launch.

The strategic themes were set with student consultation, core principles reviewed and an updated Vision and new Values set for launch in April 23. The strategy can be found at https://upsu.net/your-union/information/useful-documents

The three themes in the new strategy will be:
Academic Success - All students' academic outcomes are improved as a result of the work that we do
Future Readiness - Students' futures are made clearer and enhanced by the work that we do
Social Capital - Students are supported to find themselves, be themselves, connect and belong

Some of our focus within this strategy will be:

- Focus on International student strategy and delivery to support our swiftly growing International student communities
- Development of a Student leaders strategy to support our student leaders (including representatives, committee members and Casual staff)
- Continued focus on our commitments around EDI
- Continued support for student wellbeing
- Supporting our students during the Cost of living crisis
- Developing our Building and spaces for student activity and student belonging

As we enter the final year of funding for the Better Student Outcomes project, (which ceases in July 24), Our agreed focus with the University will be:

- Attainment- Reducing the Awarding Gap
- Retention- reducing the Withdrawal rate
- Graduate Outcomes- Improve graduate progression into professional employment
- International Students- Supporting our increasing population and needs

2024 will also see the opening of the University's London Campus. UPSU will be working with the University to induct, support and welcome students to the campus. We will ensure we have an offer for them to increase their belonging and development.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of The University of Portsmouth Student's Union (A Company Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that

Appointment of Auditors

In accordance with the union's financial procedures a formal tender process was undertaken in April 2022 to appoint auditors for (21/22) the Auditors were appointed by the Board of Trustees on 28th June 2022 and the next tender process will take place in April 2026.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006 and was approved by the Board and signed on its behalf.

Approved by order of the board of trustees on 25th October 2023 and signed on its behalf by:

.....
Marija Solic (Academic Representation Trustee, Company Secretary)

Report of the Independent Auditors to the Members of The University of Portsmouth Student's Union For the Year Ended 31 July 2023

We have audited the financial statements of The University of Portsmouth Student's Union (the 'charitable company') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2023 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union
For the Year Ended 31 July 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant

Hampshire
PO9 1QU

Date: .....

The University of Portsmouth Student's Union
Consolidated Statement of Financial Activities
For the year ended 31 July 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	**2**	1,649,156	-	1,649,156	1,349,151
Other trading activities	**3**	289,302	-	289,302	310,007
Income from investments	**4**	1,785	-	1,785	356
Charitable activities	**5**	18,191	25,799	43,990	44,634
Other income	**6**	7,749	-	7,749	5,552
Total income		**1,966,183**	**25,799**	**1,991,982**	**1,709,700**
EXPENDITURE ON					
Raising funds	**9**	75,750	-	75,750	108,491
Charitable activities	**7**	1,745,167	22,680	1,767,847	1,480,500
Total		1,820,917	22,680	1,843,597	1,588,991
Net income/(expenditure)		**145,266**	**3,119**	**148,385**	**120,709**
Other recognised gains/(losses)					
Acturial gains/(losses) on defined benefit schemes	**22**	(347,036)	-	(347,036)	(40,915)
Net movements in funds		**(201,770)**	**3,119**	**(198,651)**	**79,794**
Reconciliation of funds					
Total funds brought forward		(874,209)	68,785	(805,424)	(885,218)
Total funds carried forward		**(1,075,979)**	**71,904**	**(1,004,075)**	**(805,424)**

All incoming resources and resources expended are derived from continuing activities.

The University of Portsmouth Student's Union
Consolidated Balance Sheet
For the year ended 31 July 2023

	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets					
Tangible assets	**14**	-	12,000	-	12,000
Investments	**13**	-	-	1	1
Total fixed assets		-	12,000	1	12,001
Current assets					
Stocks	**15**	63,426	47,627	-	-
Debtors	**16**	48,277	56,255	132,391	108,564
Cash at bank and in hand		732,774	790,411	693,659	772,427
Total current assets		844,477	894,293	826,050	880,991
Liabilities					
Creditors falling due within one year	**17**	(124,289)	(206,666)	(105,863)	(193,365)
Net current assets/(liabilities)		720,188	687,627	720,187	687,626
Total assets less current liabilities		720,188	699,627	720,188	699,627
Provisions for liabilities	**22**	(1,724,263)	(1,505,051)	(1,724,263)	(1,505,051)
Net (liabilities)/assets		(1,004,075)	(805,424)	(1,004,075)	(805,424)
Funds					
Pension deficit		(1,724,263)	(1,505,051)	(1,724,263)	(1,505,051)
General funds		648,284	630,842	648,284	630,842
Unrestricted funds	**20**	(1,075,979)	(874,209)	(1,075,979)	(874,209)
Restricted funds		71,904	68,785	71,904	68,785
Total charity funds		(1,004,075)	(805,424)	(1,004,075)	(805,424)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 25th October 2023 and were signed on its behalf by:

.....
Marija Solic (Academic Representation Trustee, Company Secretary)

The notes form part of these financial statements

The University of Portsmouth Student's Union
Statement of Cash Flows and Consolidated Statement of Cash Flows
for the year ending 31 July 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Net income for the reporting period (as per the statement of financial activities)					
Cash generated from operations	1	(59,422)	82,367	(80,553)	91,843
Net cash provided by (used in) operating activities		(59,422)	82,367	(80,553)	91,843
Cash flows from investing activities					
Interest income		1,785	356	1,785	356
Purchase of tangible fixed assets		-	-	-	-
Cash provided by (used in) investing activities		1,785	356	1,785	356
Change in cash and cash equivalents in the reporting period		(57,637)	82,723	(78,768)	92,199
Cash and cash equivalents at the beginning of the reporting period		790,411	707,688	772,427	680,228
Total cash at the end of the year		**732,774**	**790,411**	**693,659**	**772,427**

1) Reconciliation of net income to net cash flow from operating activities

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Net income for the reporting period (as per the statement of financial activities)	(198,651)	79,794	(198,651)	79,794
Adjustments for:				
Depreciation charges	12,000	13,093	12,000	13,093
Interest income	(1,785)	(356)	(1,785)	(356)
Finance cost of pension deficit	347,036	40,915	347,036	40,915
Pension deficit repayments	(127,824)	(121,740)	(127,824)	(121,740)
Decrease/(increase) in stocks	(15,799)	4,722	-	-
(Increase)/decrease in debtors	7,978	4,045	(23,827)	18,956
Increase/(decrease) in creditors	(82,377)	61,894	(87,502)	61,181
Net cash provided by (used in) operating activities	(59,422)	82,367	(80,553)	91,843

2) Analysis of changes in net debt

Group	**At 1.4.22 £**	**Cash flow £**	**At 31.3.23 £**
Net cash			
Cash at bank and in hand	790,411	(57,637)	732,774
	790,411	(57,637)	732,774

Company	**At 1.4.22 £**	**Cash flow £**	**At 31.3.23 £**
Net cash			
Cash at bank and in hand	772,427	(78,768)	693,659
	772,427	(78,768)	693,659

Accounting Policies

Basis of preparation

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The consolidated financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity. The Charitable company does participate in a defined benefit scheme and at the date of this report the liability on this scheme was £1,724,263 which is repayable by annual instalments. This liability is currently ring-fenced in the unrestricted reserves. The trustees have considered this factor in their assessment and they do not consider there to be any significant concern in being able to continue as a going concern.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Portsmouth Students' Union Trading on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with the use of resources.

1 Accounting Policies continued

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by Charities SORP (FRS 102), the donation of these facilities is included as an incoming resource within note 2 and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

University of Portsmouth Students' Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of 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 pension scheme trustees on 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 University of Portsmouth Student's Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the SUSS continued after the closure of the scheme in the form of deficit funding and levies.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles	25% on cost
Fixtures and fittings	10% and 20% on cost
AU Equipment	33% on cost

Fixed asset investments

Fixed asset investments comprise the entire share capital of the charity's subsidiary trading company. Portsmouth Students' Union Trading Limited. The investment is valued at cost on the basis there is no available fair value for the share capital.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable ordinary shares.

1 Accounting Policies - continued

Trade and other debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Donations and legacies

	2023 £	2022 £
Block grant received	1,297,556	1,247,551
Additional grants received	270,000	20,000
Donated Facilities	81,600	81,600
	1,649,156	1,349,151

3 Other trading activities

	2023	2022
	£	£
Income from trading subsidiary		
Commercial partnerships	164,971	164,220
Retail Income	123,531	144,987
Other income	800	800
	289,302	310,007

4 Income from investments

	2023	2022
	£	£
Bank deposit interest	1,785	356
	1,785	356

5 Income from charitable activities

	2023	2022
	£	£
Development - Group income	43,990	44,634
	43,990	44,634

6 Other Income

	2023	2022
	£	£
Other income	7,749	5,552
	7,749	5,552

7 Charitable activities costs

	Direct Costs	Support costs (note 8)	Totals
	£	£	£
Development	77,918	467,554	545,472
Representation	195,875	479,898	675,773
Welfare	26,085	467,554	493,639
Other charitable activities	-	52,963	52,963
	299,878	1,467,969	1,767,847

8 Support costs

	Central Operations £	Governance Costs £	Totals £
Development	467,443	111	467,554
Representation	479,787	111	479,898
Welfare	467,443	111	467,554
Other charitable activities	23,478	29,485	52,963
	1,438,151	29,818	1,467,969

Support costs have been apportioned on a basis that is consistent with use of resources.

Support costs, included in the above, are as follows:

Central Operations

	2023 Total activities	2022 Total activities
	£	£
Salaries and training	1,012,947	809,234
Membership engagement	42,825	44,460
Central admin and overheads	366,617	281,129
Irrecoverable VAT	3,762	3,789
Central depreciation	12,000	13,093
	1,438,151	1,151,705

Governance costs

	2023 Total activities	2022 Total activities
	£	£
Audit	12,350	10,948
Central Admin	6,465	6,650
Management accounts	10,682	11,314
Trustee Expenses	321	249
	29,818	29,161

9 Raising funds expenditure

	2023	2022
	£	£
Other activities	75,750	108,491

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration - current auditors audit fees	12,350	10,948
Depreciation - owned assets	12,000	13,093
	24,350	24,041

11 Staff costs

	2023	2022
	£	£
Wages and salaries	1,210,890	947,141
Social security costs	84,453	69,244
Other pension costs	25,190	21,859
	1,320,533	1,038,244

The average monthly number of employees during the year for the group was as follows:

2023	2022
101	72

There average number of employees with emoluments (excluding employer pension contributions and employer National Insurance contributions) above £60,000 in this or the preceding year is as follows:

	2023	2022
£70,001 - £80,000	1	1

The key personnel management of The University Portsmouth Student's Union are considered to be the CEO, Deputy CEO, and the Finance Manager. The total remuneration paid in the year ended 31 July 2023 amounted to £185,954 (2022: £163,034).

12 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Portsmouth Students' Union Trading Limited.

The summary financial performance of the charity alone is:

	2023 £	2022 £
Turnover	1,916,232	1,601,209
Expenditure on charitable activities	(1,767,847)	(1,480,500)
Other recognised gains/(losses)	(347,036)	(40,915)
Net Income	**(198,651)**	**79,794**
Total funds brought forward	(805,424)	(885,218)
Total funds carried forward	(1,004,075)	(805,424)
Represented by:		
Unrestricted funds		
General Funds	648,284	630,842
Pension Deficit	(1,724,263)	(1,505,051)
Restricted funds	71,904	68,785
	(1,004,075)	**(805,424)**

13 Financial Performance of the subsidiary

Portsmouth Students' Union Trading Company Limited is a wholly owned trading subsidiary incorporated in the United Kingdom (company number 6320382). A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2023 £	2022 £
Turnover	289,302	310,007
Cost of sales and administration costs	(75,369)	(108,631)
Management charges	(139,553)	(137,270)
	74,380	64,106
Gift aid payment to UPSU	(74,380)	(64,106)
Net profit	-	-
Retained in subsidiary	**-**	**-**

The assets and liabilities of the Portsmouth Students' Union Trading Company Limited were:

	2023 £	2022 £
Total assets	123,226	97,402
Total liabilities	(123,225)	(97,401)
Total net assets	1	1
Aggregate share capital and reserves	1	1

14 Tangible fixed assets – Charity and group

	Fixtures & fittings £	Total £
Cost		
At 1 August 2022	215,248	215,248
Additions	-	-
Disposals	-	-
At 31 July 2023	215,248	215,248
Depreciation		
At 1 August 2022	203,248	203,248
Charge for year	12,000	12,000
On disposals	-	-
At 31 July 2023	215,248	215,248
Net book value		
At 31 July 2023	-	-
At 31 July 2022	12,000	12,000

15 Stocks

	2023 £	2022 £
Stocks	63,426	47,627

16 Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	21,623	24,964	938	498
Prepayments and accrued income	26,654	25,491	26,654	18,516
Other debtors	-	5,800	-	5,800
Intercompany	-	-	104,799	83,750
	48,277	56,255	132,391	108,564

17 Creditors: Amounts Falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	8,460	39,936	4,703	30,747
Social security and other taxes	-	17,907	-	17,907
Accruals and deferred income	107,610	140,351	95,572	135,889
Other creditors	5,664	7,424	4,472	7,424
VAT payable	2,555	1,048	1,116	1,398
	124,289	206,666	105,863	193,365

18 Deferred income

Deferred income relates to additional block grant income received in advance to offset some of the inflation for the 2022/23 year.

