

UCLU

England & Wales · Charity number 1142404

Details

Other names	UCL UNION, UCL STUDENTS' UNION, UNIVERSITY COLLEGE LONDON UNION
Status	Registered
Legal form	Charitable company
Company number	07635628
Registered	2011-06-14
Register	View on the Charity Commission register

Contact

Address	25 Gordon Street London WC1H 0AY
Phone	02076792500
Email	su.committees@ucl.ac.uk
Website	http://studentsunionucl.org/

Activities

Objects: THE OBJECTS OF THE UNION ARE THE ADVANCEMENT OF EDUCATION OF STUDENTS AT UCL FOR THE PUBLIC BENEFIT BY:4.1 PROMOTING THE INTERESTS AND WELFARE OF STUDENTS AT UCL DURING THEIR COURSE OF STUDY AND REPRESENTING, SUPPORTING AND ADVISING STUDENTS;4.2 BEING THE RECOGNISED REPRESENTATIVE CHANNEL BETWEEN STUDENTS AND UCL AND ANY OTHER EXTERNAL BODIES; AND4.3 PROVIDING SOCIAL, CULTURAL, SPORTING AND RECREATIONAL ACTIVITIES AND FORUMS FORDISCUSSIONS AND DEBATE FOR THE PERSONAL DEVELOPMENT OF ITS STUDENTS.

Activities: Provides UCL students with advice on immigration,housing,finance,employment,academic appeals etc. Provides representation between Students,UCL and other bodies.Co-ordinates Student Academic Representatives to encourage student feedback/course development.Promotes student personal development by the provision of social,cultural,volunteering, sporting/recreational activities,discussion/debate fora

Classification

- **How:** Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science, Amateur Sport, Recreation, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Camden
- City Of London
- Islington

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£18,420,470	£17,474,016	£10,383,401	373
2024-07-31	£15,886,398	£15,646,853	£9,399,929	362
2023-07-31	£13,923,409	£13,199,926	£7,610,909	324
2022-07-31	£11,549,379	£10,666,317	£6,693,477	118
2021-07-31	£7,171,653	£7,435,022	£6,873,053	83

Trustees

Name	Role	Appointed
Adam Hector Cleary		2025-11-13
Anam Eijaz Ahmed Choudhary		2025-07-16
Anastasija Boikova		2024-07-16
Catherine Gabela		2025-07-01
Clare Foyle		2026-03-05
Eda Yildirimkaya		2024-07-16
Hana Mougharbel		2025-07-16
Lang Lan		2024-07-16
Rawleka Wilson		2025-07-16
Rohan Ahmad		2025-11-01
Sai Sreenivedita Cavuturi		2025-11-01
Sarah Jilani		2025-07-16

UCLU

England & Wales - Charity number 1142404

Accounts

UCLU (operating as Students' Union UCL)

Annual Report and Financial Statements

31 July 2025

Company Limited by Guarantee
Registration Number
07635628 (England and Wales)

Charity Registration Number
1142404

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Reference and administrative information

Trustees	B Beasant A Boikova C Bracey L Lan E Yildirimkaya A Chaudhary C Gabela S Jilani S Cavuturi A Cleary R Ahmad H Mougharbel R Wilson
Chief Executive Officer	John Dubber
Senior Management Team	D Dominiczak (Director of Finance) D Nichols (Director of Operations) C Salton-Brooks (Director of Student Experience) S To (Director of Policy, Governance & Advocacy)
Charity registration number	1142404
Company registration number	07635628
Website	www.studentsunionucl.org
Registered address	25 Gordon Street London WC1H 0AY
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers

Barclays Bank Plc
London Corporate Service Centre
PO Box 46116
London
EC4N 8WB

Metro Bank
One Southampton Row
London
WC1B 5HA

The trustees, who are also directors of the charitable company ("the charity"), present their report and the financial statements for UCLU ("the Union") for the year ended 31 July 2025, which have been prepared in accordance with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable status

Students' Union UCL ('UCLU') is an incorporated charity (limited by guarantee) (charity registration number: 1142404; company registration number: 07635628).

It was originally established in 1893 and now operates in accordance with the Education Act 1994. It has been registered with the Charity Commission since 14 June 2011, when students' unions connected with exempt higher/further education institutions were removed from exemption by the then Charities Act 1993.

UCLU is governed by its Memorandum and Articles of Association last amended in July 2023. UCLU operates as Students' Union UCL following a rebranding project during the 2017/18 financial year.

Governance

UCLU is constituted under the Education Act 1994 as a charitable company limited by guarantee with internal regulations and rules approved by the governing body of University College London (UCL). The primary aim of the Union is the advancement of education of students at UCL for the public benefit.

Public benefit

All activities undertaken by the Union are to further our charitable purposes for the benefit of our student members.

In shaping our objectives and planning activities, the Board of Trustees have had regard to the Charity Commission's published general guidance regarding the exercising of duty and power for the public benefit. The main benefits which have arisen during the year from the organisation's aims are detailed in the following sections.

Board of Trustees

The Board of Trustees ensures Students' Union UCL has the necessary financial and structural abilities to carry out its aims effectively. The Board makes decisions on legal and financial issues and ensures that the organisation is delivering on the political policy set by the democratic bodies of the Union. In accordance with the organisation's Memorandum and Articles, the Board comprises:

- ◆ 6 Sabbatical Trustees
- ◆ 4 Student Trustees
- ◆ 1 External Trustee (Alumni)
- ◆ 1 External Trustee (UCL Staff)
- ◆ 1 External Trustee (Non-UCL)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Board of Trustees (continued)

Members of the Board (who are also directors of UCLU for the purposes of company law) who served during the year and up to the date of this report were:

Trustees (Directors)		Appointed / Resigned
A Boikova	Sabbatical	
A Chaudhary	Sabbatical	Appointed 16 July 2025
M Chaudhary	Sabbatical	Resigned 15 July 2025
G Danaci	Sabbatical	Resigned 15 July 2025
S Jilani	Sabbatical	Appointed 16 July 2025
L Lan	Sabbatical	
R Lim	Sabbatical	Resigned 15 July 2025
H Mougharbel	Sabbatical	Appointed 16 July 2025
E Yildirimkaya	Sabbatical	
A Brown	Student	Resigned 13 June 2025
S Harris	Student	Resigned 31 July 2025
G Hu	Student	Resigned 31 October 2024
F Ibrahim	Student	Resigned 15 July 2025
H Khaled	Student	Appointed 16 July 2025. Resigned 24 October 2025
A Cleary	Student	Appointed 13 November 2025
S Cavuturi	Student	Appointed 1 November 2025
R Ahmad	Student	Appointed 1 November 2025
K Sio	Student	Resigned 13 June 2025
S Tedros	Student	Resigned 25 September 2024
R Wilson	Student	Appointed 16 July 2025
P Barran	External	Resigned 31 August 2024
B Beasant	External	
C Bracey	External	
C Gabela	External	Appointed 1 July 2025

The trustees hold a minimum of four meetings per academic year and are responsible for establishing and delegating to the following committees:

- ◆ Finance Committee
- ◆ Risk & Audit Committee
- ◆ Governance Committee
- ◆ Remuneration Committee

The terms of reference for the Board and its associated committees, are available on the Union website:

<https://studentsunionucl.org/governance>

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Committees

Finance Committee is charged by the Board of Trustees to oversee the finances of the Union, including considering strategic options for, and general oversight of all areas of the Union's finances. This includes approving annual budgets and monitoring the financial performance of the organisation.

Risk & Audit Committee is charged by the Board for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the organisation is complying with all aspects of the law, relevant regulations and good practice. The annual statutory audit is also under this committee's remit.

Governance Committee is charged by the Board for promoting good governance and ensuring our governance arrangements are effective and comply with the governing documents laid down by our members, UCL, the Charity Commission, and other legislative bodies and authorities.

Remuneration Committee is charged by the Board for considering the remuneration of the Chief Executive and Sabbatical Officers, and proposals regarding broader staff remuneration.

Recruiting and training of trustees

The Sabbatical Officers (Sabbatical Trustees) are democratically elected each year by the membership of the Union in the spring election to serve from 16 July to 15 July. All new Sabbatical Officers undergo a period of induction and training. To ensure a smooth handover, incoming Sabbatical Officer undergo a 15-day shadowing period. Once in post, they have weekly meetings with the Chief Executive and Senior Management Team, which forms the Union's Leadership Team, who have delegated responsibility for overseeing the day-to-day operations of the Union and management of affairs. The Sabbatical Officer role is to work closely with UCL's management team to ensure that student issues and concerns are a central part of the University's governance and decision-making. They represent students to other organisations and nationally as required. They are leaders of the Union, helping to ensure that it is a well-run and effective charity providing a wide range of valuable services for its members. They also ensure that policy proposals considered by the Executive, Members' meetings and referenda are implemented.

Student trustee positions are democratically elected by the membership of the Union. They serve for one year from 1 November or 16 July, depending on when they are elected until their status as a student has ended.

External trustees are appointed following advertisements placed within the UCL community and nationally in the media. They are appointed for a period of four years and each appointment is ratified by Union Executive.

Union Executive

Union Executive is the democratic policy making body of the Union and is responsible for the ratification of Union policy except where policy was determined by a Referendum.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Relationship with University College London (UCL)

The relationship between UCL and the Union is established in the Regulations of UCL and detailed in the Union rules approved by both organisations. The Union receives an annual Block Grant from UCL and occupies a number of buildings owned by UCL. The Union also receives administrative support in a number of areas including Human Resources, IT infrastructure and payroll. This support is intrinsic to the relationship between UCL and the Union.

An estimated annual value to the Union for its free of charge occupation of UCL's serviced accommodation has been included in the financial statements, priced at a market value of £2.58m (2024: £2.58m).

Although the Union continues to generate supplementary funding from various mutual trading activities, it is dependent on UCL's support and for this it is appreciative.

There is no reason to believe that this or equivalent support from UCL will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on UCL to ensure the financial viability of its student representative body.

Employment policy

The Union contracts of employment templates continue to be provided by UCL. This allows the Union to continue to benefit from UCL's extensive and proven HR procedures, policies and support from UCL Human Resources Division. Through its relationship with UCL, the Union offers competitive terms, conditions and benefits to its staff including a generous annual leave entitlement and pension scheme.

UCL implemented the Pay Framework Agreement for all non-clinical posts across the organisation in May 2006 and the Union's arrangement for setting pay and remuneration of staff is based on this agreement. The Union uses the same coherent ten grade structure as UCL, which is based on the non-discriminatory job evaluation scheme (HERA).

The Union has a longstanding commitment to equality, diversity and inclusion, and to providing a working and social environment in which the rights and dignity of its diverse staff are recognised. All staff have an annual appraisal which incorporates a personal development plan. The Union has excellent provision for training and developing staff. The Union is keen to build and retain talent and each department works on succession planning.

All staff new to the organisation have a comprehensive induction programme in place and undergo regular probation and progress reviews. All staff meetings, email briefings and newsletters are used to keep staff up-to-date with relevant issues such as strategic and financial planning, and staff are invited to provide feedback to senior management through regular surveys and open meetings.

We employ a large number of part time casual student staff in our commercial department and other departments ensuring we provide development for students and flexible work opportunities. We also employ permanent members of staff, some of whom are responsible for the operational decisions taken across the organisation on a daily basis. Details of staff costs can be found in note 6.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key management remuneration

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of such remuneration reviewed annually, including reference to comparisons with other unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere. Details of key management personnel and their remuneration are set out in note 6.

Statement of trustees' responsibilities

The trustees (who are also directors of the Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP;
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Each of the trustees confirms that:

- ◆ So far as each of the trustees is aware, there is no relevant information of which the charitable company's auditor is unaware; and
- ◆ The trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and establish that the charitable company's auditor is aware of that information.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Risk management

The Risk & Audit Committee oversee the organisation's approach to risk management. A Strategic Risk Register is agreed by the Board of Trustees, Risk & Audit Committee and Senior Management Team (SMT). This is reviewed on a quarterly basis with an annual review cycle. This is updated regularly alongside departmental risk registers, overseen by the Risk & Audit Committee. The Union will follow the UCL risk framework, including regular staff training and reviews and updates of registers. This combined with a practical approach and visible engagement and support from trustees and senior management helps embed risk management across the Union. The principal potential risks and uncertainties facing the Union are:

- ◆ Potential disruption to commercial services due to lower than usual footfall due to a number of issues beyond control such as; strike action, changed behaviours, estate repair works etc.
- ◆ Continuing increases in levels of demand for service provision from students without a comparable increase in grant funding from UCL.
- ◆ GDPR (General Data Protection Regulation) compliance.
- ◆ Risk of a Cyber attack.
- ◆ A serious incident on Union premises or by members of the Union's clubs and societies that results in harm to staff or students and / or reputational damage.

The Union's mitigation strategies against these are:

- ◆ Weekly reviews of the impact on the Union's operations and finances and maintaining a close relationship and dialogue with UCL regarding the financial and operational impact of the cost of living crisis and lower footfall.
- ◆ Continuing to enhance and strengthen the Union's relationships with UCL and seeking increased contributions from commercial income.
- ◆ The SU is working towards Cyber Essentials Certification working closely with UCL IT team.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ The Head of IT and Digital is the Union's data protection and GDPR lead. A review of the Union's GDPR compliance and best practice in data management was completed in 2019 and work is continuing to monitor implementation of all controls. A Data sharing agreement with UCL has been written and is undergoing the final stages of negotiation post legal review.
- ◆ A Head of Facilities and Health & Safety reviews and implements health and safety management for the Union, including risk assessments, training provision and records, safe working procedures, emergency response and incident response planning.
- ◆ Regular reviews of Union Health and Safety policies and procedures, continuing to work closely with UCL Communications and Marketing, continuing and improving training for Union and Clubs and Societies officers and ensure high quality risk assessments for activities and events.
- ◆ There has been an implementation of a critical incident response plan and training sessions undertaken related to the plan. Training for team members includes external and internal training and simulation exercises. Testing of the plan is undertaken periodically.
- ◆ The Students' Union is working towards achieving completion of UCL T100 safety management system. The T100 tool is based around the Plan, Do, Check, Act management system approach which is consistent with Health and Safety Executive and Higher Education guidance and is based on practical measures to promote continuous improvement in health and safety. In August 2023 the SU scored a T100 compliance rating of 95%
- ◆ Upon completion of the T100 level 1 The Students' Union is now working towards completion of the T100 level 2. UCL's T100 safety programme is evolving. Level 2 is launching to help departments build on their Level 1 success. This new level focuses on proactive safety and continuous improvement, moving beyond compliance to a fully integrated safety culture within the Students' Union.

STRATEGIC REPORT

Union purpose, vision, mission, values

Purpose

The object of the Union is the advancement of education of Students at UCL for the public benefit by:

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

Vision

An outstanding experience for all UCL students and to be one of the best students' unions in the UK and the world.

Mission

We build a vibrant and empowered student community with real influence in UCL and beyond, that enables students to enjoy their time at university; pursue their interests and passions; see the world in new ways; and develop the skills and experience to change the world for the better.

Values

Our values are:

- ◆ Community
- ◆ Democracy
- ◆ Empowerment
- ◆ Inclusive
- ◆ Bold
- ◆ Sustainable
- ◆ Fun

STRATEGIC REPORT (continued)

Review of 2024/25

Achievements

The role of the Students' Union is wide ranging. Our core purpose is that all of our members have a fantastic experience of university life. We want students to be full partners in the future development of UCL. We aim to provide fantastic opportunities for them to meet friends, develop new skills, build their confidence and pursue their interests and passions. For those who face difficulties and barriers to being able to fully participate in and enjoy student life, we provide high quality independent support and advice. And perhaps most importantly, we want all of our students to feel at home at UCL, with a strong sense of community and belonging, and feeling proud to be students of our university.

In the past year, the Union has continued its exciting programme of renewal and development, towards our long-term goal of working with UCL to achieve an outstanding experience for all our students and becoming one of the best students' unions in the world.

We've helped tens of thousands of students to feel welcome at UCL, to make new friends, build skills and confidence, and foster a stronger sense of community and belonging. We achieved our highest ever level of engagement in our sports, student societies, elections and many other programmes. We are continuing to modernise and improve the work of the organisation to meet rising levels of demand. 2024-25 marked the second year of our Student Life Strategy. This sets a compelling vision for students' extra and co-curricular experience, which is ensuring thousands more opportunities for students get involved in activities that will enable them to make the most of their time at university, build skills to support their future careers and create memories that will last a lifetime.

We are very grateful for UCL's support of the Students' Union. We look forward to working closely with all of UCL's staff in the year ahead, to continue to put students first and work towards our shared aim of a world leading student experience.

Thank you to everyone who has played a role in the success of the Students' Union this year, our elected officers, our fantastic staff team, UCL's staff and senior management team, and finally to our amazing students who have continued to do incredible things supporting each other, contributing to the local community, and making UCL the very special place it is.

Effective influence

- ◆ Student satisfaction with how we represent their academic interests rose again, up by 3.9%. Since 2017 we are the most improved Students' Union in the Russell Group.
- ◆ Our Sabbatical Officers have championed student priorities at every level - from securing UCL's new Delayed Assessment Scheme to representing students at Parliament, COP29, and beyond.
- ◆ Our Policy and Research team launched a major international student research report, featuring 5,000 student voices, challenging proposed immigration changes and spotlighting the value of international students in the UK.

- ◆ We held a record-breaking Leadership Race, holding onto our crown as the UK's largest student vote with 13,493 students casting 106,611 ballots, an impressive 27.09% - an all-time record for UCL.
- ◆ We elected and supported a network of over 2,000 Academic Reps, with over 97% expressing satisfaction in their role.

Amazing Experience

- ◆ We now have 434 clubs and societies, up from 426 in 2023/24, with 21,104 students joining one or more of these groups.
- ◆ In the past year, 51,000+ tickets were booked by nearly 17,000 students for events during the Welcome period, up from 40,000 tickets in 2023/24.
- ◆ More than 15,000 students attended our two-day Welcome Fair.
- ◆ 2,400+ students attended our flagship Winter Festival event.
- ◆ Together with our student-led groups, we held 7,555 events this year, up from 6,867 in 2023-24, and up from 4,800 in 2022-23.
- ◆ There were 13,318 students have engaged in our ArtsUCL programmes this year. Through inclusive and empowering initiatives like artsUnlocked, ArtsLab and affordable West End theatre trips, we're transforming student life through creativity.
- ◆ 16,750 students have participated in our Sports and Physical Activity offering, up from 14,966 last year – an impressive increase of almost 12%.
- ◆ 447 students have attended events within our brand new Connect With Communities strand of the UCL Extended Learning programme, a collaboration between the Students' Union and UCL.
- ◆ 4,197 students have participated in Project Active classes, our low-cost, low commitment activities, and 741 students have competed in our TeamUCL leagues.
- ◆ We've climbed to 17th place in the British University and Colleges Sport ranking this year and second in London - two spots higher than last year!
- ◆ We secured agreement for the Students' Union to take over the management of the Bloomsbury Theatre, to provide a real home for student arts activity on our Bloomsbury Campus.

Vibrant and Inclusive Community

- ◆ Our Advice Service has supported 1,801 students in need this year, helping individuals with a range of challenging circumstances such as academic appeals, housing issues and financial support.

- ◆ We trained more than 6,000 new students to be Active Bystanders, helping to create a safer campus. We also secured new funding to significantly expand the programme in 2025/26 and beyond.
- ◆ 5,824 spectators attended this year's Varsity sport tournament, a 35% increase from 2024, helping to build a stronger sense of community.
- ◆ Our annual International Festival in February saw 1,138 tickets booked across 39 events - more than double the previous year.
- ◆ We awarded £218,399 in hardship funding across our Activities Participation Fund, Gender Expression Fund and Sarah Douglas Hardship Fund.
- ◆ We secured significant new funding for our Impartial Chairs programme, enabling us to double the number of fully funded places on the programme, which helps students reflect on their own biases and understand how these shape their perceptions of others and their communities.

Excellent Union

- ◆ Our newsletters were read 1.9 million times this year, web pages viewed 11.1m times (+ 7% year on year) and social reach of 144,000 across all social media channels.
- ◆ We're proud to be a London Living Wage employer and put money back into students' pockets by providing flexible and rewarding jobs on campus. This year, we paid more than £1.2m to our pool of 268 student staff.
- ◆ We invested in our spaces, including major refurbishments of our Gym and Gordon's Café.
- ◆ We introduced zero-carbon coffee in all of our cafes, via our partnership with Volcano Coffee Works, the first SU in the country to do so.
- ◆ We introduced super sustainable Toast Beer in the Institute Bar, the first SU in the country.
- ◆ We began a new merchandise partnership with UCL, becoming the university's exclusive merchandise supplier.
- ◆ **Fundraising activities**

The Union does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore, it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. The Union has received donations from trusts and foundations. The Union has ensured that personal data is appropriately protected. The Union received no complaints within the year regarding fundraising.

STRATEGIC REPORT (continued)

Financial review

The Union has maintained strong operational financial performance in 2024/25. The realised income and expenditure (excluding unrealised gains and losses related to investments and the pension scheme) are stated below and show a net surplus from operations of £133k (2023/24: a surplus of £81k). However, the net result after accounting for capital grants of £941k (2023/24: £198k), gain on revaluation of investments of £37k (2023/24: investment gain of £456k), no change in pension provision (2023/24: decrease of £1,093k), and a capital grant depreciation charge of £127k (2023/24: £39k), results in a net movement in funds of £984k (2023/24: net movement of £1,789k).

	2025 £'000	2024 £'000
Operating income (excluding Capital Grants)	17,480	15,689
Operating Expenditure (exc. Depreciation charged to restricted fund)	(17,347)	(15,608)
Operating surplus	133	81
Capital grants	941	198
Investment revaluation gain	37	456
Pension revaluation	-	1,093
Depreciation charged to restricted fund	(127)	(39)
Net movement in funds	984	1,789

At the end of 2024/25, the Students' Union is in a strong financial position, with growing grant funding from UCL, increased commercial income, and positive returns on its investments. Our 2024/25 budget and subsequent forecasts were cautious, and our operational strategy was to carefully manage our financial resources to ensure we stayed within budgets whilst delivering an excellent service for students and other stakeholders. The overall commercial performance in cafés, bars, retail shops, and gyms was strong with our highest ever commercial income. The merchandise store offered a popular range of gifts and stationery, as well as successful apparel lines. The convenience store at the heart of campus continued to increase sales, offering a wide range of food on the go and other essentials. The value-for-money lunch options were especially popular with both staff and students. Our cafés and bars on campus continued to deliver a financial return and provided social spaces for students, contributing to their sense of belonging and wellbeing. During the year, we have made significant improvements to our spaces, enabling us to provide the highest standard of service to UCL students and staff. In December 2024, we completed a comprehensive refurbishment of our TeamUCL gym. The space benefits from a major improvement to the flooring, structural repairs, improved acoustics, and new equipment to replace the previous gym equipment that had reached end of life. During the Easter break, Gordon's Café was refurbished and equipped with modern and more comfortable seating, more attractive decor and a new layout to increase the range of food and improve speed of service.

The Union has continued to benefit from the recognition and support of UCL, and this year the total revenue funding was £6,972k (2023/4: £5,924k). This includes the core grant of £4,626k (2023/24: £4,287k) and the Student Life Strategy of £1,491k (2023/24: £876k). UCL has continued to provide a specific grant for the Student Social Impact Services (previously Volunteering) of £476k (2023/24: £455k) and £295k (2023/24: £271k) to support the Union's activities on the East campus.

STRATEGIC REPORT (continued)

Financial review (continued)

The University's has also supported capital projects undertaken by the Union. These totalled £941k and included the refurbishment of the TeamUCL gym, and Gordon's Café. At the end of the financial year work was also underway to refurbish the Print Room Café and key spaces used by student groups in the Bloomsbury Theatre building.

The annual surplus was further improved by high returns from the Union's cash deposits and the increase in the market value of the investment portfolio.

Unrestricted reserves increased to £7,761k (2023/24: £7,228k). Included in this increase is an achieved surplus in unrestricted funds of £495k (2023/24: surplus of £487k) and a gain on investment valuation of £37k (2023/24: gain of £456k). This year, there was no adjustment to the pension scheme valuation (2023/24: an actuarial gain of £ 1,093k on a defined pension scheme).

Restricted reserves increased to £2,623k (2023/24: £2,171k). Included in these reserves is the Capital fund, representing the restricted grants received from UCL for the refurbishment of the Union's spaces on campus, at £941k (2023/24: £198k). It also includes the Hardship Fund, created in 2022 with £1,412k in funds to help students affected by the cost-of-living crisis. The remaining funds at the end of 2024/25 were £357k.

Custodian activities: Clubs' & Societies Funds

The Union acts as custodian for funds raised by the students' Clubs & Societies, amounting to a net figure of £1,461k (2023/24: £1,167k) in creditors at the year-end. The Union receives grant support for its core activities, as noted in note 1 of the financial statements.

Future funding and going concern assessment.

The Trustee Board confirms that the Students' Union UCL has sufficient funds to meet all its obligations. Net current assets at year-end stood at £1,890k (2023/24: £1,873k) and included £1,350k (2023/24: £1,763k) of cash available on demand. The current assets and cash levels are reviewed against movements in the intercompany balance with the University, through which grant funding is paid and staff salaries are settled. At year-end, this balance has significantly increased to £2,389k (2023/24: £1,098k).

The UCL block grant for 2025/26 has been set at £5,287k (2024/25: £4,626k). In addition to the block grant, the University provides the Student Social Impact grant of £498k (2024/25: £476k). The specific funding for the Union's activities in the East campus is set at £336k (2024/25: £295k) and reflects UCL's commitment to the East campus and its modern facilities available in the Marshgate building.

The University's support for the Student Life Strategy will continue with the third-year grant of £1,776k (2024/25: £1,491k). In 2025/26, with a limited increase in the Student Life grant, rather than 'doing more', we will focus on 'doing better', harnessing the learnings so far to enhance the delivery of our programme and activities.

STRATEGIC REPORT (continued)

Financial review (continued)

The portfolio of our existing and well-established outlets will remain unchanged. The cafés operate at full capacity, and we do not anticipate any major changes. However, the recent refurbishment of Gordon's Café and the refresh of the Print Room Café are expected to have a positive impact on trade. Merchandise sales, including our offerings for the graduation ceremonies, grew from strength to strength in 2024/25, and we will build on this success. The Students' Union is proud to offer high-quality products and an excellent level of service across all our commercial outlets. However, any further expansion depends on more floor space being made available to us on campus to serve UCL students and staff.

In the Spring of 2025, UCL have put their support behind the Union's vision for the Bloomsbury Theatre, positioning the Theatre as a key pillar of students' experience at UCL. The Theatre will remain a high-quality, professional West End-standard theatre with a strong commercial offering. The transfer of the Theatre's operations and finances to the Students' Union will take place in 2025/26 and will have a significant impact on our portfolio of services provided to the UCL community and beyond.

Future funding and going concern assessment.

Thanks to large increases in the Union's income budgeted in 2025/26, all departments are sufficiently funded to deliver their operational plans and maintain service levels working towards longer-term strategic targets. We will maintain tight control of spending in all areas. Total fund levels remain healthy. With the UCL funding confirmed, the Union is financially stable, and well-resilient should trading conditions change in the coming year.

Reserves level and policy

The Union's reserves provide financial stability and the means for the continued development of our principal activities. The Union is heavily dependent on the annual grant received from UCL and would be at risk if those funds were reduced.

In the event of a reduction in income and to ensure continuity of activities and scope for review, it is the trustees' policy to maintain free reserves (equivalent to general funds excluding the pension liability) of a minimum of six months' running costs.

The charity had total reserves of £10,383k (2024: £9,400k) at the balance sheet date. This included restricted funds of £2,623k (2024: £2,171k) and designated funds of £4,787k (2024: £5,020k). After deducting these funds from total reserves, the **free reserves** on 31 July 2025 were £2,974k (2024: £2,209k), equivalent to 5.88 months' average running costs (2024: 4.82 months). The Union is taking steps towards building free reserves by growing its commercial offer and having policies and procedures in place to ensure cost control.

The Union's reserve policy is reviewed annually to assess whether a six-month reserve adequately covers ongoing financial obligations and strategic opportunities.

STRATEGIC REPORT (continued)

Financial review (continued)

Investments policy, objectives, and performance

The Union's investment objectives are to balance the current and future needs by:

- ◆ maintaining (at least) the value of the investments in real terms;
- ◆ producing a consistent and sustainable amount to support expenditure; and
- ◆ delivering these objectives within acceptable levels of risk.

The policy to invest surplus funds is agreed by the Finance Committee.

Investments are placed after agreement with the Investment Team at UCL

Other than investments in the UCL fund, all other assets must be held in a restricted portfolio (where capital has to be preserved).

Investments within the UCL Fund follow UCL's Investment Policy including its ethical considerations, which are summarised below.

While the guiding principle of UCL's investment policy is to generate funds, whether through income or capital growth, with which to further the work of UCL, other than financial criteria being appropriate, UCL will not invest in a particular business in the following circumstances:

- ◆ Where such investment might conflict, or be inconsistent, with the aims, objects or activities of UCL. Thus, for example, investment in the tobacco industry would be inconsistent with and would conflict with UCL's research into cancer.
- ◆ Where such investment might hamper the work of UCL either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from potential students.
- ◆ Where such investment, while not excluded by virtue of (i) or (ii) above, is considered by UCL to be unethical.

The investment policy objective is to obtain a minimum income yield of base rate plus 0.5%.

Our listed investments, valued at £4,551k on 1 August 2024 in the UCL Unified fund, returned an income yield of 2.21%, and an unrealised capital gain of £37k, taking the valuation to £4,587k as at 31 July 2025. Other average treasury investments, such as fixed-term deposit accounts of £2,010k, returned an income yield of 2% (2024: 3%). The Union is reviewing its investment strategy to protect the high-inflation economy's long-term investment gains and income yield objective as much as possible.

STRATEGIC REPORT (continued)

Future plans

Future plans

Students' Union UCL has the ambition to be one of the best students' unions in the UK and the world. We want to be the best organisation that we can for our members, providing outstanding services and facilities for students, and achieving real influence across UCL and beyond.

We are continuing to grow and expand our services to provide increased support for our students and increase our commercial activities to generate additional income.

