

**THE UNIVERSITY OF NOTTINGHAM
STUDENTS' UNION**

Trustees' Report and Consolidated Financial Statements

Year ended 31 July 2023

Company Registration Number: 07229624
Charity Registration Number: 1136986

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THE UNIVERSITY OF NOTTINGHAM STUDENTS' UNION
 (A COMPANY LIMITED BY GUARANTEE)
 TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Reference and administrative details

Trustees

Chair

S Chaudhury	appointed Chair 15 July 2022; resigned 07 July 2023
J Nuttall	Appointed 03 July 2023

Officer Trustees

S Chaudhury	appointed 19 July 2021; resigned 07 July 2023
D Forster	appointed 11 July 2022; resigned 07 July 2023
I Oyedeji	appointed 11 July 2022; resigned 07 July 2023
J Paternoster	appointed 11 July 2022; resigned 07 July 2023
J Butterworth	appointed 11 July 2022
S Nolan	appointed 11 July 2022
T A Do	appointed 03 July 2023
D Haq	appointed 03 July 2023
E Leech	appointed 03 July 2023
P Read-Pitt	appointed 03 July 2023

Lay Trustees

D Ellis	
R Munton	resigned 29 June 2023
J Colenso	resigned 31 July 2023
C Bridge	
M Reynolds	appointed 11 December 2023

Student Trustees

F Akhtar	appointed 20 April 2021; resigned 29 June 2023
W Bowling	appointed 01 July 2021; resigned 13 December 2023
J Brazier	appointed 01 July 2021; resigned 20 December 2022
J Ferris Woolley	appointed 15 December 2022
N Holt	appointed 15 December 2022
J Horsburgh	appointed 15 December 2022; resigned 29 June 2023
B Russell	appointed 11 December 2023
P Prathu	appointed 11 December 2023

Company Secretary	E Birkinshaw
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Company Number	07229624
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Charity Number	1136986
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Principal Address	Portland Building University Park Nottingham NG7 2RD
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TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Reference and administrative details

Independent Auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Bankers	NatWest Corporate 8-10 Great Tower Street London EC3P 3HX
Solicitors	Browne Jacobson 44 Castle Gate Nottingham NG1 7BJ

Trustees' report

The Board of Trustees present their Annual Report for the year ended 31 July 2023, which includes the administrative information set out above, together with the Trustees' report and the audited financial statements for that year.

Structure

University of Nottingham Students' Union (UoNSU) is a registered charity and a company limited by guarantee, not having share capital and governed by its Memorandum and Articles of Association. The liability of each member in the event of winding up is limited to £1. It is registered as a charity with the Charity Commission.

The charity is administered by its Board of Trustees which consists of up to eight sabbatical officer trustees, four lay trustees and five student trustees. The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Board of Trustees is responsible for setting the Union's strategy, ensuring its sustainability, and monitoring progress including oversight of performance of each part of the Union's work. They review and approve the budget and track the Union's financial performance, have oversight of the Union's risk and fiduciary accountabilities and line management of the chief executive. The Board of Trustees has delegated its powers for the management of certain functions to three Committees – Student Engagement Committee, People, Culture and Inclusion Committee and Finance, Risk and Compliance Committee.

The Board's power is subject to the decisions or policy made by the Student Members in General Meeting, through the student democratic procedures within Union Council and the Democratic Procedures Committee or by Referendum. The Trustees may override the decisions or policy only on the grounds of financial considerations, charity or education law or other legal requirement, or the reputation or best interests of the UoNSU.

Union Council represents the voice of the students and sets the policy of UoNSU for its members.

The Board of Trustees and Union Council has the power to jointly make, repeal or alter Byelaws as to the management and working practices of the Students' Union.

Aims and Objectives

UoNSU is governed by its Memorandum and Articles which record its Objects as follows:

The Union's Objects are the advancement of education of students at University of Nottingham for the public benefit by: -

- Promoting the interests and welfare of students at University of Nottingham during their course of study and representing, supporting and advising students;
- Being the recognised representative channel between students and University of Nottingham and any other external body; and
- Providing social, culture, sporting and recreational activities and forums for discussions and debate for the personal development of members.

2022/23 Impact and Performance

Our new strategy was completed during 2021/22 after an extensive process which engaged stakeholders across the student, union and university community. Our mission is:

We believe in better, and we'll achieve it together

Our vision is that we'll be leaders for our student community, shaping an inspiring and rewarding student experience.

Our values define our character and guide our decisions. Our commitment is that in all that we do we will be:

Equitable – we'll be relevant, inclusive, respectful and accessible for our diverse membership, taking steps to encourage participation, celebrate differences and enhance the voices and opportunities of under-represented and disadvantaged groups.

Empowering – We'll be led by our members, seeking democratic input to drive our policies and priorities, and we'll support and enable students to own and lead their personal experiences.

Brave – We'll be ambitious and tenacious in pursuing our members' interests, challenging policy makers, creating new and innovative solutions and taking calculated risks to advance our influence and impact.

Responsible – We'll always look to do the right things, in the right ways, holding ourselves to the highest standards of corporate and social responsibility, aligning our work with the UN Sustainable Development Goals and managing our finances and resources effectively.

Collaborative – We'll work together with our members and stakeholders, leading, learning and sharing with key partners and collaborators so we can expand our impact and continue to do better.

Our key strategic priorities are:

- Prioritising academic representation
- Building student community
- Improving student lives

1. Prioritising academic representation

“Students have an influential voice on their learning experience”

The Union has played a significant role in influencing the learning experience. We have placed renewed emphasis on supporting students on their course to recruit representatives and provide training for them to be effective, with 1,272 reps in 2022/23 which is 6% up on last year. A number of the reps were also retained from last year, with our students finding value in the skills they develop from the role and having a huge passion for advancing the education of their community.

Performance in relation to question 26 of the National Student Survey (NSS) (which asks if the Students' Union effectively represents students' academic interests) sits at 67.6% agreement an increase of 23.8% since last year (44%). This is a positive increase and mirrors a wider sector upward trend following changes to the collection methodology. Work has begun to develop an NSS Action Plan for the 2023/24 academic year with a target of maintaining our NSS score and making a small increase of 1% to the Russell Group midpoint.

We have had 2,858 student engagements with SU-led research projects which include surveys, focus groups & interviews. Our advice team have handled 1,272 Academic advice enquiries, 48% of these cases were related to academic/discipline issues. We have celebrated excellent teaching at the University and had over 100 nominations for our Student Led Teaching Awards.

A few of the successful changes made by students around their learning experience include:

- ✓ Personal tutoring
- ✓ Extenuating circumstances
- ✓ Across the University - Students engaged with staff solidarity campaigns, such as supporting UCU strikes as they saw this work as key to ensuring high quality teaching and learning.

Our Officers continued to collaborate with the University and represent the interests of students on a day-to-day basis at the highest level. Officers were able to influence key decisions affecting student

education in real time. Our activity officer produced a guidance document on how schools at the University can best work with course-based student societies. This has been shared with academic staff across the University.

2. Building Student Community

"Students are part of a community"

Activities and Sport: We have 526 student-led groups and societies which have 22,598 unique students actively engaged. We've had 27,545 unique students engaged in Union activity and over 187,935 interactions.

We hosted a successful Varsity series event which we delivered in collaboration with UoN Sport and Nottingham Trent University Students' Union. Over 10,000 people attended over the series and we had 5,299 people attend the Ice Hockey event.

Our Sports Officer created the "Let's Talk" Sport series to tackle the discrimination culture in Sport.

Our Liberation Officer launched our new liberation hub to serve as a safe space for minority students.

Using funding from the University's Access and Participation fund, the SU has launched the Opportunities Fund. This funding has meant that over 130 students who might previously have struggled to pay to take part in student groups have been able to pay for events, trips, memberships and vital equipment. We have also secured this funding for 2 more years, including additional funding for next year.

Events: We support a huge attendance at events both run by the Union and those which our team have supported and empowered our student groups to organise. We organised 130 events for Welcome Week, collaborating with the University and our volunteers, to deliver events for new and returning students. We hosted 85,654 attendees. Our events were supported by our student run media groups, such as TEC providing lighting and sound equipment & coverage from our TV station NSTV and student radio URN.

Volunteering

Our student volunteers continue to support our student and local community, and we have amazing volunteers. Whilst impossible to name everyone here, Nottingham Nightline provided a confidential listening service to support the mental health of students, Community First Responders continued to provide valuable lifesaving support to the Nottingham ambulance service and Souprunners raised funds throughout the year and provided food to homeless people in the city centre twice a week, conducting weekly runs with volunteers helping and distributing food. Our Welcome programme included 150 volunteer mentors, welcoming 11,000 new students to the University.