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Balance as at 1 August 2022	50,000	-	50,000	-
Amount released to incoming resources	(50,000)	-	(50,000)	-
Amount deferred in year	-	50,000	-	50,000
Balance as at 31 July 2023	-	50,000	-	50,000

19 Analysis of net assets between funds - Group

	Unrestricted fund £	Restricted fund £	2023 Total funds £	2022 Total funds £
Fixed assets	-	-	-	12,000
Current assets	772,573	71,904	844,477	894,293
Current liabilities	(124,289)	-	(124,289)	(206,666)
Pension deficit	(1,724,263)	-	(1,724,263)	(1,505,051)
	(1,075,979)	71,904	(1,004,075)	(805,424)

20 Movement in funds - Group

	At 1.8.22 £	Net movement in funds £	Transfers £	At 31.7.23 £
Unrestricted funds				
Pension deficit	(1,505,051)	(347,036)	127,824	(1,724,263)
General funds	630,842	145,266	(127,824)	648,284
Total unrestricted funds	(874,209)	(201,770)	-	(1,075,979)
Restricted funds				
Sports and societies	68,027	3,119	-	71,146
Ring fenced funds	758	-	-	758
Total restricted funds	68,785	3,119	-	71,904
TOTAL FUNDS	(805,424)	(198,651)	-	(1,004,075)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Acturial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(347,036)	(347,036)
General funds	1,966,183	(1,820,917)	-	145,266
Restricted funds				
Sports and societies	25,799	(22,680)	-	3,119
Ring fenced funds	-	-	-	-
	1,991,982	(1,843,597)	(347,036)	(198,651)

Comparative for movement in funds - Group

	At 1.8.21 £	Net movement in funds £	Transfers £	At 31.7.22 £
Unrestricted funds				
Pension deficit	(1,585,876)	(40,915)	121,740	(1,505,051)
General funds	607,992	144,590	(121,740)	630,842
Total unrestricted funds	(977,884)	103,675	-	(874,209)
Restricted funds				
Sports and societies	90,374	(23,881)	1,534	68,027
Ring fenced funds	2,292	-	(1,534)	758
Total restricted funds	92,666	(23,881)	-	68,785
TOTAL FUNDS	(885,218)	79,794	-	(805,424)

20 Comparative for movement in funds - Group - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(40,915)	(40,915)
General funds	1,687,567	(1,542,977)	-	144,590
Restricted funds				
Sports and societies	22,133	(46,014)	-	(23,881)
Ring fenced funds	-	-	-	-
	1,709,700	(1,588,991)	(40,915)	79,794

21 Pension Commitments

The charity operates a defined contribution scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £25,190 (2022: £21,859).

22 Provision for liabilities

	2023 £	2022 £
Provisions	1,724,263	1,505,051

The union is a Participating Employer 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 United Kingdom. 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 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30th September 2011 the Scheme closed to future accrual.

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2022 and showed that the market value of the Scheme's assets was £106.7m (2019: £119.1m) excluding AVC's and incurred pensioners with these assets representing 46% (2019: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £136.7m (2019: £140.9m).

22 Provision for liabilties continued

The actuarial valuation of the Scheme as at 30 June 2022 revealed a funding shortfall (Technical Provisions minus value of assets) of £133,645,000. To eliminate this funding shortfall, the Trustees and NUS (the Principal Employer) have agreed that additional contributions will be paid to the Scheme by the participating unions as follows:

- £745,671 per month, to be paid towards the Scheme from 1 October 2023, increasing by 5% at each subsequent 1 October.
- These amounts include an allowance for the expenses of administering the Scheme of £536,038 per annum from 1 October 2023, increasing by 5% at each subsequent 1 October.
- The amounts also include an allowance for an expense reserve of £3,000,000 which is an estimated of the costs associated with winding-up the Scheme and the completion of the GMP equilisation exercise.
- These contributions are payable monthly in arrears, within 19 days of the end of each month. A participating union may, at their discretion, pay all or part of the contributions in advance. Participating unions will be given the option of paying a discounted lump sum instead of their monthly contributions between October 2023 and either September 2026, September 2029 or September 2032.

The funding shortfall is expected to be eliminated in 13 years 7 months of 1 October 2023, which is by 1 May 2037.

This expectation is based on the following assumptions:

- Technical Provisions calculated according to the method and assumptions set out in the Statement of Funding Principles; and
- the return on existing assets and the return on new contributions during the period being consistent with the calcluation of the Technical Provisions as at 30 June 2022 but allowing for an initial additional investment return of 0.5% p.a. in year 1-4, linearly reducing to zero over year 5-12.

During the year ended 31 July 2023, the University of Portsmouth Students' Union made a deficit contribution which amounted to £127,824 (2022: £121,740).

At the balance sheet date the charity had monthly commitments to pay deficit funding contributions of £9,145 increasing in line with the recovery plan of 5% per annum until 31 July 2033.

	2023	2022
	£	£
Provision at start of the period	1,505,051	1,585,876
Effect of unwinding discount and changes in rate	347,036	40,915
Deficit contribution paid	(127,824)	(121,740)
Provision at the end of the period	1,724,263	1,505,051
Income and expenditure impact		
Effect of unwinding discount and changes in rate	347,036	40,915
	347,036	40,915

Assumptions

	31.07.23	31.07.22
	% per annum	% per annum
Rate of discount	5.10%	2.58%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

24 Related party transactions

The charity's trustees, as detailed on page 1, were reimbursed or had expenses paid on their behalf totalling £12,665 (2022: £14,377) in respect of travel, subsistence and training.

As authorised under section 6 of the Articles of Association, a total of £121,946 (2022: £107,926) was paid in remuneration to 9 (2022: 7) elected officer trustees.

Pension contributions paid by the Union on behalf of five (2022: six) of the trustees listed above totalled £2,461 (2022: £4,232).

The University of Portsmouth Students' Union (UPSU) operates a trading subsidiary, Portsmouth Students' Union Trading Company Limited (PSUT). PSUT is wholly owned by UPSU and was established to handle the sales of clothing, merchandise, advertising and exhibition space on behalf of the students' union. A monthly management charge is made by the charity in respect of the operation and administration of this company.

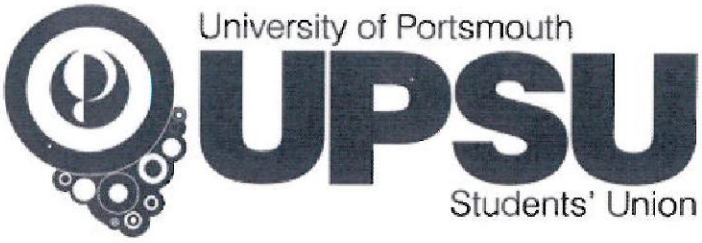
The University of Portsmouth is, by virtue of the provisions of section 22 of the Education Act 1994, required to take all practical steps to ensure that the charity operates fairly and democratically and accounts for its finances. During the year under review, the charity received grants totalling £1,317,559 (2022: £1,267,551) from the University of Portsmouth.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

England & Wales - Charity number 1136115

Accounts

Registered Company Number: 03934555 (England and Wales)
Charity Registration No. 1136115



The University of Portsmouth Students' Union

Report and Consolidated Financial Statements

For the year ended 31 July 2022

The University of Portsmouth Student's Union
Contents of the Financial Statements
for the Year Ended 31 July 2022

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 34

The University of Portsmouth Student's Union
Report of the Trustees
for the Year Ended 31 July 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Full-time (Elected) Officer Trustees

Welfare Officer	Natasha Layley (appointed 1st July 2021)
Learning Experience Officer	Jade Underwood (appointed 1st July 2021)
Development Officer	Micheal Kiddell (appointed 1st July 2020, resigned on 16th May 2022)
Development Officer	Temidayo Dosunmu (appointed on 1st July 2022)
Academic Representation Officer	Sapphire Rance (appointed 1st July 2021, resigned on 30th June 2022)
Academic Representation Officer	Ayoola Johnson (appointed 1st July 2022)
Democracy and Campaigns Officer	Dominic Owen (appointed 1st July 2021)

Student Trustees

Non-Portfolio	Ayoola Johnson (appointed 14th August 2020, resigned on 30th June 2022)
Non-Portfolio	Temidayo Dosunmu (appointed 1st August 2021, resigned 30th June 2022)
Non-Portfolio	Bill Gunayon (appointed 20th April 2021. resigned on 31st July 2022)

University Nominated Trustee

Non-Portfolio	Mary Williams (appointed 21st April 2020)

External Trustees

Non-Portfolio	Baldev Singh Gill (Appointed 24th October 2018, resigned on 31st July 2022)
Non-Portfolio	Victoria Turner (Appointed on 29th January 2019)
Non-Portfolio	Ian Robinson (Appointed on 29th January 2019)

Company Secretary Jade Underwood (appointed 1st July 2021, resigned on 30th June 2022)
Temidayo Dosunmu (appointed on 1st July 2022)

Chief Executive Anna Clodfelter

Registered Office
Student Union Building
Cambridge Road
Portsmouth
Hants
PO1 2EF

Registered Company Number
03934555

Registered Charity Number
1136115

Auditors
Morris Crocker
Station House,
North Street
Havant PO9 1QU

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

Charity Bank Limited
194 High Street
Tonbridge
Kent TN9 1BE

Santander UK Plc
Abbey National House
2 Triton Square
Regents Place
London NW1 3AN

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham B1 2HB

Lloyds TSB Bank Plc
25 Gresham Street
London EC2V 7HN

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Warner Goodman LLP
Colman House
2-4 Landport Terrace
Portsmouth PO1 2RG

The Trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of Charities Act 2011 and Companies Act 2006, together with the accounts for the year ended 31st July 2022.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the University of Portsmouth Students' Union (the Union).

STRUCTURE GOVERNANCE AND MANAGEMENT

The Union is a registered charity (Charity No: 1136115) linked to the University of Portsmouth (the University).

The Union is also a company limited by guarantee registered in England and Wales (Company No: 3934555).

The Union is constituted by its Memorandum and Articles of Association and is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made by simple majority vote.

The Union is a students' union, as defined in the Education Act 1994, with internal regulations and rules approved by its Board of Trustees. The Union has twelve Trustees and are made up of the following persons:

i. Five Officer Trustees, elected annually in accordance with the Union's Memorandum and Articles of Association and elections rules
ii. Three Student Trustees, appointed in accordance with the Union's Memorandum and Articles of Association
iii. One University Nominated Trustee, appointed in accordance with the Union's Memorandum and Articles of Association
iv. Three External Trustees, appointed in accordance with the Union's Memorandum and Articles of Association.

The Union's Board of Trustees meets at least quarterly and are responsible for maintaining legal, financial and reputational stewardship. The Board of Trustees is also responsible for setting the organisation's strategy, in line with student member priorities. The Board approves general policies and approving the annual budgets and accounts.

All Trustees are provided with the Charity Commission's Guidance to Trustees and are given an introduction to the activities of the Union by the existing Board and the Chief Executive. Trustees are provided with training as and when required, based on individual and collective needs.

The current Governance Structure comprises of two subcommittees, Finance and Risk Committee and Student Focus & Governance Committee.

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Student Focus and Governance Committee

The Student Focus and Governance Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. maintains effective and influential representation
b. maintains accessible, equitable and inclusive activity to proactively engage students from across the student community
c. give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2022 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
d. maintains student leadership through fit for purpose and effective governance and democratic
e. maintains robust governance in relation to the Unions statutory requirements
f. ensures the Union responds at Board level to democratic outcomes in a way that shows respect and a commitment to the Union as a student-led organisation

The Student Focus and Governance Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External or one University Trustee and one External trustee (appointed by Leadership Team with regard to skills and experience) the External Trustee will vice-chair.
- Two Student Trustees (appointed by Leadership Team with regard to skills and experience)
- Good Governance Officer or other appointed representative from UAB
- Deputy Chief Executive
- Student Focus & Advice Manager
- In an advisory capacity only ie non-voting members: The Chief Executive, Marketing & Insights Manager (or appointed function Lead), Student Opportunities & Operations Manager (or appointed function Lead), Insights Lead

There shall be at least two meetings in each academic year, at least one before Christmas.

Finance and Risk Committee

The Finance & Risk Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. remains in sound financial health
b. maintains effective risk management practices
c. complies with relevant legislation and regulations

The Finance & Risk Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Elected Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External and/or University Trustees (appointed by Leadership Team with regard to skills and experience) one of which will vice-chair.
- One student trustee (appointed by Leadership Team with regard to skills and experience)
- Deputy to the Chief Executive
- Finance & Central Administration Manager
- In an advisory capacity only - The Chief Executive and Union Financial Advisers

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

The committee meets on a quarterly basis in line with financial quarter reporting framework.

The political and campaigning policies of the Union were fully reviewed and updated through full student consultation and approval by referendum in May 2015, the process was further reviewed during 16/17 and 17/18 to streamline and remove barriers to student participation. Revision of Mem Arts has been approved by UPSU Board and University governors in 2022. The democratic and representative framework of UPSU is as follows:

'Have your say' is a democratic process at the Union that enables students to get their voice heard and changes made. Every student can have a say on the Union and the University by submitting an idea through our Have Your Say platform. Ideas are then reviewed by Student Council and actioned or put out to students to a vote if further student consultation is needed.