As set out in our Making More Happen Strategy 2025-30, key objectives for the next year will include:

Effective Influence: The Union is the representative body for all UCL students, we have one of the largest collective student voices in the UK. We want to support our Officers and Academic Representatives to help shape the future of UCL and achieve positive change for our students across London and at national level. We also want to continue to develop our elections, communication and engagement with our members, to ensure a healthy and vibrant democracy, with all our students having influence on our decision making.

Amazing Experience - We want all our students to have an amazing experience at UCL outside of the classroom, with the best extra-curricular offer in the UK. We want our students to have fantastic opportunities pursue their interests and passions, with opportunities to learn new skills, try new things, grow their experience and confidence, and develop new friendships. We want all our students to have the opportunity to get active with excellent sports provision; have the chance to develop their creativity through involvement in the arts, music and culture; and connect with the local community through fantastic volunteering opportunities. We recognise the vital importance of activities like sports, music, volunteering and our wider co-curricular programme in building community, helping to create a strong sense of belonging for all our members and supporting student wellbeing.

Vibrant and Inclusive Community - UCL is a diverse community of students from all corners of the world, in an amazing city, doing amazing things. We believe that we are uniquely placed to build, support and energise this community, making it stronger and foster a greater sense of belonging for every student. We want our spaces to be the centre of the student community at UCL, places where our members feel genuinely at home, spend time with their friends, and importantly, somewhere where they can access support and advice when they are in need. As London's Global University, we want to be a global students' union, where all our students have opportunities to see and experience the world in new ways by engaging across our diverse student community. We want to support our students to get the most out of living and studying in London, with opportunities to visit and engage in the best of the city and nation's cultural opportunities.

Excellent Union - We want to be a fantastic, efficient, well-governed and effective charity, that is one of the best student organisations anywhere in the world, so that we can effectively represent and provide fantastic services for all our members. We want to work with UCL to

STRATEGIC REPORT (continued)

Future plans (continued)

gain their help in significantly improving and expanding the Union's building and facilities, including our sports facilities; we know that we can provide better services and experiences for our members with better spaces. We want to be the best possible employer of staff ensuring we invest in the staff experience recognising that's how we will be able to provide amazing services to our members. If we do all this, then we will have built the foundations of a Union that can go on to achieve our ambition of being one of the best students' unions in the world.

We are now two years into delivering UCL's Student Life Strategy. This focuses on expanding our activity in six key areas for students:

1. Sport and Physical Activity
2. Arts
3. Volunteering
4. Intercultural engagement
5. Departmental societies
6. Vibrant student life in the heart of London

Over the next year we will continue to deliver the main priorities set out in the strategy.

This Trustees' Report, comprising the Directors' Report and Strategic Report, was approved by the board and signed on its behalf by:

Anam Choudhary



Trustee

Date : 27 November 2025

Independent auditor's report to the members of UCLU

Opinion

We have audited the financial statements of UCLU for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- ◆ adequate accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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.

Responsibilities of Trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustees meetings.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Gained an understanding of the processes in place for the management of the charitable company's investments; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Review of the minutes of meetings of those charged with governance;
- ◆ Enquiring of management as to actual and potential litigation and claims; and
- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

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

A handwritten signature in cursive script, appearing to read 'Shachi Blakemore', written in dark ink.

Shachi Blakemore

For and on behalf of Buzzacott Audit LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 4 December 2025

Statement of financial activities (including income and expenditure account)
Year to 31 July 2025

	Notes	Unrestricted funds £	Restricted funds £	Total 2025 £	Unrestricted funds £	Restricted funds £	Total 2024 £
Income from:							
Grants and donations	1	9,547,275	1,114,807	10,662,082	8,499,711	360,820	8,860,531
Charitable activities							
. Trading	3	6,649,546	—	6,649,546	6,172,351	—	6,172,351
. Non-trading	3	890,175	—	890,175	652,326	—	652,326
Investments	2	218,667	—	218,667	201,190	—	201,190
Total income		17,305,663	1,114,807	18,420,470	15,525,578	360,820	15,886,398
Expenditure on:							
Charitable activities							
. Trading	4	8,494,601	107,491	8,602,092	8,012,869	—	8,012,869
. Non-trading	4	8,315,854	556,070	8,871,924	7,025,154	608,830	7,633,984
Total expenditure		16,810,455	663,561	17,474,016	15,038,023	608,830	15,646,853
Net income (expenditure)		495,208	451,246	946,454	487,555	(248,010)	239,545
Other recognised gains and losses							
Actuarial gain on defined benefit pension schemes	16	—	—	—	1,093,044	—	1,093,044
Unrealised gain on investments	9	37,018	—	37,018	456,431	—	456,431
Net income (expenditure)		532,226	451,246	983,472	2,037,030	(248,010)	1,789,020
Transfer between funds		—	—	—	—	—	—
Net movement in funds		532,226	451,246	983,472	2,037,030	(248,010)	1,789,020
Balances brought forward		7,228,452	2,171,477	9,399,929	5,191,422	2,419,487	7,610,909
Balances carried forward		7,760,678	2,622,723	10,383,401	7,228,452	2,171,477	9,399,929

The statement of financial activities includes all gains and losses recognised in the above two years.

All amounts derive from continuing activities.

The notes on pages 32 to 43 form part of these financial statements.

Balance sheet 31 July 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible fixed assets	7		1,896,139		966,470
Investments	9		6,597,290		6,560,272
			<u>8,493,429</u>		<u>7,526,742</u>
Current assets					
Stocks	10	734,120		336,351	
Debtors	11	2,906,109		2,085,814	
Cash at bank and in hand		<u>1,349,938</u>		<u>1,763,168</u>	
		4,990,167		4,185,333	
Liabilities					
Creditors: amounts falling due within one year	12	(3,100,195)		(2,312,146)	
Net current assets			<u>1,889,972</u>		<u>1,873,187</u>
Net assets excluding pension liability			10,383,401		9,399,929
Pension scheme deficit	16		—		—
Total net assets			<u>10,383,401</u>		<u>9,399,929</u>
Represented by:					
Restricted reserves	14		2,622,723		2,171,477
Unrestricted reserves					
. Designated funds	15		4,786,908		5,019,548
. General fund	15	2,973,770		2,208,904	
. Pension reserve	15	—		—	
	15		<u>2,973,770</u>		<u>2,208,904</u>
Total funds			<u>10,383,401</u>		<u>9,399,929</u>

These financial statements were approved by the Trustee Board and signed on their behalf by:

Anam Choudhary

Trustee



Date: 27 November 2025

The notes on pages 32 to 43 form part of these financial statements.

Company Registration number 07635628

Statement of cash flows Year to 31 July 2025

	Notes	2025 £	2024 £
Cash flows from operating activities:			
Net income		983,471	1,789,019
Depreciation		345,877	321,097
(Gains) on investments		(37,018)	(456,431)
(Loss)/gain on disposal of fixed asset		(22,181)	74,548
Interest received		(123,580)	(94,905)
(Increase) in stock		(397,769)	(125,824)
(Increase)/decrease in debtors		(820,295)	1,013,436
(Gains) on defined pension scheme liabilities		—	(1,093,044)
Increase in creditors		765,916	373,397
Net cash provided from operating activities		694,421	1,801,293
Cash flows from investing activities:			
Interest receivable		123,580	94,905
Proceeds from Sale of Equipment		25,019	15,185
Purchase of tangible fixed assets		(1,256,252)	(724,649)
Net cash (used in) investing activities		(1,107,653)	(614,559)
Change in cash and cash equivalents in the year		(413,230)	1,186,734
Cash and cash equivalents at the beginning of the year		3,772,703	2,585,969
Total cash and cash equivalents at the end of the year		3,359,473	3,772,703
Analysis of cash and cash equivalents			
Cash in hand and at bank		1,349,938	1,763,168
Cash held by investment managers		2,009,535	2,009,535
Total cash and equivalents		3,359,473	3,772,703

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Reconciliation of net debt			
Cash at bank and cash in hand	1,763,168	(413,230)	1,349,938
Cash held with investment managers	2,009,535		2,009,535
Total cash and cash equivalents	3,772,703	(413,230)	3,359,473

Principal accounting policies Year to 31 July 2025

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2025 and are presented in sterling and are rounded to the nearest pound.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 “the Financial Reporting Standard applicable in the UK and Republic of Ireland”, and the 2015 Charities Statement of Recommended Practice based thereon – the Charities SORP. University College London Union meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there is a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

During the 2024/25 the Union’s free reserves increased and stand at £2,974k (2023/24: £2,208k). The Union is committed to rebuilding its free reserves by diversifying the commercial offer, working with sustainable and ethical suppliers, and investing in the spaces it occupies.

The outlook for the next 18 months remains positive. The Union benefits from the increased level of collaboration with the University and an increase in overall funding levels, including the block grant and the Students’ Life Strategy.

The trustees are of the opinion that UCLU will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ valuation of donations in kind received during the year;
- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ allocation of support costs across charitable activities; and
- ◆ valuation of the pension scheme liabilities in relation to the Universities Superannuation Scheme (USS).

Principal accounting policies Year to 31 July 2025

Income

Income is recognised in the period in which the Union has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received.

Income comprises of donations and grants received from UCL, income generated from commercial activities, and investment income.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer or economic benefits will be received in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated net of VAT.

Charitable expenditure comprises the direct and indirect costs of delivering the charitable activities as set out in the Trustees' report. This includes governance costs, which are those costs incurred in relation to compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers.

Support costs are allocated to charitable activities. The value of serviced campus accommodation is apportioned on estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects/activities on a usage basis, pro rata to the staff costs of each project or activity undertaken.

Depreciation

A full year of depreciation is charged in the year of acquisition. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

For depreciation purposes, useful life is assessed to be:

- ◆ Fixtures and fittings 5-10 years
- ◆ Equipment 3-5 years
- ◆ Musical instruments 10 years
- ◆ Furniture 3-5 years

Capital expenditure in excess of £1,000 is capitalised within fixed assets. Expenditure less than this amount is charged to the statement of financial activities in the year it is incurred.

Stocks

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

Taxation

No provision is made in these financial statements for corporation tax as the Union is exempt from such tax as a result of its charitable status.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Pension costs

The Union contributes to three principal pension schemes on behalf of its employees: the Universities Superannuation Scheme (USS), the Superannuation Arrangements for the University of London (SAUL), and the NEST scheme.

USS and SAUL are defined benefit schemes and it is not possible to identify the Union's share of the underlying assets and liabilities in the multiemployer schemes. However, the Union has entered into an arrangement to clear the USS scheme deficit by 31 March 2038. The net present value of the Union's contributions as part of these plans are reflected as a liability on the balance sheet, which will reduce as they are paid.

The NEST scheme is a defined contribution scheme.

Contributions to all schemes are charged to the statement of financial activities.

Fund accounting

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the Trustees.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the Union's charitable objects.

Leased assets

Rentals payable under operating leases are charged as expenditure to the statement of financial activities on a straight line basis over the period of the lease.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Union anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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.

1 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2025 £	Unrestricted funds £	Restricted funds £	Total 2024 £
Clubs and Societies grants	462,073	—	462,073	205,951	—	205,951
Union grant	6,509,862	—	6,509,862	5,718,360	—	5,718,360
Facilities grant ("donation in kind")						
· Trading	1,554,066	—	1,554,066	1,554,066	—	1,554,066
· Other	1,021,274	—	1,021,274	1,021,274	—	1,021,274
Total block grant from UCL	9,547,275	—	9,547,275	8,499,651	—	8,499,651
Other grants	—	1,113,009	1,113,009	—	331,711	331,711
Other donations	—	1,798	1,798	60	29,109	29,169
Total funds	9,547,275	1,114,807	10,662,082	8,499,711	360,820	8,860,531

Facilities grant funding above (trading and other) relates to "donation in kind" accommodation provided by the University to UCLU (see note 5).

2 Investment income

	Unrestricted	
	Total funds 2025 £	Total funds 2024 £
Income from deposits	123,580	94,905
Investment income	95,087	106,285
	218,667	201,190

3 Incoming resources from charitable activities

	Unrestricted	
	Total funds 2025 £	Total funds 2024 £
Trading income	6,649,546	6,172,351
Non-trading income - other	890,175	652,326
	7,539,721	6,824,677

4 Total resources expended

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2025 £
Charitable activities:					
Trading expenditure	2,066,537	3,482,000	295,319	2,758,236	8,602,092
Non-trading expenditure	3,345,812	1,926,828	6,914	3,592,370	8,871,924
	5,412,349	5,408,828	302,233	6,350,606	17,474,016

4 Total resources expended (continued)

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2024 £
<i>Charitable activities:</i>					
<i>Trading expenditure</i>	2,011,950	3,308,472	233,039	2,459,408	8,012,869
<i>Non-trading expenditure</i>	2,650,645	1,424,765	16,333	3,542,242	7,633,985
	<u>4,662,595</u>	<u>4,733,237</u>	<u>249,372</u>	<u>6,001,650</u>	<u>15,646,854</u>

	Total 2025 £	Total 2024 £
This is stated after charging:		
Depreciation	345,877	321,097
Auditors' remuneration		
. Current year statutory audit provision	29,190	27,030
. Other services	4,500	7,600

5 Support costs

	Total funds 2025 £	Total funds 2024 £
Rent *	2,575,340	2,575,340
Salaries and wages	2,369,503	2,080,066
Other staff related costs	102,792	73,092
Printing and stationery	2,221	3,352
Website and publicity	240,375	280,826
Cleaning and utility costs	287,235	236,706
Repairs, maintenance and equipment	141,265	88,011
Depreciation	43,644	71,725
Audit	29,190	27,030
Legal and professional	134,810	123,356
Insurance	110,525	104,189
Membership and subscription	69,579	71,161
Training and conferences	52,879	90,661
Bank charges and cash handling	10,571	10,096
Irrecoverable VAT	164,268	155,989
Other	16,410	10,050
	<u>6,350,606</u>	<u>6,001,650</u>

*Rent charge above relates to the "donation in kind" for accommodation provided by UCL (see note 1).

6 Staff costs

	Total funds 2025 £	Total funds 2024 £
Wages and salaries	6,406,058	5,554,207
Agency costs	11,357	15,381
Social and security costs	579,065	441,403
Pension costs	785,371	731,670
	7,781,851	6,742,661

	Permanent No.	Casual (FTE) No.	Total 2025 No.	Permanent No.	Casual (FTE) No.	Total 2024 No.
Average	126	247	373	110	252	362

The number of employees whose emoluments exceeded £60,000 was:

	Total 2025 £	Total 2024 £
£60,001 - £70,000	5	4
£70,001 - £80,000	2	3
£80,001 - £90,000	2	1
£90,001 - £100,000	0	1
£100,001 - £110,000	1	—

Pension contributions made on behalf of the above individuals totalled £108,314 (2024: £66,245).

Key management personnel received aggregate remuneration of £776,410 (2024: £695,156). Key management personnel comprise the trustees and senior management team as set out on page 1. This includes employers' national insurance and pension contributions.

7 Tangible fixed assets

	Fixtures & fittings £	Equipment £	Furniture £	Total £
Cost				
At 1 August 2024	1,757,704	672,759	123,656	2,554,120
Additions	894,403	365,884	18,098	1,278,385
Transfers	—	—	—	—
Disposals	(393,623)	(229,847)	(4,854)	(628,324)
At 31 July 2025	2,258,485	808,795	136,901	3,204,181
Depreciation				
At 1 August 2024	955,069	579,130	53,451	1,587,650
Charge for the year	204,573	118,473	22,831	345,877
Disposals	(390,784)	(229,847)	(4,854)	(625,485)
At 31 July 2025	768,859	467,754	71,429	1,308,042
Net book value:				
At 31 July 2025	1,489,625	341,042	65,472	1,896,139
At 31 July 2024	802,635	93,631	70,205	966,470

8 Capital Commitments

The Union had no contractual capital commitments at 31 July 2025. (2023/24: £204,465).

9 Investments

	Cash £	Listed investments £	Total £
Cost or valuation			
At 1 August 2024	2,009,535	4,550,737	6,560,272
Additional Investment	—	—	—
	2,009,535	4,587,755	6,597,290
Revaluation in the year	—	37,018	37,018
Net book value:			
At 31 July 2025	2,009,535	4,587,755	6,597,290
At 31 July 2024	2,009,535	4,550,737	6,560,272
Historic cost of investments	2,009,535	2,173,606	4,183,141

Listed investments represent the value of investments held on behalf of the Union by UCL in its University Trust Fund. The investment was originally purchased by the Union and revaluations in investments are recognised through the revaluation fund (see note 15).

Cash relates to a cash deposit held with Scottish Widows.

10 Stocks

	2025 £	2024 £
Bars	32,876	31,281
Cafes	11,474	16,294
Sports centre	4,290	3,568
Retail and other	685,480	285,208
	734,120	336,351

11 Debtors

	2025 £	2024 £
Trade debtors	168,054	106,889
Amounts due from university	2,481,801	1,145,571
Other debtors	5,812	—
Prepayments and accrued income	250,442	833,354
	2,906,109	2,085,814

12 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	675,759	627,440
Other creditors	1,629,824	1,275,399
Accruals and deferred income	794,612	409,307
	3,100,195	2,312,146
	2025 £	2024 £
Deferred income included above:		
At 1 August	259,156	162,625
Utilised in the year	(208,430)	(118,062)
Deferred in the year	583,543	214,593
At 31 July	634,269	259,156

13 Financial instruments

	2025 £	2024 £
Financial assets		
Financial assets measured at amortised cost	4,256,048	3,848,981
Financial assets measured at fair value through the statement of financial activities	6,597,290	6,560,272
Financial liabilities		
Financial liabilities measured at amortised cost	2,465,926	2,052,990
Financial liabilities measured at fair value through the statement of financial activities	—	—
	2025 £	2024 £
Interest income and expenses		
Interest income for financial assets measured at amortised cost	123,580	94,905
Interest expense for financial liabilities measured at amortised cost	185,490	160,941

Financial assets measured at amortised cost comprise trade debtors, other debtors, intercompany debtors and cash.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise, trade creditors, other creditors, and accruals excluding deferred income.

Financial liabilities measured at fair value comprise the pension deficit contribution liability.

14 Restricted reserves

	As at 1 August 2024 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2025 £
Capital grants	168,954	941,000	(127,230)	—	982,724
Other restricted reserves	204,666	173,807	(159,710)	—	218,763
Hardship grant	733,956	—	(376,622)	—	357,334
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	2,171,477	1,114,807	(663,561)	—	2,622,723

	As at 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2024 £
Capital grants	9,250	198,692	(38,988)	—	168,954
Other restricted reserves	228,036	162,128	(185,498)	—	204,666
Hardship grant	1,118,300	—	(384,344)	—	733,956
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	2,419,487	360,820	(608,830)	—	2,171,477

Capital grants reserve relates to funds received for specific capital purchases. The funds are written down over the life of the asset.

Other restricted reserves relate to funds received for the following specific purposes. Funding received with a value of £10,000 or above are detailed below:

- ◆ Hardship fund – received to set up a revolving hardship loan/grant service for students in need. The fund is administered by UCLU's Rights & Advice Department and payments are authorised by the Officers/Trustees of the Union.
- ◆ Alumni Fund – received from UCL Alumni to be spent on "Welfare" projects. These funds will be utilised by the welfare officer/trustee as specified.
- ◆ Global Engagement Fund – received to increase support for UCL's international students and create opportunities for all students to integrate and build cultural awareness.
- ◆ Active Bystander Fund - received as part of the UCL 'Full Stop' campaign to put a full stop to sexual misconduct, bullying and harassment in any form at UCL and beyond.
- ◆ VSU Fund - received to help fund projects within the Volunteering unit.
- ◆ Creche Feasibility Study Fund - received for feasibility of child creches for students.
- ◆ EDI Chinese Students Fund is received for a research project on Chinese and East Asian students.
- ◆ Impartial Chairs Programme Fund is received to provide students with an opportunity to develop skills in debate and respectful disagreement.

14 Restricted reserves (continued)

- ◆ Lawn Tennis Association fund is received to make tennis more accessible to students
- ◆ Student Success fund is received to support our networks to build connection among student groups and better advocate for underrepresented communities at UCL.

The Shenley Athletics Ground Capital Fund originates from transfer of surplus funds previously held in trust by UCL on behalf of UCLU and used to carry out capital works to ensure the grounds and facilities are fit for purpose. There are restrictions which limit the use of funds on capital works greater than £20k.

15 Unrestricted reserves

	As at 1 August 2024 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	As at 31 July 2025 £
Designated funds						
Sports Development fund	81,818	43,075	—	—	—	124,893
Capital Investment fund	428,631	—	—	(428,631)	—	—
Capital reserve	797,517	—	—	115,898	—	913,415
Shenley athletics ground fund	1,334,451	—	—	—	—	1,334,451
Revaluation fund	2,377,131	—	—	—	37,018	2,414,149
	<u>5,019,548</u>	<u>43,075</u>	<u>—</u>	<u>(312,734)</u>	<u>37,018</u>	<u>4,786,908</u>
Pension fund	—	—	—	—	—	—
General fund	2,208,904	17,262,587	(16,810,455)	312,734	—	2,973,770
Total unrestricted reserves	<u>7,228,453</u>	<u>17,305,662</u>	<u>(16,810,455)</u>	<u>—</u>	<u>37,018</u>	<u>7,760,678</u>
	As at 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	As at 31 July 2024 £
Designated funds						
Sports Development fund	169,589	43,075	(130,846)	—	—	81,818
Capital Investment fund	130,909	927,851	(499,220)	(130,909)	—	428,631
Capital reserve	644,443	—	—	153,074	—	797,517
Shenley athletics ground fund	1,334,451	—	—	—	—	1,334,451
Revaluation fund	1,920,700	—	—	—	456,431	2,377,131
	<u>4,200,092</u>	<u>970,926</u>	<u>(630,066)</u>	<u>22,165</u>	<u>456,431</u>	<u>5,019,548</u>
Pension fund	(1,093,045)	—	—	—	1,093,045	—
General fund	2,084,375	14,554,652	(14,407,957)	(22,165)	—	2,208,904
Total unrestricted reserves	<u>5,191,422</u>	<u>15,525,578</u>	<u>(15,038,023)</u>	<u>—</u>	<u>1,549,476</u>	<u>7,228,453</u>

The Sports Development fund originates from the increase in grant received when the Chislehurst Sports ground was sold in 1999. There is no restriction on the grant, but UCLU took the decision to ring fence these funds annually to be spent on sport/student development projects. Any underspend in the year against the annual designated fund of £43,075 is added to the fund for future projects.

15 Unrestricted reserves (continued)

The Capital Investment fund represents ring-fenced project expenditure earmarked for use in delivering the Students' Union's strategic objectives.

The Capital reserve represents fixed asset expenditure incurred from the Union's unrestricted reserves. The transfer is to cover fixed assets purchased in the year less depreciation charged against assets held.

The Shenley Athletic Ground fund originates from the annual unused grant allocated to the management of the grounds by the UCLU. The grounds are held in Trust by the UCL on behalf of UCLU. These funds have been designated to support and fund the upkeep, maintenance and future running of the grounds and facilities.

The revaluation fund consists of the unrealised gains on revaluation of the listed investments held by UCLU in the University Trust Fund.

The pension fund represents UCLU's liability at the balance sheet date under the deficit recovery plan in relation to the Universities Superannuation Scheme (see note 16).

16 Pensions

The principal pension schemes for the UCLU's staff are: the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and the National Employer Savings Trust (NEST). The schemes are externally funded and contracted out of the State Second Pension (S2P) and are valued every three or four years by professionally qualified independent actuaries using the projected unit method. Assets of each scheme are held in separate trustee administered funds. As these are multi-employer schemes it is not possible to identify UCL's share of the underlying assets and liabilities.

Universities Superannuation Scheme (USS)

UCL is a participating employer of Universities Superannuation Scheme (USS). It is the main pension scheme for academic and academic-related staff across the sector. It is a hybrid scheme – providing defined benefits (for all members) as well as defined contribution benefits – and it operates on a mutual basis such that assets are not attributed to individual institutions and a scheme-wide contribution rate is set. As a participating employer, UCL is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and is therefore accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

USS is a "last man standing" scheme, so that in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. Details of the scheme and the 2023 valuation can be found at <https://www.uss.co.uk/about-us/valuation-and-funding/our-valuations>.

16 Pensions (continued)

The latest actuarial valuation of the scheme was at 31 March 2023 ("the 2023 valuation"). It was carried out using the projected unit method, and the financial assumptions that had the most significant effect on the result were as follows:

Discount rate (forward rates):

- Active members: Gilts + 2.5% p.a.
- Retired members: Gilts + 0.9% p.a.

Price inflation:

- CPI: 3.0% p.a.
- RPI: 3.4% p.a.

The CPI assumption is a flat rate based on a long-term average expected level of CPI, broadly consistent with long term market expectations. The RPI assumption allows for an assumed gap between RPI and CPI of 1.0% p.a.

Mortality

The mortality assumption has been updated to use more recent future projections prepared by the Continuous Mortality Investigation (CMI) 2021 future projection tables and makes some allowance for heavier mortality to persist given the ramifications of the coronavirus pandemic.

The 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective of maintaining sufficient and appropriate assets to cover their liabilities. At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's liabilities was £65.7bn, indicating a surplus of £7.4bn and a funding ratio of 111%. From 1 January 2024, the agreed contribution rates are 14.5% of salary for employers and 6.1% of salary for members. The future service contribution rate was 16.2% to 31 March 2024 and 20.6% from 1 April 2024.

The Superannuation Arrangements of the University of London

UCL is a participating employer of the Superannuation Arrangements of the University of London (SAUL). SAUL is a defined benefit pension scheme primarily for non-academic staff in the higher education sector. It operates on a mutual basis, meaning that assets are not attributed to individual institutions, and a scheme-wide contribution rate is set. As a participating employer, UCL is exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and is therefore accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

16 Pensions (continued)

The Superannuation Arrangements of the University of London (continued)

SAUL is a "last man standing" scheme, meaning that in the event of the insolvency of any of the participating employers, any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. Details of the scheme and the 2023 valuation can be found at <https://www.saul.org.uk/#/page/the-actuarial-valuation>.

The latest completed actuarial valuation of the scheme was as at 31 March 2023 using the projected unit method. The financial assumptions that had the most significant effect on the result of the valuation were as follows:

Discount rate (forward rates):

- Active members: Gilts + 2.45% p.a.
- Deferred members: Gilts + 1.0% p.a.
- Retired members: Gilts + 0.5% p.a.

Price inflation:

- CPI: Full curve derived as the RPI curve less 1% pa. before 2030 and no deduction thereafter.
- RPI: Full unadjusted market-implied RPI curve: 3.37%;

Pre 2016 pension increase uses the above assumptions. Post 2016 pension increase uses CPI max 2.5% pa. pension increases derived using the Jarrow-Yildirim model.

Mortality

The mortality assumptions use the CMI 2022 future projection tables, with long-term trend rate of 1.75% pa.

At the valuation date, the value of the assets of the scheme was £3.096bn and the value of the scheme's liabilities was £2.962bn, indicating a surplus of £134m and a funding ratio of 105%.

From 1 January 2023, the agreed contribution rates are 21% of salary for employers and 6% of salary for members. The future service contribution rate is 19.3% of salaries. From 1 September 2024, employer contributions will reduce to 19%, with no change to the member contribution rate of 6%.

Auto-enrolment pension scheme

Since 2017/18, eligible employees have been included in the NEST scheme for auto-enrolment. The Union's cost of contribution in the year amounted to £18,198 (2024: £24,533).

17 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2025 £
Unrestricted funds	—	2,342,725	631,045	—	2,973,770
Designated funds	913,414	4,254,565	(381,072)	—	4,786,908
Restricted funds	982,724	—	1,639,999	—	2,622,723
Total funds	1,896,139	6,597,290	1,889,972	—	10,383,401

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2024 £
Unrestricted funds	—	2,340,036	(131,132)	—	2,208,904
Designated funds	797,516	4,220,236	1,796	—	5,019,548
Restricted funds	168,954	—	2,002,523	—	2,171,477
Total funds	966,470	6,560,272	1,873,187	—	9,399,929

18 Related party transactions

The Union is in receipt of a recurrent grant from UCL of £6,921,935 (2023/24: £5,889,311). Other grants were received from UCL of £543,723 (2023/24: £291,031). In addition, Union also received Capital Grants of £941,000 (2023/24: £198,692)

The Union occupies its building on a rent-free basis under an informal licence subject to the Union maintaining the building in a good state of repair. Under the Charities SORP the “donation in kind” must be valued and included within the financial statements. The value to the Union for this space is £2,575,340 (2023/24: £2,575,340).

The trustees of the Union are stated on page 1. Six sabbatical officers received remuneration totalling £242,299 (2023/24: five sabbatical officers: £188,702) inclusive of pension contributions of £16,945 (2023/24: £18,264) for their services as provided for within the Constitution. The Union also incurred costs and paid reimbursements of expenses to all trustees of £58,564 (2023/24: 48,105). The trustees’ indemnity was provided as part of management liability insurance, at a total cost of £5,047 (2023/4: £5,047)

The Union is also a related party of Somers Town Community Sports Centre Ltd, an incorporated charity (Charity Registration Number 1057305, Company Registration Number 3157703), as it is considered to be under common control. The Union has not been invoiced for the hire of sports facilities (2023/24: £nil). Somers Town Community Sports Centre Limited was invoiced for amounts totalling £74 (2024: £20,053). The balance due to UCLU at 31 July 2024 is £nil (2023/24: £nil).

19 Affiliations

	2025 £	2024 £
Membership contribution to National Union of Students	37,903	37,880

The membership fee is paid directly by UCLU for membership of the National Union of Students.