Social Enterprises

We have a variety of businesses on campus which serve to bring the student community together, provide valuable services to students, create employment opportunities for our community and generate a contribution to help fund the activities of UoNSU. These outlets include our two Spar convenience retail shops, Mooch Venue, Portland Coffee Co, Portland Clothing Co, Portland Printing and Portland Zero – our Zero waste shop. Our commercial team deliver Sponsorship & Advertising opportunities for customers to target the student population and we run a number of successful events, largely run by volunteers. During the financial year over £270,000 was paid to students through jobs within the SU.

It was a difficult year for our outlets, trade was affected by many issues. Footfall on campus reduced due to UCU strike action, cost-of-living crisis and hybrid exam & working arrangements. The ongoing energy crisis, inflation, supply chain issues and war in Ukraine all had an impact on trade, costs and availability of stock. Despite this, our social enterprises were able to deliver a profit contribution of £390k. This will be donated to the Charity in 2023/24 year and 100% of this helps support our activities for students, for example funding our Student Advice Centre. In 2022/23 year we donated £293k based on profit results for 2021/22.

3. Improving Student Lives

"Students have improved lives"

Around 64% (2021/22 52%) of students surveyed reported that the Students' Union had a positive impact on their wellbeing at the University of Nottingham. We continue to support, represent and champion student interests beyond the core academic experience and work closely with the university to deliver a great student experience, championing wellbeing activities.

Our Officer Elections, where we elect our student leaders had a 64% increase in nominations and 45% increase in voters. Votes cast increased by 184% (5,668 in 2022 to 16,124 in 2023). Extensive work was done by the Student Voice Team and wider organisation to promote elections. These roles are essential to engaging with the University and transforming the academic experience. Student engagement with elections is essential for students to have a say on who represents them as well as legitimises the position of the Students' Union with the University as a lobbying body.

We provided 2000 free personal alarms to students and we launched community cabinets and have given away over £3,500 worth of sanitary and sexual health products.

We produced a cost of living report to make recommendations to the University and wider stakeholders to outline how students can best be supported through the ongoing crisis. Our Community Officer successfully lobbied the University to set up a Learning and Development Fund which saw £250,000 of funding made available to students at UoN

Advice & Support: Our Students' Union Advice team provide impartial course, housing, and money advice and information to all students for free. Last year, the team handled 2,858 new cases (2021/22: 2,433 new cases) and supported hundreds more students who received ongoing support for an existing advice case. 1,586 of these cases related to welfare advice enquiries – 36% relating to student housing & 16% relating to money & finance.

Mentors: Each year we recruit and train a large number of student volunteers ("mentors") to support our Welcome week by ensuring new students have a great introduction to the University, make friends, avoid isolation and have fun. For Welcome week 2022 we had over 150 mentors. Welcome Week 2022 was held in person and we placed an emphasis on community building and supporting our students to enjoy their first week at university. Our volunteer Welcome mentors were instrumental in this. Through late spring/summer 2022, extensive planning took place to ensure the programme was ready to operate in person in September 2022 for the new academic year.

Campaigning

We have run and supported a number of campaigns in the year to help promote the interests of our students and improve their lives. Some of these included:

- **Black History month** – information about BME figures in history provided by QPOC
- **Holocaust Memorial Day** – accounts from holocaust survivors from a teen/young adult perspective provided by the Holocaust Education Memorial Trust
- **LGBT+ History Month** – photos and quotations from LGBT+ students and part of a visibility and understanding campaign

Our Community Officer successfully lobbied the University to implement consent training for all new students and co-created that training with the SU, students and the University to highlight the importance of consent to all new students.

We launched a new LGBT+ Guide written by students and funded by the SU. We co-hosted the Trans Day of Remembrance with the Notts Trans collective which had attendees from UoN, NTU and the local community

Governance and management

The Union is subject to regulation by the Charity Commission and Companies House. The Union complies with all the statutory requirements which apply to it.

Governing Document

UoNSU is governed by its Memorandum and Articles of Association. The 5-year review of the Union's Memorandum and Articles of Association was completed in 2019/20 to meet the requirements of the Education Act 1994. Amendments to the governing document were approved by SU General Meeting and the University's Council in accordance with our set down requirements.

Officers

Executive Officer committee consists of up to eight students elected annually by a cross campus secret ballot of the UoNSU membership. The eight posts were Education Officer, Liberation Officer, Welfare and Wellbeing Officer, Activities Officer, Sports Officer, Community Officer, Postgraduate Officer and Union Development Officer. These are full time, or 'sabbatical', posts remunerated as authorised by the Education Act and Charities Act.

UoNSU also has a further seven officer roles elected by a cross campus secret ballot of the UoNSU membership. The seven posts of Black and Minority Ethnic Officer, Disabled Students' Officer, Environment and Social Justice Officer, International Students' Officer, LGBT+ Students' Officer, Mature Students' Officer, Women's Officer, are part time roles which are undertaken on a volunteer basis and not remunerated.

Our Officers provide the political leadership for UoNSU and are the lead representatives of students for UoNSU internally, across University of Nottingham, the city of Nottingham and nationally.

Recruitment and Training of Trustees

The Union Development Officer serves as Chair of the Board for the duration of their tenure as an Officer, having been appointed following a secret cross-campus ballot of the members. As of autumn 2020, all other full time Officers are Trustees, having been elected to their Officer position following a secret cross-campus ballot of Union members. Officer Trustees may serve for a second term if they are re-elected as an Officer of the Union.

Lay Trustees are appointed for a term of three years. Lay Trustee appointment is made following external open recruitment. An Appointments Committee is convened from members of our People, Culture and Inclusion Committee. Recommendations are made by the Appointments Committee to the Board of Trustees and then to Union Council in accordance with our Byelaws. Lay Trustees may serve for a total of two terms.

Student Trustees are appointed by an application and selection process which is openly advertised to all Union members (students). An Appointments Committee is convened from members of our People, Culture and Inclusion Committee. Recommendations are made by the Appointments Committee to the Board of Trustees and then to Union Council in accordance with our Byelaws. Student Trustees can serve one term of up to two years. The length of term can be affected by the point of study and the timing of the academic year, so recruitment processes are in place to manage fairly high turnover.

The Union is required, by agreement with the Charity Commission, to have more unpaid than paid trustees.

An initial induction meeting with the Chief Executive ensures new Trustees understand the role, the context of the Union and expectations of the meetings before they attend their first meeting. A Board induction for all Trustees is followed by subject induction briefings for each Committee led by the appropriate senior management team member. The Board also have an annual training and induction day.

During 2022/23 we appointed, trained and developed 6 student trustees to use their unique skills and expertise on student life at UoN to ensure students are at the heart of our decision making. We hosted our first ever Student Trustee Networking Event and welcomed student trustees from across the Midlands Region to advance their professional development and increase their networks.

Delegation

The Trustees delegate the day-to-day management, the development of strategy and overall leadership of the Charity to the Chief Executive and a Senior Management Team. The Chief Executive reports to the Chair of the Board.

Pay Policy and Senior Staff

The Board of Trustees review the salary for the Chief Executive annually using data from across comparable students' unions and the charity sector to provide a benchmark for their decision making. Directors' remuneration is considered along with the whole organisation's pay and reward policy by our People, Culture and Inclusion Committee which is a sub-committee of the Trustee board. During the year a Reward Review project was undertaken to realign the Pay & Reward Policies to reflect our commitment to attracting & retaining Brilliant People. This has resulted in a new spinal pay point system and has been implemented from 01 August 2023.

Employment

The Students' Union is committed to engaging with its employees to ensure team members are kept up to date on the success and challenges of the Students' Union, its performance and other information that may be important or of interest. A variety of methods are used to achieve this, including team meetings, briefings, away days, email bulletins and a staff engagement forum. Where changes which might impact team members are being considered, we take a collaborative and consultative approach to ensure different views can be taken into account. We also undertake an annual staff engagement and satisfaction survey the results of which, and the arising action plan, are overseen by our People, Culture and Inclusion Committee and shared transparently across the organisation.

The Students' Union is an equal opportunities employer and has a responsible approach to employment and social legislation. We're trying hard to become a more inclusive workplace and to better represent the student community that we serve. We value diversity, promote equity and challenge discrimination - this is fundamental to our values and enriches life on campus.

The Students' Union is committed to the development of our staff, and we provide equal opportunities for the training and career development of all employees.

The Students' Union is an accredited Real Living Wage employer.

Relationship with the University

The Education Act 1994 lays down the statutory duty of the University of Nottingham to take such steps as are reasonably practical to ensure the Students' Union operates in a fair and democratic manner and is held to appropriate account for its finances. The Students' Union works alongside the University of Nottingham to ensure that its affairs are properly conducted, and the needs of the University of Nottingham Students' Union members are met. The formal relationship between the University and the Union is governed by a Memorandum of Understanding incorporating the Code of Practice. The Chair of Trustees and Chief Executive report annually to University Council, via the University's Finance Committee on the performance and progress of the Union, and on our use of the University's annual grant.