The Board of Trustees maintains an oversight of these policies in accordance with the Board's duties to maintain legal, financial and reputational stewardship.

The Union's Student Council membership comprises the 5 Elected Officers, 5 Faculty Reps, 2 Union zone Reps, 5 academic, 5 liberation and 5 student experience reps representing hard to reach and those least engaged with Union activity and a Council Chair.

Day to day running of the Union is delegated by The Board of Trustees to a Chief Executive (CEO).

To ensure effective management the Chief Executive leads a Strategic Leadership Team, with responsibility for strategic delivery and operational oversight of the Union's activities and services.

During 2021/22 there were significant changes, ultimately merging the Senior management team of 2 with an enhanced team of 5 x Operational Heads of function (Business, Central Services, Representation, Development and Marketing) to support SMT:

i. Chief Executive – Anna Clodfelter
ii. Deputy Chief Executive – Fern Lewis

The five Officer Trustees and the Senior Management Team are members of the Union's Leadership Team.

The role of the Leadership Team is to review the mid-level performance of the organisation, approve operational policies and coordinate ongoing activities in accordance with the Union's strategy and directions from the Board of Trustees. The full terms of reference for the Leadership Team can be seen within the Union's byelaws.

The Union employs 35 permanent staff and a further 45 occasional staff for the sake of quality delivery, continuous improvement and for the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties, via a line-management structure of delegated authority.

Salary bandings for all staff were reviewed through a sector benchmarking project with Southampton and Sussex SUs, against sector comparators and taking into account post covid market shifts. They were agreed by trustees in June 2022.

The Union operates a performance related pay framework for all staff including the Strategic Management Team. Staff are appraised against agreed annual objectives by line managers and pay awards are agreed annually by the Finance and Risk Committee. The CEO objectives and pay award approved by the Board of Trustee, CEO appraisal is undertaken by a panel of Trustees who also oversee the DCE appraisal.

RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in a Memorandum of Understanding and the Union receives a Block Grant from the University. The Union also part-occupies buildings owned by the University and enjoys a positive and supportive relationship with the institution; this non-monetary support is intrinsic to the relationship between the University and the Union and the associated benefits to the student body.

Although the Union continues to generate supplementary funding from various mutual-trading activities, it is dependent on the University's Block Grant. Grant level for 21/22 was returned to 19/20 level including the additional payment of £20k towards the PGM Ambassador work. The University will not be able to increase the level of block grant for 22/23 and has awarded UPSU an additional £50k in 21/22 to be ringfenced specifically to assist with inflation costs in 22/23. The University also made a further commitment to invest £250k for 22/23 and £250k for 23/24 for the UPSU Student Outcomes Change Project. The Union is appreciative of the University's on-going investment in the Union and for confirming that they will provide continued financial support at similar levels of block grant for the foreseeable future, subject to their financial health.

The 1994 Education Act imposes a duty on the University to ensure that the Union operates in a fair and democratic manner and is accountable for its finances. A Financial Memorandum of Understanding exists between the two organisations which is reviewed annually and approved by the Union Finance & Risk Committee and University Infrastructure and Finance Committee.

The Union's trading company; Portsmouth Students' Union Trading Company Ltd (PSUT) is a wholly owned trading subsidiary company of the Union, which generates commercial income to support the Union's charitable objectives. In 2021/22 PSUT generated an operating profit of £64,106 from its activities, of which £64,106 was gifted to the Union. There has been a longstanding loan from UPSU to PSUT that has been repaid in 21/22 of £7k.

AFFILIATIONS

Note: As directed by the Annual Members Meeting in December 2018, the Union held a referendum on affiliation to the National Union of Students (NUS) in March 2019. Trustees approved the result of this referendum in April 2019. The referendum confirmed disaffiliation from NUS from 31st December 2019.

Note: As of 1st August 2019, University of Portsmouth Sport and Recreation are the affiliate with BUCS in place of UPSU, therefore historical affiliation with BUCS is no longer applicable.

There were no affiliation resolutions during the year 21/22 as defined within the provisions of the 1994 Education Act.

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union.

The Union maintains a risk register that is updated quarterly and fully reviewed annually with exceptions and occurrences reported quarterly to the Finance and Risk Committee. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union. Health & Safety processes and frameworks and Finance processes are continually reviewed and updated by staff teams resulting in the embedding of excellent practice across the organisation.

RISK MANAGEMENT (Continued)

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the Union.

All other types of risk have specific mitigation activities that are delegated to senior and operational managers of the Union.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Cautiously exiting the Covid landscape but with Covid still a big part of operational delivery both for UPSU and the University teaching - the Union remained committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students - through a developed hybrid offer, retaining the digital excellence learned through the pandemic and working with students to build face to face offers as the restrictions eased.

21/22 saw the delivery of the final elements of the interim 20-22 strategic plan to navigate covid, that set out the following:

Our Vision:

The Union's Vision – as set with student consultation in 2011, 2014 and 2018 is: 'A positive impact for every Portsmouth student'.

Our Values:

Inclusive. Enriching and Pioneering

Our Guiding Principles:

I. Students Democratically guide us
II. Equity of Opportunity for students
III. Our independent status is paramount
IV. Partnerships strengthen our work
V. Relevant and resilient for current and future students

Our Objects:

The Union is committed to the fulfilment of its charitable objects for the public benefit through the advancement of education of Students at the University of Portsmouth for the public benefit by:

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

These are supplemented by the further object of;
'helping members to develop their own charitable activities as active participants in civil society.' These objects are wholly consistent with the Union's Constitutional objects.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

How we deliver our Objects:
In pursuit of these aims for the public benefit, the Union has established departments and services for use by its members and works with the University and other organisations on behalf of students.

The Union ensures diversity of its membership is recognised by implementing activity for and monitoring its participation from all sections of the student community and by electing and supporting students as champions of liberation campaigns.

The Union represents students of the University on relevant local, national and international issues by maintaining a high proportion of student representatives - over 1200:

- **5 Elected Officers** (formerly known as Sabbs - **full time paid**)
- **15 Student Council members** - academic, liberation and student experience reps
- **1050 Course reps and 5 Faculty Reps**
- **30 Union Led representative group leads** - including BAME Ambassadors, Activist Student Forum, Accommodation Ally Reps

Student representatives are present on all policy and strategy making bodies in UPSU and across the formal governance structure in the University.

When reviewing the Union's objectives and planning the Union's activities, the Union gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Our Aims 2020-22:

1 **Empowering a Network of Students**
We give power, confidence and a voice to students, enabling them to influence, change and uphold their rights, needs and wants

Develop and maintain strong and effective student leadership within UPSU - led by elected Officers and student leaders and supported by our high quality Student Focus

Develop and maintain a 'student voice framework', in partnership with the University, that:
- ensures that students are enshrined as active partners in all decision making
- enables, empowers and embeds a network of 'student action-takers' across the entire UoP student community
- establishes and embeds robust mechanisms that capture issues and actions to ensure effective outcomes, effective communications and effective sharing

2 **Collective Representation**
We harness student leadership through the collective student voice to bring power and influence; we are a representative & campaigning SU

Develop and maintain a 'collective representation framework' for UPSU that embeds a culture where students are engaged at all different levels, around a common purpose, playing a key role in deciding what needs to be decided:
- establishing collective intelligence as the core of decision-making, combining quality research with active student participation (not just elected reps)
- embedding a strengthened role for minority voices

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

Develop a 'campaign and action framework' to mobilise, enable and empower students to be doing what needs to be done, in university life or society as a whole, including:

- influence and claim their rights, needs and wants
- defend their interests
- bring about changes in systems, policies, attitudes, knowledge, and behaviors regarding issues affecting university life or society at large

Develop and maintain clear and effective ways of working to ensure:

- The curation of an influential, collaborative relationship with UoP
- University wide engagement with the student voice, that delivers active delegation of power and decision making

3 **Quality Student Experience**

We establish beneficial relationships with our student members, we enrich their Portsmouth experience and we support them to be future ready

Establish defined best practice elements for Quality Student Experience that enable both internal and UoP action planning to achieve it.

Develop our membership engagement work to:

- Know confidently who our members are in the diverse community of UoP students across the globe
- Gain a relationship with non-engaged students or under-represented students
- Maintain our relationship with engaged students
- Ensure that all UoP Students know we exist and have the opportunity to shape their involvement in ways that benefit them.
- Work in close partnership with students, the University and the wider community to capture, communicate, replicate and celebrate the impact our students have.

Develop and maintain a programme of work that empowers students to experience University with:

- Positive wellbeing - the presence of good mental, physical & social health, basic needs, fulfillment and satisfaction with life
- Respect for climate and environment - the ability to make climate positive choices and live a sustainable life at University
- Diverse, supportive connections and social interaction - the ability for students, from all backgrounds, to seek out and nurture strong support networks and partnerships to help meet their academic, career and personal needs.

Develop and maintain a pioneering and inclusive offer for Student Development - to

- social, cultural, sporting and academic opportunities
- opportunities specifically to enhance global citizenship, professional skills, knowledge and experience
- a University partnership approach to Student Development

A detailed annual operational plan supports the delivery of these strategic objectives and can be obtained by request by emailing hello@upsu.net

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

A year of future proofing and change:

In addition to the Unions usual activity 21/22 saw a year of significant action in response to emerging matters relating to our representation work.

The combined factors of the University Portfolio Review and the Government agenda on HE and Unions opened a risk/opportunity window that was too significant for the union to ignore.

As a result, a pilot of Course Representative enhancement was undertaken, investing in 40 student staff and supporting resources with a budget of £100k. It was conceived agreed and commenced in the space of less than three months and the resultant evidence drove the creation of an investment proposal for the university to continue and expand the project - focussing on an intervention model to enhance student outcomes. The proposal was successful and £500k for two years delivery was agreed commencing October 2022.

Outcomes:

The original operational delivery and KPIs are around 60% met or exceeded vs 40% not met or removed. But the operational KPIs for the new pilot and investment proposal were 100% met or exceeded.

With business as usual and the additional work in the pilot - the impact for students has been remarkable - evidenced through the influential interaction with UoP, the successful investment and through the high level and immediate outcomes for students.

Troubling KPIs continued to be NSS and NPS which reflect the detachment of many students from their Union - our work on the Student Outcomes project will hopefully see an increase - certainly in the areas of intervention is focused on reversing some of the causes of these drops.

In addition the enabling objectives are:

1.To achieve an increase of at least 2% on the Union's 2019 National Student Survey (NSS) question 26 score to 60%.
A.Not achieved - Drop to 58% from 61% and a further decline in the league tables. This is mirrored by a drop in UoP Q27.

2.To achieve the overall budget for the Union for 2021/22
A.Achieved with a surplus of £79,794 against a deficit of £20,387 on the overall budget.

3.To achieve the budget for PSUT - trading company - for 2021/22
A.Achieved with a surplus of £64,106 against a budget of £1,982.

4.To maintain a 5 year forward financial plan in-line with Future Union strategic aims
A.The 5 year Financial plan that had been altered for Covid was updated for a post covid landscape and scenarios approved with the budget in June 2022.

5.Business as usual - quality outcomes for UoP students
A.Of the KPI's across a range of representative, welfare and development objectives for the organisation:

i. 60% Success or exceeded
ii. 40% Not met or removed
iii. Pilot - 100% met or exceeded

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 1200 volunteers that are supported to facilitate and participate in the majority of student groups and community volunteering projects as well as Student Council, Course Reps and Faculty Reps.

Post covid volunteer numbers remain lower than the historic 1200, but figures calculated this year from our annual volunteering report for student groups alone: 1710 hours from 555 volunteers.

FINANCIAL REVIEW

The group's gross income from all sources totalled £1,709,700 (2021: £1,447,232). Core expenditure was £1,588,991 (2021: £1,373,901) plus a further movement in Pension deficit liability of loss of £40,915 (2021: £42,391) giving a 2022 total of £1,629,906 (2021: £1,416,292) and was broadly within the stated budget with the following exceptions:

1. Decrease in management charge income of £9k due to recruitment gaps and reduced costs through UPSU.
2. Increase in PSUT income of £62k due to the reduction in management charges (see above), additional partnership income, increased profit margin in clothing income.
3. £34.4k underspend in Salaries due to recruitment gaps.
4. £68.4 overspend on casual staff due to launch of the Student Outcomes Change Project.
5. £17.4k overspend on Central mainly due to recruitment overspend of £16k, subscriptions of £5k and £14.7k overspend on legal & professional fees, offset by underspend on printing & stationery costs of £0.9k, building costs of £1.2k, Insurance of £2.2k, equipment & assets of £2.4k, Irrecoverable VAT of £5.2k, financial providers of £1.8k, bank & card charges of £1.4k.
6. £24.2k underspend for Marketing due to a delay in rebranding of the Union and reduction in printing costs for Freshers .
7. £6.4k underspend for Projects due to sourcing cheaper materials, security and various other services, Agile projects were break even.
8. £2.6k underspend for Groups made up from an underspend on development grant .
9. £7.3k underspend for Student Focus due to a reduction of engagement costs of £3.1k and £4.2k phasing of training expenses.