UCLU

England & Wales - Charity number 1142404

Accounts

UCLU (operating as Students' Union UCL)

Annual Report and Financial Statements

31 July 2024

Company Limited by Guarantee
Registration Number
07635628 (England and Wales)

Charity Registration Number
1142404

Reference and administrative information

Trustees	M McHarg (resigned 15 July 2024) G Danaci (appointed 16 July 2024) P Barran (resigned 31 August 2024) B Beasant A Boikova (appointed 16 July 2024) C Bracey M Chaudhary G Hu (resigned 31 October 2024) F Ibrahim (appointed 16 July 2024) L Lan (appointed 16 July 2024) R Lim (appointed 16 July 2024) K Sio (appointed 16 July 2024) S Tedros (resigned 25 September 2024) E Yildirimkaya (appointed 16 July 2024) X Huang (resigned 31 October 2023) A Ismail (resigned 15 July 2024) M Kachwala (resigned 15 July 2024) A Shi (resigned 15 July 2024) I Smith (resigned 15 July 2024) C Yoo (resigned 7 June 2024) S Harris (appointed 1 November 2024) A Brown (appointed 1 November 2024)
Chief Executive Officer	John Dubber
Senior Management Team	D Dominiczak (Director of Finance) D Nichols (Director of Operations) C Salton-Brooks (Director of Student Experience) S To (Director of Policy, Governance & Advocacy)
Charity registration number	1142404
Company registration number	07635628
Website	www.studentsunionucl.org
Registered address	25 Gordon Street London WC1H 0AY
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Reference and administrative information

Bankers

Barclays Bank Plc
London Corporate Service Centre
PO Box 46116
London
EC4N 8WB

Metro Bank
One Southampton Row
London
WC1B 5HA

The trustees, who are also directors of the charitable company ("the charity"), present their report and the financial statements for UCLU ("the Union") for the year ended 31 July 2024, which have been prepared in accordance with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable status

Students' Union UCL ('UCLU') is an incorporated charity (limited by guarantee) (charity registration number: 1142404; company registration number: 07635628).

It was originally established in 1893 and now operates in accordance with the Education Act 1994. It has been registered with the Charity Commission since 14 June 2011, when students' unions connected with exempt higher/further education institutions were removed from exemption by the then Charities Act 1993.

UCLU is governed by its Memorandum and Articles of Association last amended in July 2023. UCLU operates as Students' Union UCL following a rebranding project during the 2017/18 financial year.

Governance

UCLU is constituted under the Education Act 1994 as a charitable company limited by guarantee with internal regulations and rules approved by the governing body of University College London (UCL). The primary aim of the Union is the advancement of education of students at UCL for the public benefit.

Public benefit

All activities undertaken by the Union are to further our charitable purposes for the benefit of our student members.

In shaping our objectives and planning activities, the Board of Trustees have had regard to the Charity Commission's published general guidance regarding the exercising of duty and power for the public benefit. The main benefits which have arisen during the year from the organisation's aims are detailed in the following sections.

Board of Trustees

The Board of Trustees ensures Students' Union UCL has the necessary financial and structural abilities to carry out its aims effectively. The Board makes decisions on legal and financial issues and ensures that the organisation is delivering on the political policy set by the democratic bodies of the Union. In accordance with the organisation's Memorandum and Articles, the Board comprises:

- ◆ 6 Sabbatical Trustees
- ◆ 4 Student Trustees
- ◆ 1 External Trustee (Alumni)
- ◆ 1 External Trustee (UCL Staff)
- ◆ 1 External Trustee (Non-UCL)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Board of Trustees (continued)

Members of the Board (who are also directors of UCLU for the purposes of company law) who served during the year and up to the date of this report were:

Trustees (Directors)		Appointed / Resigned
G Danaci	Sabbatical	Appointed 16 July 2024
A Boikova	Sabbatical	Appointed 16 July 2024
S Chaudhary	Sabbatical	
L Lan	Sabbatical	Appointed 16 July 2024
H Lim	Sabbatical	Appointed 16 July 2024
E Yildirimkaya	Sabbatical	Appointed 16 July 2024
A Ismail	Sabbatical	Resigned 15 July 2024
M McHarg	Sabbatical	Resigned 15 July 2024
A Shi	Sabbatical	Resigned 15 July 2024
I Smith	Sabbatical	Resigned 15 July 2024
X Huang	Student	Resigned 31 October 2023
G Hu	Student	Appointed 1 November 2023
S Tedros	Student	Appointed 1 November 2023
M Kachwala	Student	Resigned 15 July 2024
C Yoo	Student	Resigned 15 July 2024
F Ibrahim	Student	Appointed 16 July 2024
K Sio	Student	Appointed 16 July 2024
A Brown	Student	Appointed 1 November 2024
S Harris	Student	Appointed 1 November 2024
P Barran	External	
B Beasant	External	
C Bracey	External	

The trustees hold a minimum of four meetings per academic year and are responsible for establishing and delegating to the following committees:

- ◆ Finance Committee
- ◆ Risk & Audit Committee
- ◆ Governance Committee
- ◆ Remuneration Committee

The terms of reference for the Board and its associated committees, are available on the Union website:

<https://studentsunionucl.org/how-we-are-governed>

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Committees

Finance Committee is charged by the Board of Trustees to oversee the finances of the Union, including considering strategic options for, and general oversight of all areas of the Union's finances. This includes approving annual budgets and monitoring the financial performance of the organisation.

Risk & Audit Committee is charged by the Board for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the organisation is complying with all aspects of the law, relevant regulations and good practice. The annual statutory audit is also under this committee's remit.

Governance Committee is charged by the Board for promoting good governance and ensuring our governance arrangements are effective and comply with the governing documents laid down by our members, UCL, the Charity Commission, and other legislative bodies and authorities.

Remuneration Committee is charged by the Board for considering the remuneration of the Chief Executive and Sabbatical Officers, and proposals regarding broader staff remuneration.

Recruiting and training of trustees

The Sabbatical Officers (Sabbatical Trustees) are democratically elected each year by the membership of the Union in the spring election to serve from 16 July to 15 July. All new Sabbatical Officers undergo a period of induction and training. To ensure a smooth handover, incoming Sabbatical Officer undergo a 15-day shadowing period. Once in post, they have weekly meetings with the Chief Executive and Senior Management Team, which forms the Union's Leadership Team, who have delegated responsibility for overseeing the day-to-day operations of the Union and management of affairs. The Sabbatical Officer role is to work closely with UCL's management team to ensure that student issues and concerns are a central part of the University's governance and decision-making. They represent students to other organisations and nationally as required. They are leaders of the Union, helping to ensure that it is a well-run and effective charity providing a wide range of valuable services for its members. They also ensure that policy proposals considered by the Executive, Members' meetings and referenda are implemented.

Student trustee positions are democratically elected by the membership of the Union. They serve for one year from 1 November or 16 July, depending on when they are elected until their status as a student no longer exists.

External trustees are appointed following advertisements placed within the UCL community and nationally in the media. They are appointed for a period of four years and each appointment is ratified by Union Executive.

Union Executive

Union Executive is the democratic policy making body of the Union and is responsible for the ratification of Union policy except where policy was determined by a Referendum.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Relationship with University College London (UCL)

The relationship between UCL and the Union is established in the Regulations of UCL and detailed in the Union rules approved by both organisations. The Union receives an annual Block Grant from UCL and occupies a number of buildings owned by UCL. The Union also receives administrative support in a number of areas including Human Resources, IT infrastructure and payroll. This support is intrinsic to the relationship between UCL and the Union.

An estimated annual value to the Union for its free of charge occupation of UCL's serviced accommodation has been included in the financial statements, priced at a market value of £2.57m (2023: £2.57m).

Although the Union continues to generate supplementary funding from various mutual trading activities, it is dependent on UCL's support and for this it is appreciative.

There is no reason to believe that this or equivalent support from UCL will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on UCL to ensure the financial viability of its student representative body.

Employment policy

The Union contracts of employment templates continue to be provided by UCL. This allows the Union to continue to benefit from UCL's extensive and proven HR procedures, policies and support from UCL Human Resources Division. Through its relationship with UCL, the Union offers competitive terms, conditions and benefits to its staff including a generous annual leave entitlement and pension scheme.

UCL implemented the Pay Framework Agreement for all non-clinical posts across the organisation in May 2006 and the Union's arrangement for setting pay and remuneration of staff is based on this agreement. The Union uses the same coherent ten grade structure as UCL, which is based on the non-discriminatory job evaluation scheme (HERA).

The Union has a longstanding commitment to equality, diversity and inclusion, and to providing a working and social environment in which the rights and dignity of its diverse staff are recognised. All staff have an annual appraisal which incorporates a personal development plan. The Union has excellent provision for training and developing staff. The Union is keen to build and retain talent and each department works on succession planning.

All staff new to the organisation have a comprehensive induction programme in place and undergo regular probation and progress reviews. All staff meetings, email briefings and newsletters are used to keep staff up-to-date with relevant issues such as strategic and financial planning, and staff are invited to provide feedback to senior management through regular surveys and open meetings.

We employ a large number of part time casual student staff our commercial department and other departments ensuring we provide development for students and flexible work opportunities. We also employ permanent members of staff, some of whom are responsible for the operational decisions taken across the organisation on a daily basis. Details of staff costs can be found in note 6.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key management remuneration

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of such remuneration reviewed annually, including reference to comparisons with other unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere. Details of key management personnel and their remuneration are set out in note 6.

Statement of trustees' responsibilities

The trustees (who are also directors of the Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP;
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Each of the trustees confirms that:

- ◆ So far as each of the trustees is aware, there is no relevant information of which the charitable company's auditor is unaware; and
- ◆ The trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and establish that the charitable company's auditor is aware of that information.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Risk management

The Risk & Audit Committee oversee the organisation's approach to risk management. A Strategic Risk Register is agreed by the Board of Trustees, Risk & Audit Committee and Senior Management Team (SMT). This is reviewed on a quarterly basis with an annual review cycle. This is updated regularly alongside departmental risk registers, overseen by the Risk & Audit Committee. The Union will follow the UCL risk framework, including regular staff training and reviews and updates of registers. This combined with a practical approach and visible engagement and support from trustees and senior management helps embed risk management across the Union. The principal potential risks and uncertainties facing the Union are:

- ◆ Potential disruption to commercial services due to lower than usual footfall due to a number of issues beyond control such as; strike action, changed behaviours, estate repair works etc.
- ◆ Continuing increases in levels of demand for service provision from students without a comparable increase in grant funding from UCL.
- ◆ GDPR (General Data Protection Regulation) compliance.
- ◆ Risk of a Cyber attack.
- ◆ A serious incident on Union premises or by members of the Union's clubs and societies that results in harm to staff or students and / or reputational damage.

The Union's mitigation strategies against these are:

- ◆ Weekly reviews of the impact on the Union's operations and finances and maintaining a close relationship and dialogue with UCL regarding the financial and operational impact of the cost of living crisis and lower footfall.
- ◆ Continuing to enhance and strengthen the Union's relationships with UCL and seeking increased contributions from commercial income.
- ◆ The SU is working towards Cyber Essentials Certification working closely with UCL IT team.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ The Systems Manager is the Union's data protection and GDPR lead. A review of the Union's GDPR compliance and best practice in data management was completed in 2019 and work is continuing to monitor implementation of all controls. A Data sharing agreement with UCL has been written and is undergoing the final stages of negotiation post legal review.
- ◆ A Head of Facilities and Health & Safety reviews and implements health and safety management for the Union, including risk assessments, training provision and records, safe working procedures, emergency response and incident response planning.
- ◆ Regular reviews of Union Health and Safety policies and procedures, continuing to work closely with UCL Communications and Marketing, continuing and improving training for Union and Clubs and Societies officers and ensure high quality risk assessments for activities and events.
- ◆ There has been an implementation of a critical incident response plan and training sessions undertaken related to the plan. Training for team members includes external and internal training and simulation exercises. Testing of the plan is undertaken periodically.
- ◆ The Students' Union is working towards achieving completion of UCL T100 safety management system. The T100 tool is based around the Plan, Do, Check, Act management system approach which is consistent with Health and Safety Executive and Higher Education guidance and is based on practical measures to promote continuous improvement in health and safety. In August 2023 the SU scored a T100 compliance rating of 95%

STRATEGIC REPORT

Union purpose, vision, mission, values

Purpose

The object of the Union is the advancement of education of Students at UCL for the public benefit by:

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

Vision

An outstanding experience for all UCL students and to be one of the best students' unions in the UK and the world.

Mission

We build a vibrant and empowered student community with real influence in UCL and beyond, that enables students to enjoy their time at university; pursue their interests and passions; see the world in new ways; and develop the skills and experience to change the world for the better.

Values

Our values are:

- ◆ Community
- ◆ Democracy
- ◆ Empowerment
- ◆ Inclusive
- ◆ Bold
- ◆ Sustainable
- ◆ Fun

STRATEGIC REPORT (continued)

Review of 2023/24

Achievements

The role of the Students' Union is wide ranging. Our core purpose is that all of our members have a fantastic experience of university life. We want students to be full partners in the future development of UCL. We aim to provide fantastic opportunities for them to meet friends, develop new skills, build their confidence and pursue their interests and passions. For those who face difficulties and barriers to being able to fully participate in and enjoy student life, we provide high quality independent support and advice. And perhaps most importantly, we want all of our students to feel at home at UCL, with a strong sense of community and belonging, and feeling proud to be students of our university.

In the past year, the Union has continued its exciting programme of renewal and development, towards our long-term goal of working with UCL to achieve an outstanding experience for all our students and becoming one of the best students' unions in the world.

We've helped tens of thousands of students to feel welcome at UCL, to make new friends, build skills and confidence, and foster a stronger sense of community and belonging. We achieved our highest ever level of engagement in our sports, student societies, elections and many other programmes. We are continuing to modernise and improve the work of the organisation to meet rising levels of demand. 2023-24 marked the first year of our new Student Life Strategy. This sets a compelling vision for students' extra and co-curricular experience. This will see thousands more opportunities for students to get involved in activities that will enable them to make the most of their time at university, build skills to support their future careers and create memories that will last a lifetime.

We are very grateful for UCL's support of the Students' Union. We look forward to working closely with all of UCL's staff in the year ahead, to continue to put students first and work towards our shared aim of a world leading student experience.

Thank you to everyone who has played a role in the success of the Union this year, our elected officers, our fantastic staff team, UCL's staff and senior management team, who have done so much to support students during the past year, and finally to our amazing students who have continued to do incredible things supporting each other, contributing to the local community, and making UCL the very special place it is.

This year, we:

- ◆ Our student satisfaction was at 7th place in the Russell Group, which shows student satisfaction with how we represent their academic interests, the most improved Students' Union in the Russell Group since 2017.
- ◆ 21,524 students joined a sports club or society this year, which is 45.7% of all students and up from 43% in 2022-23.
- ◆ 7,199 students joined an Arts Society (15.2% of all UCL students and up from 14% last year).

STRATEGIC REPORT (continued)

Review of 2023/24 (continued)

Achievements (continued)

- ◆ Together with our student-led groups, we held 6,977 events this year, up from 4,800 in 2022-23.
- ◆ 82% (38,571) of all students booked a ticket to an event through the Students' Union website.
- ◆ We introduced 'Hall Community Officers' for the first time last academic year. 16 elected students held 63 events for students in Halls, including winter craft sessions, picnics, football matches, badminton sessions and Eid celebration events.
- ◆ Our Advice Service supported 2,020 students in need, with a wide range of challenges such as academic appeals, housing issues and financial support. This included supporting 420 students with housing queries. 10% of the students we supported were either experiencing, or at risk of, homelessness.
- ◆ 11,224 students joined a Sports Club (24% of all UCL students up from 22.7% in 2022-23).
- ◆ We held our annual International Festival in February, hosting 12 events with more than 512 students taking part. We held a 5-a-side World Cup, hosted 6 cultural society performances, and 13 workshops.
- ◆ We held a record-breaking Leadership Race, retaining our record of holding the largest student election in the UK. Overall, 3,452 students put themselves forward for election and 11,177 students voted. Our turnout increased to 23.8%, a new UCL record.
- ◆ We held our largest-ever Welcome fortnight. Together with our student-led groups, we hosted more than 727 events, up from 620 in 2022. More than 12,500 students joined a club or society during Welcome Week, and we showcased 70 live club and society performances on the Main Quad festival stage.
- ◆ We elected and supported a network of over 2,000 Academic Reps across every department at UCL who dedicate themselves to representing the academic interests of students and improving education at UCL.
- ◆ 501 students, staff and alumni took part in our inaugural Campus Run at UCL East, helping to create an accessible pathway into physical activity.
- ◆ Since the introduction of 50p disposable cup levy across our cafes in 2023, 25% of hot drinks in 2023-24 were sold to customers using reusable cups, up from 18% last year.
- ◆ We trained more than 6,000 new students to be Active Bystanders, helping to create a safer campus.

STRATEGIC REPORT (continued)

Review of 2023/24 (continued)

Achievements (continued)

- ◆ We continued to professionalise our sporting offer and achieved a key objective in the Student Life strategy, Talented Athlete Scholarship Scheme accreditation.
- ◆ We have awarded £227,485 in hardship funding this year across our Activities Participation Fund, Gender Expression Fund and Sarah Douglas Hardship Fund.
- ◆ We're proud to be a London Living Wage employer and put money back into students' pockets by providing flexible and rewarding jobs on campus. Last year, we paid more than £1.3m to our student staff team.
- ◆ Our clubs won 48 Bronze and Silver Medals, and 51 Gold medals in competitions across the year – our best ever. We're 19th in the BUCs league table.
- ◆ We convened the national network of Russell Group Students' Unions. This included leading the development of a Russell Group Student Manifesto to influence national Higher Education policy in the run up to the General Election.
- ◆ We retained our Silver Accreditation for Investors in People.
- ◆ In Autumn 2023, we celebrated the 130th anniversary of the formation of the Students' Union, welcoming back students leaders from past decades and opening a new exhibition on the history of student life at UCL.

Fundraising activities

The Union does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore, it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, the Union would ensure personal data is appropriately protected. The Union received no complaints within the year regarding fundraising.

Financial review

The Union had an improved operational financial performance in 2023/24 versus the previous year. The realised income and expenditure (which excludes the unrealised gains and losses in relation to investments and the pension scheme) are stated below and show a net surplus from operations in the year of £279k (2023: surplus of £72k). However, the net result after a capital grant depreciation charge of £39k (2023: £11k), gain on revaluation of investments of £456k (2023: investment loss of £66k) and a decrease in pension provision of £1,093k (2023 – a decrease of £260k), results in a net surplus of £1,789k (2023: surplus of £917k).

STRATEGIC REPORT (continued)

Financial review (continued)

	2024 £'000	2023 £'000
Operating income (excluding hardship funding)	15,887	13,261
Operating Expenditure (exc. depreciated charged to restricted funds)	(15,608)	(13,189)
Operating surplus	279	72
Additional Hardship grant funding received	-	662
Investment revaluation gain (loss)	456	(66)
Pension revaluation	1,093	260
Depreciation charged to restricted fund	(39)	(11)
Net surplus	1,789	917

At the end of 2023/24, the Union is in a strong financial position with growing grant funding from UCL, increased commercial income and good return on investment. Our 2023/24 budget and subsequent forecasts were cautious, and our operational strategy was to carefully manage our financial resources to deliver an excellent service for students and other stakeholders. The overall commercial performance in the cafes, bars, retail shops, and gym was good but varied between the outlets. The refurbished merchandise store offered a new range of gifts and stationary merchandise and expanded our successful apparel range. The sales have been busted by a two-year contract from the University to supply merchandise during the graduation ceremonies and to the University's departments. The convenience store at the heart of campus remained popular with staff and, whilst the East campus store's trading suffered from low footfall and permanently closed in June 2024 giving a new opportunity to repurpose the space for the benefit of students. The cafes and bars on campus continued delivering a financial return and provided social space for students, contributing to their sense of belonging and well-being. The Fitness Centre has performed strongly due to increased membership and efficiencies introduced in the change management programme. The annual surplus was further improved by high interest on the Union's cash deposits and the increase in the market value of the investment portfolio. The 2023/24 surplus will be used to future-proof the Union's financial sustainability.

The Union has continued to benefit from the recognition and support of UCL, and this year received a block grant of £4,287k (2023: £3,973k). In addition to the block grant, UCL provided a specific grant to support the Volunteering Service of £455k (2023: £440k) and £271k (2023: £159k) to support the Union's activities in the East campus. The Union received a new grant to support the Student Life Strategy Project of £876k (2023: nil). The University also provided the Union free use of facilities valued at £2,575k (2023: £2,575k).

Unrestricted reserves increased to £7,228k (2023: £5,191k). Included in this increase is an achieved surplus of £487k (2023: surplus of £388k), an actuarial gain on a defined pension scheme of £1,093k (2023: gain of £260k), and a gain on investments valuation of £456k (2023: loss of £66k).

Restricted reserves reduced to £2,171k (2023: £2,419k). Included in these reserves is the Hardship fund created in 2022 to help students affected by the cost of leaving crisis. The fund received a generous funding from UCL of £750k in 2022 and £662k in 2023 and awarded £678k to student to ease their financial hardship.

STRATEGIC REPORT (continued)

Financial review (continued)

Custodian activities: Clubs' & Societies Funds

The Union acts as custodian for funds raised by the students' Clubs & Societies amounting to a net figure of £1,167k (2023: £1,062k) in creditors at the year-end. In addition to this, the Union provides grant support for their core activities, as shown in note 1 of the financial statements.

Future funding and going concern assessment.

The Trustee Board confirms that the Students' Union UCL has sufficient funds to meet all its obligations. Net current assets at the year-end stood at £1,873m (2023: £2,946k) and included £1,763m (2023: £1,576k) of cash available on demand. The current assets and cash level are reviewed against a movement in the intercompany balance with the University, through which the grant funding is paid, and staff salaries are settled. At the year-end, this balance has reduced to £1,098k (2023: £2,739k). On September 2023, the University settled £2,061k of monies owed to the Union, and the Union's available cash resources increased by this amount, opening new investment opportunities.

The UCL core grant for 2024/25 has been set at £4,483k (2023/24: £4,234k). In addition to the block grant, the University provides the Volunteering Services support grant of £476k (2023: £455k). The specific funding for the Union's activities in the East campus is set at £295k (2023: £271k) and reflects UCL's commitment to the East campus with its flagship building at Marshgate opened in September 2023.

The University's support for the Student Life Strategy will continue with the second-year grant of £1,491k (2023: £876k). The strategy will start delivering impact, expanding a wide range of our activities and introducing new programmes aimed at increasing the breadth and depth of student engagement. The focus will be on expanding our sports offer, introducing a new arts participation programme, expanding our major events provision (leading up to the bicentennial), building a new model for Departmental societies, and developing our intercultural and international opportunities at home and abroad.

The portfolio of our existing and well-established outlets will remain unchanged. The East shop space will be repurposed to become a mini gym for the enjoyment of the students and staff working on the East campus. Following signing a two-year agreement with the University, the Union's merchandise offer will extend to the graduation ceremonies and the University's departments, generating a financial return and raising the Union's profile.

The Union will continue the programme of refurbishment in all existing spaces, focusing on maximising capacity by adding outdoor sitting areas to our cafes and bars where possible in response to high demand from staff and students. A major improvement programme in the gym is planned during the Christmas 2024 closure, including new flooring, structural repairs, and improved acoustics. The space will be redesigned and redecorated, and the new cardio and strength equipment will feature sustainable technology.

STRATEGIC REPORT (continued)

Financial review (continued)

Future funding and going concern assessment.

Thanks to large increases in the Union's income budgeted in 2024/25, all departments are sufficiently funded to deliver their operational plans and maintain service levels working towards longer-term strategic targets. We will maintain tight control of spending in all areas.

Total fund levels remain healthy, with the total reserves increased to £9,400k (2023: £7,611k). The 2024 total reserves were positively impacted by a decrease in pension liability and the increase in the long-term investments' valuation. With the UCL funding confirmed, the Union is financially stable, and well-resilient should trading conditions change in the coming year.

Reserves level and policy

The Union's reserves provide financial stability and the means for the continued development of our principal activities. The Union is heavily dependent on the annual grant received from UCL and would be at risk were those funds to be reduced.

In the event of a reduction in income and to ensure continuity of activities and scope for review, it is the trustees' policy to maintain free reserves (equating to general funds excluding the pensions liability) of a minimum of six months' running costs.

The charity had total reserves of £9,400k (2023: £7,611k) at the balance sheet date. This included restricted funds of £2,171k (2023: £2,419k) and designated funds of £5,020k (2023: £4,200k). After deducting these funds from total reserves, the free reserves on 31 July 2024 were £2,209k (2023: £2,084k) - equivalent to 2.08 months average running costs (2023: 2.4 months). The Union is taking steps towards building free reserves by growing its commercial offer and having policies and procedures in place to ensure cost control.

The Union reserve policy is reviewed annually to assess whether a six-month reserve cover adequately responds to ongoing financial obligations and strategic opportunities.

The trustees have continued to formally designate £1,843k to the Sports Development fund, Capital Investment fund and Shenley athletics ground fund within the strategic plan (2023: £1,635k). The trustees will review this designation on an ongoing basis. The designated funds are for future strategic projects, including developing student sports and providing sporting facilities. During 2023/24, several capital projects were undertaken to improve facilities and spaces occupied by the Union, including the cafes, new convenience stores and the gym ancillary spaces.

Investments policy, objectives, and performance

The Union's investment objectives are to balance the current and future needs by:

- ◆ maintaining (at least) the value of the investments in real terms;
- ◆ producing a consistent and sustainable amount to support expenditure; and
- ◆ delivering these objectives within acceptable levels of risk.

STRATEGIC REPORT (continued)

Financial review (continued)

Investments policy, objectives, and performance (continued)

The policy to invest surplus funds is agreed by the Finance Committee.

Investments are placed after agreement with the Investment Team at UCL. Transfers are under the control of the Chief Finance Officer and Chief Executive.

Other than investments in the UCL fund, all other assets must be held in a restricted portfolio (where capital has to be preserved).

Investments within the UCL Fund follow UCL's Investment Policy including its ethical considerations, which are summarised below.

While the guiding principle of UCL's investment policy is to generate funds, whether through income or capital growth, with which to further the work of UCL, other than financial criteria being appropriate, UCL will not invest in a particular business in the following circumstances:

- ◆ Where such investment might conflict, or be inconsistent, with the aims, objects or activities of UCL. Thus, for example, investment in the tobacco industry would be inconsistent with and would conflict with UCL's research into cancer.
- ◆ Where such investment might hamper the work of UCL either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from potential students.
- ◆ Where such investment, while not excluded by virtue of (i) or (ii) above, is considered by UCL to be unethical.

The investment policy objective is to obtain a minimum income yield of base rate plus 0.5%.

Our listed investments, valued at £4,094k on 1 August 2023 in the UCL Unified fund, returned an income yield of 2.6%, check and an unrealised capital gain of £456k, equating to a 11.1% increase was recognised, taking the valuation to £4,551k as at 31 July 2024. Other average treasury investments, such as fixed-term deposit accounts of £2,010k, returned an income yield of 3% (2023: 2%). The Union is reviewing its investment strategy to protect the high-inflation economy's long-term investment gains and income yield objective as much as possible.

Future plans

Students' Union UCL has the ambition to be one of the best students' unions in the UK and the world. We want to be the best organisation that we can for our members, providing outstanding services and facilities for students, and achieving real influence across UCL and beyond.

We are continuing to grow and expand our services to provide increased support for our students and increase our commercial activities to generate additional income.

STRATEGIC REPORT (continued)

Future plans (continued)

As set out in our Making More Happen Strategy 2024-29, key objectives for the next year will include:

Effective Influence: The Union is the representative body for all UCL students, we have one of the largest collective student voices in the UK. We want to support our Officers and Academic Representatives to help shape the future of UCL and achieve positive change for our students across London and at national level. We also want to continue to develop our elections, communication and engagement with our members, to ensure a healthy and vibrant democracy, with all our students having influence on our decision making.

Amazing Experience - We want all our students to have an amazing experience at UCL outside of the classroom, with the best extra-curricular offer in the UK. We want our students to have fantastic opportunities pursue their interests and passions, with opportunities to learn new skills, try new things, grow their experience and confidence, and develop new friendships. We want all our students to have the opportunity to get active with excellent sports provision; have the chance to develop their creativity through involvement in the arts, music and culture; and connect with the local community through fantastic volunteering opportunities. We recognise the vital importance of activities like sports, music, volunteering and our wider co-curricular programme in building community, helping to create a strong sense of belonging for all our members and supporting student wellbeing.

Vibrant and Inclusive Community - UCL is a diverse community of students from all corners of the world, in an amazing city, doing amazing things. We believe that we are uniquely placed to build, support and energise this community, making it stronger and foster a greater sense of belonging for every student. We want our spaces to be the centre of the student community at UCL, places where our members feel genuinely at home, spend time with their friends, and importantly, somewhere where they can access support and advice when they are in need. As London's Global University, we want to be a global students' union, where all our students have opportunities to see and experience the world in new ways by engaging across our diverse student community. We want to support our students to get the most out of living and studying in London, with opportunities to visit and engage in the best of the city and nation's cultural opportunities.

Excellent Union - We want to be a fantastic, efficient, well-governed and effective charity, that is one of the best student organisations anywhere in the world, so that we can effectively represent and provide fantastic services for all our members. We want to work with UCL to gain their help in significantly improving and expanding the Union's building and facilities, including our sports facilities; we know that we can provide better services and experiences for our members with better spaces. We want to be the best possible employer of staff ensuring we invest in the staff experience recognising that's how we will be able to provide amazing services to our members. If we do all this, then we will have built the foundations of a Union that can go on to achieve our ambition of being one of the best students' unions in the world.

STRATEGIC REPORT (continued)

Future plans (continued)

We are now one year into delivering UCL's Student Life Strategy. This focuses on expanding our activity in six key areas for students:

1. Sport and Physical Activity
2. Arts
3. Volunteering
4. Intercultural engagement
5. Departmental societies
6. Vibrant student life in the heart of London

Over the next year we will continue to deliver the main priorities set out in the strategy.

This Trustees' Report, comprising the Directors' Report and Strategic Report, was approved by the board and signed on its behalf by:

Goksu Danaci
Trustee



Date: 05/12/24

Independent auditor's report to the members of UCLU

Opinion

We have audited the financial statements of UCLU for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- ◆ adequate accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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.

Responsibilities of Trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustees meetings.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Gained an understanding of the processes in place for the management of the charitable company's investments; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Review of the minutes of meetings of those charged with governance;
- ◆ Enquiring of management as to actual and potential litigation and claims; and
- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

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

A handwritten signature in dark ink, appearing to read 'Buzzacott LLP'.