UoNSU receives a block grant from the University, and occupies buildings owned by the University, which also pays for some repairs, services and utilities. This non-monetary support is intrinsic to the relationship between the University and UoNSU. As recommended by the Charities' SORP, for due compliance with the requirements for Students' Unions provided for in the Charities Act 2011, an estimated value to UoNSU for this support has been included in the financial statements, priced at £535,000. UoNSU, and its wholly owned subsidiary UNU Services Limited, continues to generate supplementary funding from various mutual trading activities much of which has been developed as a result of a close and collaborative relationship with the University. The University of Nottingham is not a related party as defined by the Charities FRS102 Statement of Recommended Practice.

Public benefit

The Trustees consider this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit. As a registered charity, The University of Nottingham Students' Union works directly with and for, and supports and benefits around 35,000 students registered to study at the University of Nottingham in the UK. In planning our work, we test that the

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strategy and the primary goal of all our activities are linked to our core aims and therefore are for the direct benefit of our member students.

In addition, our work supports the local Nottingham community, prospective students and a number of national organisations. We have an extensive community volunteering programme, who meet regularly with City and local councillors and members of the community, particularly where students are residents, to work positively with them so students are positive and active members of their community.

This will be enhanced further due to the strategic partnership entered into with Nottingham Trent Students' Union during July 2022. The partnership aims to support civic engagement and student needs within Nottingham City. Between us we represent c68,000 residents who are part of the student population and represent 8.5% of the total population of the city. This year the Nottingham Students' Partnership has been busy making change for students in landlord licensing, refuse collection and within Nottingham's new Student Living Strategy.

Any activity that the Union undertakes in which it has core skills but which is not for the direct benefit of the Union's members, is funded and resourced separately. This is always a very small part of our work but is usually undertaken to support the aims of the University of Nottingham, the Union's main funder.

Societies and student groups

Funds raised by the societies and student groups are administered by the Union for the specific benefit of that society or student group. These funds are treated as restricted in our financial statements.

Principal Risks and Uncertainties

The Board of Trustees has examined the major strategic, business and operational risks faced by UoNSU. The Union has a Risk Register. The Finance, Risk and Compliance Committee oversees the detailed review and tracking of UoNSU's risks as part of its delegated authority from the Trustee Board and updates the Board of Trustees regularly. The Board of Trustees review the risk register on an annual basis. The Risk Register is managed operationally by the Senior Management Team and an escalation process is in place for any issues that occur that require urgent notification. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by UoNSU. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

There are a number of significant risks affecting the Union. Financially, our biggest risk is around funding from the University. Following a review project with the University in 2022/23 our Core Funding for 2023/24 has been confirmed at £2.4m (an increase of £312k on 2022/23) with an inflationary uplift each year. The review project set to establish some partnership principles which will inform how we are funded going forward and monetary funding levels to support the design of our 3-year financial plan.

We remain aware of the risks of changing student attitudes and preferences, the impact of higher education and immigration policies on both our parent institution and ourselves and changes in the broader economic and political climate. There are a number of risks associated with our specific operations, for example our student societies' activities. These have established control procedures in place, and these are subject to regular review.

Our legacy defined benefit pension scheme (Students' Union Superannuation Scheme "SUSS") is currently in deficit and we are making payments as part of a deficit recovery plan. Further detail on this is provided in the notes to the consolidated financial statements. We receive formal updates on the scheme at least annually from the pension scheme trustees and the Board of Trustees consider the impact on UoNSU accordingly. The impact of SUSS is considered by Trustees as part of our routine business and strategic planning.

We are also aware of a risk regarding our treatment of catering income for VAT purposes. HMRC has challenged a number of SUs regarding the treatment of catering income as exempt from VAT. To date we have not been contacted by HMRC directly. Via NUS, we are part of a VAT campaign which will challenge the claims already made against SUs and ensure that guidance and statute is clear on how the

income should be treated going forward. The VAT campaign challenge to HMRC was unsuccessful and it is likely that the issue will be taken to judicial review.

The income has been treated as exempt from VAT as it forms part of the core provision of providing education in the University setting, through catered Halls of Residence. We provide access to this catering to students on behalf of the University via the use of their Mealcard in our Coffee, Mooch and Spar outlets. Should a claim be made against us, or the NUS group action be unsuccessful, we have calculated our exposure to historic financial risk to be c£237k (2021/22 £300k). HMRC have the power to go back 4 years. Whilst we are currently not providing for this amount as a liability in our financial statements due to no claim being made against us, we would like to draw the reader's attention to this possibility. As a contingency measure the Trustees have agreed to us ringfencing £237k of our free reserves to cover this liability, should it crystallise. At the point we are made aware to the contrary this amount will be released back into free reserves.

Plans for the Future

We are working with University colleagues to review our funding proposal to enable us to develop our services to lead our student community and shape an inspiring & rewarding experience. This will set us up to deliver our strategic ambitions of prioritising academic representation, improving students' lives and building student community. This is in addition to the Core Funding mentioned above.

Financial review

Principal sources of funding

The principal sources of funding are the core block grant from the University of Nottingham, funding from the University of Nottingham to supporting the Hall Committee activities, funds generated directly by our student groups, the profit donated by UNU Services Limited, sponsorship income and income from investments.

Financial Overview

The Union continues to manage its finances to support delivery of its strategy and ensure its long-term sustainability. During Autumn 2022 we delivered recurrent savings of £425k through the planned restructure in response to the further reduction in Block Grant from the University. This did unfortunately result in a number of staff being made redundant. In the year we have closely managed our funds given the significant impact that the energy crisis, cost of living crisis and war in Ukraine had on the SU and the wider community we are in.

We had targeted a contribution of £489k profit from Social Enterprises for the 2022/2023 financial year and due to the challenges in year, we delivered a profit of £358k. As a group, excluding Student restricted funds, we generated a core deficit of £7k, we had budgeted for a core deficit of £50k so this was positive result and helped to offset some of the downturn in Social Enterprises. We saw an unrealised loss on our investments of £101k, but it is worth bearing in mind that our capital is invested for the long term. During the year we drew down c£380k cash from the investment. We also saw an extension to the SUSS pension repayment period to 2037. We are required to recognise this extension in our accounts and the effect of the extension was an additional cost of £124k. Overall we delivered a final combined deficit of £232k.

	FY 2023	FY 2022
	£	£
Core (deficit)/surplus	(6,826)	96,814
Unrealised investment (loss)/gain	(101,218)	14,124
Impact of pension scheme triennial valuation	(123,765)	-
Movement in unrestricted funds	(231,809)	110,938
Movement in restricted (student) funds	(78,776)	(174,588)
Net movement in funds	(310,585)	(63,650)

Investment policy

The Trustees review the Union's investments policy on an annual basis. The policy exists to provide a framework for the management of our long-term reserves. The Union Trustees have agreed to retain suitably qualified advisers to assist in meeting their regulatory obligations with regard the monitoring of the long-term reserves. Our current independent financial advisers are Henwood Court Financial Planning Limited (Henwood Court) and our investment portfolio is operated day to day by Rathbones Brothers plc (Rathbones) in line with our Investment Policy, Risk Tolerances and Ethical Restrictions.

Trustees approved the investment objectives as set out below:

- The Union seeks to produce a defined targeted financial return aligned to the organisation's financial requirements within an acceptable level of risk.
- The investment objective for the short-term fund is to retain certainty of value.
- The investment objective for the long-term fund to maintain the long-term spending power of the capital and protect it against the effects of inflation. The long-term reserves should be invested to grow at least in line with the Consumer Prices Index (CPI).
- Due to the nature of the reserves, the board need to keep 100% of the long-term reserves in investments that can be realised within three months.
- The income received from investments is to be reinvested.

Trustees have identified the key risks to the investment as set out below:

- The Trustees have identified that the key risk to the long-term reserves is inflation, and the assets should be invested to mitigate this risk over the long term.
- A consequence of not achieving the targeted returns could potentially mean that a number of employee positions within the union could not be sustained.
- The Trustees understand that this is likely to mean that investments will be concentrated in real assets and that the capital value will fluctuate.
- The Trustees attitude to risk was defined as low-risk appetite, as determined by completion of Henwood Court Risk questionnaire
- Following discussion on the above risk characteristics, in conjunction with an assessment of time horizons and investment objectives, it was recommended and approved that the Union's portfolio should follow Rathbones Risk Profile 3 on a scale of 1-6.

The Ethical Restrictions currently in place for operation of the portfolio are as follows:

- To not invest either directly or indirectly in fossil fuel companies
- No investment in aerospace or defence companies
- Regarding sustainability, for example investment in construction, mining and tobacco which could be contrary to the trustees objectives there are no specific restrictions however, Rathbones will have a proactive engagement on the Unions' behalf should any specific investment have a negative impact on the Union's investments

As at 31 July 2023 the value of our investment portfolio is as follows:

	2023	2022
	£	£
Listed investments portfolio value	1,464,704	1,922,952

Performance of investment:

During the year cash of £380k (2022: £nil) was drawn down from investment to bank.

During the year an unrealised year end valuation loss of £101,218 (2022: gain £14,124) was posted to the accounts.