The Union budgeted an overall deficit in 21/22 approved by Trustees of £20,401. This overall budget includes movement on the pension deficit and other exceptional items forecast in the year. A surplus of £79,794 was achieved. The variance was mainly due to an increase in income.

When comparing against the core budget only, which excludes the pension movement, the union achieved a surplus of £120,709 compared to a budget of £101,339.

The Union has continued to benefit from the recognition and support of the University, and for 21/22 the Union received £1,247,551 in block grant.

The Union last reviewed its reserves requirements during 21/22 assessing the required amount of charitable funds allocated to Reserves and Development funds - the reserves and development funds policy is as follows:

"It shall be the policy of the Union to maintain a minimum of £325k (raised from £250k) to include working capital, commercial and other contingencies. At this level UPSU believes that it would be able to continue the student-facing activities of the organisation in the event of a significant decline in funding, whilst allowing time to reestablish or re-focus income generating activities.

Amounts held above the minimum level are held as a Development Fund available flexibly for use of future agreed projects which help the Union to support a high standard of service for students."

FINANCIAL REVIEW (Continued)

Trustees (or those with designated authority) may assign amounts from within the Development Fund for specific projects or activities agreed within the framework as set out in the Financial Procedures:

The Union's free reserves stood at £618,842 (2021: £582,899) at the year-end which meets the Union's desired reserve levels. Reserves have been calculated as follows:

Total reserves	(805,424)
Less: Restricted reserves	(68,785)
Add: Pension deficit	1,505,051
Less: Fixed assets	(12,000)
	618,842

The Union's accounts show an updated provision for the future liabilities due to the Students' Union Superannuation Scheme based on the 30 June 2019 valuation. The valuation of the liabilities show the amount available to pay pension benefits in the future has declined when compared to its future liabilities. The Union in common with other participating student unions has to pay its share of the increased funding shortfall and is required to pay increased contributions based on previous contributions payable and the term has been extended. A separate reserve has been created in the accounts due to the long-term nature of the liability.

The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £22,133 (2021: £5,215) and expenditure of £46,014 (2021: £9,519) in addition to the grant- supported funds disbursed to them as shown in the accounts.

Student Groups at the Union raised around £5,000 in activities and fundraisers this year for local and national charities. The process has changed to increase development and independence for our groups, we let them do this all independently with little input!

The Union did not make any grants to other organisations during this or the preceding year.

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2022/23 has been confirmed at £1,267,554 which includes an extra £20k to assist our PGM Ambassador programme, a further £50k funded in 21/22 to be ring fenced for the purpose of assisting with inflation during 22/23 because the block grant had remained the same and there is an additional Investment of £250k per annum for the next two years for our Student Outcomes Project the Union is very grateful for the Block Grant funding and the Investment for the Student Outcomes Project for the next two years from the University. The commercial activities for 2021/22, through PSUT, are budgeted to break even.

COVID-19 REPORT

As a result of the Agile working set up at UPSU, the organisation continued to offer both digital and face to face services for all our students during 21/22.

The trading subsidiary in 21/22 was fully functioning, but had budgeted a £25k contingency fund in case of Covid lockdown thus reducing the risk of making a loss - the contingency did not get used and the trading subsidiary made an outstanding profit for the year of £64,106.

FUTURE PLANS

The Union remains committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students.

With Elected Officer direction, supported by Trustee Board, students and staff - the Union undertook a robust strategic planning process with the timeline of a January 23 launch.

The strategic themes were set with student consultation, core principles reviewed and an updated Vision and new Values set for launch in January 23.

The three themes in the new strategy will be:
Academic Success, Future Readiness and Social Capital

Annual priorities for the coming year include:

- Continued focus on actions to deliver our ambitious commitments around EDI
- Climate and sustainability
- International student strategy development - to support our swiftly growing international student communities
- Digital development
- Wellbeing and Mental Health - for students and staff
- Our Building and spaces
- Plans for Union offer at the University of Portsmouth's London Campus opening in 2024

UPSU will continue its lobbying, campaigning and co-creation activity focussed on working with UoP to ensure quality learning & teaching and the wider student experience.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of The University of Portsmouth Student's Union (A Company Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

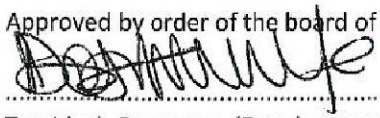
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Appointment of Auditors

In accordance with the union's financial procedures a formal tender process was undertaken in April 2022 to appoint auditors for (21/22) the Auditors were appointed by the Board of Trustees on 28th June 2022.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006 and was approved by the Board and signed on its behalf.

Approved by order of the board of trustees on 18th October 2022 and signed on its behalf by:



Temidayo Dosunmu, (Development Officer Trustee, Company Secretary)

Report of the Independent Auditors to the Members of The University of Portsmouth Student's Union For the Year Ended 31 July 2022

We have audited the financial statements of The University of Portsmouth Student's Union (the 'charitable company') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2022 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level. Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union
For the Year Ended 31 July 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant

Hampshire
PO9 1QU

Date: 7 November 2022

The University of Portsmouth Student's Union
Consolidated Statement of Financial Activities
For the year ended 31 July 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	**2**	1,349,151	-	1,349,151	1,223,895
Other trading activities	**3**	310,007	-	310,007	158,950
Income from investments	**4**	356	-	356	294
Charitable activities	**5**	22,501	22,133	44,634	13,443
Other income	**6**	5,552	-	5,552	50,650
Total income		**1,687,567**	**22,133**	**1,709,700**	**1,447,232**
EXPENDITURE ON					
Raising funds	**9**	108,491	-	108,491	50,633
Charitable activities	**7**	1,434,486	46,014	1,480,500	1,323,268
Total		1,542,977	46,014	1,588,991	1,373,901
Net income/(expenditure)		**144,590**	**(23,881)**	**120,709**	**73,331**
Other recognised gains/(losses)					
Acturial gains/(losses) on defined benefit schemes	**22**	(40,915)	-	(40,915)	(42,391)
Net movements in funds		**103,675**	**(23,881)**	**79,794**	**30,940**
Reconciliation of funds					
Total funds brought forward		(977,884)	92,666	(885,218)	(916,158)
Total funds carried forward		**(874,209)**	**68,785**	**(805,424)**	**(885,218)**

All incoming resources and resources expended are derived from continuing activities.

The University of Portsmouth Student's Union
Consolidated Statement of Financial Activities
For the year ended 31 July 2022

	Notes	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed assets					
Tangible assets	14	12,000	25,093	12,000	25,093
Investments	13	-	-	1	1
Total fixed assets		12,000	25,093	12,001	25,094
Current assets					
Stocks	15	47,627	52,349	-	-
Debtors	16	56,255	60,300	108,564	127,520
Cash at bank and in hand		790,411	707,688	772,427	680,228
Total current assets		894,293	820,337	880,991	807,748
Liabilities					
Creditors falling due within one year	17	(206,666)	(144,772)	(193,365)	(132,184)
Net current assets/(liabilities)		687,627	675,565	687,626	675,564
Total assets less current liabilities		699,627	700,658	699,627	700,658
Provisions for liabilities	22	(1,505,051)	(1,585,876)	(1,505,051)	(1,585,876)
Net (liabilities)/assets		(805,424)	(885,218)	(805,424)	(885,218)
Funds					
Pension deficit		(1,505,051)	(1,585,876)	(1,505,051)	(1,585,876)
General funds		630,842	607,992	630,842	607,992
Unrestricted funds	20	(874,209)	(977,884)	(874,209)	(977,884)
Restricted funds		68,785	92,666	68,785	92,666
Total charity funds		(805,424)	(885,218)	(805,424)	(885,218)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 18/10/22 and were signed on its behalf by:

Temidayo Dosunmu, (Development Officer Trustee, Company Secretary)

The notes form part of these financial statements

The University of Portsmouth Student's Union
Statement of Cash Flows and Consolidated Statement of Cash Flows
for the year ending 31 July 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Net income for the reporting period (as per the statement of financial activities)					
Cash generated from operations	1	82,367	15,779	91,843	46,533
Net cash provided by (used in) operating activities		82,367	15,779	91,843	46,533
Cash flows from investing activities					
Interest income		356	294	356	294
Purchase of tangible fixed assets		-	-	-	-
Cash provided by (used in) investing activities		356	294	356	294
Change in cash and cash equivalents in the reporting period		82,723	16,073	92,199	46,827
Cash and cash equivalents at the beginning of the reporting period		707,688	691,615	680,228	633,401
Total cash at the end of the year		**790,411**	**707,688**	**772,427**	**680,228**

The University of Portsmouth Student's Union
Notes to the Cash Flow Statement
for the year ended 31 July 2022

1) Reconciliation of net income to net cash flow from operating activities

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Net income for the reporting period (as per the statement of financial activities)	79,794	30,940	79,794	30,940
Adjustments for:				
Depreciation charges	13,093	13,110	13,093	13,110
Interest income	(356)	(294)	(356)	(294)
Finance cost of pension deficit	40,915	42,391	40,915	42,391
Pension deficit repayments	(121,740)	(99,564)	(121,740)	(99,564)
Decrease/(increase) in stocks	4,722	997	-	-
(Increase)/decrease in debtors	4,045	(29,867)	18,956	12,018
Increase/(decrease) in creditors	61,894	58,066	61,181	47,932
Net cash provided by (used in) operating activities	82,367	15,779	91,843	46,533

2) Analysis of changes in net debt

Group	**At 1.4.21** £	**Cash flow** £	**At 31.3.22** £
Net cash			
Cash at bank and in hand	707,656	82,723	790,379
	707,656	82,723	790,379

Company	**At 1.4.21** £	**Cash flow** £	**At 31.3.22** £
Net cash			
Cash at bank and in hand	680,228	92,199	772,427
	680,228	92,199	772,427

Accounting Policies

Basis of preparation

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The consolidated financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity. The Charitable company does participate in a defined benefit scheme and at the date of this report the liability on this scheme was £1,505,051 which is repayable by annual instalments. This liability is currently ring-fenced in the unrestricted reserves. The trustees have considered this factor in their assessment and they do not consider there to be any significant concern in being able to continue as a going concern.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Portsmouth Students' Union Trading on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with the use of resources.

1 Accounting Policies continued

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by Charities SORP (FRS 102), the donation of these facilities is included as an incoming resource within note 2 and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

University of Portsmouth Students' Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of 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 pension scheme trustees on 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 University of Portsmouth Student's Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the SUSS continued after the closure of the scheme in the form of deficit funding and levies.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles	25% on cost
Fixtures and fittings	10% and 20% on cost
AU Equipment	33% on cost

Fixed asset investments

Fixed asset investments comprise the entire share capital of the charity's subsidiary trading company. Portsmouth Students' Union Trading Limited. The investment is valued at cost on the basis there is no available fair value for the share capital.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable ordinary shares.

1 Accounting Policies - continued

Trade and other debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Donations and legacies

	2022 £	2021 £
Block grant received	1,247,551	1,122,803
BAME grant received	20,000	19,492
Donated Facilities	81,600	81,600
	1,349,151	1,223,895

3 Other trading activities

	2022	2021
	£	£
Income from trading subsidiary		
Commercial partnerships	164,220	53,337
Retail Income	144,987	96,302
Other income	800	9,311
	310,007	158,950

4 Income from investments

	2022	2021
	£	£
Bank deposit interest	356	294
	356	294

5 Income from charitable activities

	2022	2021
	£	£
Development - Group income	44,634	13,443
	44,634	13,443

6 Other Income

	2022	2021
	£	£
Grant Income	-	26,489
Other income	5,552	24,161
	5,552	50,650

The charitable company received grants from the Government amounting to £NIL (2021: £26,489) in relation to the Coronavirus Job Retention Scheme.

7 Charitable activities costs

	Direct Costs	Support costs (note 8)	Totals
	£	£	£
Development	94,281	372,675	466,956
Representation	171,229	386,803	558,032
Welfare	34,124	372,675	406,799
Other charitable activities	-	48,713	48,713
	299,634	1,180,866	1,480,500

8 Support costs

	Central Operations £	Governance Costs £	Totals £
Development	372,583	92	372,675
Representation	386,711	92	386,803
Welfare	372,583	92	372,675
Other charitable activities	19,828	28,885	48,713
	1,151,705	29,161	1,180,866

Support costs have been apportioned on a basis that is consistent with use of resources.

Support costs, included in the above, are as follows:

Central Operations

	2022 Total activities	2021 Total activities
	£	£
Salaries and training	809,234	766,033
Strategic development	-	-
Membership engagement	44,460	49,035
Central admin and overheads	281,129	227,223
NUS Affiliation	-	-
Irrecoverable VAT	3,789	6,522
Central depreciation	13,093	13,110
	1,151,705	1,061,923

Governance costs

	2022 Total activities	2021 Total activities
	£	£
Audit	10,948	11,321
Central Admin	6,650	4,335
Management accounts	11,314	11,485
Training & development	-	-
Trustee Expenses	249	147
	29,161	27,288

9 Raising funds expenditure

	2022	2021
	£	£
Other activities	108,491	50,633

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration - current auditors audit fees	10,948	11,321
Depreciation - owned assets	13,093	13,110
	24,041	24,431

11 Staff costs

	2022	2021
	£	£
Wages and salaries	947,141	875,381
Social security costs	69,244	63,739
Other pension costs	21,859	22,636
	1,038,244	961,756

The average monthly number of employees during the year for the group was as follows

2022	2021
72	60

There average number of employees with emoluments (excluding employer pension contributions and employer National Insurance contributions) above £60,000 in this or the preceding year is as follows:

	2022	2021
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-

The key personnel management of The University Portsmouth Student's Union are considered to be the CEO, Deputy CEO, and the Finance Manager. The total remuneration paid in the year ended 31 July 2022 amounted to £163,034 (2021: £156,950).

