

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)
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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	

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

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.

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

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

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

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.

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

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.

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

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

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

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

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

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

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.

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

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
	<u>648,284</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 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.

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

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.

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

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.

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

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 2023**

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)					
Actuarial 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		<u>-</u>	<u>12,000</u>	<u>1</u>	<u>12,001</u>
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		<u>844,477</u>	<u>894,293</u>	<u>826,050</u>	<u>880,991</u>
Liabilities					
Creditors falling due within one year	17	(124,289)	(206,666)	(105,863)	(193,365)
Net current assets/(liabilities)		<u>720,188</u>	<u>687,627</u>	<u>720,187</u>	<u>687,626</u>
Total assets less current liabilities		<u>720,188</u>	<u>699,627</u>	<u>720,188</u>	<u>699,627</u>
Provisions for liabilities	22	(1,724,263)	(1,505,051)	(1,724,263)	(1,505,051)
Net (liabilities)/assets		<u>(1,004,075)</u>	<u>(805,424)</u>	<u>(1,004,075)</u>	<u>(805,424)</u>
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		<u>(1,004,075)</u>	<u>(805,424)</u>	<u>(1,004,075)</u>	<u>(805,424)</u>

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		<u>(59,422)</u>	<u>82,367</u>	<u>(80,553)</u>	<u>91,843</u>
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		<u>1,785</u>	<u>356</u>	<u>1,785</u>	<u>356</u>
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

The University of Portsmouth Student's Union
Notes to the Cash Flow Statement
for the year ended 31 July 2023

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	<u>(59,422)</u>	<u>82,367</u>	<u>(80,553)</u>	<u>91,843</u>

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
	<u>790,411</u>	<u>(57,637)</u>	<u>732,774</u>
 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
	<u>772,427</u>	<u>(78,768)</u>	<u>693,659</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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.

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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 2023

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
	<u>1,649,156</u>	<u>1,349,151</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2023

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
	<u>289,302</u>	<u>310,007</u>

4 Income from investments

	2023	2022
	£	£
Bank deposit interest	1,785	356
	<u>1,785</u>	<u>356</u>

5 Income from charitable activities

	2023	2022
	£	£
Development - Group income	43,990	44,634
	<u>43,990</u>	<u>44,634</u>

6 Other Income

	2023	2022
	£	£
Other income	7,749	5,552
	<u>7,749</u>	<u>5,552</u>

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
	<u>299,878</u>	<u>1,467,969</u>	<u>1,767,847</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements - Continued
For the year ended 31 July 2023

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
	<u>1,438,151</u>	<u>29,818</u>	<u>1,467,969</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

	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
	<u>1,438,151</u>	<u>1,151,705</u>

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
	<u>29,818</u>	<u>29,161</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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
	<u>24,350</u>	<u>24,041</u>

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
	<u>1,320,533</u>	<u>1,038,244</u>

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

2023	2022
<u>101</u>	<u>72</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:

	2023	2022
£70,001 - £80,000	<u>1</u>	<u>1</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 2023 amounted to £185,954 (2022: £163,034).

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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	 <u>(1,004,075)</u>	 <u>(805,424)</u>
 Represented by:		
Unrestricted funds		
General Funds	648,284	630,842
Pension Deficit	(1,724,263)	(1,505,051)
Restricted funds	71,904	68,785
	<u>(1,004,075)</u>	<u>(805,424)</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:

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

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	<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 2023

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	<u>215,248</u>	<u>215,248</u>
Depreciation		
At 1 August 2022	203,248	203,248
Charge for year	12,000	12,000
On disposals	-	-
At 31 July 2023	<u>215,248</u>	<u>215,248</u>
Net book value		
At 31 July 2023	<u>-</u>	<u>-</u>
At 31 July 2022	<u>12,000</u>	<u>12,000</u>

15 Stocks

	2023 £	2022 £
Stocks	<u>63,426</u>	<u>47,627</u>

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
	<u>48,277</u>	<u>56,255</u>	<u>132,391</u>	<u>108,564</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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
	<u>124,289</u>	<u>206,666</u>	<u>105,863</u>	<u>193,365</u>

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
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>

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)
	<u>(1,075,979)</u>	<u>71,904</u>	<u>(1,004,075)</u>	<u>(805,424)</u>

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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)

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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	-	-	-	-
	<u>1,709,700</u>	<u>(1,588,991)</u>	<u>(40,915)</u>	<u>79,794</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 £25,190 (2022: £21,859).

22 Provision for liabilities

	2023 £	2022 £
Provisions	<u>1,724,263</u>	<u>1,505,051</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 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).

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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 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	<u>1,724,263</u>	<u>1,505,051</u>
Income and expenditure impact		
Effect of unwinding discount and changes in rate	347,036	40,915
	<u>347,036</u>	<u>40,915</u>
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.

The University of Portsmouth Student's Union
Notes to the Financial Statements
For the year ended 31 July 2023

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.