During the year the portfolio delivered income of £40,667 an estimated yield of 2.8% (2022: £43,085 income; estimated yield 2.2%).

Consolidated portfolio performance to 31 July 2023 (before fees, after cash drawn down) -3.6% (2022: +2.9%).

Reserves policy

The Trustees review the Union's reserves policy on an annual basis. This excludes the restricted reserves we hold on behalf of the Student Groups.

Trustees' report

Trustees approved the formal policy statement as set out below:

- The Trustees consider that UoNSU should hold in unrestricted funds an amount equivalent to continue core activities (Core Activity Fund), with sufficient business management support, for a period of 6 months without income, and have established a calculation to this effect
- For the year 2022/23 Trustees have calculated this reserves target figure to be £650k
- Unrestricted funds held surplus to the reserves target shall be designated by Trustees for the purposes of strategic projects and/or capital investment.

We currently set our Core Activity Fund at £650,000 which would:

- Enable us to maintain our critical core services required by the Education Act and by agreement with the University as the minimum service we would offer (The Officers, Representation Development supporting the education network, Advice and academic representation)
- Cover related essential central costs including health & safety, HR, finance, building rent, insurance, IT, a small provision for senior management and standard overheads
- Cover the estimated cost to scale our activity down (the cost of restructuring).

Charity Commission guidance requires that Trustees be able to explain why they are holding any funds additional to their express reserves policy. This is because the money is charitable in nature and should be applied to the purposes of the charity and not held without reason.

Trustees approved the creation of 3 designated funds:

- **VAT (potential) Liability Fund £300k**

(the potential liability is c£237k, reduced from £300k due to time elapsing)

- **Strategic Projects Fund £50k**

- **Capital Investment Fund £50k**

to which any unrestricted funds held in surplus to the Core Activity Fund reserves target, shall be distributed.

As at 31 July 2023 we estimate our free reserves as follows:

	2023 £	2022 £
Unrestricted funds	(1,897,459)	(1,665,649)
Add back pension deficit	2,787,296	2,696,090
Less tangible fixed assets	(51,008)	(44,699)
Free Reserves	838,829	985,742

Free reserves held at 31 July 2023 are in excess of our Core Activity Fund target of £650k (2022 – in excess of reserves target of £650k for financial year).

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that UoNSU has adequate resources to continue in operational existence for the foreseeable future. Trustees have undertaken a financial planning exercise, taking account of various scenarios, and during early 2021/22 made changes to the organisation to ensure that it is financially sustainable. Our Core Funding from University has been increased by £312k for 2023/24 with an inflationary uplift in following years. These changes set us up well to deliver during 2023/24. We continue to closely monitor our financial position and plan and respond to the rapidly changing environment we're operating in to ensure our long-term sustainability.

The group has net liabilities of £587,720 at 31 July 2023 (2022: group net liabilities of £277,133). However, £2.787m of this is caused by a legacy pension scheme. The pension is due to be repaid gradually over the next 14 years as part of a formal plan with the pension scheme trustees and our internal plans are prepared to manage spend and activity around this commitment. Excluding the pension, the remaining balance sheet shows a net asset position of £2,199,576 (2022: £2,418,957) and a strong cash position.

Our core funding from the University is our largest source of income and has been agreed for the academic year 2023/24, including an uplift of £312k on the 2022/23 amount thus significantly reducing the financial risk to the organisation. We rely on our social enterprises within UNU Services Limited to make a contribution to support our charitable activities and as a result of Covid-19 we significantly reduced the expectation in our medium-term financial plan. Like many businesses operating in the retail and hospitality sector, the operating environment throughout 2022/23 has been difficult as a result of economic pressures such as inflation and cost of living crisis, along with instability caused by political policy & war in Ukraine. We have been prudent in our budgeting for 2023/24 and ensured that our budgets prioritise delivery of our strategic goals. We have looked to respond to our challenges by maximising our income, minimising our costs and minimising the impact on our people.

We continue to closely monitor trading performance internally and this is overseen by our Trading Board & Finance, Risk and Compliance committee. Our cash position remains strong and the Trustees expect to have sufficient cash and reserves for the foreseeable future.

For this reason, we continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Students' Union and of the income and expenditure of the group for that period. In preparing those financial statements, the Trustees are required to ensure the Union:

- Selects suitable accounting policies and then apply them consistently;
- Observes the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- States whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepares 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 ensuring adequate accounting records are kept that are sufficient to show and explain the Union's transactions and disclose with reasonable accuracy at any time the financial position of the Union and enable them to ensure that the financial statements comply with the Companies

THE UNIVERSITY OF NOTTINGHAM STUDENTS' UNION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Act 2006. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

During the year, an indemnity from UoNSU was made available to Trustees against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of UoNSU. The value of the indemnity in place during the year was £1,000,000.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustee's report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware;
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information:

Auditors

The auditors, Crowe U.K. LLP, were appointed during the year in accordance with section 485 of the Companies Act 2006. Cooper Parry Group Limited indicated their intention not to continue as the Company's auditors going forward and so following an external audit tender process completed by the Company, a motion to appoint Crowe U.K. LLP as new auditors was proposed & accepted at our Annual Members' Meeting in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board of Directors on ~~22 APRIL 2023~~ 22 APRIL 2023 and signed on its behalf by:



J Nuttall
Chair of Trustees

Independent auditor's report to the members of the University of Nottingham Students' Union

Opinion

We have audited the financial statements of University of Nottingham Students' Union ('the Parent Charitable Company') and its subsidiary ('the Group') (the 'charitable company') for the year ended 31 July 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 July 2023 and of its 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the members of the University of Nottingham Students' Union

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Trustees' Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our 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 Trustees' report. We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 Group's and of the Parent 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an Auditors' report 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:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and of the Parent Charitable Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key

Independent auditor's report to the members of the University of Nottingham Students' Union

laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Group's and of the Parent 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 Union'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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Helen Blundell LLB FCA FCIE DChA
Senior Statutory Auditor**

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
Date:

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Group statement of financial activities for the year ended 31 July 2023
(Incorporating the income and expenditure account)

		Unrestricted funds	Restricted funds	31 July 2023	31 July 2022
	Note	£	£	£	£
INCOMING RESOURCES					
Donations and grants	2	2,682,918	-	2,682,918	2,638,285
Incoming resources from generated funds					
Other trading activities	3	4,147,387	-	4,147,387	3,707,743
Income from investments		49,036	-	49,036	28,033
Income from Charitable activities					
Operation of Students' Union	4	169,986	3,547,161	3,717,147	2,980,788
Total group incoming resources		7,049,327	3,547,161	10,596,488	9,354,849
RESOURCES EXPENDED					
Expenditure on raising funds	5	3,802,786	-	3,802,786	3,397,094
Expenditure on Charitable activities	5	3,084,383	3,625,937	6,710,320	5,919,429
Pension deficit charge	17	123,765	-	123,765	-
Interest on pension fund deficit	17	168,985	-	168,985	116,100
Total resources expended		7,179,919	3,625,937	10,805,856	9,432,623
Net income/(expenditure)		(130,592)	(78,776)	(209,368)	(77,774)
Unrealised (loss)/gain on investment	11	(101,218)	-	(101,218)	14,124
Net movement in funds		(231,810)	(78,776)	(310,586)	(63,650)
Total funds brought forward		(1,665,649)	1,388,516	(277,133)	(213,483)
Total funds carried forward	19/20	(1,897,459)	1,309,740	(587,720)	(277,133)

All activities during the current and previous period are classed as continuing.

There are no recognised gains or losses for the year other than those included in the Statement of Financial Activities.

The accompanying accounting policies and notes on pages 23 to 41 form an integral part of these financial statements.

The Charity has taken advantage of section 408 of the Companies Act 2006 to not publish its own Statement of Financial Activities. The Charity's net movement of funds in the year was -£668,912 (2022: -£383,610).

**Group statement of financial activities for the year ended 31 July 2022
(incorporating the income and expenditure account)**

		Unrestricted funds	Restricted funds	31 July 2022
	Note	£	£	£
INCOMING RESOURCES				
Donations and grants	2	2,638,285	-	2,638,285
Incoming resources from generated funds				
Other trading activities	3	3,707,743	-	3,707,743
Income from investments		28,033	-	28,033
Income from Charitable activities				
Operation of Students' Union	4	110,352	2,870,436	2,980,788
Total group incoming resources		6,484,413	2,870,436	9,354,849
RESOURCES EXPENDED				
Expenditure on raising funds	5	3,397,094	-	3,397,094
Expenditure on Charitable activities	5	2,874,405	3,045,024	5,919,429
Pension deficit charge	17	-	-	-
Interest on pension fund deficit	17	116,100	-	116,100
Total resources expended		6,387,599	3,045,024	9,432,623
Net income / (expenditure)		96,814	(174,588)	(77,774)
Unrealised gain on investment		14,124	-	14,124
Net movement in funds		110,938	(174,588)	(63,650)
Total funds brought forward		(1,776,587)	1,563,104	(213,483)
Total funds carried forward	19/20	(1,665,649)	1,388,516	(277,133)

The accompanying accounting policies and notes on pages 23 to 41 form an integral part of these financial statements.

