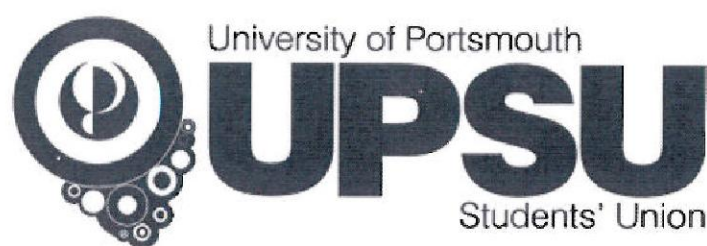


Registered Company Number: 03934555 (England and Wales)

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
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for the Year Ended 31 July 2022**

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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)
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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

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

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.

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

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

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

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.

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

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.

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

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.

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

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:

- o **5 Elected Officers** (formerly known as Sabbs - **full time paid**)
- o **15 Student Council members** - academic, liberation and student experience reps
- o **1050 Course reps and 5 Faculty Reps**
- o **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

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

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

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

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

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

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."

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

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)
	<u>618,842</u>

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.

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

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.

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

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:

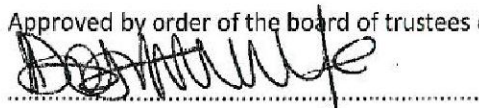
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

**Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union
For the Year Ended 31 July 2022**

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.

**Report of the Independent Auditors to the Members of
The University of Portsmouth Student's Union
For the Year Ended 31 July 2022**

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)					
Actuarial 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)

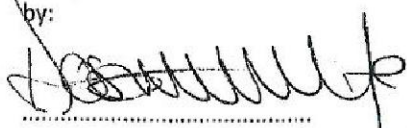
All incoming resources and resources expended are derived from continuing activities.

**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		<u>82,367</u>	<u>15,779</u>	<u>91,843</u>	<u>46,533</u>
Cash flows from investing activities					
Interest income		356	294	356	294
Purchase of tangible fixed assets		-	-	-	-
Cash provided by (used in) investing activities		<u>356</u>	<u>294</u>	<u>356</u>	<u>294</u>
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	<u>82,367</u>	<u>15,779</u>	<u>91,843</u>	<u>46,533</u>

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
	<u>707,656</u>	<u>82,723</u>	<u>790,379</u>
 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
	<u>680,228</u>	<u>92,199</u>	<u>772,427</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2022

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.

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2022

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.

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2022

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
	<u>1,349,151</u>	<u>1,223,895</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2022

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
	<u>310,007</u>	<u>158,950</u>

4 Income from investments

	2022	2021
	£	£
Bank deposit interest	356	294
	<u>356</u>	<u>294</u>

5 Income from charitable activities

	2022	2021
	£	£
Development - Group income	44,634	13,443
	<u>44,634</u>	<u>13,443</u>

6 Other Income

	2022	2021
	£	£
Grant Income	-	26,489
Other income	5,552	24,161
	<u>5,552</u>	<u>50,650</u>

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
	<u>299,634</u>	<u>1,180,866</u>	<u>1,480,500</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2022

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
	<u>1,151,705</u>	<u>29,161</u>	<u>1,180,866</u>

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
	<u>1,151,705</u>	<u>1,061,923</u>

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
	<u>29,161</u>	<u>27,288</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2022

9 Raising funds expenditure

	2022	2021
	£	£
Other activities	<u>108,491</u>	<u>50,633</u>

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
	<u>24,041</u>	<u>24,431</u>

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
	<u>1,038,244</u>	<u>961,756</u>

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

2022	2021
<u>72</u>	<u>60</u>

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	<u>1</u>	<u>-</u>

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).

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2022

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	<u>(805,424)</u>	<u>(885,218)</u>
 Represented by:		
Unrestricted funds		
General Funds	630,842	607,992
Pension Deficit	(1,505,051)	(1,585,876)
Restricted funds	68,785	92,666
	<u>(805,424)</u>	<u>(885,218)</u>

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	<u>-</u>	<u>-</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

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	<u>1</u>	<u>1</u>
 Aggregate share capital and reserves	 <u>1</u>	 <u>1</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2022

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	<u>215,248</u>	<u>215,248</u>
Depreciation		
At 1 August 2021	190,155	190,155
Charge for year	13,093	13,093
On disposals	-	-
At 31 July 2022	<u>203,248</u>	<u>203,248</u>
Net book value		
At 31 July 2022	<u>12,000</u>	<u>12,000</u>
At 31 July 2021	<u>25,093</u>	<u>25,093</u>

15 Stocks

	2022 £	2021 £
Stocks	<u>47,627</u>	<u>52,349</u>

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
	<u>56,255</u>	<u>60,300</u>	<u>108,564</u>	<u>127,520</u>

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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
	<u>206,666</u>	<u>144,772</u>	<u>193,365</u>	<u>132,184</u>

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	-
	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Balance as at 31 July 2022	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>

19 Analysis of net assets between funds - Group

			2022	2021
	Unrestricted fund	Restricted fund	Total funds	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)
	<u>(874,209)</u>	<u>68,785</u>	<u>(805,424)</u>	<u>(885,218)</u>

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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 £	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

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)

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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)	-	-
	<u>1,447,232</u>	<u>(1,373,901)</u>	<u>(42,391)</u>	<u>30,940</u>

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	<u>1,505,051</u>	<u>1,585,876</u>

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 max 5%)	3.4% pa
Mortality projections	CMI 2018 projections with a long term rate of improvement of 1.25% pa and IAP of 1%

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22 Provision for liabilities 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	<u>1,505,051</u>	<u>1,585,876</u>
Income and expenditure impact		
Effect of unwinding discount and changes in rate	40,915	42,391
	<u>40,915</u>	<u>42,391</u>
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.

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23 Operating lease commitments

The following operating lease payments are committed to be paid:

	Other	
	Group	Group
	2022	2021
	£'000	£'000
Expiring:		
Within one year	-	-
Between one and five years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

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.