Shachi Blakemore
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 5 December 2024

Statement of financial activities (including income and expenditure account)
Year to 31 July 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Income from:							
Grants and donations	1	8,499,711	360,820	8,860,531	7,227,221	873,424	8,100,645
Charitable activities							
. Trading	3	6,172,351	—	6,172,351	5,069,255	—	5,069,255
. Non-trading	3	652,326	—	652,326	615,657	—	615,657
Investments	2	201,190	—	201,190	137,852	—	137,852
Total income		15,525,578	360,820	15,886,398	13,049,985	873,424	13,923,409
Expenditure on:							
Charitable activities							
. Trading	4	8,012,869	—	8,012,869	6,761,117	—	6,761,117
. Non-trading	4	7,025,154	608,830	7,633,984	5,900,612	538,197	6,438,809
Total expenditure		15,038,023	608,830	15,646,853	12,661,729	538,197	13,199,926
Net income (expenditure)		487,555	(248,010)	239,545	388,256	335,227	723,483
Other recognised gains and losses							
Actuarial gain on defined benefit pension schemes	16	1,093,044	—	1,093,044	260,351	—	260,351
Unrealised gain (loss) on investments	9	456,431	—	456,431	(66,402)	—	(66,402)
Net income (expenditure)		2,037,030	(248,010)	1,789,020	582,205	335,227	917,432
Transfer between funds		—	—	—	—	—	—
Net movement in funds		2,037,030	(248,010)	1,789,020	582,205	335,227	917,432
Balances brought forward		5,191,422	2,419,487	7,610,909	4,609,217	2,084,260	6,693,477
Balances carried forward		7,228,452	2,171,477	9,399,929	5,191,422	2,419,487	7,610,909

The statement of financial activities includes all gains and losses recognised in the above two years.

All amounts derive from continuing activities.

The notes on pages 32 to 42 form part of these financial statements.

Balance sheet 31 July 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible fixed assets	7		966,470		653,693
Investments	9		6,560,272		5,103,841
			<u>7,526,742</u>		<u>5,757,534</u>
Current assets					
Stocks	10	336,351		210,527	
Debtors	11	2,085,814		3,099,249	
Cash at bank and in hand		<u>1,763,168</u>		<u>1,576,434</u>	
		4,185,333		4,886,210	
Liabilities					
Creditors: amounts falling due within one year	12	(2,312,146)		(1,939,791)	
Net current assets			<u>1,873,187</u>		<u>2,946,419</u>
Net assets excluding pension liability			<u>9,399,929</u>		<u>8,703,953</u>
Pension scheme deficit	16		—		(1,093,044)
Total net assets			<u>9,399,929</u>		<u>7,610,909</u>
Represented by:					
Restricted reserves	14		2,171,477		2,419,487
Unrestricted reserves					
. Designated funds	15		5,019,548		4,200,092
. General fund	15	2,208,904		2,084,375	
. Pension reserve	15	—		(1,093,045)	
	15		<u>2,208,904</u>		<u>991,330</u>
Total funds			<u>9,399,929</u>		<u>7,610,909</u>

These financial statements were approved by the Trustee Board and signed on their behalf by:

Göksu
Dancaci
Trustee

Date: 05/12/24

The notes on pages 32 to 42 form part of these financial statements.

Company Registration number 07635628

Statement of cash flows Year to 31 July 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net income		1,789,019	917,433
Depreciation		321,097	237,481
(Gains)/losses on investments		(456,431)	66,402
(Loss) on disposal of fixed asset		74,548	25,791
Interest received		(94,905)	(31,493)
(Increase) in stock		(125,824)	(106,903)
Decrease/(increase) in debtors		1,013,436	(561,602)
(Gains) on defined pension scheme liabilities		(1,093,044)	(260,351)
Increase/(decrease) in creditors		373,397	(135,011)
Net cash provided from operating activities		1,801,293	151,746
Cash flows from investing activities:			
Interest receivable		94,905	31,493
Proceeds from Sale of Equipment		15,185	—
Purchase of tangible fixed assets		(724,649)	(307,995)
Net cash (used in) investing activities		(614,559)	(276,502)
Change in cash and cash equivalents in the year		1,186,734	(124,756)
Cash and cash equivalents at the beginning of the year		2,585,969	2,710,725
Total cash and cash equivalents at the end of the year		3,772,703	2,585,969
Analysis of cash and cash equivalents			
Cash in hand and at bank		1,763,168	1,576,434
Cash held by investment managers		2,009,535	1,009,535
Total cash and equivalents		3,772,703	2,585,969

	At 1 August 2023 £	Cash flows £	At 31 July 2024 £
Reconciliation of net debt			
Cash at bank and cash in hand	1,576,434	186,734	1,763,168
Cash held with investment managers	1,009,535	1,000,000	2,009,535
Total cash and cash equivalents	2,585,969	1,186,734	3,772,703

Principal accounting policies Year to 31 July 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2024 and are presented in sterling and are rounded to the nearest pound.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 “the Financial Reporting Standard applicable in the UK and Republic of Ireland”, and the 2015 Charities Statement of Recommended Practice based thereon – the Charities SORP. University College London Union meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there is a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

During the 2023/24 the Union's free reserves increased and stand at £2,208k (2023: £2,084k). The Union is committed to rebuilding its free reserves by diversifying the commercial offer, working with sustainable and ethical suppliers, and investing in the spaces it occupies.

The outlook for the next 18 months remains positive. The Union benefits from the increased level of collaboration with the University and an increase in overall funding levels, including the block grant and the Students' Life Strategy.

The trustees are of the opinion that UCLU will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ valuation of donations in kind received during the year;
- ◆ estimating the useful economic life of tangible fixed assets;
- ◆ allocation of support costs across charitable activities; and
- ◆ valuation of the pension scheme liabilities in relation to the Universities Superannuation Scheme (USS).

Income

Income is recognised in the period in which the Union has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received.

Income comprises of donations and grants received from UCL, income generated from commercial activities, and investment income.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer or economic benefits will be received in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated net of VAT.

Charitable expenditure comprises the direct and indirect costs of delivering the charitable activities as set out in the Trustees' report. This includes governance costs, which are those costs incurred in relation to compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers.

Support costs are allocated to charitable activities. The value of serviced campus accommodation is apportioned on estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects/activities on a usage basis, pro rata to the staff costs of each project or activity undertaken.

Depreciation

A full year of depreciation is charged in the year of acquisition. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

For depreciation purposes, useful life is assessed to be:

♦ Fixtures and fittings	5-10 years
♦ Equipment	3-5 years
♦ Musical instruments	10 years
♦ Furniture	3-5 years

Capital expenditure in excess of £1,000 is capitalised within fixed assets. Expenditure less than this amount is charged to the statement of financial activities in the year it is incurred.

Stocks

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

Taxation

No provision is made in these financial statements for corporation tax as the Union is exempt from such tax as a result of its charitable status.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Pension costs

The Union contributes to three principal pension schemes on behalf of its employees: the Universities Superannuation Scheme (USS), the Superannuation Arrangements for the University of London (SAUL), and the NEST scheme.

USS and SAUL are defined benefit schemes and it is not possible to identify the Union's share of the underlying assets and liabilities in the multiemployer schemes. However, the Union has entered into an arrangement to clear the USS scheme deficit by 31 March 2038. The net present value of the Union's contributions as part of these plans are reflected as a liability on the balance sheet, which will reduce as they are paid.

The NEST scheme is a defined contribution scheme.

Contributions to all schemes are charged to the statement of financial activities.

Fund accounting

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the Trustees.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the Union's charitable objects.

Leased assets

Rentals payable under operating leases are charged as expenditure to the statement of financial activities on a straight line basis over the period of the lease.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Union anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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.

1 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Unrestricted funds £	Restricted funds £	Total 2023 £
Clubs and Societies grants	205,951	—	205,951	178,989	—	178,989
Union grant	5,718,360	—	5,718,360	4,472,892	—	4,472,892
Facilities grant ("donation in kind")						
• Trading	1,554,066	—	1,554,066	1,554,066	—	1,554,066
• Other	1,021,274	—	1,021,274	1,021,274	—	1,021,274
Total block grant from UCL	8,499,651	—	8,499,651	7,227,221	—	7,227,221
Other grants	—	331,711	331,711	—	873,424	873,424
Other donations	60	29,109	29,169	—	—	—
Total funds	8,499,711	360,820	8,860,531	7,227,221	873,424	8,100,645

Facilities grant funding above (trading and other) relates to "donation in kind" accommodation provided by the University to UCLU (see note 5).

2 Investment income

	Unrestricted	
	Total funds 2024 £	Total funds 2023 £
Income from deposits	94,905	31,493
Investment income	106,285	106,359
	201,190	137,852

3 Incoming resources from charitable activities

	Unrestricted	
	Total funds 2024 £	Total funds 2023 £
Trading income	6,172,351	5,069,255
Non-trading income - other	652,326	615,657
	6,824,677	5,684,912

4 Total resources expended

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2024 £
Charitable activities:					
Trading expenditure	2,011,950	3,308,472	233,039	2,459,408	8,012,869
Non-trading expenditure	2,650,645	1,424,765	16,333	3,542,242	7,633,985
	4,662,595	4,733,237	249,372	6,001,650	15,646,854

4 Total resources expended (continued)

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2023 £
<i>Charitable activities:</i>					
Trading expenditure	1,837,624	2,608,987	172,676	2,141,830	6,761,117
Non-trading expenditure	2,052,246	1,168,496	15,684	3,202,383	6,438,809
	<u>3,889,870</u>	<u>3,777,483</u>	<u>188,360</u>	<u>5,344,213</u>	<u>13,199,926</u>

	Total 2024 £	Total 2023 £
This is stated after charging:		
Depreciation	321,097	237,481
Auditors' remuneration		
. Current year statutory audit provision	27,030	25,500
. Other services	7,600	—

5 Support costs

	Total funds 2024 £	Total funds 2023 £
Rent *	2,575,340	2,575,340
Salaries and wages	2,080,066	1,688,274
Other staff related costs	73,092	70,041
Printing and stationery	3,352	3,116
Website and publicity	280,826	193,221
Cleaning and utility costs	236,706	162,805
Repairs, maintenance and equipment	88,011	106,245
Depreciation	71,725	49,121
Audit	27,030	25,500
Legal and professional	123,356	76,894
Insurance	104,189	79,995
Membership and subscription	71,161	69,629
Training and conferences	90,661	37,121
Bank charges and cash handling	10,096	40,962
Irrecoverable VAT	155,989	146,338
Other	10,050	19,612
	<u>6,001,660</u>	<u>5,344,213</u>

*Rent charge above relates to the "donation in kind" for accommodation provided by UCL (see note 1).

6 Staff costs

	Total funds 2024 £	Total funds 2023 £
Wages and salaries	5,554,207	4,542,103
Agency costs	15,381	46,047
Social and security costs	441,403	348,706
Pension costs	731,670	641,288
	6,742,661	5,578,144

	Permanent No.	Casual (FTE) No.	Total 2024 No.	Permanent No.	Casual (FTE) No.	Total 2023 No.
Average	110	252	362	95	229	324

The number of employees whose emoluments exceeded £60,000 was:

	Total 2024 £	Total 2023 £
£60,001 - £70,000	4	2
£70,001 - £80,000	3	2
£80,001 - £90,000	1	—
£90,001 - £100,000	1	1

Pension contributions made on behalf of the above individuals totalled £66,245 (2023: £94,393).

Key management personnel received aggregate remuneration of £695,156 (2023: £644,174). Key management personnel comprise the trustees and senior management team as set out on page 1. This includes employers' national insurance and pension contributions.

7 Tangible fixed assets

	Fixtures & fittings £	Assets under construction £	Equipment £	Furniture £	Total £
Cost					
At 1 August 2023	1,160,947	108,074	647,445	43,455	1,959,921
Additions	104,252	479,740	59,414	80,201	723,607
Transfers	585,390	(587,813)	2,423	—	—
Disposals	(92,885)	—	(36,523)	—	(129,408)
At 31 July 2024	1,757,704	—	672,759	123,656	2,554,120
Depreciation					
At 1 August 2023	774,286	—	502,212	29,730	1,306,228
Charge for the year	198,903	—	98,473	23,721	321,097
Disposals	(18,120)	—	(21,555)	—	(39,675)
At 31 July 2024	955,069	—	579,130	53,451	1,587,650
Net book value:					
At 31 July 2024	802,635	—	93,631	70,205	966,470
At 31 July 2023	386,661	108,074	145,233	13,725	653,693

7 Tangible Fixed Assets (continued)

In 2023, the 'Assets under construction' represented the costs of developing the two new student convenience stores, one on the Bloomsbury campus and the other on the new East campus in Stratford. Both projects have been successfully completed. At the end of 2024, there were no 'Assets under construction' as the Bloomsbury refurbishment project had been rescheduled to December 2024.

8 Capital Commitments

At the end of 2024 the Union has contractual capital commitments of £204,465 relating to the refurbishment of the Bloomsbury gym project (2023: £406,000).

9 Investments

	Cash £	Listed investments £	Total £
Cost or valuation			
At 1 August 2023	1,009,535	4,094,306	5,103,841
Additional Investment	<u>1,000,000</u>	<u>—</u>	<u>1,000,000</u>
	2,009,535	4,094,306	6,103,841
Revaluation in the year	<u>—</u>	<u>456,431</u>	<u>456,431</u>
Net book value:			
At 31 July 2024	<u>2,009,535</u>	<u>4,550,737</u>	<u>6,560,272</u>
At 31 July 2023	<u>1,009,535</u>	<u>4,094,306</u>	<u>5,103,841</u>
Historic cost of investments	<u>2,009,535</u>	<u>2,173,606</u>	<u>4,183,141</u>

Listed investments represent the value of investments held on behalf of the Union by UCL in its University Trust Fund. The investment was originally purchased by the Union and revaluations in investments are recognised through the revaluation fund (see note 15).

Cash relates to a cash deposit held with Scottish Widows.

10 Stocks

	2024 £	2023 £
Bars	31,281	29,089
Cafes	16,294	11,334
Sports centre	3,568	2,686
Retail and other	285,208	167,418
	<u>336,351</u>	<u>210,527</u>

11 Debtors

	2024 £	2023 £
Trade debtors	106,889	72,336
Amounts due from university	1,145,571	2,877,698
Other debtors	—	3,783
Prepayments and accrued income	833,354	145,432
	<u>2,085,814</u>	<u>3,099,249</u>

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	627,440	446,654
Other creditors	1,275,399	1,151,135
Accruals and deferred income	409,307	342,002
	2,312,146	1,939,791
	2024 £	2023 £
Deferred income included above:		
At 1 August	162,625	239,683
Utilised in the year	(118,062)	(170,506)
Deferred in the year	214,593	93,448
At 31 July	259,156	162,625

13 Financial instruments

	2024 £	2023 £
Financial assets		
Financial assets measured at amortised cost	3,848,981	4,675,683
Financial assets measured at fair value through the statement of financial activities	6,560,272	5,103,841
Financial liabilities		
Financial liabilities measured at amortised cost	2,052,990	1,777,166
Financial liabilities measured at fair value through the statement of financial activities	—	1,093,044
	2024 £	2023 £
Interest income and expenses		
Interest income for financial assets measured at amortised cost	94,905	31,493
Interest expense for financial liabilities measured at amortised cost	160,941	170,291

Financial assets measured at amortised cost comprise trade debtors, other debtors, intercompany debtors and cash.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise, trade creditors, other creditors, and accruals excluding deferred income.

Financial liabilities measured at fair value comprise the pension deficit contribution liability.

14 Restricted reserves

	As at 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2024 £
Capital grants	9,250	198,692	(38,988)	—	168,954
Other restricted reserves	228,036	162,128	(185,498)	—	204,666
Hardship grant	1,118,300	—	(384,344)	—	733,956
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	2,419,487	360,820	(608,830)	—	2,171,477

	As at 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2023 £
Capital grants	20,345	—	(11,095)	—	9,250
Other restricted reserves	250,014	211,007	(232,985)	—	228,036
Hardship grant	750,000	662,417	(294,117)	—	1,118,300
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	2,084,260	873,424	(538,197)	—	2,419,487

Capital Grant Fund relates to receipts received to fund specific capital purchases. The funds are written down over the life of the asset.

Other restricted funds relate to receipts received for the following specific purposes. Funding received with a value of £10,000 or above are detailed below:

- ◆ Hardship fund – received to set up a revolving hardship loan/grant service for students in need. The fund is administered by UCLU's Rights & Advice Department and payments are authorised by the Officers/Trustees of the Union.
- ◆ Alumni Fund – received from UCL Alumni to be spent on “Welfare” projects. These funds will be utilised by the welfare officer/trustee as specified.
- ◆ Supporting Student Communities Fund - received from UCL to help students to participate in co-curricular activities by facilitating and enhancing student services and activities.
- ◆ Global Engagement Fund - received to support the Students' Union Global Engagement Programme to increase support for UCL's international students and create opportunities for all students to integrate and build cultural sensitivity and awareness.
- ◆ Active Bystander Fund - received as part of the UCL 'Full Stop' campaign to put a full stop to sexual misconduct, bullying and harassment in any form at UCL and beyond. These funds will be utilised to provide both online training and in person workshops for students.
- ◆ VSU Fund - received to help fund projects within the Volunteering unit.
- ◆ Creche Feasibility Study Fund - received to establish the feasibility of running child creches for students.

14 Restricted reserves (continued)

- ◆ EDI Chinese Students Fund - received for a research project on Chinese and East Asian students.
- ◆ Hall Community Officers Fund – received from UCL to provide support and funds for the halls' officers to build a greater sense of community in the UCL's Students Residences.

The Shenley Athletics Ground Capital Fund originates from transfer of surplus funds previously held in trust by UCL on behalf of UCLU and used to carry out capital works to ensure the grounds and facilities are fit for purpose. There are restrictions which limit the use of funds on capital works greater than £20k.

15 Unrestricted reserves

	As at 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	As at 31 July 2024 £
Designated funds						
Sports Development fund	169,589	43,075	(130,846)	—	—	81,818
Capital Investment fund	130,909	927,851	(499,220)	(130,909)	—	428,631
Capital reserve	644,443	—	—	153,074	—	797,517
Shenley athletics ground fund	1,334,451	—	—	—	—	1,334,451
Revaluation fund	1,920,700	—	—	—	456,431	2,377,131
	4,200,092	970,926	(630,066)	22,165	456,431	5,019,548
Pension fund	(1,093,045)	—	—	—	1,093,045	—
General fund	2,084,375	14,554,652	(14,407,957)	(22,165)	—	2,208,904
Total unrestricted reserves	5,191,422	15,525,578	(15,038,023)	—	1,549,476	7,228,453

	As at 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and Losses £	As at 31 July 2023 £
Designated funds						
Sports Development fund	204,250	43,075	(77,736)	—	—	169,589
Capital Investment fund	243,927	—	(69,018)	(44,000)	—	130,909
Capital reserve	527,010	—	—	117,433	—	644,443
Shenley athletics ground fund	1,334,451	—	—	—	—	1,334,451
Revaluation fund	1,987,102	—	—	—	(66,402)	1,920,700
	4,296,740	43,075	(146,754)	73,433	(66,402)	4,200,092
Pension fund	(1,353,395)	—	—	—	260,350	(1,093,045)
General fund	1,665,872	13,006,911	(12,514,975)	(73,433)	—	2,084,375
Total unrestricted reserves	4,609,217	13,049,986	(12,661,729)	—	193,949	5,191,422

The Sports Development fund originates from the increase in grant received when the Chislehurst Sports ground was sold in 1999. There is no restriction on the grant but UCLU took the decision to ring fence these funds annually to be spent on sport/student development projects. Any underspend in the year against the annual designated fund of £43,075 is added to the fund for future projects.

The Capital Investment fund (previously known as the Big Idea fund) represents ring-fenced project expenditure earmarked for use in delivering the Students' Union's strategic objectives that will be undertaken by the Union on behalf of our membership.

15 Unrestricted reserves (continued)

The Capital reserve represents fixed asset expenditure incurred from the Union's unrestricted reserves. The transfer is to cover fixed assets purchased in the year less depreciation charged against assets held.

The Shenley Athletic Ground fund originates from the annual unused grant allocated to the management of the grounds by the UCLU. The grounds are held in Trust by the UCL on behalf of UCLU. These funds have been designated to support and fund the upkeep, maintenance and future running of the grounds and facilities.

The revaluation fund consists of the unrealised gains on revaluation of the listed investments held by UCLU in the University Trust Fund.

The pension fund represents UCLU's liability at the balance sheet date under the deficit recovery plan in relation to the Universities Superannuation Scheme (see note 16).

16 Pensions

The principal pension schemes for the UCLU's staff: the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and the National Employer Savings Trust (NEST). The schemes are externally funded and contracted out of the State Second Pension (S2P) and are valued every three or four years by professionally qualified independent actuaries using the projected unit method. Assets of each scheme are held in separate trustee administered funds. As these are multi-employer schemes it is not possible to identify UCL's share of the underlying assets and liabilities.

Universities Superannuation Scheme (USS)

'UCL is a participating employer of Universities Superannuation Scheme (USS). It is the main pension scheme for academic and academic-related staff across the sector. It is a hybrid scheme – providing defined benefits (for all members) as well as defined contribution benefits – and it operates on a mutual basis such that assets are not attributed to individual institutions and a scheme-wide contribution rate is set. As a participating employer, UCL is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and is therefore accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

USS is a "last man standing" scheme, so that in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. Details of the scheme and the 2023 valuation can be found at <https://www.uss.co.uk/about-us/valuation-and-funding/our-valuations>.

16 Pensions (continued)

Universities Superannuation Scheme (USS) (continued)

The latest actuarial valuation of the scheme was at 31 March 2023 (the 2023 valuation). It was carried out using the projected unit method, and the financial assumptions that had the most significant effect on the result were as follows:

Discount rate (forward rates):

- Active members: Gilts + 2.5% p.a.
- Retired members: Gilts + 0.9% p.a.

Price inflation:

- CPI: 3.0% p.a.
- RPI: 3.4% p.a.

The CPI assumption is a flat rate based on a long-term average expected level of CPI, broadly consistent with long term market expectations. The RPI assumption allows for an assumed gap between RPI and CPI of 1.0% p.a.

Mortality

The mortality assumption has been updated to use more recent future projections prepared by the Continuous Mortality Investigation (CMI) 2021 future projection tables and makes some allowance for heavier mortality to persist given the ramifications of the coronavirus pandemic.

The 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective of maintaining sufficient and appropriate assets to cover their liabilities. At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's liabilities was £65.7bn, indicating a surplus of £7.4bn and a funding ratio of 111%. From 1 January 2024, the agreed contribution rates are 14.5% of salary for employers and 6.1% of salary for members. The future service contribution rate was 16.2% to 31 March 2024 and 20.6% from 1 April 2024.

The Superannuation Arrangements of the University of London

UCL is a participating employer of the Superannuation Arrangements of the University of London (SAUL). SAUL is a defined benefit pension scheme primarily for non-academic staff in the higher education sector. It operates on a mutual basis, meaning that assets are not attributed to individual institutions, and a scheme-wide contribution rate is set. As a participating employer, UCL is exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and is therefore accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

16 Pensions (continued)

The Superannuation Arrangements of the University of London (continued)

SAUL is a "last man standing" scheme, meaning that in the event of the insolvency of any of the participating employers, any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. Details of the scheme and the 2023 valuation can be found at <https://www.saul.org.uk/#/page/the-actuarial-valuation>.

The latest completed actuarial valuation of the scheme was as at 31 March 2023 using the projected unit method. The financial assumptions that had the most significant effect on the result of the valuation were as follows:

Discount rate (forward rates):

- Active members: Gilts + 2.45% p.a.
- Deferred members: Gilts + 1.0% p.a.
- Retired members: Gilts + 0.5% p.a.

Prince inflation:

- CPI: Full curve derived as the RPI curve less 1% pa. before 2030 and no deduction thereafter.
- RPI: Full unadjusted market-implied RPI curve: 3.37%;

Pre 2016 pension increase uses the above assumptions. Post 2016 pension increase uses CPI max 2.5% pa. pension increases derived using the Jarrow-Yildirim model.

Mortality

The mortality assumptions use the CMI 2022 future projection tables, with long-term trend rate of 1.75% pa.

At the valuation date, the value of the assets of the scheme was £3.096bn and the value of the scheme's liabilities was £2.962bn, indicating a surplus of £134m and a funding ratio of 105%.

From 1 January 2023, the agreed contribution rates are 21% of salary for employers and 6% of salary for members. The future service contribution rate is 19.3% of salaries. From 1 September 2024, employer contributions will reduce to 19%, with no change to the member contribution rate of 6%.

Auto-enrolment pension scheme

Since 2017/18, eligible employees have been included in the NEST scheme for auto-enrolment. The Union's cost of contribution in the year amounted to £24,533 (2023: £18,322).

17 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2024 £
Unrestricted funds	—	2,340,036	(131,132)	—	2,208,904
Designated funds	797,516	4,220,236	1,796	—	5,019,548
Restricted funds	168,954	—	2,002,523	—	2,171,477
Total funds	966,470	6,560,272	1,873,187	—	9,399,929

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2023 £
<i>Unrestricted funds</i>	—	1,306,889	777,485	(1,093,044)	991,330
<i>Designated funds</i>	644,443	3,796,952	(241,303)	—	4,200,092
<i>Restricted funds</i>	9,250	—	2,410,237	—	2,419,487
Total funds	653,693	5,103,841	2,946,419	(1,093,044)	7,610,909

18 Related party transactions

The Union is in receipt of a recurrent grant from UCL of £5,889,311 (2023: £4,325,252). Other grants were received from UCL of £291,031 (2023: £1,066,109).

In addition, the Union occupies its building on a rent-free basis under an informal licence subject to the Union maintaining the building in a good state of repair. Under the Charities SORP the “donation in kind” must be valued and included within the financial statements. The value to the Union for this space is £2,575,340 (2023: £2,575,340).

The trustees of the Union are stated on page 1. Five sabbatical officers received remuneration totalling £188,702 (2023: £167,628) inclusive of pension contributions of £18,264 (2023: £12,149) for their services as provided for within the Constitution. There are six sabbatical officers per year with a two week handover period in July. In addition to their remuneration the Union incurred costs and paid reimbursements of expenses to all trustees of £48,105 (2023: 30,470)

The Union is also a related party of Somers Town Community Sports Centre Ltd, an incorporated charity (Charity Registration Number 1057305, Company Registration Number 3157703), as it is considered to be under common control. The Union has been invoiced for amounts totalling £nil (2023: £nil) for the hire of sports facilities. Somers Town Community Sports Centre Limited was invoiced for amounts totalling £20,053 (2023: £1,733). The balance due to UCLU at 31 July 2024 is £nil (2023: £nil).

19 Affiliations

	2024 £	2023 £
Membership contribution to National Union of Students	37,880	37,880

The membership fee is paid directly by UCLU for membership of the National Union of Students.

UCLU

England & Wales - Charity number 1142404

Accounts

**UCLU (operating as
Students' Union UCL)**

**Annual Report and Financial
Statements**

31 July 2023

Company Limited by Guarantee
Registration Number
07635628 (England and Wales)

Charity Registration Number
1142404

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Reference and administrative information

Trustees	M McHarg P Barran B Beasant C Bracey M Chaudhary X Huang A Ismail M Kachwala A Shi I Smith C Yoo
Chief Executive Officer	John Dubber
Senior Management Team	D Dominiczak (Director of Finance) D Nichols (Director of Operations) C Salton-Brooks (Director of Student Experience) S To (Director of Policy, Governance & Advocacy)
Charity registration number	1142404
Company registration number	07635628
Website	www.studentsunionucl.org
Registered address	25 Gordon Street London WC1H 0AY
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank Plc London Corporate Service Centre PO Box 46116 London EC4N 8WB Metro Bank One Southampton Row London WC1B 5HA

The trustees, who are also directors of the charitable company ("the charity"), present their report and the financial statements for UCLU ("the Union") for the year ended 31 July 2023, which have been prepared in accordance with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable status

Students' Union UCL ('UCLU') is an incorporated charity (limited by guarantee) (charity registration number: 1142404; company registration number: 07635628).

It was originally established in 1893 and now operates in accordance with the Education Act 1994. It has been registered with the Charity Commission since 14 June 2011, when students' unions connected with exempt higher/further education institutions were removed from exemption by the then Charities Act 1993.

UCLU is governed by its Memorandum and Articles of Association last amended in July 2023. UCLU operates as Students' Union UCL following a rebranding project during the 2017/18 financial year.

Governance

UCLU is constituted under the Education Act 1994 as a charitable company limited by guarantee with internal regulations and rules approved by the governing body of University College London (UCL). The primary aim of the Union is the advancement of education of students at UCL for the public benefit.

Public benefit

All activities undertaken by the Union are to further our charitable purposes for the benefit of our student members.

In shaping our objectives and planning activities, the Board of Trustees have had regard to the Charity Commission's published general guidance regarding the exercising of duty and power for the public benefit. The main benefits which have arisen during the year from the organisation's aims are detailed in the following sections.

Board of Trustees

The Board of Trustees ensures Students' Union UCL has the necessary financial and structural abilities to carry out its aims effectively. The Board makes decisions on legal and financial issues and ensures that the organisation is delivering on the political policy set by the democratic bodies of the Union. In accordance with the organisation's Memorandum and Articles, the Board comprises:

- ◆ 5 Sabbatical Trustees
- ◆ 4 Student Trustees
- ◆ 1 External Trustee (Alumni)
- ◆ 1 External Trustee (UCL Staff)
- ◆ 1 External Trustee (Non-UCL)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Board of Trustees (continued)

Members of the Board (who are also directors of UCLU for the purposes of company law) who served during the year and up to the date of this report were:

Trustees (Directors)		Appointed / Resigned
M McHarg	Sabbatical	Appointed 16 July 2022
M Chaudhary	Sabbatical	Appointed 16 July 2023
	Student	Resigned 31 October 2022
A Ismail	Sabbatical	Appointed 16 July 2023
A Shi	Sabbatical	Appointed 16 July 2023
I Smith	Sabbatical	Appointed 16 July 2023
H Ahmed	Sabbatical	Resigned 15 July 2023
D Akinici	Sabbatical	Resigned 15 July 2023
M Mehmood	Sabbatical	Resigned 15 July 2023
O Osibamowo	Sabbatical	Resigned 15 July 2023
C Yoo	Student	Appointed 16 July 2023
M Kachwala	Student	Appointed 16 July 2023
H Lim	Student	Appointed 1 November 2022
		Resigned 15 July 2023
M Imran	Student	Appointed 1 November 2022
		Resigned 9 June 2023
X Huang	Student	Appointed 1 October 2022
M Day	Student	Resigned 31 October 2022
Z Badat	Student	Resigned 3 August 2022
B Beasant	External	
P Barran	External	
C Bracey	External	

The trustees hold a minimum of four meetings per academic year and are responsible for establishing and delegating to the following committees:

- ◆ Finance Committee
- ◆ Risk & Audit Committee
- ◆ Governance Committee
- ◆ Remuneration Committee

The terms of reference for the Board and its associated committees, are available on the Union website.