The University of Nottingham Students' Union (a company limited by guarantee)
Financial Statements for the year ended 31 July 2023

Consolidated Balance sheet as at 31 July 2023

	Note	Group		Charity	
		31 July 2023 £	31 July 2022 £	31 July 2023 £	31 July 2022 £
Fixed assets					
Tangible fixed assets	10	51,008	44,699	39,017	21,930
Investments fixed assets	11	1,464,704	1,922,952	1,764,704	2,222,952
		1,515,712	1,967,651	1,803,721	2,244,882
Current assets					
Stock: goods for resale	12	135,137	103,498	-	-
Debtors	13	509,072	591,784	199,500	432,325
Cash at bank and in hand		3,613,375	1,582,404	1,664,132	532,416
		4,257,584	2,277,686	1,863,632	964,741
Creditors: amounts falling due within one year	14	(3,573,720)	(1,826,380)	(1,805,501)	(1,062,900)
		683,864	451,306	58,131	(98,159)
Net current assets					
Total assets less current liabilities		2,199,576	2,418,957	1,861,852	2,146,723
Defined benefit pension scheme liability	16	(2,787,296)	(2,696,090)	(2,787,296)	(2,696,090)
		(587,720)	(277,133)	(925,444)	(549,367)
Net liabilities					
Funds					
Unrestricted funds	19	(1,897,459)	(1,665,649)	(2,235,184)	(1,937,883)
Restricted funds	19	1,309,740	1,388,516	1,309,740	1,388,516
		(578,720)	(277,133)	(925,444)	(549,367)
Total funds					

The Trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The financial statements were approved by the Board of Directors ^{22 April 2024} 22 April 2023 and signed on its behalf by:



J NUTTALL

Chair of Trustees and Students' Union Development Officer

Company number: 07229624

The accompanying accounting policies and notes on pages 23 to 41 form an integral part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 31 July 2023

	Note	Group 31 July 2023 £	Group 31 July 2022 £
Net cash used by operating activities	21	1,680,099	375,282
Cash flows from investing activities			
Purchase of fixed assets		(55,196)	(23,705)
Proceeds from the sale of investments		698,387	266,658
Purchase of investments		(341,356)	(293,976)
Investment income		49,036	28,033
		350,871	(22,990)
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		2,030,971	352,292
Cash and cash equivalents at the beginning of the year		1,582,404	1,230,112
Cash and cash equivalents at the end of the year		3,613,375	1,582,404

The accompanying accounting policies and notes on pages 23 to 41 form an integral part of these financial statements.

Principal accounting policies

1 Accounting Policies

General Information

The University of Nottingham Students' Union is a private limited company limited by guarantee and domiciled in England and Wales. Registered company number 072296204 and charity number 1136986. The Registered office is The University of Nottingham Students' Union, Portland Building, University Park, Nottingham, NG7 2RD.

Basis of preparation and accounting

The financial statements have been prepared under historical cost convention except that certain investments are held at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS102)) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006.

The University of Nottingham Students' Union meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in Sterling, and this is the functional currency of The University of Nottingham Students' Union and the financial statements are rounded to the nearest £1.

Group financial statements

These financial statements comprise the results of The University of Nottingham Students' Union and its wholly owned trading subsidiary, UNU Services Limited consolidated on a line-by-line basis. No separate Statement of Financial Activities or Income & Expenditure Account is presented for the Charity because it has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going Concern

The financial statements have been prepared on a going concern basis.

After making appropriate enquiries, the trustees have a reasonable expectation that UoNSU has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. Trustees have undertaken a financial planning exercise, taking account of various scenarios, and during early 2021/22 had made changes to the organisation to ensure that it is financially sustainable. This included a conscious decision to utilise some of our free reserves to support the organisation through the Covid-19 crisis. Trustees have continued to closely monitor our financial position throughout 2022/23 and plan and respond to the rapidly changing environment we're operating in to ensure our long-term sustainability.

The group has net liabilities of £587,720 at 31 July 2023 (2022: net liabilities of £277,133). However, £2.787m of this is caused by a legacy pension scheme. The pension is due to be repaid gradually over the next 15 years as part of a formal plan with the pension scheme trustees and our internal plans are prepared to manage spend and activity around this commitment. Excluding the pension, the remaining balance sheet shows a net asset position of £2,199,576 (2022: £2,418,957) and a strong cash position.

Our block grant from the University is our largest source of income and has been agreed for the academic year 2023/24, including an uplift of £312k on the 2022/23 amount, thus significantly reducing the financial risk to the organisation. We rely on our social enterprises within UNU Services Limited to make a contribution to support our charitable activities and as a result of Covid-19 we significantly reduced the expectation in our medium-term financial plan. Like many businesses operating in the retail and hospitality sector, the operating environment throughout 2022/23 has been difficult as a result of economic pressures such as inflation and cost of living crisis, along with instability caused by political policy & war in Ukraine. We have been prudent in our budgeting for 2023/24 and ensured that our budgets prioritise delivery of our strategic goals. We have looked to respond to our challenges by maximising our income, minimising our costs and minimising the impact on our people.

Principal accounting policies

Incoming resources

All incoming resources are recognised once the Group has entitlement to the resources, it is virtually certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. The following policies are applied to particular categories of income:

- Voluntary income received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.
- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Voluntary help and donations in kind

The charity benefits from the provision of serviced accommodation by the University of Nottingham. Similar facilities in a similar location would have a rental cost of approximately £535,036 (2022: £535,036) per annum and so this amount has been included in these financial statements.

The value of these services has been calculated using estimated market values applied to either space utilised or level of service provided.

Resources expended and basis of allocation of costs

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Group to the expenditure. All expenditure is accounted for on an accruals basis.

Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the period, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory financial statements and satisfying public accountability.

Redundancy and termination payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the group is demonstrably committed to either: terminate the employment of an employee or group of employees before normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The group is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

Leases

Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

Taxation

The Union is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

Principal accounting policies

The Union's subsidiary company, UNU Services Limited, as a trading entity, is subject to UK corporation tax and the principle of deferred taxation. Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

Tangible fixed assets, depreciation and impairment

The cost of tangible fixed assets represents the purchase price plus any attributable expenditure.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives.

It is calculated at the following rates:

UNU refurbishments	-	3 – 10 years
Clubs JCR	-	3 years
SRS motors & others	-	3 years
Equipment IT Projects	-	3 years
Union refurbishment	-	3 – 10 years
Computers & Laptops		1 year

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. These circumstances include consideration of the ability of the asset to be operated as planned and thereby provide the expected revenue streams associated with that asset.

Investments

Fixed asset investments comprising listed investments are initially recognised at their transaction cost and then are subsequently measured at their fair value at the balance sheet date unless the fair value cannot be measured reliably in which case they are measured at cost less impairment. Any investments gains or losses, whether realised or unrealised, are recognised in the Statement of Financial Activities.

Fixed asset investments comprising investments in subsidiary undertakings are valued at cost less any provision for impairment as they are not readily saleable and therefore a reliable market value is not available.

Stock: goods for resale

Stock is valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price.

Pension costs

The Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit scheme which is externally funded and contracted out of the 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 trustees on the 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 the Union. Under the terms of FRS102, the pension liability has been valued based on the discounted future cash flows of payments under the agreed recovery plan.

The SUSS was closed to further accrual on 30 September 2011. From 2011 the Union participated in the National Union of Students Pension Scheme (NUSPS) which is a defined contribution scheme. We ceased to participate in 2017 and all eligible employees were transferred to Scottish Widows defined contribution scheme.

The Union now solely participates in the Scottish Widows defined contribution scheme and the pension cost charge in the financial statements represents the contributions paid by the Union to the Scheme in respect of the year.

Principal accounting policies

Financial instruments

The Union only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Funds and fund accounting

Unrestricted funds consist of funds which the Charity may use for general purposes at the Trustees' discretion, this includes designated funds which are designated for specific purposes.

Restricted funds represent income contributions which are allocated to a particular purpose in accordance with the donor's wishes and funds of societies/clubs/associations which are managed by those organisations and whose use is restricted by their constitutions.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. There is uncertainty around the estimated discount rate used for the pension deficit calculation. Historically the rate used has been equal to the average return on Corporate Bonds maturing at around the same time. This is an estimate based on judgement and may differ from that applied by our auditors.

Contingent liabilities

A contingent liability is either a possible but uncertain obligation or a present obligation which is not recognised in the financial statements because:

- a transfer of economic benefit to settle the possible obligation is not probable; or
- the amount of the obligation cannot be estimated reliably.