12 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Portsmouth Students' Union Trading Limited.

The summary financial performance of the charity alone is:

	2022 £	2021 £
Turnover	1,601,209	1,396,599
Expenditure on charitable activities	(1,480,500)	(1,323,268)
Other recognised gains/(losses)	(40,915)	(42,391)
Net Income	**79,794**	**30,940**
Total funds brought forward	(885,218)	(916,158)
Total funds carried forward	(805,424)	(885,218)
Represented by:		
Unrestricted funds		
General Funds	630,842	607,992
Pension Deficit	(1,505,051)	(1,585,876)
Restricted funds	68,785	92,666
	(805,424)	**(885,218)**

13 Financial Performance of the subsidiary

Portsmouth Students' Union Trading Company Limited is a wholly owned trading subsidiary incorporated in the United Kingdom (company number 6320382). A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2022 £	2021 £
Turnover	310,007	158,950
Cost of sales and administration costs	(108,631)	(50,773)
Management charges	(137,270)	(86,814)
	64,106	21,363
Gift aid payment to UPSU	(64,106)	(21,363)
Net profit	-	-
Retained in subsidiary	-	-

The assets and liabilities of the Portsmouth Students' Union Trading Company Limited were:

	2022 £	2021 £
Total assets	92,001	110,833
Total liabilities	(92,000)	(110,832)
Total net assets	1	1
Aggregate share capital and reserves	1	1

14 Tangible fixed assets – Charity and group

	Fixtures & fittings £	Total £
Cost		
At 1 August 2021	215,248	215,248
Additions	-	-
Disposals	-	-
At 31 July 2022	215,248	215,248
Depreciation		
At 1 August 2021	190,155	190,155
Charge for year	13,093	13,093
On disposals	-	-
At 31 July 2022	203,248	203,248
Net book value		
At 31 July 2022	**12,000**	**12,000**
At 31 July 2021	25,093	25,093

15 Stocks

	2022 £	2021 £
Stocks	47,627	52,349

16 Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	24,964	33,510	498	2,486
Prepayments and accrued income	25,491	22,377	18,516	22,377
Other debtors	5,800	4,413	5,800	11,413
Intercompany	-	-	83,750	91,244
	56,255	60,300	108,564	127,520

17 Creditors: Amounts Falling due within one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Trade creditors	39,936	6,373	30,747	6,341
Social security and other taxes	17,907	15,128	17,907	15,128
Accruals and deferred income	140,351	112,615	135,889	105,445
Other creditors	7,424	5,601	7,424	4,440
VAT payable	1,048	5,055	1,398	830
	206,666	144,772	193,365	132,184

18 Deferred income

Deferred income relates to additional block grant income received in advance for funding of the pension deficit.

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Balance as at 1 August 2021	-	-	-	-
Amount released to incoming resources	-	-	-	-
Amount deferred in year	50,000	-	50,000	-
Balance as at 31 July 2022	50,000	-	50,000	-

19 Analysis of net assets between funds - Group

	Unrestricted fund	Restricted fund	2022 Total funds	2021 Total funds
	£	£	£	£
Fixed assets	12,000	-	12,000	25,093
Current assets	825,508	68,785	894,293	820,337
Current liabilities	(206,666)		(206,666)	(144,772)
Pension deficit	(1,505,051)	-	(1,505,051)	(1,585,876)
	(874,209)	68,785	(805,424)	(885,218)

20 Movement in funds - Group

	At 1.8.21 £	Net movement in funds £	Transfers £	At 31.7.22 £
Unrestricted funds				
Pension deficit	(1,585,876)	(40,915)	121,740	(1,505,051)
General funds	607,992	144,590	(121,740)	630,842
Total unrestricted funds	(977,884)	103,675	-	(874,209)
Restricted funds				
Sports and societies	90,374	(23,881)	1,534	68,027
Ring fenced funds	2,292	-	(1,534)	758
Total restricted funds	92,666	(23,881)	-	68,785
TOTAL FUNDS	(885,218)	79,794	-	(805,424)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Acturial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(40,915)	(40,915)
General funds	1,687,567	(1,542,977)	-	144,590
Restricted funds				
Sports and societies	22,133	(46,014)	-	(23,881)
Ring fenced funds	-	-	-	-
	1,709,700	(1,588,991)	(40,915)	79,794

Comparative for movement in funds - Group

	At 1.8.20 £	Net movement in funds £	Transfers £	At 31.7.21 £
Unrestricted funds				
Pension deficit	(1,643,049)	(42,391)	99,564	(1,585,876)
General funds	629,921	77,635	(99,564)	607,992
Total unrestricted funds	(1,013,128)	35,244	-	(977,884)
Restricted funds				
Sports and societies	94,678	(4,304)	-	90,374
Ring fenced funds	2,292	-	-	2,292
Total restricted funds	96,970	(4,304)	-	92,666
TOTAL FUNDS	(916,158)	30,940	-	(885,218)

20 Comparative for movement in funds - Group - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(42,391)	(42,391)
General funds	1,415,528	(1,337,893)	-	77,635
Restricted funds				
Sports and societies	5,215	(9,519)	-	(4,304)
Ring fenced funds	-	-	-	-
Coronavirus Job Retention Scheme	26,489	(26,489)	-	-
	1,447,232	(1,373,901)	(42,391)	30,940

21 Pension Commitments

The charity operates a defined contribution scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £21,859 (2021: £22,636).

22 Provision for liabilities

	2022 £	2021 £
Provisions	1,505,051	1,585,876

The union is a Participating Employer 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 United Kingdom. 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 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30th September 2011 the Scheme closed to future accrual.

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m (2016: £101.3m) excluding AVC's and incurred pensioners with these assets representing 46% (2016: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £140.9m (2016: £119.7m).

The assumptions used in the valuation are as follows:

Pre-retirement discount rate	4.0% pa
Post retirement discount rate	2.0% pa
RPI	3.6% pa
CPI	2.6% pa
Pension increase in payment	
Post 1997 (RPI min 3% max 5%)	3.7% pa
Post 2000 (RPI max5%)	3.4% pa
Mortality projections	CMI 2018 projections with a long term rate of improvement of 1.25% pa and IAP of 1%

22 Provision for liabilties continued

The 2019 Valuation funding shortfall recovery plan requires a monthly contribution requirement by each Participating Employer. Employer contributions will increase by 5% in October 2020 as planned and then by around 18%, on average, from 1 October 2021. Contributions will increase by 5% each year thereafter until the end of the deficit recovery period, which is expected to be in August 2035.

However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation. Surpluses or deficits which arise at future valuations will also impact on Union's future contribution commitments. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

During the year ended 31 July 2022, the University of Portsmouth Students' Union made a deficit contribution which amounted to £121,740 (2021: £99,564).

At the balance sheet date the charity had monthly commitments to pay deficit funding contributions starting in October 2020 of £8,297, then deficit funding contributions starting in October 2021 of £10,145, then deficit funding contributions starting in October 2022 of £10,652, then increasing by 5% per annum each October until 31 July 2033.

	2022	2021
	£	£
Provision at start of the period	1,585,876	1,643,049
Effect of unwinding discount and changes in rate	40,915	42,391
Deficit contribution paid	(121,740)	(99,564)
Provision at the end of the period	1,505,051	1,585,876
Income and expenditure impact		
Effect of unwinding discount and changes in rate	40,915	42,391
	40,915	42,391

Assumptions

	31.07.22	31.07.21
	% per annum	% per annum
Rate of discount	2.58%	2.58%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

23 Operating lease commitments

The following operating lease payments are committed to be paid:

	Other	
	Group 2022 £'000	Group 2021 £'000
Expiring:		
Within one year	-	-
Between one and five years	-	-
	-	-

24 Related party transactions

The charity's trustees, as detailed on page 1, were reimbursed or had expenses paid on their behalf totalling £14,377 (2021: £12,531) in respect of travel, subsistence and training.

As authorised under section 6 of the Articles of Association, a total of £107,926 (2021: £108,730) was paid in remuneration to 7 (2021: 9) elected officer trustees.

Pension contributions paid by the Union on behalf of six (2021: four) of the trustees listed above totalled £4,232 (2021: £1,977).

The University of Portsmouth Students' Union (UPSU) operates a trading subsidiary, Portsmouth Students' Union Trading Company Limited (PSUT). PSUT is wholly owned by UPSU and was established to handle the sales of clothing, merchandise, advertising and exhibition space on behalf of the students' union. A monthly management charge is made by the charity in respect of the operation and administration of this company.

Shortly after its incorporation, UPSU made a loan to PSUT in order to provide it with essential working capital. The loan arrangement is documented in writing and is secured against the subsidiary company's assets. The balance outstanding as at 31 July 2022 was £nil (2021: £7,000). Interest is charged on the balance outstanding at 1.5% over base. The charge for the year was £140 (2021: £140).

The University of Portsmouth is, by virtue of the provisions of section 22 of the Education Act 1994, required to take all practical steps to ensure that the charity operates fairly and democratically and accounts for its finances. During the year under review, the charity received grants totalling £1,267,551 (2021: £1,142,295) from the University of Portsmouth.

UNIVERSITY OF PORTSMOUTH STUDENTS UNION

England & Wales - Charity number 1136115

Accounts

Registered Company Number: 03934555 (England and Wales)
Charity Registration No. 1136115

The University of Portsmouth Students' Union

Report and Consolidated Financial Statements

For the year ended 31 July 2021

The University of Portsmouth Student's Union
Contents of the Financial Statements
for the Year Ended 31 July 2021

	Page
Report of the Trustees	1 to 12
Report of the Independent Auditors	13 to 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Cash Flow Statement	20
Notes to the Financial Statements	21 to 33

The University of Portsmouth Student's Union
Report of the Trustees
for the Year Ended 31 July 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Full-time (Sabbatical) Officer Trustees

Welfare Officer	Hayley Turner-McIntyre (appointed 1st July 2020, resigned on 30th June 2021)
Welfare Officer	Natasha Layley (appointed 1st July 2021)
Learning Experience Officer	Rama Hilouneh (appointed 1st July 2020, resigned on 30th June 2021)
Learning Experience Officer	Jade Underwood (appointed 1st July 2021)
Development Officer	Micheal Kiddell (appointed 1st July 2020)
Academic Representation Officer	Edward Walls (appointed 1st July 2020, resigned on 30th June 2021)
Academic Representation Officer	Sapphire Rance (appointed 1st July 2021)
Democracy and Campaigns Officer	Destiny Karakus (appointed 1st July 2020, resigned on 30th June 2021)
Democracy and Campaigns Officer	Dominic Owen (appointed 1st July 2021)

Student Trustees

Non-Portfolio	Zach Messer (co-opted 13th September 2019, resigned 20th October 2020)
Non-Portfolio	Savio Arinda (co-opted 22nd June 2020, resigned 15th June 2021)
Non-Portfolio	Ayoola Johnson (appointed 14th August 2020)
Non-Portfolio	Bill Gunayon (appointed 20th April 2021)

University Nominated Trustee

Non-Portfolio	Mary Williams (appointed 21st April 2020)

External Trustees

Non-Portfolio	Baldev Singh Gill (Appointed 24th October 2018)
Non-Portfolio	Victoria Turner (Appointed on 29th January 2019)
Non-Portfolio	Ian Robinson (Appointed on 29th January 2019)

Company Secretary
Rama Hilouneh (from 1st July 2020, resigned 30th June 2021)
Jade Underwood (appointed 1st July 2021)

Chief Executive
Anna Clodfelter

Registered Office
Student Union Building
Cambridge Road
Portsmouth
Hants
PO1 2EF

Registered Company Number
03934555

Registered Charity Number
1136115

Auditors
Morris Crocker
Station House,
North Street
Havant PO9 1QU

Bankers

Barclays Bank Plc
Leicester
LE87 2BB

Charity Bank Limited
194 High Street
Tonbridge
Kent TN9 1BE

Santander UK Plc
Abbey National House
2 Triton Square
Regents Place
London NW1 3AN

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham B1 2HB

Lloyds TSB Bank Plc
25 Gresham Street
London EC2V 7HN

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Warner Goodman LLP
Colman House
2-4 Landport Terrace
Portsmouth PO1 2RG

The Trustees, who are directors for the purposes of company law, have pleasure in presenting their annual report for the purposes of Charities Act 2011 and Companies Act 2006, together with the accounts for the year ended 31st July 2021.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the University of Portsmouth Students' Union (the Union).

STRUCTURE GOVERNANCE AND MANAGEMENT

The Union is a registered charity (Charity No: 1136115) linked to the University of Portsmouth (the University). The Union is also a company limited by guarantee registered in England and Wales (Company No: 3934555).

The Union is constituted by its Memorandum and Articles of Association and is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made by simple majority vote.