<https://studentsunionucl.org/how-we-are-governed>

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Committees

Finance Committee is charged by the Board of Trustees to oversee the finances of the Union, including considering strategic options for, and general oversight of all areas of the Union's finances. This includes approving annual budgets and monitoring the financial performance of the organisation.

Risk & Audit Committee is charged by the Board for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the organisation is complying with all aspects of the law, relevant regulations and good practice. The annual statutory audit is also under this committee's remit.

Governance Committee is charged by the Board for promoting good governance and ensuring our governance arrangements are effective and comply with the governing documents laid down by our members, UCL, the Charity Commission, and other legislative bodies and authorities.

Remuneration Committee is charged by the Board for considering the remuneration of the Chief Executive and Sabbatical Officers, and proposals regarding broader staff remuneration.

Recruiting and training of trustees

The Sabbatical Officers (Sabbatical Trustees) are democratically elected each year by the membership of the Union in the spring election to serve from 16 July to 15 July. All new Sabbatical Officers undergo a period of induction and training. To ensure a smooth handover, incoming Sabbatical Officer undergo a 15-day shadowing period. Once in post, they have weekly meetings with the Chief Executive and Senior Management Team, which forms the Union's Leadership Team, who have delegated responsibility for overseeing the day-to-day operations of the Union and management of affairs. The Sabbatical Officer role is to work closely with UCL's management team to ensure that student issues and concerns are a central part of the University's governance and decision-making. They represent students to other organisations and nationally as required. They are leaders of the Union, helping to ensure that it is a well-run and effective charity providing a wide range of valuable services for its members. They also ensure that policy proposals considered by the Executive, Members' meetings and referenda are implemented.

Student trustee positions are democratically elected by the membership of the Union. They serve for one year from 1 November or 16 July, depending on when they are elected until their status as a student no longer exists.

External trustees are appointed following advertisements placed within the UCL community and nationally in the media. They are appointed for a period of four years and each appointment is ratified by Union Executive.

Union Executive

Union Executive is the democratic policy making body of the Union and is responsible for the ratification of Union policy except where policy was determined by a Referendum.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Relationship with University College London (UCL)

The relationship between UCL and the Union is established in the Regulations of UCL and detailed in the Union rules approved by both organisations. The Union receives an annual Block Grant from UCL and occupies a number of buildings owned by UCL. The Union also receives administrative support in a number of areas including Human Resources, IT infrastructure and payroll. This support is intrinsic to the relationship between UCL and the Union.

An estimated annual value to the Union for its free of charge occupation of UCL's serviced accommodation has been included in the financial statements, priced at a market value of £2.57m (2022: £2.57m).

Although the Union continues to generate supplementary funding from various mutual trading activities, it is dependent on UCL's support and for this it is appreciative.

There is no reason to believe that this or equivalent support from UCL will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on UCL to ensure the financial viability of its student representative body.

Employment policy

The Union contracts of employment templates continue to be provided by UCL. This allows the Union to continue to benefit from UCL's extensive and proven HR procedures, policies and support from UCL Human Resources Division. Through its relationship with UCL, the Union offers competitive terms, conditions and benefits to its staff including a generous annual leave entitlement and pension scheme.

UCL implemented the Pay Framework Agreement for all non-clinical posts across the organisation in May 2006 and the Union's arrangement for setting pay and remuneration of staff is based on this agreement. The Union uses the same coherent ten grade structure as UCL, which is based on the non-discriminatory job evaluation scheme (HERA).

The Union has a longstanding commitment to equality, diversity and inclusion, and to providing a working and social environment in which the rights and dignity of its diverse staff are recognised. All staff have an annual appraisal which incorporates a personal development plan. The Union has excellent provision for training and developing staff. The Union is keen to build and retain talent and each department works on succession planning.

All staff new to the organisation have a comprehensive induction programme in place and undergo regular probation and progress reviews. All staff meetings, email briefings and newsletters are used to keep staff up-to-date with relevant issues such as strategic and financial planning, and staff are invited to provide feedback to senior management through regular surveys and open meetings.

We employ a large number of part time casual student staff our commercial department and other departments ensuring we provide development for students and flexible work opportunities. We also employ permanent members of staff, some of whom are responsible for the operational decisions taken across the organisation on a daily basis. Details of staff costs can be found in note 6.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key management remuneration

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of such remuneration reviewed annually, including reference to comparisons with other unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere. Details of key management personnel and their remuneration are set out in note 6.

Statement of trustees' responsibilities

The trustees (who are also directors of the Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP;
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Each of the trustees confirms that:

- ◆ So far as each of the trustees is aware, there is no relevant information of which the charitable company's auditor is unaware; and
- ◆ The trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and establish that the charitable company's auditor is aware of that information.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Risk management

The Risk & Audit Committee oversee the organisation's approach to risk management. A Strategic Risk Register is agreed by the Board of Trustees, Risk & Audit Committee and Senior Management Team (SMT). This is reviewed on a quarterly basis with an annual review cycle. Going forward, this will be updated regularly alongside departmental risk registers, overseen by the Risk & Audit Committee. The Union will follow the UCL risk framework, including regular staff training and reviews and updates of registers. This combined with a practical approach and visible engagement and support from trustees and senior management will help embed risk management across the Union. The principal potential risks and uncertainties facing the Union are:

- ◆ Potential disruption to commercial services due to lower than usual footfall due to a number of issues beyond control such as; strike action, changed behaviours of students post covid etc.
- ◆ Continuing increases in levels of demand for service provision from students without a comparable increase in grant funding from UCL.
- ◆ GDPR (General Data Protection Regulation) compliance.
- ◆ A serious incident on Union premises or by members of the Union's clubs and societies that results in harm to staff or students and / or reputational damage.

The Union's mitigation strategies against these are:

- ◆ Weekly reviews of the impact on the Union's operations and finances, and maintaining a close relationship and dialogue with UCL regarding the financial and operational impact of the cost of living crisis and lower footfall.
- ◆ Continuing to enhance and strengthen the Union's relationships with UCL and seeking increased contributions from commercial income.
- ◆ The Systems Manager is the Union's data protection and GDPR lead. A review of the Union's GDPR compliance and best practice in data management was completed in 2019 and work is continuing to monitor implementation of all controls. A Data sharing agreement with UCL has been written and is undergoing the final stages of negotiation post legal review.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

- ♦ A Head of Facilities and Health & Safety has been appointed to review and implement health and safety management for the Union, including risk assessments, training provision and records, safe working procedures, emergency response and incident response planning.
- ♦ Regular reviews of Union Health and Safety policies and procedures, continuing to work closely with UCL Communications and Marketing, continuing and improving training for Union and Clubs and Societies officers and ensure high quality risk assessments for activities and events.
- ♦ There has been an implementation of a critical incident response plan and training sessions undertaken related to the plan. Training for team members includes external and internal training and simulation exercises. Testing of the plan will be undertaken periodically.
- ♦ The Student Union is working towards achieving completion of UCL T100 safety management system. The T100 tool is based around the Plan, Do, Check, Act management system approach which is consistent with Health and Safety Executive and Higher Education guidance and is based on practical measures to promote continuous improvement in health and safety. August 2023 the SU scored a T100 compliancy rating of 95%

STRATEGIC REPORT

Union purpose, vision, mission, values

Purpose

The object of the Union is the advancement of education of Students at UCL for the public benefit by:

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

Vision

An outstanding experience for all UCL students and to be one of the best students' unions in the UK and the world.

Mission

We build a vibrant and empowered student community with real influence in UCL and beyond, that enables students to enjoy their time at university; pursue their interests and passions; see the world in new ways; and develop the skills and experience to change the world for the better.

STRATEGIC REPORT (continued)

Union purpose, vision, mission, values (continued)

Values

Our values are:

- ♦ Community
- ♦ Democracy
- ♦ Empowerment
- ♦ Inclusive
- ♦ Bold
- ♦ Sustainable
- ♦ Fun

Review of 2022/23

Achievements

The role of the Students' Union is wide ranging. Our core purpose is that all of our members have a fantastic experience of university life. We want students to be full partners in the future development of UCL. We aim to provide fantastic opportunities for them to meet friends, develop new skills, build their confidence and pursue their interests and passions. For those who face difficulties and barriers to being able to fully participate in and enjoy student life, we provide high quality independent support and advice. And perhaps most importantly, we want all of our students to feel at home at UCL, with a strong sense of community and belonging, and feeling proud to be students of our university.

In the past year, the Union has continued its exciting programme of renewal and development, towards our long-term goal of working with UCL to achieve an outstanding experience for all our students and becoming one of the best students' unions in the world.

Over the past year we've helped tens of thousands of students to feel welcome at UCL, to make new friends, build skills and confidence, and foster a stronger sense of community and belonging. We achieved our highest ever level of engagement in our sports, student societies, elections and many other programmes. We have also launched flagship new services, including opening two new convenience stores which are providing great value meals on our two campuses, as well as additional student employment opportunities. We are continuing to modernise and improve the work of the organisation to meet rising levels of demand. We were also rated in the top 5 Students' Unions in the Student Crowd best SU's survey 2023. Earlier this year, we were delighted to work with UCL to develop and launch UCL's new Student Life Strategy. This sets a compelling vision for students' extra and co-curricular experience for the next five years. This will see thousands more opportunities for students to get involved in activities that will enable them to make the most of their time at university, build skills to support their future careers and create memories that will last a lifetime.

STRATEGIC REPORT (continued)

Review of 2022/23 (continued)

Achievements (continued)

As ever we are very grateful for UCL's support of the Students' Union. The senior leaders of the University who have continued to demonstrate their commitment to our students so strongly during the past year. We look forward to working closely with all of UCL's staff in the year ahead, to continue to put students first and work towards our shared aim of a world leading student experience.

Thank you to everyone who has played a role in the success of the Union this year, our elected officers, our fantastic staff team, all of UCL's staff who have done so much to support students during the past year, and finally to our amazing students who have continued to do incredible things supporting each other, contributing to the local community, and making UCL the very special place it is.

This year, we:

- ◆ We supported 393 clubs and societies, with 31 newly affiliated this year. These student-led groups attracted 21,347 members, a new record, with 42% of all UCL students having joined a club or society this year.
- ◆ Our student satisfaction was at 7th place in the Russell Group, which shows student satisfaction with how we represent their academic interests, up from 18th place in 2018.
- ◆ We were rated in the top 5 Students' Unions in the Student Crowd 'Best SU's Survey 2023.
- ◆ 7,497 students engaged with TeamUCL, the home of sport at UCL, with almost 300 students participating in our new intramural leagues. We also won the British Universities and College's Sport National Award for Diversity and Inclusion.
- ◆ We trained 8,195 students to be Active Bystanders, helping to prevent harassment and sexual misconduct. This year we offered both online and in-person workshops. We also worked with academic departments to deliver bespoke training.
- ◆ We celebrated the hard work and progress of all the clubs, societies and individuals who make a huge impact on students' lives at our annual awards ceremonies in June. This year, we received 1,098 nominations, our highest number ever.
- ◆ Our Sabbatical Officers delivered in-person induction talks to new students. 'UCL 101' Welcome induction talks in the Bloomsbury Theatre introduced thousands of students to the Students' Union.
- ◆ Our café staff have served more than 200,000 hot drinks, toasted more than 30,000 paninis and served more than 31,000 croissants across the year. Our bars have sold 650,000+ drinks, including 127,000 alcohol-free and 24,000 cocktails.

STRATEGIC REPORT (continued)

Review of 2022/23 (continued)

Achievements (continued)

- ◆ We supported a wide range of student fundraising activities including a UNICEF - #UniteWithUkraine Fundraising Concert. Following the devastating earthquake in Turkey and Syria in February, our Turkish Society raised more than £13,000 and collected vital supplies for those affected. They made such an impact that UK Prime Minister Rishi Sunak heard of their work and visited us to show his support to the appeal.
- ◆ We expanded our commercial operation, opening two new shops – the Bloomsbury Shop in the Wilkin's Building and the Pool Street Shop at the UCL East campus. Since opening we've sold 15,000+ meal deals. We've also introduced a wide range of international foods to meet our students' needs.
- ◆ Together with our student-led groups, we hosted more than 620 events during Welcome Week, up from 523 in 2021.
- ◆ We supported 2,282 student volunteers throughout the year, working on projects such as supporting homeless people, working with refugees, supporting young people to learn to read, plus a wide range of other community and environmental projects.
- ◆ Seven of our student groups were recognised nationally at the National Societies and Volunteering Awards, with Education for Choice society coming runner up for the Community Award.
- ◆ 2,391 students have taken part in Project Active classes, with 57% of attendees from a Black, Asian and Minority Ethnic background and 44% previously classing themselves as 'inactive.'
- ◆ 6,539 students have engaged in our arts programme, joining an ArtsUCL society and exploring, performing and developing everything from musical theatre to opera to journalism.
- ◆ Our Social Hackathon's and the Community Challenge proved as popular as ever with 156 students working in partnership with 16 community partners to develop solutions to real-life challenges that the organisations were facing. Volunteers addressed challenges around volunteer recruitment, donor engagement, marketing, impact measurement, data analysis, sustainability, equality, diversity and inclusion and more.
- ◆ We launched the Russell Group Students' Union Cost of Living Report working with all of the Russell Group Students' Unions, representing 700,000+ students to produce the largest study on financial pressures facing students to date.
- ◆ Over 300 students competed in our Varsity sports competition this year, across 27 sporting events, with over 2,000 students coming along to support the events as spectators. London is Purple once again after we reclaimed the trophy beating arch-rivals, Kings, 17-12.

STRATEGIC REPORT (continued)

Review of 2022/23 (continued)

Achievements (continued)

- ◆ We've taken 'TeamUCL Against Hate' to new heights; training over 60 sports clubs on how they can provide an inclusive environment for all club members.
- ◆ We ran the largest and most successful election ever at UCL, with 10,400 voters in the Leadership Race and a 20.9% turnout – the highest number of voters of any Students' Union in the UK for the third year running.
- ◆ Our Volunteering team worked with 350 community partners to provide a range of one-off, flexible and long-term volunteering opportunities that enabled 1,502 students from across 71 UCL departments to volunteer.
- ◆ 194 students participated in the Community Research Initiative for Students. This is a 33% increase compared to last year. We've also achieved a 25% increase in student-community partnerships.
- ◆ Our Advice Service supported 1,602 students, up from 1,152 last year. There was a 60% increase in overseas students seeking support and a 105% increase in support for PGT and PGR students.
- ◆ We recruited and supported a network of more than 1,839 Academic Reps across every department at UCL who dedicated themselves to improving education at UCL.
- ◆ Our cafés have been paving the way in sustainability. We introduced crockery and increased the single-use cup charge to 50p to encourage the uptake of reusables, with around 18% of customers using reusable cups. We've saved almost 200KG of CO2 emissions.

Fundraising activities

The Union does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, the Union would ensure personal data is appropriately protected. The Union received no complaints within the year regarding fundraising.

Financial review

The Union had an improved operational financial performance in 2022/23 versus the previous year. The realised income and expenditure (which excludes the unrealised gains and losses in relation to investments and the pension scheme) are stated below and show a net surplus from operations in the year of £72k (2022: surplus of £144k). However, the net result after a capital grant depreciation charge of £11k (2022: £11k), loss on revaluation of investments of (£66k) and a decrease in pension provision of £260k, and additional hardship funding from UCL of £662k results in a net surplus of £917k (2022: deficit of (£180k)).

STRATEGIC REPORT (continued)

Financial review (continued)

	2023 £'000	2022 £'000
Operating income (excluding hardship funding)	13,261	10,799
Operating Expenditure (exc. depreciated charged to restricted funds)	(13,189)	(10,655)
Operating surplus	72	144
Additional Hardship grant funding received	662	750
Investment revaluation (loss) gain	(66)	(91)
Pension revaluation	260	(972)
Depreciation charged to restricted fund	(11)	(11)
Net surplus/(deficit)	917	(180)

At the end of 2022/23, the Union is in a strong financial position with growing grant funding from UCL, increased commercial income and good return on investments. The Bloomsbury campus benefited from the return of students, and footfall was high in all our outlets. We kept refreshing our food and drink offers to attract customers with new product ranges, ensuring the sales targets were achieved. The cafes consistently reported significant income and contribution growth, made by efficiency savings and a more suitable staffing structure. We have responded to the cost-of-living crisis by offering affordable food options in selected outlets. Our students' bars also performed well as a destination venue for students, with more students' events held within them. We have expanded our commercial portfolio and opened two convenience stores, Pool Street on the East campus and The Bloomsbury store on the main campus. Our merchandise shop continued to be a success, with several new product launches which have proved very popular with students. The Fitness Centre has performed strongly due to increased membership and efficiencies introduced in the change management programme. The 2022/23 surplus will be used to future-proof the Union's financial sustainability.

The Union has continued to benefit from the recognition and support of UCL, and this year received a block grant of £3,973k (2022: £3,403k). This amount includes a one-off funding support of £188k for investment in specific projects and increased support for student clubs and societies to reflect rising activity levels after the pandemic. In addition to the block grant, UCL provided a specific grant to support the Volunteering Service of £440k (2022: £383k) and £159k (2022: £20k) to support the Union's activities in the East campus. It has also provided further funding of £662k for The Sarah Douglas Fund and the Participation Fund to benefit students and ease hardship (2022: £750k). The University also provided the Union free use of facilities valued at £2,575k (2022: £2,575k).

Unrestricted reserves increased to £5,191k (2022: £4,609k). Included in this increase is an achieved surplus of £388k (2022: surplus of £315k), an actuarial gain on a defined pension scheme of £260k (2022: loss of £972k), and a loss on investments valuation of £66k (2022: loss of £91k).

Restricted reserves increased to £2,419k (2022: £2,084k). The increase in restricted reserves is mainly explained by receiving a specific grant from UCL of £662k (2022: £750k) to support students' hardship, after accounting for net expenditure against restricted reserves of £327k.

STRATEGIC REPORT (continued)

Financial review (continued)

Custodian activities: Clubs' & Societies Funds

The Union acts as custodian for funds raised by the students' Clubs & Societies amounting to a net figure of £1,062 k (2022: £1,072k) in creditors at the year-end. In addition to this, the Union provides grant support for their core activities, as shown in note 1 of the financial statements.

Future funding and going concern assessment.

The Trustee board confirms that the Students' Union UCL has sufficient funds to meet all its obligations. Net current assets at the year-end stood at £2,946m (2022: £2,285k) and included £1.576m (2022: £1,701k) of cash available on demand. The current assets and cash level are reviewed against a movement in the intercompany balance with the University, through which the grant funding is paid, and staff salaries are settled. At the year-end, this balance has grown to £2,739k (2022: £2,367k). Post-year end, in September 2023, the University settled £2,061k of this balance, and the Union's available cash resources increased by this amount, opening new investment opportunities.

The UCL core grant for 2023/24 has been set at £4,234k (2022/23: £3,972k). In addition to the block grant, the University provides the Volunteering Services support grant of £455k (2022: £440k). The specific funding for the Union's activities in the East campus is set at £271k (2022: £159k), and the significant increase reflects UCL's commitment to the East campus with its flagship building at Marshgate opened in September 2023. The University's commitment to the Student Life Strategy is the most significant change in the Union's funding arrangement.

In 2023/24, the first-year funding is set £876k to deliver the first set of projects, which will involve significantly increased investment in many departments. Priorities for year one includes:

- ◆ Expanding our work in sport
- ◆ Further developing the Community Research Initiative
- ◆ Growing our major events programme

The funding will grow during each year of the delivery, reaching £2.5m in the project's final year.

The commercial turnover from all our outlets is expected to continue to experience growth. The newly refurbished merchandise shop will attract high demand for UCL-branded clothing, gifts, and stationery. Several of the bars will benefit from rolling out new hot food offers to make them destination outlets for students' events and societies' activities.

We will operate with financial risk attributable to high inflation, the cost-of-living crisis, investing in the expanded branded merchandise ranges and rolling out food and drink offers. We will monitor the financial performance of all outlets. The risk will be constantly monitored to mitigate the impact of any financial underperformance.

STRATEGIC REPORT (continued)

Financial review (continued)

Future funding and going concern assessment (continued)

Total fund levels remain healthy, with the total reserves increased to £7,611k (2022: £6,693k). The 2022 total reserves were negatively impacted by a significant increase in unrealised actuarial loss on the defined benefit pension scheme, and the effect of this provision has been partially reversed this year. With the UCL funding confirmed, the Union is financially stable, and well-resilient should trading conditions change in the coming year.

Reserves level and policy

The Union's reserves provide financial stability and the means for the continued development of our principal activities. The Union is heavily dependent on the annual grant received from UCL and would be at risk were those funds to be reduced.

In the event of a reduction in income and to ensure continuity of activities and scope for review, it is the trustees' policy to maintain free reserves (equating to general funds excluding the pensions liability) of a minimum of six months' running costs.

The charity had total reserves of £7,611k (2022: £6,693k) at the balance sheet date. This included restricted funds of £2,419k (2022: £2,084k) and designated funds of £4,200k (2022: £4,296k). After deducting these funds from total reserves, the free reserves on 31 July 2023 were £2,084k (2022: £1,665k) - equivalent to 2.4 months average running costs (2022: 2.5 months). The Union is taking steps towards building free reserves by growing its commercial offer, and having policies and procedures in place to ensure cost control.

The Union reserve policy is reviewed annually to assess whether a six-month reserve cover adequately responds to ongoing financial obligations and strategic opportunities.

The trustees have continued to formally designate £1,635k to the Sports Development fund, Capital Investment fund and Shenley athletics ground fund within the strategic plan (2022: £1,782k). The trustees will review this designation on an ongoing basis. The designated funds are for future strategic projects, including developing student sports and providing sporting facilities. During 2022/23, several capital projects were undertaken to improve facilities and spaces occupied by the Union, including the cafés, new convenience stores and the gym ancillary spaces.

Investments policy, objectives, and performance

The Union's investment objectives are to balance the current and future needs by:

- ◆ maintaining (at least) the value of the investments in real terms;
- ◆ producing a consistent and sustainable amount to support expenditure; and
- ◆ delivering these objectives within acceptable levels of risk.

The policy to invest surplus funds is agreed by the Finance Committee.

Investments are placed after agreement with the Investment Team at UCL. Transfers are under the control of the Director of Finance and Chief Executive.

STRATEGIC REPORT (continued)

Financial review (continued)

Investments policy, objectives and performance (continued)

Other than investments in the UCL fund, all other assets must be held in a restricted portfolio (where capital has to be preserved).

Investments within the UCL Unified Fund follow UCL's Investment Policy including its ethical considerations, which are summarised below.

While the guiding principle of UCL's investment policy is to generate funds, whether through income or capital growth, with which to further the work of UCL, other than financial criteria being appropriate, UCL will not invest in a particular business in the following circumstances:

- ◆ Where such investment might conflict, or be inconsistent, with the aims, objects or activities of UCL. Thus, for example, investment in the tobacco industry would be inconsistent with and would conflict with UCL's research into cancer.
- ◆ Where such investment might hamper the work of UCL either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from potential students.
- ◆ Where such investment, while not excluded by virtue of (i) or (ii) above, is considered by UCL to be unethical.

The investment policy objective is to obtain a minimum income yield of base rate plus 0.5%.

Our listed investments, valued at £4,160k on 1 August 2022 in the UCL Unified fund, returned an income yield of 2.5%, and an unrealised capital loss of £66k, equating to a 1.6% reduction was recognised, taking the valuation to £4,094k as at 31 July 2023. Other average treasury investments, such as fixed-term deposit accounts of £1,510k, returned an income yield of 1% (2022: 0.1%). The Union is reviewing its investment strategy to protect the high-inflation economy's long-term investment gains and income yield objective as much as possible.

Future plans

Students' Union UCL has the ambition to be one of the best students' unions in the UK and the world. We want to be the best organisation that we can for our members, providing outstanding services and facilities for students, and achieving real influence across UCL and beyond.

We are continuing to grow and expand our services to provide increased support for our students and increase our commercial activities to generate additional income.

STRATEGIC REPORT (continued)

Future plans (continued)

Last year we published a new 3 year strategy for the Union, 2022-25. Key objectives for the next year will include:

Effective Influence: The Union is the representative body for all UCL students, we have one of the largest collective student voices in the UK. We want to support our Officers and Academic Representatives to help shape the future of UCL and achieve positive change for our students across London and at national level. We also want to continue to develop our elections, communication and engagement with our members, to ensure a healthy and vibrant democracy, with all our students having influence on our decision making.

Amazing Experience - We want all our students to have an amazing experience at UCL outside of the classroom, with the best extra-curricular offer in the UK. We want our students to have fantastic opportunities pursue their interests and passions, with opportunities to learn new skills, try new things, grow their experience and confidence, and develop new friendships. We want all our students to have the opportunity to get active with excellent sports provision; have the chance to develop their creativity through involvement in the arts, music and culture; and connect with the local community through fantastic volunteering opportunities. We recognise the vital importance of activities like sports, music, volunteering and our wider co-curricular programme in building community, helping to create a strong sense of belonging for all our members and supporting student wellbeing.

Vibrant and Inclusive Community - UCL is a diverse community of students from all corners of the world, in an amazing city, doing amazing things. We believe that we are uniquely placed to build, support and energise this community, making it stronger and foster a greater sense of belonging for every student. We want our spaces to be the centre of the student community at UCL, places where our members feel genuinely at home, spend time with their friends, and importantly, somewhere where they can access support and advice when they are in need. As London's Global University, we want to be a global students' union, where all our students have opportunities to see and experience the world in new ways by engaging across our diverse student community. We want to support our students to get the most out of living and studying in London, with opportunities to visit and engage in the best of the city and nation's cultural opportunities.

Excellent Union - We want to be a fantastic, efficient, well-governed and effective charity, that is one of the best student organisations anywhere in the world, so that we can effectively represent and provide fantastic services for all our members. We want to work with UCL to gain their help in significantly improving and expanding the Union's building and facilities, including our sports facilities; we know that we can provide better services and experiences for our members with better spaces. We want to be the best possible employer of staff ensuring we invest in the staff experience recognising that's how we will be able to provide amazing services to our members. If we do all this, then we will have built the foundations of a Union that can go on to achieve our ambition of being one of the best students' unions in the world.

STRATEGIC REPORT (continued)

Future plans (continued)

We have also recently worked closely with UCL to develop the University's new Student Life Strategy. This focuses on expanding our activity in six key areas for students:

1. Sport and Physical Activity
2. Arts
3. Volunteering
4. Intercultural engagement
5. Departmental societies
6. Vibrant student life in the heart of London

Over the next year we will be working closely with UCL colleagues to begin delivery of this exciting new plan.

This Trustees' Report, comprising the Directors' Report and Strategic Report, was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M. McHarg', with a large circular flourish at the end.

Mary McHarg
Trustee

Date: 17 January 2024

Independent auditor's report to the members of UCLU

Opinion

We have audited the financial statements of UCLU for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- ◆ adequate accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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.

Responsibilities of Trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustees meetings.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Gained an understanding of the processes in place for the management of the charitable company's investments; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Review of the minutes of meetings of those charged with governance;
- ◆ Enquiring of management as to actual and potential litigation and claims; and
- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

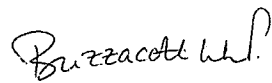
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Independent auditor's report 31 July 2023

Use of our report

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



Shachi Blakemore
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 23 January 2024

Statement of financial activities (including income and expenditure account)
Year to 31 July 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:							
Grants and donations	1	7,227,221	873,424	8,100,645	6,611,777	971,488	7,583,265
Charitable activities							
Trading	3	5,069,255	—	5,069,255	3,359,253	—	3,359,253
Non-trading	3	615,657	—	615,657	515,401	—	515,401
Investments	2	137,852	—	137,852	91,460	—	91,460
Total income		13,049,985	873,424	13,923,409	10,577,891	971,488	11,549,379
Expenditure on:							
Charitable activities							
Trading	4	6,761,117	—	6,761,117	5,197,339	5,656	5,202,995
Non-trading	4	5,900,612	538,197	6,438,809	5,064,920	398,402	5,463,322
Total expenditure		12,661,729	538,197	13,199,926	10,262,259	404,058	10,666,317
Net income		388,256	335,227	723,483	315,632	567,430	883,062
Other recognised gains and losses							
Actuarial gain (loss) on defined benefit pension schemes	16	260,351	—	260,351	(971,862)	—	(971,862)
Unrealised (loss) on investments	9	(66,402)	—	(66,402)	(90,776)	—	(90,776)
Net income (expenditure)		582,205	335,227	917,432	(747,006)	567,430	(179,576)
Transfer between funds		—	—	—	—	—	—
Net movement in funds		582,205	335,227	917,432	(747,006)	567,430	(179,576)
Balances brought forward		4,609,217	2,084,260	6,693,477	5,356,223	1,516,830	6,873,053
Balances carried forward		5,191,422	2,419,487	7,610,909	4,609,217	2,084,260	6,693,477

The statement of financial activities includes all gains and losses recognised in the above two years.

All amounts derive from continuing activities.

The notes on pages 31 to 41 form part of these financial statements.

Balance sheet 31 July 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible fixed assets	7		653,693		591,355
Investments	9		5,103,841		5,170,243
			<u>5,757,534</u>		<u>5,761,598</u>
Current assets					
Stocks	10	210,527		103,624	
Debtors	11	3,099,249		2,537,647	
Cash at bank and in hand		<u>1,576,434</u>		<u>1,701,190</u>	
		<u>4,886,210</u>		<u>4,342,461</u>	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(1,939,791)</u>		<u>(2,057,187)</u>	
Net current assets			<u>2,946,419</u>		<u>2,285,274</u>
Net assets excluding pension liability			<u>8,703,953</u>		<u>8,046,872</u>
Pension scheme deficit	16		<u>(1,093,044)</u>		<u>(1,353,395)</u>
Total net assets			<u>7,610,909</u>		<u>6,693,477</u>
Represented by:					
Restricted reserves	14		2,419,487		2,084,260
Unrestricted reserves					
Designated funds	15		4,200,092		4,296,740
General fund	15	2,084,375		1,665,872	
Pension reserve	15	<u>(1,093,045)</u>		<u>(1,353,395)</u>	
	15		<u>991,330</u>		<u>312,477</u>
Total funds			<u>7,610,909</u>		<u>6,693,477</u>

These financial statements were approved by the Trustee Board and signed on their behalf by:

Trustee

MARY McHARG



Date:

17 January 2024

The notes on pages 31 to 41 form part of these financial statements.