Notes to the financial statements

2 Donations and grants

	Unrestricted Total	Restricted Total	2023 Funds	2022 Funds
	£	£	£	£
Block grant from University	2,097,882	-	2,097,882	2,047,882
Hall Committee grant from University	50,000	-	50,000	50,000
Other grants and donations	-	-	-	5,367
Donations in kind	535,036	-	535,036	535,036
	2,682,918	-	2,682,918	2,638,285

3 Trading turnover

Retail	2,308,436	-	2,308,436	1,912,205
Catering/Restaurants	1,172,200	-	1,172,200	1,237,584
Print shop	156,044	-	156,044	89,860
Events & Advertising	510,708	-	510,708	468,094
	4,147,387	-	4,147,387	3,707,743

4 Income from charitable activities

Societies	-	957,796	957,796	839,769
Medics	-	205,259	205,259	207,858
Sutton Bonnington	-	360,522	360,522	291,043
HC	-	26,925	26,925	41,706
SRS	-	212,685	212,685	120,090
Volunteering	-	54,876	54,876	57,722
Sports	-	1,658,592	1,658,592	1,276,835
Associated Bodies	-	70,506	70,506	21,916
Other (Events & promotion income)	169,986	-	169,986	123,849
	169,986	3,547,161	3,717,147	2,980,788

Student bodies with a turnover in excess of £25,000 were Architects Lectures, Blow Soc, Christian Union, Civil Engineering, Dance, Enactus, Economics, Geography, Islamic, Latin & Ballroom, Law, Malaysian Nottingham, Travel; Med Soc, SCRUBS; SB Guild, Vet Soc, April Vet Soc; TEC, New Theatre; Athletics, American Football, Badminton, Boat, Boxing, Cheerleading, Cricket Mens, Football Mens, Gymnastics, Hockey Ladies, Hockey Mens, Ice Hockey, IMS, Korfbal, Lacrosse Ladies, Mountaineering, Netball, Polo, Rambling, Equestrian, Rugby Union Mens, Sailing, Skydive, Snowsports, Sub Aqua, Swimming, Tennis, Thai Boxing, Trampoline, Triathlon, Volley Ball;

This includes donations and sponsorships.

Notes to the financial statements

5 Total resources expended

		Cost of Sales £	Staff Costs £	Other Costs £	2023 Total £	2022 Total £
(a) Costs of generating funds						
Retail						1,840,353
Catering/Restaurants		1,660,785	361,483	182,736	2,205,004	1,036,208
Print		350,279	497,206	194,185	1,041,670	128,019
Events & Advertising		55,691	91,412	19,575	166,679	353,658
UNU Services Limited		222,413	114,994	-	337,407	38,856
overheads		-	31,908	20,118	52,026	
		2,289,169	1,097,003	416,615	3,802,786	3,397,094
(b) Charitable activities						
	Staff Costs	Direct Costs	Support Costs	In kind costs	2023 Total	2022 Total
	£	£	£	£	£	£
<i>Unrestricted funds</i>						
Student advice centre	261,924	8,123	150,240	89,304	509,592	462,618
Student voice & campaigning	495,353	44,341	300,258	178,475	1,018,427	1,060,751
Student communities & grants	478,291	329,871	449,620	267,257	1,525,038	1,333,088
Governance costs			31,328	-	31,328	17,948
	1,235,568	382,336	931,446	535,035	3,084,385	2,874,405
<i>Other student activity spend</i>						
Restricted funds: student activities	-	3,625,937	-	-	3,625,937	3,045,024
	1,235,568	4,008,273	931,446	535,035	6,710,322	5,919,429

Support costs and in-kind costs are those costs which cannot be directly attributed to a charitable activity but support the delivery of the activity. These are allocated on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate.

Notes to the financial statements

5 Total resources expended for prior year

	Cost of Sales £	Staff Costs £	Other Costs £	2022 Total £
(a) Costs of generating funds				
Retail	1,330,018	358,063	152,272	1,840,353
Catering/Restaurants	369,277	493,994	172,937	1,036,208
Print	24,190	86,177	17,652	128,019
Events & Advertising	254,077	99,581	-	353,658
UNU Services Limited overheads	-	(9,961)	48,817	38,856
	1,977,563	1,027,854	391,678	3,397,094

(b) Charitable activities	Staff Costs £	Direct Costs £	Support Costs £	In kind costs £	2022 Total £
<i>Unrestricted funds</i>					
Student advice centre	226,875	6,981	142,975	85,787	462,618
Student voice & campaigning	465,626	70,589	327,832	196,704	1,060,751
Student communities & grants	458,062	230,372	392,112	252,542	1,333,088
Governance costs	-	-	17,948	-	17,948
Digital Project	-	-	-	-	-
	1,150,563	307,942	880,867	535,033	2,874,405
<i>Other student activity spend</i>					
Restricted funds: student activities	-	3,045,024	-	-	3,045,024
	1,150,563	3,352,966	880,867	535,033	5,919,429

Notes to the financial statements

6 Support Costs

	Premises Cost £	Legal & Prof £	Other Costs £	2023	2022
Student advice and support	681	-	2,321	3,002	4,368
Representation and campaigns	-	-	566	566	176
Student activities	101,876	52,730	331,638	486,244	357,083
Governance	-	-	31,328	31,328	17,948
Staff costs for central services (after restructure)	-	-	410,308	410,308	501,292
	102,556	52,730	776,160	931,446	880,867

	Premises Cost £	Legal & Prof £	Other Costs £	2022
Student advice and support	1,148	1,489	1,731	4,368
Representation and campaigns	-	-	176	176
Student activities	94,703	14,306	248,074	357,083
Governance	-	-	17,948	17,948
Staff costs for central services (after restructure)	-	-	501,292	501,292
	95,851	15,795	769,221	880,867

During the year there were issues with recruitment and retention of staff in central services.

7 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

Total staff emoluments for the period of both the University of Nottingham Students' Union and UNU Services Limited were as follows:

	2023 £	2022 £
Salary costs	2,425,589	2,376,723
Social security	159,630	158,329
Pensions	157,660	144,655
	2,742,879	2,679,706

The average number of individuals employed by the Group during the period was:

Monthly paid	84	87
Casual Student Staff and Coaches	126	115
	210	202

Notes to the financial statements

7 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The number of staff whose emoluments for the year (including taxable benefits) exceeded £60,000 were as follows:

	31 July 2023 Number	31 July 2022 Number
£60,000 - £69,999	0	0
£70,000 - £79,999	1	1
£80,000 - £89,999	0	0

The key management personnel of the parent charity, the Union, and the Group comprise the Officer Trustees, the Chief Executive Officer, Director of Central Services, Director of Commercial Development and Director of Membership Services. The total employee benefits of the exec team of the Union were £243,607 (2022: £260,453). This excludes Officer Trustees, see note 8 below. Note, the structure changed to current exec team structure on 1 August 2022.

8 Trustees' remuneration and expenses

Trustees are all voluntary roles, and no trustees were remunerated in respect of their role as a trustee. However, as is common with many Students' Unions, Officer Trustees are remunerated in respect of their role as an elected Officer. Payment to Officer Trustees was agreed and minuted prior to incorporation and is included in the organisations governing document. All Officer Trustees have written contracts of employment with the Union setting out the necessary terms, and the trustees ensure that it is only a minority of trustees that receive payment.

The Trustees who were remunerated for the year were J Butterworth; S Chaudhury; D Forster; S Nolan; I Oyediji; J Paternoster; Two Officer Trustee roles remained vacant due to issues with recruitment. Payment to the Officer Trustees was agreed and minuted prior to incorporation.

Each of the Officer Trustees is paid a salary of £21,108 (2022: £19,740) per annum. The total salary cost for the Officer Trustees to the Union was £146,217 including NI & pension costs (2022: £177,684)

During financial year ending 31st July 2024 there will be 8 Officer Trustees who are remunerated.

Cost of Trustees meetings including expenses of non-executive trustees were £1,796 (2022: £692).

9 Auditors' remuneration

The auditors' remuneration (inclusive of irrecoverable VAT) during the period was £15,000 (2022: £14,298) including fees for UNU Services Limited.

These costs are included in governance costs.