The Union is a students' union, as defined in the Education Act 1994, with internal regulations and rules approved by its Board of Trustees. The Union has twelve Trustees and are made up of the following persons:

i. Five Officer Trustees, elected annually in accordance with the Union's Memorandum and Articles of Association and elections rules
ii. Three Student Trustees, appointed in accordance with the Union's Memorandum and Articles of Association
iii. One University Nominated Trustee, appointed in accordance with the Union's Memorandum and Articles of Association
iv. Three External Trustees, appointed in accordance with the Union's Memorandum and Articles of Association.

The Union's Board of Trustees meets at least quarterly and are responsible for maintaining legal, financial and reputational stewardship. The Board of Trustees is also responsible for setting the organisation's strategy, in line with student member priorities. The Board approves general policies and approving the annual budgets and accounts.

All Trustees are provided with the Charity Commission's Guidance to Trustees and are given an introduction to the activities of the Union by the existing Board and the Chief Executive. Trustees are provided with training as and when required, based on individual and collective needs.

The current Governance Structure comprises of two subcommittees, Finance and Risk Committee and Student Focus & Governance Committee.

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

Student Focus and Governance Committee

The Student Focus and Governance Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. maintains effective and influential representation
b. maintains accessible, equitable and inclusive activity to proactively engage students from across the student community
c. give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2021 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
d. maintains student leadership through fit for purpose and effective governance and democratic structures
e. maintains robust governance in relation to the Unions statutory requirements
f. ensures the Union responds at Board level to democratic outcomes in a way that shows respect and a commitment to the Union as a student-led organisation

The Student Focus and Governance Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Sabbatical Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External or one University Trustee and one External trustee (appointed by Leadership Team with regard to skills and experience) the External Trustee will vice-chair.
- Two Student Trustees (appointed by Leadership Team with regard to skills and experience)
- Good Governance Officer or other appointed representative from UAB
- Head of Student Impact
- Student Focus Manager
- In an advisory capacity only ie non-voting members: The Chief Executive, Membership and Marketing Manager (or appointed function Lead), Projects and Groups Manager (or appointed function Lead), Insights Lead

There shall be at least two meetings in each academic year, at least one before Christmas.

Finance and Risk Committee

The Finance & Risk Committee has responsibility as delegated by the Board of Trustees for decision making and actions to ensure that the Union;

a. remains in sound financial health
b. maintains effective risk management practices
c. complies with relevant legislation and regulations

The Finance & Risk Committee reports decisions made and is accountable to the Board of Trustees.

Membership (quoracy is 50% + 1 to include an External Trustee and a Sabbatical Officer):

- Two Elected Officers (appointed by Leadership Team with regard to skills and experience) one of which will Chair.
- Two External and/or University Trustees (appointed by Leadership Team with regard to skills and experience) one of which will vice-chair.
- One student trustee (appointed by Leadership Team with regard to skills and experience)
- Deputy to the Chief Executive
- Finance & Central Administration Manager
- In an advisory capacity only - The Chief Executive and Union Financial Advisers

The committee meets on a quarterly basis in line with financial quarter reporting framework.

STRUCTURE GOVERNANCE AND MANAGEMENT (Continued)

The political and campaigning policies of the Union were fully reviewed and updated through full student consultation and approval by referendum in May 2015, the process was further reviewed during 16/17 and 17/18 to streamline and remove barriers to student participation. Revision of Mem Arts will be sent for re-approval in January 2022. The democratic and representative framework of UPSU is as follows:

'Have your say' is a democratic process at the Union that enables students to get their voice heard and changes made. Every student can have a say on the Union and the University by submitting an idea through our Have Your Say platform. Ideas are then reviewed by Student Council and actioned or put out to students to a vote if further student consultation is needed.

The Board of Trustees maintains an oversight of these policies in accordance with the Board's duties to maintain legal, financial and reputational stewardship.

The Union's Student Council membership comprises the 5 Elected Officers, 5 Faculty Reps, 2 Union zone Reps, 5 academic, 5 liberation and 5 student experience reps representing hard to reach and those least engaged with Union activity and a Council Chair.

Day to day running of the Union is delegated by The Board of Trustees to a Chief Executive (CEO).

To ensure effective management the Chief Executive leads a Strategic Management Team, with responsibility for strategic delivery and operational oversight of the Union's activities and services.

During 2020/21 there were significant changes, ultimately merging the SMT team from three to two with enhanced roles in the Operational Manager structure to support:

i. Chief Executive – Anna Clodfelter
ii. Deputy Chief Executive – Fern Lewis - (permanent appointment 1st September 2020)

The five Officer Trustees and the Senior Management Team are members of the Union's Leadership Team.

The role of the Leadership Team is to review the mid-level performance of the organisation, approve operational policies and coordinate ongoing activities in accordance with the Union's strategy and directions from the Board of Trustees. The full terms of reference for the Leadership Team can be seen within the Union's byelaws.

The Union employs 35 permanent staff and a further 45 occasional staff for the sake of quality delivery, continuous improvement and for the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties, via a line-management structure of delegated authority.

Salary bandings for all staff were reviewed against sector comparators and last agreed by Trustees in May 2021. The Union operates a performance related pay framework for all staff including the Strategic Management Team. Staff are appraised against agreed annual objectives by line managers and pay awards are agreed annually by the Finance and Risk Committee. The CEO objectives and pay award are approved by the Board of Trustee, CEO appraisal is undertaken by a panel of Trustees who also oversee the DCE appraisal.

RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in a Memorandum of Understanding and the Union receives a Block Grant from the University. The Union also part-occupies buildings owned by the University and enjoys a positive and supportive relationship with the institution; this non-monetary support is intrinsic to the relationship between the University and the Union and the associated benefits to the student body.

RELATIONSHIP WITH RELATED PARTIES (Continued)

Although the Union continues to generate supplementary funding from various mutual-trading activities, it is dependent on the University's financial support. UPSU offered to take a cut to the block grant of £100k in 20/21 due to the economic climate for which the University were grateful and they agreed that the block grant would return to 19/20 levels for 21/22. The Union is appreciative of the University's on-going investment in the Union and for confirming that they will provide continued financial support at similar levels for the foreseeable future, subject to their financial health.

The 1994 Education Act imposes a duty on the University to ensure that the Union operates in a fair and democratic manner and is accountable for its finances. A Financial Memorandum of Understanding exists between the two organisations which is reviewed annually and approved by the Union Finance & Risk Committee and University Infrastructure and Finance Committee.

The Union's trading company; Portsmouth Students' Union Trading Company Ltd (PSUT) is a wholly owned trading subsidiary company of the Union, which generates commercial income to support the Union's charitable objectives. In 2020/21 PSUT generated an operating profit of £21,363 from its activities, of which £21,363 was gifted to the Union.

AFFILIATIONS

Note: As directed by Annual Members Meeting in December 2018, the Union held a referendum on affiliation to the National Union of Students (NUS) in March 2019. Trustees approved the result of this referendum in April 2019. The referendum confirmed disaffiliation from NUS from 31st December 2019.

Note: Through 19/20 the Union finalised the partnership with University of Portsmouth Sport and Recreation to take over the management of 24 BUCS Sporting clubs. At the end of 20/21 the remaining 8 BUCS affiliated Sport Groups transitioned to University of Portsmouth Sport and Recreation. As of 1st August 2019, University of Portsmouth Sport and Recreation are the affiliate with BUCS in place of UPSU, therefore historical affiliation with BUCS is no longer applicable.

There were no affiliation resolutions during the year 20/21 as defined within the provisions of the 1994 Education Act.

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union.

The Union maintains a risk register that is updated quarterly and fully reviewed annually with exceptions and occurrences reported quarterly to the Finance and Risk Committee. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union. Health & Safety processes and frameworks and Finance processes are continually reviewed and updated by staff teams resulting in the embedding of excellent practice across the organisation.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the Union.

All other types of risk have specific mitigation activities that are delegated to senior and operational managers of the Union.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

During a uniquely challenging year due to Covid, the Union remained committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students - through responsive and largely digital means.

2019/20 saw the delivery of an interim 20-22 strategic plan to navigate covid that set out the following:

Our Vision:

The Union's Vision – as set with student consultation in 2011, 2014 and 2018 is: 'A positive impact for every Portsmouth student'.

Our Values:

Inclusive. Enriching and Pioneering

Our Guiding Principles:

I. Students Democratically guide us
II. Equity of Opportunity for students
III. Our independent status is paramount
IV. Partnerships strengthen our work
V. Relevant and resilient for current and future students

Our Objects:

The Union is committed to the fulfilment of its charitable objects for the public benefit through the advancement of education of Students at the University of Portsmouth for the public benefit by:

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

These are supplemented by the further object of;
'helping members to develop their own charitable activities as active participants in civil society' These objects are wholly consistent with the Union's Constitutional objects.

How we deliver our Objects:

In pursuit of these aims for the public benefit, the Union has established departments and services for use by its members and works with the University and other organisations on behalf of students.

The Union ensures diversity of its membership is recognised by implementing activity for and monitoring its participation from all sections of the student community and by electing and supporting students as champions of liberation campaigns.

The Union represents students of the University on relevant local, national and international issues by maintaining a high proportion of student representatives - over 1200:

- **5 Elected Officers** (formerly known as Sabbs - **full time paid**)
- **15 Student Council members** - academic, liberation and student experience reps
- **1050 Course reps and 5 Faculty Reps**
- **30 Union Led representative group leads** - including BAME Ambassadors, Activist Student Forum, Accommodation Ally Reps

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

o **60 Student Led representative group leads** - including **cultural groups** such as the Polish students group, the Afro-Caribbean Soc & the Islamic Soc; **curriculum related groups** such as Entrepreneurs society, biomedical scientists & LawSoc; **action & support groups** such as Girl Up, Enactus, Estranged students, LGBTQ+ Soc and Mature Students group

o **80 Student Led interest based group leads** - leading on **participation, community and belonging** - through a broad range of shared interest forums from Star Wars to Surfing to Spritual to Salsa to Scuba to Showchoir to Skydive to Skiing to Scouts.

Student representatives are present on all policy and strategy making bodies in UPSU and across the formal governance structure in the University.

When reviewing the Union's objectives and planning the Union's activities, the Union gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Our Aims 2020-22:

1 **Empowering a Network of Students**
we give power, confidence and a voice to students, enabling them to influence, change and uphold their rights, needs and wants

Develop and maintain strong and effective student leadership within UPSU - led by elected Officers and student leaders and supported by our high quality Student Focus

Develop and maintain a 'student voice framework', in partnership with the University, that:

- ensures that students are enshrined as active partners in all decision making
- enables, empowers and embeds a network of 'student action-takers' across the entire UoP student community
- establishes and embeds robust mechanisms that capture issues and actions to ensure effective outcomes, effective communications and effective sharing

2 **Collective Representation**
We harness student leadership through the collective student voice to bring power and influence; we are a representative & campaigning SU

Develop and maintain a 'collective representation framework' for UPSU that embeds a culture where students are engaged at all different levels, around a common purpose, playing a key role in deciding what needs to be decided:

- establishing collective intelligence as the core of decision-making, combining quality research with active student participation (not just elected reps)
- embedding a strengthened role for minority voices

Develop a 'campaign and action framework' to mobilise, enable and empower students to be doing what needs to be done, in university life or society as a whole, including:

- influence and claim their rights, needs and wants
- defend their interests
- bring about changes in systems, policies, attitudes, knowledge, and behaviors regarding issues affecting university life or society at large

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

Develop and maintain clear and effective ways of working to ensure:

- The curation of an influential, collaborative relationship with UoP
- University wide engagement with the student voice, that delivers active delegation of power and decision making

3 Quality Student Experience

We establish beneficial relationships with our student members, we enrich their Portsmouth experience and we support them to be future ready

Establish defined best practice elements for Quality Student Experience that enable both internal and UoP action planning to achieve it.

Develop our membership engagement work to:

- Know confidently who our members are in the diverse community of UoP students across the globe
- Gain a relationship with non-engaged students or under-represented students
- Maintain our relationship with engaged students
- Ensure that all UoP Students know we exist and have the opportunity to shape their involvement in ways that benefit them.
- Work in close partnership with students, the University and the wider community to capture, communicate, replicate and celebrate the impact our students have.

Develop and maintain a programme of work that empowers students to experience University with:

- Positive wellbeing - the presence of good mental, physical & social health, basic needs, fulfillment and satisfaction with life
- Respect for climate and environment - the ability to make climate positive choices and live a sustainable life at University
- Diverse, supportive connections and social interaction - the ability for students, from all backgrounds, to seek out and nurture strong support networks and partnerships to help meet their academic, career and personal needs.

Develop and maintain a pioneering and inclusive offer for Student Development - to

- social, cultural, sporting and academic opportunities
- opportunities specifically to enhance global citizenship, professional skills, knowledge and experience
- a University partnership approach to Student Development

A detailed annual operational plan supports the delivery of these strategic objectives and can be obtained by request by emailing hello@upsu.net

Outcomes:

Due to covid year the operational delivery and KPIs are around 65% met or exceeded vs 35% not met or removed.

This was due to Covid (i.e. removing our ability to engage with students in many of the elements of University experience where we excel) and also the resultant requirement to respond to emerging need, often diverting attention and resources away from the areas originally planned.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (Continued)

That said the impact for students has been remarkable - evidenced through the influential interaction with UoP and through the high level and immediate outcomes for students.