Company Registration number 07635628

Statement of cash flows Year to 31 July 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net income (expenditure)		917,433	(179,576)
Depreciation		237,481	166,837
Losses on investments		66,402	90,776
Deficit on disposal of fixed asset		25,791	—
Interest received		(31,493)	(2,560)
(Increase) in stock		(106,903)	(72,427)
(Increase) in debtors		(561,602)	(1,163,622)
(Gains) losses on defined pension scheme liabilities		(260,351)	971,862
(Decrease) increase in creditors		(135,011)	492,648
Net cash provided from operating activities		151,746	303,938
Cash flows from investing activities:			
Interest receivable		31,493	2,560
Purchase of tangible fixed assets		(307,995)	(235,637)
Net cash (used in) investing activities		(276,502)	(218,265)
Change in cash and cash equivalents in the year		(124,756)	70,861
Cash and cash equivalents at the beginning of the year		1,701,190	1,630,329
Total cash and cash equivalents at the end of the year		1,576,434	1,701,190
Analysis of cash and cash equivalents			
Cash in hand and at bank		1,576,434	1,701,190

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Reconciliation of net debt			
Cash at bank and cash in hand	1,701,190	(124,756)	1,576,434
Total cash and cash equivalents	1,701,190	(124,756)	1,576,434

Principal accounting policies Year to 31 July 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2023 and are presented in sterling and are rounded to the nearest pound.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland", and the 2015 Charities Statement of Recommended Practice based thereon – the Charities SORP. University College London Union meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there is a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

During the 2022/23 the Union's free reserves increased and stand at £2,084 (2022: £1,666k). The Union is committed to rebuilding its free reserves by diversifying the commercial offer, working with sustainable and ethical suppliers, and investing in the spaces it occupies. In Autumn 2023 the two new convenience stores will be added to our commercial portfolio increasing the turnover and return on our commercial activities. Further investment in spaces was approved by the board in Summer 2023 to ensure that we attract and retain high footfall in all our outlets and the gym. During the first quarter of 2022/23 the Union's cash flow remains healthy. The trading units reported strong results from the beginning of the 2022/23 academic year.

The outlook for the next 18 months remains positive. In addition to the commercial success the Union benefits from the increased level of the collaboration with the University and an increase in overall funding levels, including the core grant, funding to ease students' hardship and to support activities in the East campus.

The trustees are of the opinion that UCLU will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

Principal accounting policies Year to 31 July 2023

Critical accounting estimates and areas of judgement (continued)

The items in the financial statements where these judgements and estimates have been made include:

- ♦ valuation of donations in kind received during the year;
- ♦ estimating the useful economic life of tangible fixed assets;
- ♦ allocation of support costs across charitable activities; and
- ♦ valuation of the pension scheme liabilities in relation to the Universities Superannuation Scheme (USS).

Income

Income is recognised in the period in which the Union has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received.

Income comprises of donations and grants received from UCL, income generated from commercial activities, and investment income.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer or economic benefits will be received in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Charitable expenditure comprises the direct and indirect costs of delivering the charitable activities as set out in the Trustees' report. This includes governance costs, which are those costs incurred in relation to compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers.

Support costs are allocated to charitable activities. The value of serviced campus accommodation is apportioned on estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects/activities on a usage basis, pro rata to the staff costs of each project or activity undertaken.

Depreciation

A full year of depreciation is charged in the year of acquisition. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

For depreciation purposes, useful life is assessed to be:

- | | |
|-------------------------|------------|
| ♦ Fixtures and fittings | 5-10 years |
| ♦ Equipment | 3-5 years |
| ♦ Furniture | 3-5 years |

Capital expenditure in excess of £1,000 is capitalised within fixed assets. Expenditure less than this amount is charged to the statement of financial activities in the year it is incurred.

Principal accounting policies Year to 31 July 2023

Stocks

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

Taxation

No provision is made in these financial statements for corporation tax as the Union is exempt from such tax as a result of its charitable status.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Pension costs

The Union contributes to three principal pension schemes on behalf of its employees: the Universities Superannuation Scheme (USS), the Superannuation Arrangements for the University of London (SAUL), and the NEST scheme.

USS and SAUL are defined benefit schemes and it is not possible to identify the Union's share of the underlying assets and liabilities in the multiemployer schemes. However, the Union has entered into an arrangement to clear the USS scheme deficit by 31 March 2038. The net present value of the Union's contributions as part of these plans are reflected as a liability on the balance sheet, which will reduce as they are paid.

The NEST scheme is a defined contribution scheme.

Contributions to all schemes are charged to the statement of financial activities.

Fund accounting

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the Trustees.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the Union's charitable objects.

Leased assets

Rentals payable under operating leases are charged as expenditure to the statement of financial activities on a straight line basis over the period of the lease.

Principal accounting policies Year to 31 July 2023

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Union anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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.

Notes to the Financial Statements Year to 31 July 2023

1 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Clubs and Societies grants	178,989	—	178,989	147,984	—	147,984
Union grant	4,472,892	—	4,472,892	3,888,453	—	3,888,453
Facilities grant ("donation in kind")						
Trading	1,554,066	—	1,554,066	1,554,066	—	1,554,066
Other	1,021,274	—	1,021,274	1,021,274	—	1,021,274
Total block grant from UCL	7,227,221	—	7,227,221	6,611,777	—	6,611,777
Other grants	—	873,424	873,424	—	970,488	970,488
Other donations	—	—	—	—	1,000	1,000
Total funds	7,227,221	873,423	8,100,645	6,611,777	971,488	7,583,265

Facilities grant funding above (trading and other) relates to "donation in kind" accommodation provided by the University to UCLU (see note 5).

2 Investment income

	Unrestricted	
	Total funds 2023 £	Total funds 2022 £
Income from deposits	31,493	2,560
Investment income	106,359	88,900
	137,852	91,460

3 Incoming resources from charitable activities

	Unrestricted	
	Total funds 2023 £	Total funds 2022 £
Trading income	5,069,255	3,359,253
Non-trading income - other	615,657	469,734
Non-trading - Furlough grant income	—	45,667
	5,684,912	3,874,654

4 Total resources expended

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2023 £
Charitable activities:					
Trading expenditure	1,837,624	2,608,987	172,676	2,141,830	6,761,117
Non-trading expenditure	2,052,246	1,168,496	15,684	3,202,383	6,438,809
	3,889,870	3,777,483	188,360	5,344,213	13,199,926

Notes to the Financial Statements Year to 31 July 2023

4 Total resources expended (continued)

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2022 £
<i>Charitable activities:</i>					
Trading expenditure	1,385,553	1,697,125	102,602	2,017,715	5,202,995
Non-trading expenditure	1,617,319	819,444	15,000	3,011,559	5,463,322
	<u>3,002,872</u>	<u>2,516,569</u>	<u>117,602</u>	<u>5,029,274</u>	<u>10,666,317</u>

	Total 2023 £	Total 2022 £
This is stated after charging:		
Depreciation	237,481	166,837
Auditors' remuneration		
· Current year	25,500	17,890
· Prior year under provision	—	(350)
VAT services	—	12,885

5 Support costs

	Total funds 2023 £	Total funds 2022 £
Rent *	2,575,340	2,575,340
Salaries and wages	1,688,274	1,460,532
Other staff related costs	70,041	79,117
Printing and stationery	3,116	2,924
Website and publicity	193,221	174,474
Cleaning and utility costs	162,805	155,007
Repairs, maintenance and equipment	106,245	153,831
Depreciation	49,121	49,236
Audit	25,500	17,540
Legal and professional	76,894	15,549
Insurance	79,995	81,126
Membership and subscription	69,629	54,506
Training and conferences	37,121	17,062
Bank charges and cash handling	40,962	28,160
Irrecoverable VAT	146,338	148,389
Doubtful debts**	—	(2,040)
Other	19,612	18,522
	<u>5,344,213</u>	<u>5,029,275</u>

*Rent charge above relates to the "donation in kind" for accommodation provided by UCL (see note 1).

** Doubtful debts above is showing a credit value due to recovery of debts provided for in the prior year.

Notes to the Financial Statements Year to 31 July 2023

6 Staff costs

	Total funds 2023 £	Total funds 2022 £
Wages and salaries	4,542,103	3,656,002
Agency costs	46,047	35,061
Social and security costs	348,706	284,849
Pension costs	641,288	487,491
	5,578,144	4,463,403

Included in staff costs are redundancy and settlement costs of £12,567 (2021: £nil).

	Permanent No.	Casual No.	Total 2023 No.	Permanent No.	Casual No.	Total 2022 No.
Average	95	229	324	82	170	252

The number of employees whose emoluments exceeded £60,000 was:

	Total 2023 £	Total 2022 £
£60,001 - £70,000	2	—
£70,001 - £80,000	2	2
£90,001 - £100,000	1	1

Pension contributions made on behalf of the above individuals totalled £66,245 (2022: £49,607).

Key management personnel received aggregate remuneration of £644,174 (2022: £601,144). Key management personnel comprise the trustees and senior management team as set out on page 1. This includes employers' national insurance and pension contributions.

7 Tangible fixed assets

	Fixtures & fittings £	Assets under construction £	Equipment £	Furniture £	Total £
Cost					
At 1 August 2022	1,062,406	159,035	534,176	43,455	1,799,072
Additions	33,889	252,155	39,566	—	325,610
Transfers	195,141	(303,116)	107,975	—	—
Disposals	(130,489)	—	(34,272)	—	(164,761)
At 31 July 2023	1,160,947	108,074	647,445	43,455	1,959,921
Depreciation					
At 1 August 2022	740,693	—	444,975	22,049	1,207,717
Charge for the year	138,291	—	91,509	7,681	237,481
Disposals	(104,698)	—	(34,272)	—	(138,970)
At 31 July 2023	774,286	—	502,212	29,730	1,306,228
Net book value:					
At 31 July 2023	386,661	108,074	145,233	13,725	653,693
At 31 July 2022	321,713	159,035	89,201	21,406	591,355

Notes to the Financial Statements Year to 31 July 2023

7 Tangible Fixed Assets (continued)

Costs incurred under assets under construction related to two refurbishment projects undertaken in summer 2023 and completed after the year end.

8 Capital Commitments

At the end of July 2023 the Union had two capital projects in progress: refurbishment of the ancillary space in the Bloomsbury Fitness Centre and the expansion of The Hanger Shop. Both projects started in June 2023 and were completed in September before the start of the new academic year. The Union has contracted capital commitments of £406,000 at the end of July 23 (2022: nil).

9 Investments

	Cash £	Listed investments £	Total £
Cost or valuation			
At 1 August 2022	1,009,535	4,160,708	5,170,243
Revaluation in the year	—	(66,402)	(66,402)
Net book value:			
At 31 July 2023	1,009,535	4,094,306	5,103,841
At 31 July 2022	1,009,535	4,160,708	5,170,243
Historic cost of investments	1,009,535	2,173,606	3,183,141

Listed investments represent the value of investments held on behalf of the Union by UCL in its University Trust Fund. The investment was originally purchased by the Union and revaluations in investments are recognised through the revaluation fund (see note 15).

Cash relates to a cash deposit held with Scottish Widows.

10 Stocks

	2023 £	2022 £
Bars	29,089	22,207
Cafes	11,334	9,823
Sports centre	2,686	3,004
Retail and other	167,418	68,590
	210,527	103,624

11 Debtors

	2023 £	2022 £
Trade debtors	72,336	66,610
Amounts due from university	2,877,698	2,367,304
Other debtors	3,783	37,644
Prepayments and accrued income	145,432	66,089
	3,099,249	2,537,647

Notes to the Financial Statements Year to 31 July 2023

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	446,654	534,495
Other creditors	1,151,135	1,133,522
Accruals and deferred income	342,002	389,170
	<u>1,939,791</u>	<u>2,057,187</u>

	2023 £	2022 £
Deferred income included above:		
At 1 August	239,683	147,126
Utilised in the year	(239,683)	(147,126)
Deferred in the year	162,625	239,683
At 31 July	<u>162,625</u>	<u>239,683</u>

13 Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at amortised cost	4,675,683	4,238,837
Financial assets measured at fair value through the statement of financial activities	5,103,841	5,170,243
Financial liabilities		
Financial liabilities measured at amortised cost	1,777,166	1,817,504
Financial liabilities measured at fair value through the statement of financial activities	1,093,044	1,727,383

	2023 £	2022 £
Interest income and expenses		
Interest income for financial assets measured at amortised cost	31,493	2,560
Interest expense for financial liabilities measured at amortised cost	170,291	123,857

Financial assets measured at amortised cost comprise trade debtors, other debtors, intercompany debtors and cash.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise, trade creditors, other creditors, and accruals excluding deferred income.

Financial liabilities measured at fair value comprise the pension deficit contribution liability.

Notes to the Financial Statements Year to 31 July 2023

14 Restricted reserves

	As at 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2023 £
Capital grants	20,345	—	(11,095)	—	9,250
Other restricted reserves	250,014	211,007	(232,985)	—	228,036
Hardship grant	750,000	662,417	(294,117)	—	1,118,300
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	2,084,260	873,424	(538,197)	—	2,419,487

	As at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2022 £
Capital grants	31,440	—	(11,095)	—	20,345
Other restricted reserves	421,489	221,488	(392,963)	—	250,014
Hardship grant	0	750,000	0	—	750,000
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	1,516,830	971,488	(404,058)	—	2,084,260

Capital Grant Fund relates to receipts received to fund specific capital purchases. The funds are written down over the life of the asset.

Other restricted funds relate to receipts received for the following specific purposes:

- ◆ Alumni Fund – received from UCL Alumni to be spent on student “welfare” projects. These funds will be utilised by the welfare officer/trustee as specified.
- ◆ Supporting Student Communities Fund - received from UCL to help students to participate in co-curricular activities by facilitating and enhancing student services and activities.
- ◆ Global Engagement Fund - received to support the Students' Union Global Engagement Programme to increase support for UCL's international students and create opportunities for all students to integrate and build cultural sensitivity and awareness.
- ◆ Active Bystander Fund - received as part of the UCL 'Full Stop' campaign to put a full stop to sexual misconduct, bullying and harassment in any form at UCL and beyond. These funds will be utilised to provide both online training and in person workshops for students.
- ◆ VSU Fund - received to help fund projects within the Volunteering unit.
- ◆ Creche Feasibility Study Fund - received to establish the feasibility of running child creches for students.
- ◆ EDI Chinese Students Fund - received for a research project on Chinese and East Asian students.

Notes to the Financial Statements Year to 31 July 2023

14 Restricted reserves (continued)

In July 2022 the Hardship grant was received from the University to set up a revolving hardship loan/grant service for students in need. The fund is administered by UCLU's Rights & Advice Department and payments are authorised by the officers/trustees of the Union.

The Shenley Athletics Ground Capital Fund originates from transfer of surplus funds previously held in trust by UCL on behalf of UCLU and used to carry out capital works to ensure the grounds and facilities are fit for purpose. There are restrictions which limit the use of funds on capital works greater than £20k.

15 Unrestricted reserves

	As at 1 August 2022 £	Incoming resources £	Resources expended £	Gains and transfers £	As at 31 July 2023 £
Designated funds					
Sports Development fund	204,250	43,075	(77,736)	—	169,589
Capital Investment fund	243,927	—	(69,018)	(44,000)	130,909
Capital reserve	527,010	—	—	117,433	644,443
Shenley athletics ground fund	1,334,451	—	—	—	1,334,451
Revaluation fund	1,987,102	—	—	(66,402)	1,920,700
	<u>4,296,740</u>	<u>43,075</u>	<u>(146,754)</u>	<u>7,031</u>	<u>4,200,092</u>
Pension fund	(1,353,395)	—	—	260,350	(1,093,045)
General fund	1,665,872	13,006,911	(12,514,975)	(73,433)	2,084,375
Total unrestricted reserves	<u>4,609,217</u>	<u>13,049,986</u>	<u>(12,661,729)</u>	<u>193,948</u>	<u>5,191,422</u>

	As at 1 August 2021 £	Incoming resources £	Resources expended £	Gains and transfers £	As at 31 July 2022 £
Designated funds					
Sports Development fund	161,175	43,075	—	—	204,250
Capital Investment fund	244,927	—	(45,000)	44,000	243,927
Capital reserve	498,520	—	—	28,490	527,010
Shenley athletics ground fund	1,334,451	—	—	—	1,334,451
Revaluation fund	2,077,878	—	—	(90,776)	1,987,102
	<u>4,316,951</u>	<u>43,075</u>	<u>(45,000)</u>	<u>(18,286)</u>	<u>4,296,740</u>
Pension fund	(381,534)	—	—	(971,861)	(1,353,395)
General fund	1,420,806	10,534,816	(10,217,259)	(72,491)	1,665,872
Total unrestricted reserves	<u>5,356,223</u>	<u>10,577,891</u>	<u>(10,262,259)</u>	<u>(1,062,638)</u>	<u>4,609,217</u>

The Sports Development fund originates from the increase in grant received when the Chislehurst Sports ground was sold in 1999. There is no restriction on the grant but UCLU took the decision to ring fence these funds annually to be spent on sport/student development projects. Any underspend in the year against the annual designated fund is added to the fund for future projects.

The Capital Investment fund (previously known as the Big Idea fund) represents ring-fenced project expenditure earmarked for use in delivering the Students' Union's strategic objectives that will be undertaken by the Union on behalf of our membership.

The Capital reserve represents fixed asset expenditure incurred from the Union's unrestricted reserves. The transfer is to cover fixed assets purchased in the year less depreciation charged against assets held.

15 Unrestricted reserves (continued)

The Shenley Athletic Ground fund originates from the annual unused grant allocated to the management of the grounds by the UCLU. The grounds are held in Trust by the UCL on behalf of UCLU. These funds have been designated to support and fund the upkeep, maintenance and future running of the grounds and facilities.

The revaluation fund consists of the unrealised gains on revaluation of the listed investments held by UCLU in the University Trust Fund.

The pension fund represents UCLU's liability at the balance sheet date under the deficit recovery plan in relation to the Universities Superannuation Scheme (see note 16).

16 Pensions

The principle pension schemes for the UCLU's staff are the Universities Superannuation Scheme (USS), Superannuation Arrangements of the University of London (SAUL) and NEST. The schemes are externally funded and contracted out of the State Second Pension (S2P) and are valued every three or four years by professionally qualified independent actuaries using the projected unit method. Assets of each scheme are held in separate trustee administered funds. As these are multi-employer schemes it is not possible to identify UCLU's share of the underlying assets and liabilities.

Universities Superannuation Scheme (USS)

USS is the main pension scheme for academic and academic-related staff across the sector. It is a hybrid scheme - providing defined benefits (for all members) as well as defined contribution benefits - and it operates on a mutual basis such that assets are not attributed to individual institutions and a scheme-wide contribution rate is set. As a participating employer, UCL is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The latest actuarial valuation of the scheme was at 31 March 2020 (the 2020 valuation). It was carried out using the projected unit method, and the financial assumptions that had the most significant effect on the result were as follows:

Discount rate (forward rates)

Fixed interest gilt yield curve plus:

- Pre-retirement 2.75% p.a.
- Post-retirement 1.00% p.a.

CPI Assumptions

Term dependent rates in line with the difference between the Fixed Interest and Index

Linked yield curves less:

1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.

Pension Increase

CPI assumption plus 0.05% (and subject to a floor of 0%)

16 Pensions (continued)

Universities Superannuation Scheme (USS) (continued)

The mortality assumptions included in the valuation are that male (female) members who retire at typical ages will live to approximately age 90 (91).

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective of maintaining sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme's technical provisions was £80.6bn, indicating a shortfall of £14.1bn and a funding ratio of 83%. This compares unfavourably to the equivalent shortfall of £3.6bn that was reported under the scheme's 2018 valuation and the associated funding ratio of 95%.

In accordance with the requirements of FRS102 and the SORP, UCLU recognises a liability for the obligation to fund past deficits that arises from this recovery plan. The provision for deficit recognised at 31 July 2023 was £1,093k (2022: £1,353k).

The Student Union's liability calculation assumes a salary inflation rate on average of c4% over the four years to 2026/27 reducing to 2.0% thereafter and a flat rate of increase in FTE over the four years to 2026/27 increasing to a 2.0% annual increase in staff FTE thereafter. A change in the assumptions for salary inflation by +/- 0.5% would increase the obligation to fund the USS deficit by +£41.0k/-39.3k. Similarly, a +/- 0.5% change to the increase in staff FTE assumptions would impact the liability as at 31 July 2023 by +£39.3k/-£37.7k.

A further full valuation as at 31 March 2023 is now underway and is showing a much improved funding position. Since the 2020 valuation, rising long-term interest rates have acted to reduce the value placed on the scheme's liabilities and increase the value of its assets, resulting in a reported surplus of £7.4bn. On this basis the sector's representative bodies have made a joint commitment to the restoration of pre-April 2022 benefit levels where that can be achieved in a demonstrably sustainable manner, and USS has priced that proposal at a combined contribution rate of 20.6% of salaries: a significant decrease on the current 31.4%.

Consultation with both employers and employees is due to take place between September and November 2023 with an early decision on future service benefits sought for mid-December - well in advance of the 30 June 2024 statutory deadline for completing the valuation. At the point of transition to the new rates, the recovery plan required under the 2020 valuation will fall away, as will employers' future obligation to fund past deficits. This is expected to generate a significant credit for UCL in the 2023/24 financial year as the current USS pension provision is released in full.

The total pension cost for the Union in respect of the USS pension scheme amounted to £268,219 during the year (2022: £234,990).

16 Pensions (continued)

The Superannuation Arrangements of the University of London

The latest completed actuarial valuation of the scheme was as at 31 March 2020 (unaudited) using the projected unit method. The financial assumptions that had the most significant effect on the result of the valuation were as follows:

Investment returns per annum:

- before retirement	3.15%
- after retirement	1.05%
Price inflation (RPI)	2.70%
Post 2016 pension increases per annum	2.50%

The mortality assumptions included within the valuation are that male (female) members who retire at typical ages will live to approximately age 86 (89).

As at the valuation date, the assets of the scheme were reported as £3.61bn and the scheme's technical provisions as £3.83bn, resulting in a shortfall of £217m. Assets were therefore sufficient to cover only 94% of the past service benefits that had accrued to members, after allowing for expected future increases in earnings.

These results represent a decline in funding level compared to the 2017 valuation (a reported £56m surplus and funding level of 102%) and are reflective of a significant fall in yields of fixed interest gilts over the inter-valuation period, an increase to the CPI inflation assumptions underpinning the valuation of member's future benefits and an increase in SAUL's "short service" active members: those with less than 3 years' service in the Scheme.

Although post-valuation experience had estimated that the Scheme held a surplus of £357m at 30 April 2021, the estimated contribution strain for future service benefits (the amount by which future benefit accrual outstrips contributions) was valued at £67m per annum: £40m or 150% higher than the 2017 equivalent.

To address this issue and ensure that the statutory funding objective continues to be met, the Trustee and employers have agreed to increase employer contributions from 16% to 19% from 1 April 2022 and then again to 21% from January 2023 and amend the Scheme's eligibility requirements such that new members joining after January 2023 can only accrue full benefit after 3 complete years of service. In combination, these measures are estimated to reduce contribution strain by approximately £50m per annum.

As at 31 March 2022, the date of the most recent annual actuarial report, the position had improved substantially and the scheme was estimated to have a technical provision surplus of £616m, equivalent to a funding level of 116%. This was due to higher-than-expected investment returns over the two-year period since valuation, contributing to a £952m increase in the market value of scheme assets (to £4,564m).

Auto-enrolment pension scheme

Since 2017/18, eligible employees have been included in the NEST scheme for auto-enrolment. The Union's cost of contribution in the year amounted to £18,322 (2022: £19,644).

17 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2023 £
Unrestricted funds	—	1,306,889	777,485	(1,093,044)	991,330
Designated funds	644,443	3,796,952	(241,303)	—	4,200,092
Restricted funds	9,250	—	2,410,237	—	2,419,487
Total funds	653,693	5,103,841	2,946,419	(1,093,044)	7,610,909

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2022 £
Unrestricted funds	—	1,399,513	266,359	(1,353,395)	312,477
Designated funds	571,010	3,770,730	(45,000)	—	4,296,740
Restricted funds	20,345	—	2,063,915	—	2,084,260
Total funds	591,355	5,170,243	2,285,274	(1,353,395)	6,693,477

18 Related party transactions

The Union is in receipt of a recurrent grant from UCL of £4,325,252 (2022: £3,806,437). Other grants were received from UCL of £1,066,109 (2022: £1,218,832).

In addition, the Union occupies its building on a rent-free basis under an informal licence subject to the Union maintaining the building in a good state of repair. Under the Charities SORP the "donation in kind" must be valued and included within the financial statements. The value to the Union for this space is considered to be £2,575,340 (2022: £2,575,340).

The trustees of the Union are stated on page 1. Five sabbatical officers received remuneration totalling £167,628 (2022: £190,580) inclusive of pension contributions of £12,149 (2022: £18,262.85) for their services as provided for within the Constitution. In addition to their remuneration the Union incurred costs and paid reimbursements of travel, subsistence, election campaign, training and conferences expenses to all trustees of £30,470 (2022: 26,851)

The Union is also a related party of Somers Town Community Sports Centre Ltd, an incorporated charity (Charity Registration Number 1057305, Company Registration Number 3157703), as it is considered to be under common control. The Union has been invoiced for amounts totalling £nil (2022: £nil) for the hire of sports facilities. Somers Town Community Sports Centre Limited was invoiced for amounts totalling £1,733 (2022: £37,189). The balance due to UCLU at 31 July 2023 is £nil (2022: £nil).

19 Affiliations

	2023 £	2022 £
Membership contribution to National Union of Students	37,880	37,880

The membership fee is paid directly by UCLU for membership of the National Union of Students.

UCLU

England & Wales - Charity number 1142404

Accounts

UCLU (operating as Students' Union UCL)

Annual Report and Financial Statements

31 July 2022

Company Limited by Guarantee
Registration Number
07635628 (England and Wales)

Charity Registration Number
1142404

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Reference and administrative information

Trustees	H Ahmed D Akinci P Barran B Beasant C Bracey H T R Lim D Dimitropoulos M Imran X Huang M McHarg U Mehmood O Osibamowo
Chief Executive Officer	John Dubber
Senior Management Team	D Dominiczak (Director of Finance) D Nichols (Director of Operations) C Salton-Brooks (Director of Student Experience) S To (Director of Policy, Governance & Advocacy)
Charity registration number	1142404
Company registration number	07635628
Website	www.studentsunionucl.org
Registered address	25 Gordon Street London WC1H 0AY
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank Plc London Corporate Service Centre PO Box 46116 London EC4N 8WB

The trustees, who are also directors of the charitable company ("the charity"), present their report and the financial statements for UCLU ("the Union") for the year ended 31 July 2022, which have been prepared in accordance with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable status

Students' Union UCL ('UCLU') is an incorporated charity (limited by guarantee) (charity registration number: 1142404; company registration number: 07635628).

It was originally established in 1893 and now operates in accordance with the Education Act 1994. It has been registered with the Charity Commission since 14 June 2011, when students' unions connected with exempt higher/further education institutions were removed from exemption by the then Charities Act 1993.

UCLU is governed by its Memorandum and Articles of Association last amended in May 2011. UCLU operates as Students' Union UCL following a rebranding project during the 2017/18 financial year.

Governance

UCLU is constituted under the Education Act 1994 as a charitable company limited by guarantee with internal regulations and rules approved by the governing body of University College London (UCL). The primary aim of the Union is the advancement of education of students at UCL for the public benefit.

Public benefit

All activities undertaken by the Union are to further our charitable purposes for the benefit of our student members.

In shaping our objectives and planning activities, the Board of Trustees have had regard to the Charity Commission's published general guidance regarding the exercising of duty and power for the public benefit. The main benefits which have arisen during the year from the organisation's aims are detailed in the following sections.

Board of Trustees

The Board of Trustees ensures Students' Union UCL has the necessary financial and structural abilities to carry out its aims effectively. The Board makes decisions on legal and financial issues and ensures that the organisation is delivering on the political policy set by the democratic bodies of the Union. In accordance with the organisation's Memorandum and Articles, the Board comprises:

- ◆ 6 Sabbatical Trustees
- ◆ 4 Student Trustees
- ◆ 1 External Trustee (Alumni)
- ◆ 1 External Trustee (UCL Staff)
- ◆ 1 External Trustee (Non-UCL)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Board of Trustees (continued)

Members of the Board (who are also directors of UCLU for the purposes of company law) who served during the year and up to the date of this report were:

Trustees (Directors)		Appointed / Resigned
H Ahmed	Sabbatical	Appointed 16 July 2022
M Mehmood	Sabbatical	Appointed 16 July 2022
M McHarg	Sabbatical	Appointed 16 July 2022
D Akinci	Sabbatical	Appointed 16 July 2022
O Osibamowo	Sabbatical	Appointed 16 July 2022
A Benmati	Sabbatical	Resigned 15 July 2022
I Benmouna	Sabbatical	Resigned 15 July 2022
Y Daoud	Sabbatical	Resigned 15 July 2022
C Paige	Sabbatical	Resigned 15 July 2021
A Aminy	Sabbatical	Appointed 16 July 2021
		Resigned 15 July 2022
V M Makai	Sabbatical	Appointed 16 July 2021
		Resigned 15 July 2022
O M Teklies	Sabbatical	Appointed 16 July 2021
		Resigned 15 July 2022
H T R Lim	Student	Appointed 1 November 2022
M Imran	Student	Appointed 1 November 2022
D Dimitropoulos	Student	Appointed 1 November 2022
X Huang	Student	Appointed 1 November 2022
M Day	Student	Appointed 1 November 2021
		Resigned 31 October 2022
M Chaudhary	Student	Appointed 1 November 2021
		Resigned 31 October 2022
J Ali	Student	Appointed 1 November 2021
		Resigned 23 May 2022
Z Badat	Student	Appointed 1 November 2021
		Resigned 3 August 2022
A Liang	Student	Resigned 31 October 2021
A Sree Asok	Student	Resigned 27 September 2021
D Banati	External	Resigned 30 November 2021
B Beasant	External	Appointed 1 December 2021
P Barran	External	
C Bracey	External	

The trustees hold a minimum of four meetings per academic year and are responsible for establishing and delegating to the following committees:

- ◆ Finance Committee
- ◆ Risk & Audit Committee
- ◆ Governance Committee
- ◆ Remuneration Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The terms of reference for the Board and its associated committees, are available on the Union website.