Notes to the financial statements

10 Tangible fixed assets

Group	UNU Refurbishment £	Clubs & HC £	SRS Motors & Others £	Equipment computers £	Total £
Cost					
At 1 August 2022	326,893	452,227	17,933	44,675	841,728
Additions	7,950	47,246	-	-	55,196
Disposals	-	-	-	-	-
At 31 July 2023	334,843	499,473	17,933	44,675	896,924
Depreciation					
At 1 August 2022	304,124	430,297	17,933	44,675	797,029
Charge for the year	18,728	30,159	-	-	48,887
Disposals	-	-	-	-	-
At 31 July 2023	322,852	460,456	17,933	44,675	845,916
Net book value					
At 31 July 2023	11,990	39,017	-	-	51,008
Net book value					
At 31 July 2022	22,769	21,930	-	-	44,699

Charity	Clubs & HC £	SRS Motors & Others £	Equipment computers £	Total £
Cost				
At 1 August 2022	452,227	17,933	44,675	514,835
Additions	47,246	-	-	47,246
Disposals/write off	-	-	-	-
At 31 July 2023	499,473	17,933	44,675	562,081
Depreciation				
At 1 August 2022	430,297	17,933	44,675	492,905
Charge for the year	30,159	-	-	30,159
Disposals	-	-	-	-
At 31 July 2023	460,456	17,933	44,675	523,064
Net book value				
At 31 July 2023	39,017	-	-	39,017
Net book value				
At 31 July 2022	21,930	-	-	21,930

Notes to the financial statements

11 Fixed asset investments

	Group 2023 £	2022 £	Charlty 2023 £	2022 £
Cost and net book value:				
Investment in subsidiary undertaking	-	-	300,000	300,000
Listed investments	1,464,704	1,922,952	1,464,704	1,922,952
	1,464,704	1,922,952	1,764,704	2,222,952

	Group and Charlty 2023 £
Listed Investments	
Value at 1 August 2022	1,922,952
Additions in the year at cost	341,357
Disposal proceeds	(698,387)
Valuation loss	(101,218)
Market value at 31 July 2023	1,464,704

During September 2022, cash of £380k was draw down from the investment to bank and is included in disposal proceeds.

As at the date of approving these financial statements the investment value is not materially different from the 31 July 2023 valuation.

Investment in subsidiary undertaking

The investment in subsidiary undertaking represents 100% of the ordinary share capital of UNU Services Limited (02223522), a company whose principal activities are those of the provision of retail shopping, catering/restaurants, events and printing facilities to students and staff at the University of Nottingham. UNU Services Limited donates its trading profits to the Charity. UNU Services Limited is registered at Portland Building, University Park, Nottingham, NG7 2RD. The audited financial statements of UNU Services Limited for the year ended 31 July 2023 show the following:

	2023 £	2022 £
(a) Profit and loss account		
Sales	4,147,387	3,711,385
Cost of sales	(3,366,843)	(2,997,400)
Gross profit	780,544	713,985
Administrative expenses	(435,944)	(399,668)
Operating profit	344,600	314,317
Interest Receivable	13,726	276
Other income	-	5367
Profit/(Loss) on ordinary activities before taxation	358,326	319,960
Taxation	-	-
Distribution of reserves (gift aid payment to Charity)	(292,859)	-
Profit/(loss) for the period transferred to reserves	65,467	319,960

Notes to the financial statements

11 Fixed asset investments (continued)

	2023	2022
	£	£
2 (b) Balance sheet		
Fixed assets	11,990	22,770
Current assets		
Stocks	135,137	103,498
Debtors	626,507	166,901
Investments	-	-
Cash at bank and in hand	1949,243	1,049,987
	<u>2,710,887</u>	<u>1,320,386</u>
Creditors: amounts falling due within one year	(2,085,153)	(770,899)
Net current assets	<u>625,734</u>	<u>549,487</u>
Net assets	<u>637,724</u>	<u>572,257</u>
Capital and reserves		
Called up share capital	300,000	300,000
Profit and loss account	337,724	272,257
Shareholders' funds	<u>637,724</u>	<u>572,257</u>

12 Stock: Goods for resale

	Group		Charity	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£	£	£	£
Finished goods and goods for resale	<u>135,137</u>	103,498	-	-

13 Debtors

	Group		Charity	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£	£	£	£
Trade debtors	352,583	322,431	71,574	241,041
Amounts owed by subsidiary undertakings	-	-	-	7,442
Prepayments and accrued income	156,489	269,353	127,926	183,842
VAT debtor	-	-	-	-
	<u>509,072</u>	<u>591,784</u>	<u>199,500</u>	<u>432,325</u>

Notes to the financial statements

14 Creditors: amounts falling due within one year

	Group		Charity	
	31 July	31 July	31 July	31 July
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	2,024,189	823,722	1,019,738	619,115
Other taxation and social security	18,003	60,722	18,003	60,722
Amounts owed to group undertaking	-	-	316,934	-
Accruals/other creditors	1,531,527	941,936	450,825	381,063
	3,573,720	1,826,380	1,805,501	1,060,900

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Deferred income at 01 August 2022	8,450	-	8,450	-
Resources deferred during year	132,524	8,450	132,524	8,450
Amounts released from previous periods	(8,450)	-	(8,450)	-
Deferred income at 31 July 2023	132,524	8,450	132,524	8,450

Included in deferred income are grants and other income received in advance of entitlement for the 23/24 academic year.

15 Contingent liability

The Union is aware of a risk regarding our treatment of catering income for VAT purposes. HMRC has challenged a number of SUs regarding the treatment of catering income as exempt from VAT. To date we have not been contacted by HMRC directly. Via NUS, we are part of a VAT campaign which will challenge the claims already made against SUs and ensure that guidance and statute is clear on how the income should be treated going forward. The VAT campaign challenge to HMRC was unsuccessful and the issue will be taken to judicial review. At report date response is still awaited from judge on whether this is full judicial review.

The income has been treated as exempt from VAT as it forms part of the core provision of providing education in the University setting, through catered Halls of Residence. We provide access to this catering to students on behalf of the University via the use of their Mealcard in our Coffee, Mooch and Spar outlets. Should a claim be made against us, or the NUS group action be unsuccessful, we have calculated our exposure to historic financial risk at year end to be c£237k (2022: £300k). HMRC have the power to go back 6 years. Whilst we are currently not providing for this amount as a liability in our financial statements due to no claim being made against us, we would like to draw the reader's attention to this possibility. As a contingency measure the Trustees have agreed to us ringfencing £300k of our free reserves to cover this liability, should it crystallise. At the point we are made aware to the contrary this amount will be released back into free reserves.

16 Defined benefit pension scheme liability

	31 July	31 July	31 July	31 July
	2023	2022	2023	2022
	£	£	£	£
Pension scheme liability (note 17)	2,787,296	2,696,090	2,787,296	2,696,090
	2,787,296	2,696,090	2,787,296	2,696,090

Notes to the financial statements

17 Pensions

The Union participates in the Students' Union Superannuation Scheme (SUSS), which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. 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 30 September 2011 the scheme closed to future accrual.

The valuation of the SUSS scheme carried out as at 30 June 2022 showed that the market value of the schemes assets was £107m with these assets representing 44% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. (30 June 2019: £119m, representing 46%). The deficit on an ongoing funding basis amounted to £135m (2019: £141m). The recovery plan has been extended from 01 August 2035 to 01 May 2037 with a target of buy-out with an insurance company.

The 2022 valuation recommended a monthly contribution requirement by each Union expressed in monetary terms intended to clear the ongoing funding deficit by the year 2037. Contributions will increase by at least 5% each year. These contributions include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment.

The total contributions paid into the SUSS by the Union in respect of eligible employees for the year ended 31 July 2022 amounted to £203,976 (2022 - £188,802) including funding deficit contributions of £203,976 (2022: £188,802).

For accounting purposes, the SUSS is reported in accordance with the relevant accounting standard - FRS 102, where the value of the pension deficit is based on the discounted future cash flows of payments under the agreed recovery plan. At 31 July 2023, the pension deficit was valued at £2.787m (2022: £2.696m).

Reconciliation of opening and closing provisions

	Period Ending 31 July 2023
	£
Provision at start of period	2,696,090
Unwinding of the discount factor	169,459
Deficit contribution paid	(201,549)
Remeasurements - impact of any change in assumptions	123,296
Provision at end of period	<u>2,787,296</u>

Statement of Financial Activities impact

	Period Ending 31 July 2023
	£
Interest expense	169,459
Remeasurements - impact of any change in assumptions	-
Remeasurements - amendments to the contribution schedule	123,296
Contributions paid in respect of future service	-
Costs recognised in income and expenditure account	<u>292,755</u>

NPV Assumptions

	31 July 2023	31 July 2022
	% per annum	% per annum
Discount rate	6.0%	4.5%

Notes to the financial statements

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 high quality corporate bond yield curves to discount the same recovery plan contributions. There is uncertainty around the estimated discount rate used for the pension deficit calculation. This is an estimate based on judgement and may differ from that applied by our auditors. In addition to the above contributions, the Union also pays its share of the scheme's levy to the Pension Protection Fund.

The Union offers eligible employees the opportunity to join the Scottish Widows scheme, a defined contribution scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2023 amounted to £157,660 (2022: £144,655).