Troubling KPIs are NSS and NPS which reflect the detachment of many students from their Union - our work on a new Participation Project is focused on reversing some of the causes of these drops.

In addition the enabling objectives are:

1.To achieve an increase of at least 2% on the Union's 2019 National Student Survey (NSS) question 26 score to 60%.

A.Not achieved - Drop to 58% from 61% and a further decline in the league tables. This is mirrored by a drop in UoP Q27.

2.To achieve the overall budget for the Union for 2020/21

A.Achieved with a surplus of £30,940 against a deficit of £62,890 on the overall budget.

3.To achieve the budget for PSUT - trading company- for 2020/21

A.Achieved with a surplus of £21,363 against a budget of £855

4.To maintain a 5 year forward financial plan in-line with Future Union strategic aims

A.The 5 year Financial plan that was fully reviewed and updated during 18/19, was updated for Covid and for the interim strategy and was approved by Finance and Risk Committee in May 2021

5.Business as usual - quality outcomes for UoP students

A.Of the KPI's across a range of representative, welfare and development objectives for the organisation:

i. 62% Success or exceeded
ii. 3% Partial or working towards
Iii. 35% Not met or removed

VOLUNTEER CONTRIBUTION

In achieving the objectives above there has been a significant contribution from The Union's student volunteers. The Union has approximately 1200 volunteers that are supported to facilitate and participate in the majority of student groups and community volunteering projects as well as Student Council, Course Reps and Faculty Reps.

FINANCIAL REVIEW

The group's gross income from all sources totalled £1,447,232 (2020: £1,843,205). Core expenditure was £1,373,901 (2020: £1,672,608) plus a further movement in Pension deficit liability of loss of £42,391 (2020: £218,711) giving a 2021 total of £1,416,292 (2020: £1,891,319) and was broadly within the stated budget with the following exceptions:

1. Decrease in management charge income of £67k due to recruitment gaps, furlough of staff and reduced costs through UPSU.
2. Increase in PSUT income of £21k due to the reduction in management charges (see above).
3. Increase in other income of £13k due to reversals of old accruals.
4. £42k underspend in Salaries of which £12k were casual staff .
5. £5k overspend on Central mainly due to buying electrical equip to get meeting rooms and offices ready for blended learning/communication.
6. £17k underspend for Marketing due to a delay in branding of the building for welcoming students and a delay in students starting term which has delayed welcome materials. £5k of the promotions and branding budget has being repurposed for investment into digital.

FINANCIAL REVIEW (Continued)

7. £4k underspend for Projects due to a delay in start of term and Covid-19 restrictions - all unspent money has been repurposed for Can Do project, supporting the welfare/wellbing of the students, Elected Officer projects, BAME Ambassador mentoring scheme, enhancing the shared space in the Huddle and upcoming digital events.
8. £10k underspend for Groups made up from an underspend on devleopment grant of £7.7k, income from VAT on societies expenditure of £3.2k, both Groups and Societies are at break even other than the outstanding payments that the Union agreed to pick up for storage of kayaks boats.
9. £5k underspend for Student Focus due to a reduction of engagement costs of £4.4k and £0.9k phasing of training expenses.

The union budgeted an overall deficit in 20/21 approved by Trustees of £62,890. This overall budget includes movement on the pension deficit and other exceptional items forecast in the year. A surplus of £30,940 was achieved. The variance was due to a reduction of expenditure overall.

When comparing against the core budget only, which excludes the pension movement, the union achieved a surplus of £73,331 compared to a budget of £37,787.

The Union has continued to benefit from the recognition and support of the University, and for 20/21 the Union received £1,122,803 in block grant. NB: UPSU offered to take a cut to the block grant of £100k in 20/21 due to the economic climate for which the University were grateful and they agreed that the block grant would return to 19/20 levels for 21/22.

The Union last reviewed its reserves requirements during 18/19 assessing the required amount of charitable funds allocated to Reserves and Development funds - the reserves and development funds policy is as follows:

"It shall be the policy of the Union to maintain a minimum of £250k (raised from £200k) to include working capital, commercial and other contingencies. At this level UPSU believes that it would be able to continue the student-facing activities of the organisation in the event of a significant decline in funding, whilst allowing time to reestablish or re-focus income generating activities.

A full review of the reserves was carried out in 21/22 due to Covid and the current climate and moved from £250k to 325k.

Amounts held above the minimum level are held as a Development Fund available flexibly for use of future agreed projects which help the Union to support a high standard of service for students."

Trustees (or those with designated authority) may assign amounts from within the Development Fund for specific projects or activities agreed within the framework as set out in the Financial Procedures:

The Union's free reserves stood at £582,899 (2020: £591,717) at the year-end which meets the Union's desired reserve levels. Reserves have been calculated as follows:

Total reserves	(885,218)
Less: Restricted reserves	(92,666)
Add: Pension deficit	1,585,876
Less: Fixed assets	(25,093)
	582,899

FINANCIAL REVIEW (Continued)

The Union's accounts show an updated provision for the future liabilities due to the Students' Union Superannuation Scheme based on the 30 June 2019 valuation. The valuation of the liabilities show the amount available to pay pension benefits in the future has declined when compared to its future liabilities. The Union in common with other participating student unions has to pay its share of the increased funding shortfall and is required to pay increased contributions based on previous contributions payable and the term has been extended. A separate reserve has been created in the accounts due to the long-term nature of the liability.

The Union acts as trustee for restricted funds raised by the students' many Clubs and Societies amounting to income of £5,214 (2020: £133,867) and expenditure of £9,519 (2020: £144,987) in addition to the grant-supported funds disbursed to them as shown in the accounts.

Student Groups at the Union raised over £2,300 in activities and fundraisers this year for local and national charities, including a 24hr dance-a-thon. The process has changed to increase development and independence for our groups we let them do this all independently with little input!

The Union did not make any grants to other organisations during this or the preceding year, apart from the administration of RAG (Raise and Give) funds.

The Trustees confirm that the Union has sufficient funds to meet all its obligations. The Block Grant for 2021/22 has been confirmed at £1,267,554 which includes an extra £20k to assist our BAME Ambassador programme and the Union is very grateful for the Block Grant funding from the University. The commercial activities for 2021/22, through PSUT, are budgeted to break even.

COVID-19 REPORT

As a result of the Agile working set up at UPSU, the organisation pivoted seamlessly to remote working during lockdowns but were able to support student beneficiaries remotely.

The pandemic has affected income, including an agreed 10% reduction in Block Grant resulting in the requirement for a deficit budget for 2020/2021. The organisation has sufficient reserves to meet this deficit whilst continuing to provide the same, or remote alternative, services to our student beneficiaries and retain the required reserves level for the following financial year at least.

The trading subsidiary closed during lockdown and whilst short term working capital funding to assist with cash flow was agreed, in principle by Trustees, as a loan from the Charity, it was not required. The Trustees of the Charity and Directors of the company monitored the going concern criteria for the Company as the financial year progressed but the trading company benefited from its online offer and a double Graduation in July 2021.

FUTURE PLANS

The Union remains committed to furthering its charitable objectives through setting stretching targets in delivering excellent activities, services and representation to University of Portsmouth students.

With Elected Officer direction, supported by Trustee Board and escalated by Covid-19 - the Union undertook a review of 2018-21 Strategic Commitments, resulting in a new 18-24 month interim strategy to take the Union through the Covid landscape from 2020-22. The new strategic planning cycle commenced in summer 2021 for implementation from August 2022.

The Union is working to level up its Participation work to its Representation activity - focussing on community, belonging and future readiness (skills & experience building for employment). UPSU will continue its lobbying and campaigning activity focussed on working with UoP to ensure quality learning & teaching and the wider student experience.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also the directors of The University of Portsmouth Student's Union (A Company Limited by Guarantee) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Appointment of Auditors

In accordance with the union's financial procedures a formal tender process was undertaken in April 2018 to appoint auditors for (2017/18) a one year contract with possibility to extend to a three-year contract. The appointment of Auditors was extended for the extra three years as approved by Finance & Risk Committee in November 18. Due to the end of their term a formal tender process will be undertakin in April 2022 to appoint auditors for 21/22.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006 and was approved by the Board and signed on its behalf.

Approved by order of the board of trustees on ..... and signed on its behalf by:

19/10/2021

Jade Underwood (Learning Experience Officer Trustee, Company Secretary)

Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union
For the Year Ended 31 July 2021

We have audited the financial statements of The University of Portsmouth Student's Union (the 'charitable company') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2021 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- Develop and maintain strong and effective student leadership within UPSU - led by elected Officers and student leaders and supported by our high quality Student Focus function

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union
For the Year Ended 31 July 2021

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 22 February 2022

The University of Portsmouth Student's Union
Consolidated Statement of Financial Activities
For the year ended 31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,223,895	-	1,223,895	1,329,154
Other trading activities	3	158,950	-	158,950	287,546
Income from investments	4	294	-	294	833
Charitable activities	5	8,228	5,215	13,443	182,505
Other income	6	24,161	26,489	50,650	43,167
Total income		**1,415,528**	**31,704**	**1,447,232**	**1,843,205**
EXPENDITURE ON					
Raising funds	9	50,633	-	50,633	79,058
Charitable activities	7	1,287,260	36,008	1,323,268	1,593,550
Total		1,337,893	36,008	1,373,901	1,672,608
Net income/(expenditure)		**77,635**	**(4,304)**	**73,331**	**170,597**
Other recognised gains/(losses)					
Acturial gains/(losses) on defined benefit schemes	22	(42,391)	-	(42,391)	(218,711)
Net movements in funds		**35,244**	**(4,304)**	**30,940**	**(48,114)**
Reconciliation of funds					
Total funds brought forward		(1,013,128)	96,970	(916,158)	(868,044)
Total funds carried forward		**(977,884)**	**92,666**	**(885,218)**	**(916,158)**

All incoming resources and resources expended are derived from continuing activities.

The University of Portsmouth Student's Union
Consolidated Statement of Financial Activities
For the year ended 31 July 2021

	Notes	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets					
Tangible assets	14	25,093	38,203	25,093	38,203
Investments	13	-	-	1	1
Total fixed assets		25,093	38,203	25,094	38,204
Current assets					
Stocks	15	52,349	53,346	-	-
Debtors	16	60,300	30,433	127,520	139,538
Cash at bank and in hand		707,688	691,615	680,228	633,401
Total current assets		820,337	775,394	807,748	772,939
Liabilities					
Creditors falling due within one year	17	(144,772)	(86,706)	(132,184)	(84,252)
Net current assets/(liabilities)		675,565	688,688	675,564	688,687
Total assets less current liabilities		700,658	726,891	700,658	726,891
Provisions for liabilities	22	(1,585,876)	(1,643,049)	(1,585,876)	(1,643,049)
Net (liabilities)/assets		(885,218)	(916,158)	(885,218)	(916,158)
Funds					
Pension deficit		(1,585,876)	(1,643,049)	(1,585,876)	(1,643,049)
General funds		607,992	629,921	607,992	629,921
Unrestricted funds	20	(977,884)	(1,013,128)	(977,884)	(1,013,128)
Restricted funds		92,666	96,970	92,666	96,970
Total charity funds		(885,218)	(916,158)	(885,218)	(916,158)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

19/10/2021
.....
Jade Underwood (Learning Experience Officer Trustee, Company Secretary)

The notes form part of these financial statements

The University of Portsmouth Student's Union
Statement of Cash Flows and Consolidated Statement of Cash Flows
for the year ending 31 July 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net income for the reporting period (as per the statement of financial activities)					
Cash generated from operations	1	15,779	14,407	46,533	24,115
Net cash provided by (used in) operating activities		15,779	14,407	46,533	24,115
Cash flows from investing activities					
Interest income		294	833	294	833
Purchase of tangible fixed assets		-	-	-	-
Cash provided by (used in) investing activities		294	833	294	833
Change in cash and cash equivalents in the reporting period		16,073	15,240	46,827	24,948
Cash and cash equivalents at the beginning of the reporting period		691,615	676,375	633,401	608,453
Total cash at the end of the year		**707,688**	**691,615**	**680,228**	**633,401**

The University of Portsmouth Student's Union
Notes to the Cash Flow Statement
for the year ended 31 July 2021

1) Reconciliation of net income to net cash flow from operating activities

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Net income for the reporting period (as per the statement of financial activities)	30,940	(48,114)	30,940	(48,114)
Adjustments for:				
Depreciation charges	13,110	15,609	13,110	15,609
Interest income	(294)	(833)	(294)	(833)
Finance cost of pension deficit	42,391	218,711	42,391	218,711
Pension deficit repayments	(99,564)	-	(99,564)	-
Decrease/(increase) in stocks	997	(2,621)	-	-
(Increase)/decrease in debtors	(29,867)	18,339	12,018	(34,536)
Increase/(decrease) in creditors	58,066	(186,684)	47,932	(126,722)
Net cash provided by (used in) operating activities	15,779	14,407	46,533	24,115

2) Analysis of changes in net debt

Group	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	691,615	16,073	707,656
	691,615	16,073	707,656

Company	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	633,401	46,827	680,228
	633,401	46,827	680,228

Accounting Policies

Basis of preparation

The financial statements of the charitable company, 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 Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The consolidated financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity. The Charitable company does participate in a defined benefit scheme and at the date of this report the liability on this scheme was £1,585,876 which is repayable by annual instalments. This liability is currently ring-fenced in the unrestricted reserves. The trustees have considered this factor in their assessment and they do not consider there to be any significant concern in being able to continue as a going concern.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Portsmouth Students' Union Trading on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with the use of resources.