<https://studentsunionucl.org/how-we-are-governed>

Committees

Finance Committee is charged by the Board of Trustees to oversee the finances of the Union, including considering strategic options for, and general oversight of all areas of the Union's finances. This includes approving annual budgets and monitoring the financial performance of the organisation.

Risk & Audit Committee is charged by the Board for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the organisation is complying with all aspects of the law, relevant regulations and good practice. The annual statutory audit is also under this committee's remit.

Governance Committee is charged by the Board for promoting good governance and ensuring our governance arrangements are effective and comply with the governing documents laid down by our members, UCL, the Charity Commission, and other legislative bodies and authorities.

Remuneration Committee is charged by the Board for considering the remuneration of the Chief Executive and Sabbatical Officers, and proposals regarding broader staff remuneration.

Recruiting and training of trustees

The Sabbatical Officers (Sabbatical Trustees) are democratically elected each year by the membership of the Union in the spring election to serve from 16 July to 15 July. All new Sabbatical Officers undergo a period of induction and training. To ensure a smooth handover, incoming Sabbatical Officer undergo a 15-day shadowing period. Once in post, they have weekly meetings with the Chief Executive and Senior Management Team, which forms the Union's Leadership Team, who have delegated responsibility for overseeing the day-to-day operations of the Union and management of affairs. The Sabbatical Officer role is to work closely with UCL's management team to ensure that student issues and concerns are a central part of the University's governance and decision-making. They represent students to other organisations and nationally as required. They are leaders of the Union, helping to ensure that it is a well-run and effective charity providing a wide range of valuable services for its members. They also ensure that policy proposals considered by the Executive, Members' meetings and referenda are implemented.

Student trustee positions are democratically elected by the membership of the Union, in the autumn. They serve for one year from 1 November or until their status as a student no longer exists.

External trustees are appointed following advertisements placed within the UCL community and nationally in the media. They are appointed for a period of four years and each appointment is ratified by Union Executive.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Union Executive

Union Executive is the democratic policy making body of the Union and is responsible for the ratification of Union policy except where policy was determined by a Referendum.

Relationship with University College London (UCL)

The relationship between UCL and the Union is established in the Regulations of UCL and detailed in the Union rules approved by both organisations. The Union receives an annual Block Grant from UCL and occupies a number of buildings owned by UCL. The Union also receives administrative support in a number of areas including Human Resources, IT infrastructure and payroll. This support is intrinsic to the relationship between UCL and the Union.

An estimated annual value to the Union for its free of charge occupation of UCL's serviced accommodation has been included in the financial statements, priced at a market value of £2.57m (2021: £2.57m).

Although the Union continues to generate supplementary funding from various mutual trading activities, it is dependent on UCL's support and for this it is appreciative.

There is no reason to believe that this or equivalent support from UCL will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on UCL to ensure the financial viability of its student representative body.

Employment policy

The Union contracts of employment templates continue to be provided by UCL. This allows the Union to continue to benefit from UCL's extensive and proven HR procedures, policies and support from UCL Human Resources Division. Through its relationship with UCL, the Union offers competitive terms, conditions and benefits to its staff including a generous annual leave entitlement and pension scheme.

UCL implemented the Pay Framework Agreement for all non-clinical posts across the organisation in May 2006 and the Union's arrangement for setting pay and remuneration of staff is based on this agreement. The Union uses the same coherent ten grade structure as UCL, which is based on the non-discriminatory job evaluation scheme (HERA).

The Union has a longstanding commitment to equality, diversity and inclusion, and to providing a working and social environment in which the rights and dignity of its diverse staff are recognised. All staff have an annual appraisal which incorporates a personal development plan. The Union has excellent provision for training and developing staff. The Union is keen to build and retain talent and each department works on succession planning.

All staff new to the organisation have a comprehensive induction programme in place and undergo regular probation and progress reviews. All staff meetings, email briefings and newsletters are used to keep staff up-to-date with relevant issues such as strategic and financial planning, and staff are invited to provide feedback to senior management through regular surveys and open meetings.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Employment policy (continued)

We employ a large number of part time casual student staff our commercial department and other departments ensuring we provide development for students and flexible work opportunities. We also employ permanent members of staff, some of whom are responsible for the operational decisions taken across the organisation on a daily basis. Details of staff costs can be found in note 6.

Key management remuneration

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of such remuneration reviewed annually, including reference to comparisons with other unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere. Details of key management personnel and their remuneration are set out in note 6.

Statement of trustees' responsibilities

The trustees (who are also directors of the Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP;
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

Each of the trustees confirms that:

- ◆ So far as each of the trustees is aware, there is no relevant information of which the charitable company's auditor is unaware; and
- ◆ The trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and establish that the charitable company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Risk management

The Risk & Audit Committee oversee the organisation's approach to risk management. A Strategic Risk Register is agreed by the Board of Trustees, Risk & Audit Committee and Senior Management Team (SMT). This is reviewed on a quarterly basis with an annual review cycle. Going forward, this will be updated regularly alongside departmental risk registers, overseen by the Risk & Audit Committee. The Union will follow the UCL risk framework, including regular staff training and reviews and updates of registers. This combined with a practical approach and visible engagement and support from trustees and senior management will help embed risk management across the Union. The principal potential risks and uncertainties facing the Union are:

- ◆ Potential disruption to commercial services due to lower than usual footfall post covid.
- ◆ Potential disruption to commercial services due to ongoing supply issues combined with the cost-of-living crisis.
- ◆ Continuing increases in levels of demand for service provision from students without a comparable increase in grant funding from UCL.
- ◆ GDPR (General Data Protection Regulation) compliance.
- ◆ A serious incident on Union premises or by members of the Union's clubs and societies that results in harm to staff or students and / or reputational damage.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

The Union's mitigation strategies against these are:

- ◆ Weekly reviews of the impact on the Union's operations and finances, and maintaining a close relationship and dialogue with UCL regarding the financial and operational impact of the cost of living crisis and lower footfall.
- ◆ Continuing to enhance and strengthen the Union's relationships with UCL and seeking increased contributions from commercial income.
- ◆ The Systems Manager is the Union's data protection and GDPR lead. A review of the Union's GDPR compliance and best practice in data management was completed in 2019 and work is continuing to monitor implementation of all controls.
- ◆ A Health and Safety Co-ordinator has been appointed (part time) to review and implement health and safety management for the Union, including risk assessments, training provision and records, safe working procedures, emergency response and incident response planning.
- ◆ Regular reviews of Union Health and Safety policies and procedures, continuing to work closely with UCL Communications and Marketing, continuing and improving training for Union and Clubs and Societies officers and ensure high quality risk assessments for activities and events.
- ◆ Implementation of a Student Union venues incident response plan currently under consultation. This includes identification of training needs and onsite supporting information. Training for team members will include external and internal training and simulation exercises. Testing of the plan will be undertaken periodically.
- ◆ Student Union working towards achieving completion of UCL T100 safety management system. The T100 tool is based around the Plan, Do, Check, Act management system approach which is consistent with Health and Safety Executive and Higher Education guidance and is based on practical measures to promote continuous improvement in health and safety.

STRATEGIC REPORT

Union purpose, vision, mission, values

Purpose

The object of the Union is the advancement of education of Students at UCL for the public benefit by:

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

Vision

An outstanding experience for all UCL students and to be one of the best students' unions in the UK and the world.

Mission

We build a vibrant and empowered student community with real influence in UCL and beyond, that enables students to enjoy their time at university; pursue their interests and passions; see the world in new ways; and develop the skills and experience to change the world for the better.

Values

Our values are:

- ◆ Community building
- ◆ Empowering
- ◆ Democratic
- ◆ Inclusive
- ◆ Sustainable
- ◆ Fun
- ◆ Bold

STRATEGIC REPORT (continued)

Review of 2021/22

Achievements

The role of the Union is wide ranging, but our core purpose is that all of our members have a fantastic experience of university life. We want their interests to be at the heart of the future direction of the university. We aim to provide fantastic opportunities for them to meet friends and pursue their extracurricular interests via our cafes, bars, societies, clubs and volunteering opportunities. For those who face difficulties and barriers to being able to fully participate in and enjoy student life, we provide high quality independent support and advice. And perhaps most importantly, we want all of our students to feel at home at UCL, with a strong sense of belonging and feeling proud to be students of our university.

In the past year, the Union has continued its exciting programme of renewal and development, towards our long-term goal of working with UCL to achieve an outstanding experience for all our students, and becoming one of the best Students' Unions in the world.

2021-22 has been a year of rebuilding for the Union and rediscovery for our students after all the disruption from Covid. As the restrictions have eased, students have returned to campus, and we have worked hard to support them to have the best possible return to university life.

We began the year with our largest ever Welcome programme, taking over the Main Quad for an incredible week of student led-activity to help everyone feel welcome and inspired as they returned to campus. Over the Welcome Period, we ran over 500 events across the whole of UCL in venues across London and online for any students not able to join us in-person. This led to a significant increase in student satisfaction with students' Welcome to UCL.

One of the key things we've noticed this year as students have returned to campus is that they are keener than ever to participate in a full range of extracurricular activities. The Union's officer and staff team have worked hard to support them in doing so. As a result, we have seen record numbers joining clubs and societies, volunteering in the local community, participating in our new TeamUCL sports leagues, and getting involved in the arts via performing in the Bloomsbury Theatre. Students also turned out in record numbers to vote in our elections and led our societies in hosting more events than ever, with over 1,000 external speakers including Ukrainian President Volodymyr Zelenskyy. Our team also supported around 1,000 students in challenging circumstances through our Advice Service. Also this year, we expanded our International Festival, developed a new programme of major cultural celebrations and continued our work to improve our cafes, bars and shop to offer improved ranges and improve the sustainability of our products. It's been a terrific team effort that has delivered fantastic results.

STRATEGIC REPORT (continued)

Review of 2021/22 (continued)

Achievements (continued)

As ever we are very grateful for UCL's support of the Students' Union. It has been fantastic to work with the senior leaders of the University who have continued to demonstrate their commitment to our students so strongly during the past year. We look forward to working closely with all of UCL's staff in the year ahead, to continue to put students first and work towards our shared aim of a world leading student experience. We also ask for UCL's continuing help to address our space and facility issues which remain the Union's largest challenge and undermine what is in many other ways an excellent student experience. We are delighted to be working with UCL Estates on a new master plan for Students' Union space and sports facilities. We hope that this will address students' biggest priority for the future, which is a quality students' union building, comparable with other leading universities, with accompanying practice and rehearsal spaces for sport, music, performing arts and other societies, enabling our students to fulfil their extracurricular interests and build the friendships and social and cultural capital that are so important to an exemplary university education.

Thank you to everyone who has played a role in the success of the Union this year, our elected officers, our fantastic staff team, all of UCL's staff who have done so much to support students during the past year, and finally to our amazing students who have continued to do incredible things supporting each other, contributing to the local community, and making UCL the very special place it is.

This year, we:

- ◆ More than 20,000 students joined a club and society this year. The first time in UCL's history this figure has been reached. 41% of all UCL students were a member of one or more student-led groups this year, another new high.
- ◆ Students took up 83,700 club and society memberships this year, up from 48,249 in 2020-21. On average each club or society member joined four or more groups.
- ◆ 6,211 students engaged in our Arts Programme this year, joining an ArtsUCL society and exploring, performing, and developing in everything from opera to jazz, musical theatre to drama.
- ◆ 7,067 students joined a TeamUCL sports club this year, competing against university teams around the UK. TeamUCL surpassed 7,000 members for the first time, and we now have our largest ever selection of clubs for students to join, with 75 sports represented. This is a 15% increase on pre-pandemic engagement.
- ◆ We know that money can be a barrier to engagement with extra-curricular activity, so we launched a new Participation Fund to cover the cost of getting involved in student life. 2021-22 was a year of rediscovery. After two years of significant disruption to student life, our members, new and old, returned to campus and started making up for lost time. Overall, we supported 362 different Clubs and Societies, with 54 new groups this year.

STRATEGIC REPORT (continued)

Review of 2021/22 (continued)

Achievements (continued)

- ◆ We launched our new TeamUCL Leagues with over 500 students participating across 6 different sports at beginner level, helping more students to get active.
- ◆ We invested resources in developing departmental societies, helping reach more students across UCL. We affiliated 18 new departmental societies this year, taking our total to 29, and membership of these groups increased by 410%.
- ◆ We hosted more than 6,000 events throughout the year, up from 3,307 in 2020-21, with one of the most diverse events programmes we've ever had, helping build a stronger sense of community and belonging for our students.
- ◆ More than 8,000 students attended 26 student-led Bloomsbury Theatre productions this year. These productions were performed, produced, and delivered by more than 700 students from our societies.
- ◆ We launched a new website and increased the number of pages viewed this year to 9 million, up from 5 million in 2020-21. We had more than 2.7 million visits throughout the year, our highest ever.
- ◆ Our Advice Service supported 998 students with complex cases related to housing employment, academic issues, and money issues. Through the intervention of our Advisors, we've saved students £51,043 this year.
- ◆ Our peer-led Language + Writing Support Programme 1-2-1 appointments resumed in-person, and 282 students benefited from 1-2-1 support with their academic writing.
- ◆ We held the largest student election in the UK for the second year running, with 2,948 nominations for roles leading clubs, societies, and the whole Students' Union. A record 10,219 students voted during Vote Week. For the first time at UCL, election turnout hit 21%.
- ◆ We successfully influenced UCL to provide us with an additional £750k in grant funding to enable us to significantly expand our Sarah Douglas Hardship Fund and the Participation Fund, enabling these to reach hundreds more students.
- ◆ We have begun a new project in partnership with the UCL Institute of Education to trace 200 years of student life in London as part of the build up to UCL's bi-centenary celebrations in 2026.

Fundraising activities

The Union does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, the Union would ensure personal data is appropriately protected. The Union received no complaints within the year regarding fundraising.

STRATEGIC REPORT (continued)

Financial review

The Union had an improved operational financial performance in 2021/22 versus the previous year. The realised income and expenditure (which excludes the unrealised gains and losses in relation to investments and pension schemes) is stated below and shows a net surplus from operations in the year of £144k (2021: surplus of £116k). However, the net result after a capital grant depreciation charge of £11k (2021: £379k), loss on revaluation of investments of (£91k) and an increase in pension provision of (£0.9m), results in a deficit of (£180k) (2021: surplus £273k).

	2022 £'000	2021 £'000
Operating income (excluding hardship funding)	10,799	7,172
Operating Expenditure (exc. depreciated charged to restricted funds)	(10,655)	(7,056)
Operating surplus	144	116
Additional Hardship grant	750	0
Investment revaluation (loss)/profit	(91)	577
Pension revaluation	(972)	(41)
Depreciation charged to restricted fund	(11)	(379)
Net (Deficit)/Surplus	(180)	273

The beginning of this financial year was financially challenging for the Union as, with a continuing high volume of online teaching, the footfall on campus has been very low for staff and students. Since January 2022 the commercial trading showed a slow and steady recovery with all units opened as footfall on campus has increased following removal of all Covid restrictions. However, results were still well below pre-Covid levels. Student services provided support to students in line with their allocated budgets, also achieving some savings to enable funds to be reinvested in the Union's facilities. As post Covid recovery progressed in Spring 2022, the funding allocated for many departments and activities had been increased, especially for clubs and societies, to recognise the increasing needs to fund rising levels of activity.

The Union has continued to benefit from the recognition and support of UCL, and this year received a block grant of £3,403k (2021: £2,795k) and use of UCL facilities valued at £2,575k (2021: £2,575k). UCL has also provided a specific grant to support the Volunteering Service of £384k which was fully transferred to the Students' Union this year. Income in the year was also supplemented by additional grants from UCL which were received on top of the block grant, totalling £230k (2021: £462k). This was in recognition of, and to help further, the vital work that the Union was delivering to support the student community and the reduced income from the Union's commercial outlets whilst campus footfall remained lower than usual following the pandemic.

Unrestricted reserves decreased to £4,609k (2021: £5,356k) mainly because of an actuarial loss on defined pension scheme of £972k (2021: loss of £41k). Prior to accounting for unrealised losses the Union reports an increase in unrestricted funds of £315k (2021: deficit of £263k).

STRATEGIC REPORT (continued)

Financial review (continued)

Restricted reserves increased to £2,084k (2021: £1,517k). The increase in restricted reserves is mainly explained by a receipt of an additional one-off grant from UCL of £750k to support students' hardship, partially offset by net expenditure against other restricted reserves of £183k. New UCL East funding of £159k will allow us to support students based on the East campus from September 2022. Both the Sarah Douglas Fund and the Participation Fund will benefit from £750k funding provided by UCL to directly benefit students and ease hardship.

Custodian activities: Clubs' & Societies Funds

The Union acts as custodian for funds raised by the students' Clubs & Societies amounting to a net figure of £1,084k (2021: £968k) in creditors at the year-end. In addition to this, the Union provides grant support for their core activities as shown in note 1 of the financial statements.

Future funding and going concern assessment

The Trustee board confirms that Students' Union UCL has sufficient funds to meet all its obligations. The cash at bank and on hand has increased to £1,701k (2021: £1,630k), however the intercompany balance with UCL, through which the grant funding is paid, has grown to £2,367k (2021: £1,244k).

The UCL core grant for 2022-23 has been set at £3,726k (2021-22: £3,403k), and the Volunteering Services support grant is £440k (2021-22: £384k). This funding is significantly increased as part of the Union's three-year grant settlement in April 2021. In addition to this, UCL has agreed to provide a one-off funding support of £188k for investment in specific projects, and to provide increased support for student clubs and societies to reflect rising activity levels after the pandemic.

The 2022-23 budget assumes steady recovery continues as campus footfall rises following the pandemic. The Commercial turnover from all our well-established outlets and two new convenience stores is expected to rise as UCL mostly return to full face to face teaching. This will also lead to an increase in staffing costs as outlets will require additional staff support to match the increase in sales volumes.

We will operate with a level of financial risk attributable to the opening of new convenience stores and rising inflation. The risk will be constantly monitored to mitigate the impact of any financial underperformance.

STRATEGIC REPORT (continued)

Financial review (continued)

Future funding and going concern assessment (continued)

Total fund levels remain healthy, although the total reserves have reduced versus last year to £6,693k (2021: £6,873k) because of unrealised actuarial loss on defined benefit pension scheme. With the increase in block grant funding that has been agreed with UCL, the Union is financially stable and will be able to be resilient should trading conditions change in the coming year.

Reserves level and policy

The Union's reserves provide financial stability and the means for the continued development of our principal activities. The Union is heavily dependent on the annual grant received from UCL and would be at risk were those funds to be reduced.

In the event of a reduction in income and to ensure continuity of activities and scope for review, it is the trustees' policy to maintain free reserves (equating to general funds excluding the pensions liability) of a minimum of six months' running costs.

The charity had total reserves of £6,693k (2021: £6,873k) at the balance sheet date. This included restricted funds of £2,084k (2021: £1,517k) and designated funds of £4,297k (2021: £4,317k). After deducting these funds from total reserves, the free reserves at 31 July 2022 were £1,666k (2021: £1,421k) - equivalent to approximately 4.9 months' average running costs (2021: 3.9 months). The Union is taking steps towards rebuilding free reserves by diversifying the commercial offer and undertaking risk assessment to all new projects, as well as having policies and procedure in place to ensure costs control. The Union reserve policy is reviewed annually to assess whether a six-month reserve cover is adequate to respond to on-going financial obligations as well as strategic opportunities.

The trustees have continued to formally designate £1,782k to Sports Development fund, Capital Investment fund and Shenley athletics ground fund within the strategic plan (2021: £1,741k). The Trustees will review this designation on an ongoing basis. The funds that are designated are for future strategic projects, including the development of student sports and the provision of sporting facilities.

Investments policy, objectives and performance

The Union's investment objectives are to balance the current and future needs by:

- ◆ maintaining (at least) the value of the investments in real terms;
- ◆ producing a consistent and sustainable amount to support expenditure; and

- ♦ delivering these objectives within acceptable levels of risk.

The policy to invest surplus funds is agreed by the Finance Committee.

STRATEGIC REPORT (continued)

Financial review (continued)

Investments policy, objectives and performance (continued)

Investments are placed after agreement with the Investment Team at UCL. Transfers are under the control of the Director of Finance and Chief Executive.

Other than investments in the UCL fund, all other assets must be held in a restricted portfolio (where capital has to be preserved).

Investments within the UCL Unified Fund follow UCL's Investment Policy including its ethical considerations, which are summarised below.

While the guiding principle of UCL's investment policy is to generate funds, whether through income or capital growth, with which to further the work of UCL, other than financial criteria being appropriate, UCL will not invest in a particular business in the following circumstances:

- ♦ Where such investment might conflict, or be inconsistent, with the aims, objects or activities of UCL. Thus, for example, investment in the tobacco industry would be inconsistent with and would conflict with UCL's research into cancer.
- ♦ Where such investment might hamper the work of UCL either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from potential students.
- ♦ Where such investment, while not excluded by virtue of (i) or (ii) above, is considered by UCL to be unethical.

The investment policy objective is to obtain a minimum income yield of base rate plus 0.5%.

Our listed investments, valued at £4,251k at 1 August 2021 in the UCL Unified fund returned an income yield of 2.1%, and an unrealised capital loss of £91k equating to a 2.1% reduction was recognised, taking the valuation to £4,161k as at 31 July 2022. Other average treasury investment, being fixed term deposit account of £1,010k, returned an income yield of 0.1%. The Union is reviewing its investments strategy to protect as much as possible the long term investment gains and the income yield objective in the high inflation economy.

STRATEGIC REPORT (continued)

Future plans

Students' Union UCL has the ambition to be one of the best students' unions in the UK and the world. We want to be the best organisation that we can for our members, providing outstanding services and facilities for students, and achieving real influence across UCL and beyond.

Following the disruption to our services during the pandemic, we are now expanding our services. This year we will open two new convenience stores as well as extending the opening hours for our cafes and bars. We are also launching our newly expanded Sarah Douglas Hardship Fund and Participation Fund to support students during the cost-of-living crisis. These funds will expand by more than ten-fold. We are also growing the capacity of our Policy Insight team, increasing funding for clubs and societies, expanding our support to Academic Reps, and continuing to grow and develop our work across every department in the Union. We also plan to continue to develop the Union's facilities, with a plans to refurbish several spaces and ongoing work with UCL to seek to secure investment in a new Union building.

We have budgeted that operations in 2022-23 will break even although there will be additional expenditure funded by restricted grant income received in 2021-22 specifically for student hardship. We expect 2022-23 will be a year where campus footfall continues to rise and moves back towards pre-pandemic levels. However, there is still some uncertainty as to changed student and staff behaviours. For that reason, expenditure will be carefully controlled to ensure we do not over-commit and can be agile to react to a changing environment. In this way we aim to protect the Union's reserves in the short term to enable long term investment.

We are also committed to continuing the Union's modernisation and our work towards our long-term vision. As we emerge from the pandemic, our plans build on the organisation's great achievements of the past few years, such as the significant increase in student engagement, with more and more students participating in clubs and societies, standing for election and voting. But we are also seeking to focus more resources and attention on our core systems and processes with strengthened objectives in areas such as financial management, governance, health and safety, engagement with our student staff, and our environmental sustainability. We are also working closely with UCL to explore options for the modernisation and expansion of our facilities.

Last year we published a new 3 year strategy for the Union, 2022-25. Key objectives for the next year will include:

Effective Influence: The Union is the representative body for all UCL students, we have one of the largest collective student voices in the UK. We want to support our Officers and Academic Representatives to help shape the future of UCL and achieve positive change for our students across London and at national level. We also want to continue to develop our elections, communication and engagement with our members, to ensure a healthy and vibrant democracy, with all our students having influence on our decision making.

STRATEGIC REPORT (continued)

Future plans (continued)

Amazing Experience - We want all our students to have an amazing experience at UCL outside of the classroom, with the best extra-curricular offer in the UK. We want our students to have fantastic opportunities pursue their interests and passions, with opportunities to learn new skills, try new things, grow their experience and confidence, and develop new friendships. We want all our students to have the opportunity to get active with excellent sports provision; have the chance to develop their creativity through involvement in the arts, music and culture; and connect with the local community through fantastic volunteering opportunities. We recognise the vital importance of activities like sports, music, volunteering and our wider co-curricular programme in building community, helping to create a strong sense of belonging for all our members and supporting student wellbeing.

Vibrant and Inclusive Community - UCL is a diverse community of students from all corners of the world, in an amazing city, doing amazing things. We believe that we are uniquely placed to build, support and energise this community, making it stronger and foster a greater sense of belonging for every student. We want our spaces to be the centre of the student community at UCL, places where our members feel genuinely at home, spend time with their friends, and importantly, somewhere where they can access support and advice when they are in need. As London's Global University, we want to be a global students' union, where all our students have opportunities to see and experience the world in new ways by engaging across our diverse student community. We want to support our students to get the most out of living and studying in London, with opportunities to visit and engage in the best of the city and nation's cultural opportunities.

Excellent Union - We want to be a fantastic, efficient, well-governed and effective charity, that is one of the best student organisations anywhere in the world, so that we can effectively represent and provide fantastic services for all our members. We want to work with UCL to gain their help in significantly improving and expanding the Union's building and facilities, including our sports facilities; we know that we can provide better services and experiences for our members with better spaces. We want to be the best possible employer of staff ensuring we invest in the staff experience recognising that's how we will be able to provide amazing services to our members. If we do all this, then we will have built the foundations of a Union that can go on to achieve our ambition of being one of the best students' unions in the world.

This Trustees' Report, comprising the Directors' Report and Strategic Report, was approved by the board and signed on its behalf by:

Trustee

Deniz Akinci



Date: 8 December 2022

Independent auditor's report to the members of UCLU

Opinion

We have audited the financial statements of UCLU for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- ◆ adequate accounting records have not been kept; 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustees meetings.

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud (continued)

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Gained an understanding of the processes in place for the management of the charitable company's investments; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Review of the minutes of meetings of those charged with governance;
- ◆ Enquiring of management as to actual and potential litigation and claims; and
- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Independent auditor's report 31 July 2022

Use of our report

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



Shachi Blakemore
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 23 February 2023

Statement of financial activities (including income and expenditure account)
Year to 31 July 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:							
Grants and donations	1	6,611,777	971,488	7,583,265	5,370,655	478,944	5,849,599
Charitable activities							
. Trading	3	3,359,253	—	3,359,253	478,738	—	478,738
. Non-trading	3	515,401	—	515,401	775,835	—	775,835
Investments	2	91,460	—	91,460	67,481	—	67,481
Total income		10,577,891	971,488	11,549,379	6,692,709	478,944	7,171,653
Expenditure on:							
Charitable activities							
. Trading	4	5,197,339	5,656	5,202,995	3,114,107	—	3,114,107
. Non-trading	4	5,064,920	398,402	5,463,322	3,740,803	580,112	4,320,915
Total expenditure		10,262,259	404,058	10,666,317	6,854,910	580,112	7,435,022
Net income (expenditure)		315,632	567,430	883,062	(162,201)	(101,168)	(263,369)
Other recognised gains and losses							
Actuarial (loss) on defined benefit pension schemes	16	(971,862)	—	(971,862)	(40,803)	—	(40,803)
Unrealised (loss) gain on investments	9	(90,776)	—	(90,776)	577,297	—	577,297
Net (expenditure) income		(747,006)	567,430	(179,576)	374,293	(101,168)	273,125
Transfer between funds		—	—	—	—	—	—
Net movement in funds		(747,006)	567,430	(179,576)	374,293	(101,168)	273,125
Balances brought forward		5,356,223	1,516,830	6,873,053	4,981,930	1,617,998	6,599,928
Balances carried forward		4,609,217	2,084,260	6,693,477	5,356,223	1,516,830	6,873,053

The statement of financial activities includes all gains and losses recognised in the above two years.

All amounts derive from continuing activities.

The notes on pages 31 to 42 form part of these financial statements.

Balance sheet 31 July 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	7		591,355		529,960
Investments	9		5,170,243		5,261,019
			<u>5,761,598</u>		<u>5,790,979</u>
Current assets					
Stocks	10	103,624		31,197	
Debtors	11	2,537,647		1,374,025	
Cash at bank and in hand		<u>1,701,190</u>		<u>1,630,329</u>	
		4,342,461		3,035,551	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(2,057,187)</u>		<u>(1,571,944)</u>	
Net current assets			<u>2,285,274</u>		<u>1,463,607</u>
Net assets excluding pension liability			8,046,872		7,254,586
Pension scheme deficit	16		<u>(1,353,395)</u>		<u>(381,533)</u>
Total net assets			<u>6,693,477</u>		<u>6,873,053</u>
Represented by:					
Restricted reserves	14		2,084,260		1,516,830
Unrestricted reserves					
• Designated funds	15		4,296,740		4,316,951
• General fund	15	1,665,872		1,420,805	
• Pension reserve	15	<u>(1,353,395)</u>		<u>(381,533)</u>	
	15		<u>312,477</u>		<u>1,039,272</u>
Total funds			<u>6,693,477</u>		<u>6,873,053</u>

These financial statements were approved by the Trustee Board and signed on their behalf by:



Trustee Deniz Akinci

Date: 8 December 2022

The notes on pages 31 to 42 form part of these financial statements.

Company Registration number 07635628

Statement of cash flows Year to 31 July 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net (expenditure) income		(179,576)	273,125
Depreciation		166,837	533,207
(Losses) gains on investments		90,776	(577,237)
Interest received		(2,560)	(4,003)
(Increase) decrease in stock		(72,427)	42,629
(Increase) decrease in debtors		(1,163,622)	(887,404)
(Gains) losses on defined pension scheme liabilities		971,862	40,803
(Decrease) in creditors		492,648	99,609
Net cash provided from operating activities		303,938	(479,271)
Cash flows from investing activities:			
Interest receivable		2,560	4,003
Purchase of tangible fixed assets		(235,637)	(95,425)
Net cash used in investing activities		(218,265)	(91,422)
Change in cash and cash equivalents in the year		70,861	(570,693)
Cash and cash equivalents at the beginning of the year		1,630,329	2,201,022
Total cash and cash equivalents at the end of the year		1,701,190	1,630,329
Analysis of cash and cash equivalents			
Cash in hand and at bank		1,701,190	1,630,329

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Reconciliation of net debt			
Cash at bank and in hand	1,630,329	70,861	1,701,190
Total cash and cash equivalents	1,630,329	70,861	1,701,190

Principal accounting policies Year to 31 July 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2022 and are presented in sterling and are rounded to the nearest pound.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 “the Financial Reporting Standard applicable in the UK and Republic of Ireland”, and the 2015 Charities Statement of Recommended Practice based thereon – the Charities SORP. University College London Union meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there is a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

During the 2021/22 the Union's free reserves increased and stand at £1,666k (2021: £1,421k). The Union is committed to rebuilding its free reserves by diversifying the commercial offer, working with sustainable and ethical suppliers, and investing in the spaces it occupies. In Autumn 2022 the two new convenience stores will be added to our commercial portfolio increasing the turnover and return on our commercial activities. Further investment in spaces was approved by the board in Summer 2022 to ensure that we attract and retain high footfall in all our outlets and the gym. During the first quarter of 2022/23 the Union's cash flow remains healthy. The trading units reported strong results from the beginning of the 2022/23 academic year.