18 Commitments under operating leases

As at 31 July 2023, the Group and Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Buildings				
Less than 1 year	165,990	120,000	-	-
Greater than 1 year and not later than 5 years	270,728	169,500	-	-
	436,718	289,500	-	-
Print Shop				
Less than one year	13,440	13,440	-	-
Greater than 1 year and not later than 5 years	16,800	30,241	-	-
	30,240	43,681	-	-
	466,958	333,181	-	-

19 Accumulated funds – Group

	At 31 July 2022 £	Incoming £	Outgoing £	Gains/(losses) /transfers £	At 31 July 2023 £
<i>Restricted funds</i>					
Societies	387,280	957,796	(917,747)	-	427,328
Medics	85,216	205,259	(190,286)	-	100,189
Sutton Bonington	136,301	360,522	(340,321)	-	156,501
HC	179,995	26,925	(54,553)	-	152,367
SRS	52,729	212,685	(177,971)	-	87,443
Volunteering	77,241	54,876	(57,371)	-	74,746
Sports	398,908	1,658,592	(1,789,077)	-	268,424
Associated Bodies	41,189	19,028	(32,639)	-	27,578
Derby Students	11,425	21,857	(34,120)	-	(837)
NMA	8,704	14,324	(18,164)	-	4,864
Physio & Rehab Association	732	14,261	(13,688)	-	1,305
Other	8,796	1,036	-	-	9,832
	1,388,516	3,547,161	(3,625,937)	-	1,309,740
<i>Unrestricted Funds</i>					
General fund	1,030,441	7,049,328	(7,088,703)	(101,218)	889,836
Pension fund	(2,696,090)	-	(91,206)	-	(2,787,296)
	(277,133)	10,596,488	(10,805,856)	(101,218)	(587,720)

Notes to the financial statements

Societies' funds consist of the funds of individual societies, raised from membership fees, donations and sponsorship, each society manages its own affairs by committee.

Medics funds consist of the funds of individual medical school related societies, raised from membership fees, donations and sponsorship, each society manages its own affairs by committee.

Sutton Bonington funds are held on behalf of the Guild who generate additional income, mainly events, on top of the Grant from the University, also SB campus-based societies, raised from membership fees, donations and sponsorship, each society manages its own affairs by committee.

19 Accumulated funds – Group (continued)

HC (Hall Committee) funds are held on behalf of the committees of Halls of Residence who generate additional income, mainly events, on top of the Grant from the University.

SRS (Student Run Societies) covers the activities of the radio station URN, TV station NSTV, student magazine Impact, CD library, TEC PA & Lighting, New Theatre and Carnival.

Volunteering funds are funds raised to support the volunteering activities of the students union and are specific to individual projects.

Sports funds consist of the funds of individual clubs, raised from membership fees, donations and sponsorship, each club manages its own affairs by committee. In addition specific funds are received from Donors to cover contributions towards Kit, Coaching Development and pre-season training.

Derby, NMA and other are a positive in expenditure column as these relate to refunds of costs in the year for deposits for events cancelled prior year due to Covid-19.

19 Accumulated funds – Prior year

	At 31 July 2021 £	Incoming £	Outgoing £	Gains/(losses) /transfers £	At 31 July 2022 £
<i>Restricted funds</i>					
Societies	454,638	839,769	(907,127)	-	387,280
Medics	72,097	207,858	(194,739)	-	85,216
Sutton Bonington	137,719	291,043	(292,461)	-	136,301
HC	294,554	41,706	(156,265)	-	179,995
SRS	47,510	120,090	(114,871)	-	52,729
Volunteering	88,475	57,722	(68,956)	-	77,241
Sports	428,540	1,276,835	(1,306,467)	-	398,908
Associated Bodies	23,008	21,915	(3,734)	-	41,189
Derby Students	11,828	1	(404)	-	11,425
NMA	2,090	6,614	-	-	8,704
Physio & Rehab Association	100	632	-	-	732
Other	2,545	6,251	-	-	8,796
	1,563,104	2,870,436	(3,045,024)	-	1,388,516
<i>Unrestricted Funds</i>					
General fund	992,205	6,484,413	(6,460,301)	14,124	1,030,441
Pension fund	(2,768,792)	-	72,702	-	(2,696,090)
	(213,483)	9,354,849	(9,432,623)	14,124	(277,133)

Notes to the financial statements

20 Analysis of group net assets between funds

Group	Tangible fixed assets £	Net current assets £	Long-term assets/ Liabilities * £	Fund balances £
Restricted funds	-	1,309,740	-	1,309,740
General unrestricted funds	51,008	(625,874)	(1,322,592)	(1,897,460)
	51,008	683,866	(1,322,592)	(587,720)

Group – prior year	Tangible fixed assets £	Net current assets £	Long-term assets/ Liabilities * £	Fund balances £
Restricted funds	-	1,388,516	-	1,388,516
General unrestricted funds	44,699	(937,210)	(773,138)	(1,665,649)
	44,699	451,306	(773,138)	(277,133)

* Fixed asset investments less defined benefit pension scheme liabilities.

21 Reconciliation of net movement in funds to net cash inflow from operating activities

	Group 2023 £	Group 2022 £
Net movement in funds for the period	(278,676)	(63,650)
Interest receivable	(49,036)	(28,033)
Depreciation charge	48,887	50,399
Loss on sale of fixed assets	-	-
(Increase) in stock: goods for resale	(31,639)	(24,364)
Decrease/(Increase) in debtors	58,712	(128,037)
Increase in creditors due within one year	1,739,424	655,793
Increase/(decrease) in creditors due after one year	91,206	(72,702)
Net fair value loss/(gains) recognised	101,218	(14,124)
Net cash provided by / (used in) operating activities	1,680,094	375,282

Notes to the financial statements

22 Capital Commitments

As at 31 July 2023, the group had future capital expenditure not provided in the financial statements – fixtures & fittings, Mooch Venue refurbishment. This was funded in full by University:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Mooch Venue refurbishment				
Less than 1 year	221,958	-	-	-
Greater than 1 year and not later than 5 years	-	-	-	-
	221,958	-	-	-
Less funded by University				
Less than one year	(221,958)	-	-	-
Greater than 1 year and not later than 5 years	-	-	-	-
	(221,958)	-	-	-
Net capital commitments	-	-	-	-

23 Related party transactions

The University of Nottingham is incorporated by Royal Charter and is an exempt charity for the purposes of the Charities Act 2011. It is governed and regulated by Statutes, one of which states that there shall be a Union of Students. From this the Union derived its own charitable status. The University provides a grant to the Union which funds the Union's activities. The University is expected to review the Union's financial statements to ensure its compliance with the Education Act 1994.

The University of Nottingham provided £2,097,882 (2022: £2,047,882) of core funding to the Union during the year, together with Halls grant funding of £50,000 (2022: £50,000). Recurring grants of £120,000 (2022: £nil) for Accessing Participation & Opportunities Fund were received within the year and were paid out to individual students in line with University qualifying criteria. One-off grant funding of £45,000 (2022: £nil) for projects was received in year and deferred until next financial year when the projects commence. Additional one-off grant funding of £297,139 (2022: £nil) was paid to UNU Services to cover costs of refurbishment of our Student Venue, Mooch and to cover costs of cancellation of Graduation Ball.

The University of Nottingham also trades commercially with the Union for the provision of services such as catering, printing and events. During the year commercial income of £1,330,523 (2022: £1,322,628) was received from the University across the Group.

The University of Nottingham is the owner of the premises which it lets to the Union under a licence agreement. Under the licence the University provides service such as power, cleaning, custodial services and landlord's repairs. In return it receives lease charges, principally from the trading activities of UNU Services Limited, which, historically, have been calculated in different ways for different premises. Leases totalling £156,405 have been charged during the year (2022: £150,064)

During the year the Union received free provision of office and student facing spaces from the University of Nottingham which have been valued at £535,036 (2022: £535,036). These are treated as donations in kind in the financial statements.

In addition the University will carry out alterations and other maintenance of the premises and additional cleaning and portering for which it charges. The University also provides data, telephone and postage services to the Union for which it charges. During the year other goods and services were purchased from the University totalling £14,813 (2022: £9,398). During the year IT support services were purchased from the University of Nottingham totalling £44,177 (2022: £41,112).

During the year agency fees for temporary staff were paid to the University of Nottingham totalling £Nil (2022: £13,465). The Union and UNU Services Limited use the Salaries Office of the University as a payroll bureau, a service for which the University makes no charge.

Notes to the financial statements

On 31 July 2023 the Union was owed £71,660 from the University of Nottingham (2022: £241,060). On 31 July 2023 the Union owed £946,911 to the University (2022: £535,287). This included £521,538 for historic lease charges yet to be invoiced by the University (2022: £379,798).

The Union is the beneficial owner of UNU Services Limited, a company limited by shares. The shares are held in trust for the Union by honorary trustees. Shared services are supplied at cost between the entities in the group. The taxable profit of UNU Services Limited is donated to the Union under Gift Aid, and in 2023 donation amounted to £292,859 (2022: £Nil). On 31 July 2023 the Union owed £316,934 to UNU Services Limited. On 31 July 2022 the Union was owed £7,442 from UNU Services Limited.

24 Controlling and ultimate controlling party

During the year the University of Nottingham Students' Union was under the control of the University of Nottingham Students' Union Board of Trustees. The ultimate policy decision-making body of the University of Nottingham Students' Union is the combined student body.

25 Affiliations

During the year the group paid affiliation fees to National Union of Students £37,500 (2022: £37,500) and British University and Colleges Sport £nil (2022: £nil).