1 Accounting Policies continued

Donated services and facilities

The University of Portsmouth provides the charity with office space and sports facilities at no charge. As required by Charities SORP (FRS 102), the donation of these facilities is included as an incoming resource within note 2 and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

University of Portsmouth Students' Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of 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 pension scheme trustees on 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 University of Portsmouth Student's Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the SUSS continued after the closure of the scheme in the form of deficit funding and levies.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles	25% on cost
Fixtures and fittings	10% and 20% on cost
AU Equipment	33% on cost

Fixed asset investments

Fixed asset investments comprise the entire share capital of the charity's subsidiary trading company. Portsmouth Students' Union Trading Limited. The investment is valued at cost on the basis there is no available fair value for the share capital.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable ordinary shares.

1 Accounting Policies - continued

Trade and other debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Donations and legacies

	2021 £	2020 £
Block grant received	1,122,803	1,247,554
BAME grant received	19,492	-
Donated Facilities	81,600	81,600
	1,223,895	1,329,154

3 Other trading activities

	2021	2020
	£	£
Income from trading subsidiary		
Commercial partnerships	53,337	152,393
Retail Income	96,302	118,071
Other income	9,311	17,082
	158,950	287,546

4 Income from investments

	2021	2020
	£	£
Bank deposit interest	294	833
	294	833

5 Income from charitable activities

	2021	2020
	£	£
Development - Group income	13,443	182,505
	13,443	182,505

6 Other Income

	2021	2020
	£	£
Grant Income	26,489	38,098
Other income	24,161	5,069
	50,650	43,167

The charitable company received grants from the Government amounting to £26,489 (2020: £38,098) in relation to the Coronavirus Job Retention Scheme.

7 Charitable activities costs

	Direct Costs	Support costs (note 8)	Totals
	£	£	£
Development	41,636	343,182	384,818
Representation	159,439	355,385	514,824
Welfare	32,982	343,182	376,164
Other charitable activities	-	47,462	47,462
	234,057	1,089,211	1,323,268

8 Support costs

	Central Operations £	Governance Costs £	Totals £
Development	343,124	58	343,182
Representation	355,327	58	355,385
Welfare	343,124	58	343,182
Other charitable activities	20,348	27,114	47,462
	1,061,923	27,288	1,089,211

Support costs have been apportioned on a basis that is consistent with use of resources.

Support costs, included in the above, are as follows:

Central Operations

	2021 Total activities	2020 Total activities
	£	£
Salaries and training	766,033	805,908
Strategic development	-	1,011
Membership engagement	49,035	71,318
Central admin and overheads	227,223	196,412
NUS Affiliation	-	28,632
Irrecoverable VAT	6,522	13,570
Central depreciation	13,110	15,609
	1,061,923	1,132,460

Governance costs

	2021 Total activities	2020 Total activities
	£	£
Audit	11,321	10,836
Central Admin	4,335	6,644
Management accounts	11,485	12,950
Training & development	-	-
Trustee Expenses	147	644
	27,288	31,074

9 Raising funds expenditure

	2021	2020
	£	£
Other activities	50,633	79,058

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration - current auditors audit fees	11,321	12,950
Depreciation - owned assets	13,110	15,609
	24,431	28,559

11 Staff costs

	2021	2020
	£	£
Wages and salaries	875,381	887,442
Social security costs	63,739	67,562
Other pension costs	22,636	21,185
	961,756	976,189

The average monthly number of employees during the year for the group was as follows:

2021	2020
60	68

There average number of employees with emoluments (excluding employer pension costs) above £60,000 in this or the preceding year is as follows:

	2020	2019
£60,001 - £70,000	1	1

The key personnel management of The University Portsmouth Student's Union are considered to be the CEO, Deputy CEO, Head of Student Impact, and the Finance Manager. The total remuneration paid in the year ended 31 July 2021 amounted to £156,950 (2020: £175,098).

12 Financial Performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Portsmouth Students' Union Trading Limited.

The summary financial performance of the charity alone is:

	2021 £	2020 £
Turnover	1,396,599	1,762,404
Expenditure on charitable activities	(1,323,268)	(1,591,807)
Other recognised gains/(losses)	(42,391)	(218,711)
Net Income	**30,940**	**(48,114)**
Total funds brought forward	(916,158)	(868,044)
Total funds carried forward	(885,218)	(916,158)
Represented by:		
Unrestricted funds		
General Funds	607,992	629,921
Pension Deficit	(1,585,876)	(1,643,049)
Restricted funds	92,666	96,970
	(885,218)	**(916,158)**

13 Financial Performance of the subsidiary

Portsmouth Students' Union Trading Company Limited is a wholly owned trading subsidiary incorporated in the United Kingdom (company number 6320382). A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2021 £	2020 £
Turnover	158,950	287,152
Cost of sales and administration costs	(50,773)	(80,942)
Management charges	(86,814)	(136,861)
	21,363	69,349
Gift aid payment to UPSU	(21,363)	(69,349)
Net profit	-	-
Retained in subsidiary	-	-

The assets and liabilities of the Portsmouth Students' Union Trading Company Limited were:

	2021 £	2020 £
Total assets	110,833	133,316
Total liabilities	(110,832)	(133,315)
Total net assets	1	1
Aggregate share capital and reserves	1	1

14 Tangible fixed assets – Charity and group

	AU Equipment £	Fixtures & fittings £	Motor Vehicles £	Total £
Cost				
At 1 August 2020	-	215,248	-	215,248
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 July 2021	-	215,248	-	215,248
Depreciation				
At 1 August 2020	-	177,045	-	177,045
Charge for year	-	13,110	-	13,110
On disposals	-	-	-	-
At 31 July 2021	-	190,155	-	190,155
Net book value				
At 31 July 2021	-	**25,093**	-	**25,093**
At 31 July 2020	-	38,203	-	38,203

15 Stocks

	2021 £	2020 £
Stocks	52,349	53,347

16 Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	33,510	16,382	2,486	162
Prepayments and accrued income	22,377	9,638	22,377	9,387
Other debtors	4,413	4,413	11,413	11,413
Intercompany	-	-	91,244	118,576
	60,300	30,433	127,520	139,538

17 Creditors: Amounts Falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	6,373	9,909	6,341	9,909
Social security and other taxes	15,128	16,986	15,128	16,986
Accruals and deferred income	112,615	54,953	105,445	47,216
Other creditors	5,601	4,667	4,440	4,667
VAT payable	5,055	189	830	5,474
	144,772	86,704	132,184	84,252

18 Deferred income

Deferred income relates to additional block grant income received in advance for funding of the pension deficit.

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Balance as at 1 August 2020	-	104,043	-	104,043
Amount released to incoming resources	-	(104,043)	-	(104,043)
Amount deferred in year	-	-	-	-
Balance as at 31 July 2021	-	-	-	-

19 Analysis of net assets between funds - Group

	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
Fixed assets	25,093	-	25,093	38,203
Current assets	727,671	92,666	820,337	775,394
Current liabilities	(144,772)		(144,772)	(86,706)
Pension deficit	(1,585,876)	-	(1,585,876)	(1,643,049)
	(977,884)	92,666	(885,218)	(916,158)

20 Movement in funds - Group

	At 1.8.20 £	Net movement in funds £	Transfers £	At 31.7.21 £
Unrestricted funds				
Pension deficit	(1,643,049)	(42,391)	99,564	(1,585,876)
General funds	629,921	77,635	(99,564)	607,992
Total unrestricted funds	(1,013,128)	35,244	-	(977,884)
Restricted funds				
Sports and societies	94,678	(4,304)	-	90,374
Ring fenced funds	2,292	-	-	2,292
Total restricted funds	96,970	(4,304)	-	92,666
TOTAL FUNDS	(916,158)	30,940	-	(885,218)

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Acturial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(42,391)	(42,391)
General funds	1,415,528	(1,337,893)	-	77,635
Restricted funds				
Sports and societies	5,215	(9,519)	-	(4,304)
Ring fenced funds	-	-	-	-
Coronavirus Job Retention Scheme	26,489	(26,489)	-	-
	1,447,232	(1,373,901)	(42,391)	30,940

Comparative for movement in funds - Group

	At 1.8.19 £	Net movement in funds £	At 31.7.20 £
Unrestricted funds			
Pension deficit	(1,424,338)	(218,711)	(1,643,049)
General funds	448,204	181,717	629,921
Total unrestricted funds	(976,134)	(36,994)	(1,013,128)
Restricted funds			
Sports and societies	105,798	(11,120)	94,678
Ring fenced funds	2,292	-	2,292
Total restricted funds	108,090	(11,120)	96,970
TOTAL FUNDS	(868,044)	(48,114)	(916,158)

20 Comparative for movement in funds - Group - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Actuarial Gains / (Losses) £	Movement in funds £
Unrestricted funds				
Pension deficit	-	-	(218,711)	(218,711)
General funds	1,709,338	(1,527,621)	-	181,717
Restricted funds				
Sports and societies	133,867	(144,987)	-	(11,120)
Ring fenced funds	38,098	(38,098)	-	-
	1,881,303	(1,710,706)	(218,711)	(48,114)

21 Pension Commitments

The charity operates a defined contribution scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £22,636 (2020: £21,185).

22 Provision for liabilities

	2021 £	2020 £
Provisions	1,585,876	1,643,049

The union is a Participating Employer 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 United Kingdom. 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 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30th September 2011 the Scheme closed to future accrual.

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m (2016: £101.3m) excluding AVC's and incurred pensioners with these assets representing 46% (2016: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £140.9m (2016: £119.7m).

The assumptions used in the valuation are as follows:

Pre-retirement discount rate	4.0% pa
Post retirement discount rate	2.0% pa
RPI	3.6% pa
CPI	2.6% pa
Pension increase in payment	
Post 1997 (RPI min 3% max 5%)	3.7% pa
Post 2000 (RPI max5%)	3.4% pa
Mortality projections	CMI 2018 projections with a long term rate of improvement of 1.25% pa and IAP of 1%

22 Provision for liabilties continued

The 2019 Valuation funding shortfall recovery plan requires a monthly contribution requirement by each Participating Employer. Employer contributions will increase by 5% in October 2020 as planned and then by around 18%, on average, from 1 October 2021. Contributions will increase by 5% each year thereafter until the end of the deficit recovery period, which is expected to be in August 2035.

However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation. Surpluses or deficits which arise at future valuations will also impact on Union's future contribution commitments. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

During the year ended 31 July 2021, the University of Portsmouth Students' Union made a deficit contribution which amounted to £99,564 (2020: £nil).

At the balance sheet date the charity had monthly commitments to pay deficit funding contributions starting in October 2020 of £8,297, then deficit funding contributions starting in October 2021 of £10,145, then deficit funding contributions starting in October 2022 of £10,652, then increasing by 5% per annum each October until 31 July 2033.

	2021	2020
	£	£
Provision at start of the period	1,643,049	1,424,338
Effect of unwinding discount and changes in rate	42,391	218,711
Deficit contribution paid	(99,564)	-
Provision at the end of the period	1,585,876	1,643,049
Income and expenditure impact		
Effect of unwinding discount and changes in rate	42,391	218,711
	42,391	218,711

Assumptions

	31.07.21	31.07.20
	% per annum	% per annum
Rate of discount	2.58%	2.58%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

23 Operating lease commitments

The following operating lease payments are committed to be paid:

	Other	
	Group 2021 £'000	Group 2020 £'000
Expiring:		
Within one year	-	2,080
Between one and five years	-	-
	-	2,080

24 Related party transactions

The charity's trustees, as detailed on page 1, were reimbursed or had expenses paid on their behalf totalling £12,351 (2020: £15,693) in respect of travel, subsistence and training.

As authorised under section 6 of the Articles of Association, a total of £108,730 (2020: £105,274) was paid in remuneration to 9 (2020: 11) sabbatical officer trustees.

Pension contributions paid by the Union on behalf of four (2020: five) of the trustees listed above totalled £1,977 (2020: £1,910).

The University of Portsmouth Students' Union (UPSU) operates a trading subsidiary, Portsmouth Students' Union Trading Company Limited (PSUT). PSUT is wholly owned by UPSU and was established to handle the sales of clothing, merchandise, advertising and exhibition space on behalf of the students' union. A monthly management charge is made by the charity in respect of the operation and administration of this company.

Shortly after its incorporation, UPSU made a loan to PSUT in order to provide it with essential working capital. The loan arrangement is documented in writing and is secured against the subsidiary company's assets. The balance outstanding as at 31 July 2021 was £7,000 (2020: £7,000). Interest is charged on the balance outstanding at 1.5% over base. The charge for the year was £140 (2020: £140).

The University of Portsmouth is, by virtue of the provisions of section 22 of the Education Act 1994, required to take all practical steps to ensure that the charity operates fairly and democratically and accounts for its finances. During the year under review, the charity received grants totalling £1,142,295 (2020: £1,247,554) from the University of Portsmouth.