The outlook for the next 18 months remains positive. In addition to the commercial success the Union benefits from the increased level of the collaboration with the University and an increase in overall funding levels, including the core grant, funding to ease students' hardship and to support activities in the East campus.

The trustees are of the opinion that UCLU will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ valuation of donations in kind received during the year;

Principal accounting policies Year to 31 July 2022

- ♦ estimating the useful economic life of tangible fixed assets;

Critical accounting estimates and areas of judgement (continued)

- ♦ allocation of support costs across charitable activities; and
- ♦ valuation of the pension scheme liabilities in relation to the Universities Superannuation Scheme (USS).

Income

Income is recognised in the period in which the Union has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received.

Income comprises of donations and grants received from UCL, income generated from commercial activities, and investment income.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer or economic benefits will be received in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Charitable expenditure comprises the direct and indirect costs of delivering the charitable activities as set out in the Trustees' report. This includes governance costs, which are those costs incurred in relation to compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers.

Support costs are allocated to charitable activities. The value of serviced campus accommodation is apportioned on estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects/activities on a usage basis, pro rata to the staff costs of each project or activity undertaken.

Depreciation

A full year of depreciation is charged in the year of acquisition. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

For depreciation purposes, useful life is assessed to be:

- | | |
|-------------------------|------------|
| ♦ Fixtures and fittings | 5-10 years |
| ♦ Equipment | 3-5 years |
| ♦ Furniture | 3-5 years |

Capital expenditure in excess of £1,000 is capitalised within fixed assets. Expenditure less than this amount is charged to the statement of financial activities in the year it is incurred.

Principal accounting policies Year to 31 July 2022

Stocks

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

Taxation

No provision is made in these financial statements for corporation tax as the Union is exempt from such tax as a result of its charitable status.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Pension costs

The Union contributes to three principal pension schemes on behalf of its employees: the Universities Superannuation Scheme (USS), the Superannuation Arrangements for the University of London (SAUL), and the NEST scheme.

USS and SAUL are defined benefit schemes and it is not possible to identify the Union's share of the underlying assets and liabilities in the multiemployer schemes. However, the Union has entered into an arrangement to clear the USS scheme deficit by 31 March 2038. The net present value of the Union's contributions as part of these plans are reflected as a liability on the balance sheet, which will reduce as they are paid.

The NEST scheme is a defined contribution scheme.

Contributions to all schemes are charged to the statement of financial activities.

Fund accounting

Restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the Trustees.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the Union's charitable objects.

Leased assets

Rentals payable under operating leases are charged as expenditure to the statement of financial activities on a straight line basis over the period of the lease.

Principal accounting policies Year to 31 July 2022

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Union anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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.

Notes to the Financial Statements Year to 31 July 2022

1 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Clubs and Societies grants	147,984	—	147,984	21,040	—	21,040
Union grant	3,888,453	—	3,888,453	2,773,537	—	2,773,537
Facilities grant ("donation in kind")						
Trading	1,554,066	—	1,544,066	1,554,066	—	1,554,066
Other	1,021,274	—	1,021,274	1,021,274	—	1,021,274
Total block grant from UCL	6,611,777	—	6,611,777	5,369,917	—	5,369,917
Other grants	—	970,488	970,488	—	478,944	478,944
Other donations	—	1,000	1,000	738	—	738
Total funds	6,611,777	971,488	7,583,265	5,370,655	478,944	5,849,599

Facilities grant funding above (trading and other) relates to "donation in kind" accommodation provided by the University to UCLU (see note 5).

2 Investment income

	Unrestricted	
	Total funds 2022 £	Total funds 2021 £
Income from deposits	2,560	4,004
Investment income	88,900	63,477
	91,460	67,481

3 Incoming resources from charitable activities

	Unrestricted	
	Total funds 2022 £	Total funds 2021 £
Trading income	3,359,253	478,738
Non-trading income - other	469,734	402,138
Non-trading - Furlough grant income	45,667	373,697
	3,874,654	1,254,573

4 Total resources expended

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2022 £
Charitable activities:					
Trading expenditure	1,385,553	1,697,125	102,602	2,017,715	5,202,995
Non-trading expenditure	1,617,319	819,444	15,000	3,011,559	5,463,322
	3,002,872	2,516,569	117,602	5,029,274	10,666,317

Notes to the Financial Statements Year to 31 July 2022

4 Total resources expended (continued)

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2021 £
Charitable activities:					
Trading expenditure	828,787	309,368	123,682	1,852,270	3,114,107
Non-trading expenditure	1,155,189	242,237	15,607	2,907,882	4,320,915
	<u>1,983,976</u>	<u>551,605</u>	<u>139,289</u>	<u>4,760,152</u>	<u>7,435,022</u>

	Total 2022 £	Total 2021 £
This is stated after charging:		
Depreciation	166,837	533,207
Auditors' remuneration		
. Current year	17,890	17,085
. Prior year under provision	(350)	690
VAT services	<u>12,885</u>	<u>12,900</u>

5 Support costs

	Total funds 2022 £	Total funds 2021 £
Rent *	2,575,340	2,575,340
Salaries and wages	1,460,532	1,352,239
Other staff related costs**	79,117	(16,387)
Printing and stationery	2,924	795
Website and publicity	174,474	27,540
Cleaning and utility costs	155,007	57,737
Repairs, maintenance and equipment	153,831	89,482
Depreciation	49,236	393,918
Audit	17,540	19,275
Legal and professional	15,549	35,872
Insurance	81,126	74,743
Membership and subscription	54,506	51,106
Training and conferences	17,062	21,556
Bank charges and cash handling	28,160	16,200
Irrecoverable VAT	148,389	55,365
Doubtful debts***	(2,040)	(2,727)
Other	18,522	8,098
	<u>5,029,275</u>	<u>4,760,152</u>

*Rent charge above relates to the "donation in kind" for accommodation provided by UCL (see note 1).

** Other staff related costs above is showing a credit value in the prior year due to the release of Holiday Pay provision of £36,834 in 2021.

*** Doubtful debts above is showing a credit value due to recovery of debts provided for in the prior year.

Notes to the Financial Statements Year to 31 July 2022

6 Staff costs

	Total funds 2022 £	Total funds 2021 £
Wages and salaries	3,656,002	2,645,354
Agency costs	35,061	85,372
Social and security costs	284,849	223,802
Pension costs	487,491	381,687
	4,463,403	3,336,215

Included in staff costs are redundancy and settlement costs of £12,567 (2021: £nil).

	Permanent No.	Casual (FTE) No.	Total 2022 No.	Permanent No.	Casual (FTE) No.	Total 2021 No.
Average	78	40	118	68	15	83

The number of employees whose emoluments exceeded £60,000 was:

	Total 2022 £	Total 2021 £
£60,001 - £70,000	—	1
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1

Pension contributions made on behalf of the above individuals totalled £49,607 (2021: £61,693).

Key management personnel received aggregate remuneration of £601,144 (2021: £590,041). Key management personnel comprise the trustees and senior management team as set out on page 1. This includes employers' national insurance and pension contributions.

7 Tangible fixed assets

	Fixtures & fittings £	Assets under construction £	Equipment £	Furniture £	Total £
Cost					
At 1 August 2021	6,003,853	75,743	809,437	41,341	6,930,374
Additions	48,326	123,330	38,512	18,064	228,232
Transfers	28,025	(40,038)	12,013	—	—
Disposals	(5,017,798)	—	(325,786)	(15,950)	(5,359,534)
At 31 July 2022	1,062,406	159,035	534,176	43,455	1,799,072
Depreciation					
At 1 August 2021	5,644,073	—	726,859	29,482	6,400,414
Charge for the year	114,418	—	43,902	8,517	166,837
Disposals	(5,017,798)	—	(325,786)	(15,950)	(5,359,534)
At 31 July 2022	740,693	—	444,975	22,049	1,207,717
Net book value:					
At 31 July 2022	321,713	159,035	89,201	21,406	591,355
At 31 July 2021	359,780	75,743	82,578	11,859	529,960

7 Tangible Fixed Assets (continued)

Costs incurred under assets under construction related to two new student convenience stores, one on the Bloomsbury campus and the other on the new East campus in Stratford. During the year, the new 'Grab N Go' concept café opened and these assets were transferred out from assets under construction.

8 Capital Commitments

The Union had contracted capital commitments of £nil (2021: £nil).

9 Investments

	Cash £	Listed investments £	Total £
Cost or valuation			
At 1 August 2021	1,009,535	4,251,484	5,261,019
Revaluation in the year	—	(90,776)	(90,776)
Net book value:			
At 31 July 2022	1,009,535	4,160,708	5,170,243
At 31 July 2021	1,009,535	4,251,484	5,261,019
Historic cost of investments	1,009,535	2,173,606	3,183,141

Listed investments represent the value of investments held on behalf of the Union by UCL in its University Trust Fund. The investment was originally purchased by the Union and revaluations in investments are recognised through the Revaluation fund (see note 15).

Cash relates to a cash deposit held with Scottish Widows.

10 Stocks

	2022 £	2021 £
Bars	22,207	16,113
Cafes	9,823	1,432
Sports centre	3,004	3,781
Retail and other	68,590	9,871
	103,624	31,197

11 Debtors

	2022 £	2021 £
Trade debtors	66,610	39,265
Amounts due from university	2,367,304	1,281,248
Other debtors	37,644	13,732
Prepayments and accrued income	66,089	39,780
	2,537,647	1,374,025

Notes to the Financial Statements Year to 31 July 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	534,495	178,679
Other creditors	1,133,522	1,004,131
Accruals and deferred income	389,170	389,134
	2,057,187	1,571,944

	2022 £	2021 £
Deferred income included above:		
At 1 August	147,126	162,431
Utilised in the year	(147,126)	(162,431)
Deferred in the year	239,683	147,126
At 31 July	239,683	147,126

13 Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	4,238,837	3,004,355
Financial assets measured at fair value through the statement of financial activities	5,170,243	5,261,019
Financial liabilities		
Financial liabilities measured at amortised cost	1,817,504	1,424,819
Financial liabilities measured at fair value through the statement of financial activities	1,727,383	381,533

	2022 £	2021 £
Interest income and expenses		
Interest income for financial assets measured at amortised cost	2,560	4,003
Interest expense for financial liabilities measured at amortised cost	123,857	24,900

Financial assets measured at amortised cost comprise trade debtors, other debtors, intercompany debtors and cash.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise, trade creditors, other creditors, and accruals excluding deferred income.

Financial liabilities measured at fair value comprise the pension deficit contribution liability.

Notes to the Financial Statements Year to 31 July 2022

14 Restricted reserves

	As at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2022 £
Capital grants	31,440	—	(11,095)	—	20,345
Other restricted reserves	421,489	221,488	(392,963)	—	250,014
Hardship grant	0	750,000	0	—	750,000
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	1,516,830	971,488	(404,058)	—	2,084,260

	As at 1 August 2020 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2021 £
Capital grants	405,087	—	(379,181)	5,534	31,440
Other restricted reserves	149,010	478,944	(200,931)	(5,534)	421,489
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	1,617,998	478,944	(580,112)	—	1,516,830

Capital Grant Fund relates to receipts received to fund specific capital purchases. The funds are written down over the life of the asset.

Other restricted funds relate to receipts received for the following specific purposes:

- ♦ Alumni Fund – received from UCL Alumni to be spent on student “Welfare” projects. These funds will be utilised by the welfare officer/trustee as specified.
- ♦ Supporting Student Communities Fund - received from UCL to help students to participate in co-curricular activities by facilitating and enhancing student services and activities.
- ♦ Global Engagement Fund - received to support the Students' Union Global Engagement Programme to increase support for UCL's international students and create opportunities for all students to integrate and build cultural sensitivity and awareness.
- ♦ Active Bystander Fund - received as part of the UCL 'Full Stop' campaign to put a full stop to sexual misconduct, bullying and harassment in any form at UCL and beyond. These funds will be utilised to provide both online training and in person workshops for students.
- ♦ VSU Fund - received to help fund projects within the Volunteering unit.
- ♦ Creche Feasibility Study Fund - received to establish the feasibility of running child creches for students.

14 Restricted reserves (continued)

- ♦ EDI Chinese Students Fund - received for a research project on Chinese and East Asian students.

Notes to the Financial Statements Year to 31 July 2022

In July 2022 the Hardship grant was received from the University to set up a revolving hardship loan/grant service for students in need. The fund is administered by UCLU's Rights & Advice Department and payments are authorised by the officers/trustees of the Union.

The Shenley Athletics Ground Capital Fund originates from transfer of surplus funds previously held in trust by UCL on behalf of UCLU and used to carry out capital works to ensure the grounds and facilities are fit for purpose. There are restrictions which limit the use of funds on capital works greater than £20k.

15 Unrestricted reserves

	As at 1 August 2021 £	Incoming resources £	Resources expended £	Gains and transfers £	As at 31 July 2022 £
Designated funds					
Sports Development fund	161,175	43,075	—	—	204,250
Capital Investment fund	244,927	—	(45,000)	44,000	243,927
Capital reserve	498,520	—	—	28,490	527,010
Shenley athletics ground fund	1,334,451	—	—	—	1,334,451
Revaluation fund	2,077,878	—	—	(90,776)	1,987,102
	<u>4,316,951</u>	<u>43,075</u>	<u>(45,000)</u>	<u>(18,286)</u>	<u>4,296,740</u>
Pension fund	(381,534)	—	—	(971,861)	(1,353,395)
General fund	1,420,806	10,534,816	(10,217,259)	(72,491)	1,665,872
Total unrestricted reserves	5,356,223	10,577,891	(10,262,259)	(1,062,638)	4,609,217
	As at 1 August 2020 £	Incoming resources £	Resources expended £	Gains and transfers £	As at 31 July 2021 £
Designated funds					
Sports Development fund	118,100	43,075	—	—	161,175
Big Idea fund	244,927	—	—	—	244,927
Capital reserve	542,527	—	—	(44,007)	498,520
Shenley athletics ground fund	1,334,451	—	—	—	1,334,451
Revaluation fund	1,500,581	—	—	577,297	2,077,878
	<u>3,740,586</u>	<u>43,075</u>	<u>—</u>	<u>533,290</u>	<u>4,316,951</u>
Pension fund	(340,731)	—	—	(40,803)	(381,534)
General fund	1,582,075	6,649,634	(6,854,910)	44,007	1,420,806
Total unrestricted reserves	4,981,930	6,692,709	(6,854,910)	536,494	5,356,223

The Sports Development fund originates from the increase in grant received when the Chislehurst Sports ground was sold in 1999. There is no restriction on the grant but UCLU took the decision to ring fence these funds annually to be spent on sport/student development projects. Any underspend in the year against the annual designated fund of £43,075 will be added to the fund for future projects.

The Capital Investment fund (previously known as the Big Idea fund) represents ring-fenced project expenditure earmarked for use in delivering the Students' Union's strategic objectives that will be undertaken by the Union on behalf of our membership.

15 Unrestricted reserves (continued)

The Capital reserve represents fixed asset expenditure incurred from the Union's unrestricted reserves. The transfer is to cover fixed assets purchased in the year less depreciation charged against assets held.

The Shenley Athletic Ground fund originates from the annual unused grant allocated to the management of the grounds by the UCLU. The grounds are held in Trust by the UCL on behalf of UCLU. These funds have been designated to support and fund the upkeep, maintenance and future running of the grounds and facilities.

The revaluation fund consists of the unrealised gains on revaluation of the listed investments held by UCLU in the University Trust Fund.

The pension fund represents UCLU's liability at the balance sheet date under the deficit recovery plan in relation to the Universities Superannuation Scheme (see note 16).

16 Pensions

The principle pension schemes for the UCLU's staff are the Universities Superannuation Scheme (USS), Superannuation Arrangements of the University of London (SAUL) and NEST. The schemes are externally funded and contracted out of the State Second Pension (S2P) and are valued every three or four years by professionally qualified independent actuaries using the projected unit method. Assets of each scheme are held in separate trustee administered funds. As these are multi-employer schemes it is not possible to identify UCLU's share of the underlying assets and liabilities.

Universities Superannuation Scheme (USS)

USS is the main pension scheme for academic and academic-related staff across the sector. It is a hybrid scheme - providing defined benefits (for all members) as well as defined contribution benefits - and it operates on a mutual basis such that assets are not attributed to individual institutions and a scheme-wide contribution rate is set. As a participating employer, UCL is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The latest actuarial valuation of the scheme was at 31 March 2020 (the 2020 valuation). It was carried out using the projected unit method, and the financial assumptions that had the most significant effect on the result were as follows:

Discount rate (forward rates)

Fixed interest gilt yield curve plus:

- Pre-retirement 2.75% p.a.
- Post-retirement 1.00% p.a.

CPI Increase

Term dependent rates in line with the difference between the Fixed Interest and Index

Notes to the Financial Statements Year to 31 July 2022

Linked yield curves less:

1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% pa. from 2040.

Pension increase

CPI assumption plus 0.05% (and subject to a floor of 0%)

16 Pensions (continued)

Universities Superannuation Scheme (USS) (continued)

Pension increase (CPI) (continued)

The mortality assumptions included in the valuation are that male (female) members who retire at typical ages will live to approximately age 90 (91).

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective of maintaining sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme's technical provisions was £80.6bn, indicating a shortfall of £14.1bn and a funding ratio of 83%. This compares unfavourably to the equivalent shortfall of £3.6bn that was reported under the scheme's 2018 valuation and the associated funding ratio of 95%.

As part of the 2020 valuation, and in light of this increased shortfall, a new deficit recovery plan was put in place. Over the period from 1 April 2022 to 31 March 2024, a proportion of employer contributions equating to 6.2% of salaries is to be specifically earmarked to repair the existing deficit, and from March 2024 that proportion will increase to 6.3%. On this basis, it is expected that the shortfall will be eliminated by 31 March 2038. The rate in force under the previous recovery plan, based on the 2018 valuation, was 6% of salaries and this was due to continue until March 2028.

In accordance with the requirements of FRS102 and the SORP, UCLU recognises a provision for the obligation to fund past deficits. As a consequence of the substantial increase in deficit contributions, the value of the provision has risen from £381,533 to £1,353,395..

The University's liability calculation assumes a salary inflation rate of 3.0% over the two years to 2024/25 reducing to 2.0% thereafter and a 2.0% annual increase in staff FTE over the same period. A change in the assumptions for salary inflation by +/- 0.5% would increase the obligation to fund the USS deficit by +£57.6k/-£55.4k. Similarly, a +/- 0.5% change to the increase in staff FTE assumptions would impact the liability as at 31 July 2022 by +£58.1k/-£55.4k

From 01 April 2022, the employer contribution rate under the scheme has been set at 21.6% of pensionable salary, and this will decrease to 21.4% for the period between 01 April 2024 and 30 April 2038.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The total pension cost for the Union in respect of the USS pension scheme amounted to £234,990 during the year (2021; £150,729).

The Superannuation Arrangements of the University of London

The latest completed actuarial valuation of the scheme was as at 31 March 2020 (unaudited) using the projected unit method. The financial assumptions that had the most significant effect on the result of the valuation were as follows:

Investment returns per annum:

- before retirement	3.15%
- after retirement	1.05%
Price inflation (RPI)	2.70%
Post 2016 pension increases per annum	2.50%

16 Pensions (continued)

The Superannuation Arrangements of the University of London (continued)

The mortality assumptions included within the valuation are that male (female) members who retire at typical ages will live to approximately age 86 (89).

As at the valuation date, the assets of the scheme were reported as £3.61bn and the scheme's technical provisions as £3.83bn, resulting in a shortfall of £217m. Assets were therefore sufficient to cover only 94% of the past service benefits that had accrued to members, after allowing for expected future increases in earnings.

These results represent a decline in funding level compared to the 2017 valuation (a reported £56m surplus and funding level of 102%) and are reflective of a significant fall in yields of fixed interest gilts over the inter-valuation period, an increase to the CPI inflation assumptions underpinning the valuation of member's future benefits and an increase in SAUL's "short service" active members: those with less than 3 years' service in the Scheme.

Although post-valuation experience had estimated that the Scheme held a surplus of £357m at 30 April 2021, the estimated contribution strain for future service benefits (the amount by which future benefit accrual outstrips contributions) was valued at £67m per annum: £40m or 150% higher than the 2017 equivalent.

To address this issue and ensure that the statutory funding objective continues to be met, the Trustee and employers have agreed to increase employer contributions from 16% to 19% from 1 April 2022 and then again to 21% from January 2023 and amend the Scheme's eligibility requirements such that new members joining after January 2023 can only accrue full benefit after 3 complete years of service. In combination, these measures are estimated to reduce contribution strain by approximately £50m per annum.

As at 31 March 2022, the date of the most recent annual actuarial report, the position had improved substantially and the scheme was estimated to have a technical provision surplus of £616m, equivalent to a funding level of 116%. This was due to higher-than-expected investment returns over the two-year period since valuation, contributing to a £952m increase in the market value of scheme assets (to £4,564m).

Auto-enrolment pension scheme

Since 2017/18, eligible employees have been included in the NEST scheme for auto-enrolment. The Union's cost of contribution in the year amounted to £19,644 (2021: £24,106).

Notes to the Financial Statements Year to 31 July 2022

17 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2022 £
Unrestricted funds	—	1,399,513	266,359	(1,353,395)	312,477
Designated funds	571,010	3,770,730	(45,000)	—	4,296,740
Restricted funds	20,345	—	2,063,915	—	2,084,260
Total funds	591,355	5,170,243	2,285,274	(1,353,395)	6,693,477

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2021 £
Unrestricted funds	—	1,442,588	(21,783)	(381,533)	1,039,272
Designated funds	498,520	3,818,431	—	—	4,316,951
Restricted funds	31,440	—	1,485,390	—	1,516,830
Total funds	529,960	5,261,019	1,463,607	(381,533)	6,873,053

18 Related party transactions

The Union is in receipt of a recurrent grant from UCL of £3,806,437 (2021: £2,794,577). Other grants were received from UCL of £1,218,832 (2021: £514,194).

In addition, the Union occupies its building on a rent-free basis under an informal licence subject to the Union maintaining the building in a good state of repair. Under the Charities SORP the “donation in kind” must be valued and included within the financial statements. The value to the Union for this space is considered to be £2,575,340 (2021: £2,575,340).

The trustees of the Union are stated on page 1. Six sabbatical officers received remuneration totalling £190,580 (2021: £205,039) inclusive of pension contributions of £18,262.85 (2021: £22,785) for their services as provided for within the Constitution. There are six sabbatical officers per year with a two week handover period in July. In addition to their remuneration the Union incurred costs and paid reimbursements of expenses to all trustees of £26,851 (2021: 12,930)

The Union is also a related party of Somers Town Community Sports Centre Ltd, an incorporated charity (Charity Registration Number 1057305, Company Registration Number 3157703), as it is considered to be under common control. The Union has been invoiced for amounts totalling £nil (2021: £nil) for the hire of sports facilities. Somers Town Community Sports Centre Limited was invoiced for amounts totalling £37,189 (2021: £nil). The balance due to UCLU at 31 July 2022 is £nil (2021: £37,136).

19 Affiliations

	2022 £	2021 £
Membership contribution to National Union of Students	37,880	37,880

The membership fee is paid directly by UCLU for membership of the National Union of Students.

UCLU

England & Wales - Charity number 1142404

Accounts

**UCLU (operating as
Students' Union UCL)**

**Annual Report and Financial
Statements**

31 July 2021

Company Limited by Guarantee
Registration Number
07635628 (England and Wales)

Charity Registration Number
1142404

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Reference and administrative information

Trustees	J Ali A Aminy Z Badat P Barran B Beasant A Benmati I Benmouna C Bracey M Chaudhary Y Daoud M Day V Makai O Teklies
Chief Executive Officer	John Dubber
Senior Management Team	A McKee (Head of Student Engagement and Communication) D Nichols (Head of Operations) C Barrow (Head of Finance)
Charity registration number	1142404
Company registration number	07635628
Website	www.studentsunionucl.org
Registered address	25 Gordon Street London WC1H 0AY
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank Plc London Corporate Service Centre PO Box 46116 London EC4N 8WB

The trustees, who are also directors of the charitable company ("the charity"), present their report and the financial statements for UCLU ("the Union") for the year ended 31 July 2021, which have been prepared in accordance with the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and effective from accounting periods commencing 1 January 2015 or later.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charitable status

Students' Union UCL ('UCLU') is an incorporated charity (limited by guarantee) (charity registration number: 1142404; company registration number: 07635628).

It was originally established in 1893 and now operates in accordance with the Education Act 1994. It has been registered with the Charity Commission since 14 June 2011, when students' unions connected with exempt higher/further education institutions were removed from exemption by the then Charities Act 1993.

UCLU is governed by its Memorandum and Articles of Association last amended in May 2011. UCLU operates as Students' Union UCL following a rebranding project during the 2017/18 financial year.

Governance

UCLU is constituted under the Education Act 1994 as a charitable company limited by guarantee with internal regulations and rules approved by the governing body of University College London (UCL). The primary aim of the Union is the advancement of education of students at UCL for the public benefit.

Public benefit

All activities undertaken by the Union are to further our charitable purposes for the benefit of our student members.

In shaping our objectives and planning activities, the Board of Trustees have had regard to the Charity Commission's published general guidance regarding the exercising of duty and power for the public benefit. The main benefits which have arisen during the year from the organisation's aims are detailed in the following sections.

Board of Trustees

The Board of Trustees ensures Students' Union UCL has the necessary financial and structural abilities to carry out its aims effectively. The Board makes decisions on legal and financial issues and ensures that the organisation is delivering on the political policy set by the democratic bodies of the Union. In accordance with the organisation's Memorandum and Articles, the Board comprises:

- ◆ 4 Sabbatical Trustees (moved to 6 from 16 July 2021)
- ◆ 4 Student Trustees
- ◆ 1 External Trustee (Alumni)
- ◆ 1 External Trustee (UCL Staff)
- ◆ 1 External Trustee (Non-UCL)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Board of Trustees (continued)

Members of the Board (who are also directors of UCLU for the purposes of company law) who served during the year and up to the date of this report were:

Trustees (Directors)		Appointed / Resigned
A Benmati	Sabbatical	Appointed 16 July 2020
I Benmouna	Sabbatical	Appointed 16 July 2020
Y Daoud	Sabbatical	Appointed 16 July 2020
C Paige	Sabbatical	Resigned 15 July 2021
A Aminy	Sabbatical	Appointed 16 July 2021
V M Makai	Sabbatical	Appointed 16 July 2021
O M Teklies	Sabbatical	Appointed 16 July 2021
V Dinu	Student	Resigned 31 October 2020
T Mullings	Student	Resigned 31 October 2020
D Ruttenberg	Student	Resigned 31 October 2020
A Connolly	Student	Resigned 4 September 2020
S Bhatt	Student	Appointed 1 November 2020 Resigned 11 June 2021
A Liang	Student	Appointed 1 November 2020 Resigned 11 June 2021
S Shafeeq	Student	Appointed 1 November 2020 Resigned 11 June 2021
A Sree Asok	Student	Appointed 1 November 2020 Resigned 11 June 2021
D Banati	External	
P Barran	External	Appointed 1 September 2020
C Bracey	External	

The trustees hold a minimum of four meetings per academic year and are responsible for establishing and delegating to the following committees:

- ◆ Finance Committee
- ◆ Risk & Audit Committee
- ◆ Governance Committee
- ◆ Remuneration Committee

The terms of reference for the Board and its associated committees, are available on the Union website.

<https://studentsunionucl.org/about-us/governance-trustees/governing-documents>

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Committees

Finance Committee has delegated responsibility from the Board of Trustees to oversee the finances of the Union, including considering strategic options for, and general oversight of all areas of the Union's finances. This includes approving annual budgets and monitoring the financial performance of the organisation.

Risk & Audit Committee is charged by the Board for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the organisation is complying with all aspects of the law, relevant regulations and good practice. The annual statutory audit is also under this committee's remit.

Governance Committee is charged by the Board for promoting good governance and ensuring our governance arrangements are effective and comply with the governing documents laid down by our members, UCL, the Charity Commission, and other legislative bodies/authorities.

Remuneration Committee is charged by the Board for considering the remuneration of the Chief Executive and Sabbatical Officers, and proposals regarding broader staff remuneration.

Recruiting and training of trustees

The Sabbatical Officers (Sabbatical trustees) are democratically elected each year by the membership of the Union in the spring election to serve from 16 July to 15 July. All new Sabbatical Officers undergo a period of internal and external training. To ensure a smooth handover, incoming Sabbatical Officer undergo a 15 day shadowing period. Once in post, they have fortnightly meetings with the Union's Chief Executive and Senior Management Team (as a group including the officers referred to as the Leadership Team) who have delegated responsibility for overseeing the day-to-day activity of the Union and management of staff. The Sabbatical Officer role is to work closely with UCL's senior leadership team to ensure that student issues and concerns are a central part of the University's governance and decision making. They represent students to other organisations and nationally as required. They are leaders of the Students' Union, helping to ensure that it is a well-run and effective charity providing a wide range of valuable services for its members. They also ensure that policy proposals considered by the Executive, Members' meetings and referenda are implemented.

Student trustee positions are democratically elected by the membership of the Union, in the autumn. They serve for one year from 1 November or until their status as a student no longer exists.

External trustees are appointed following advertisements placed within the UCL community and nationally in the media. They are appointed for a period of four years and each appointment is ratified by Union Executive.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Union Executive

Union Executive is the democratic policy making body of the Union and is responsible for the ratification of Union policy except where policy was determined by a Referendum.

Relationship with University College London (UCL)

The relationship between UCL and the Union is established in the Regulations of UCL and detailed in the Union rules approved by both organisations. The Union receives an annual Block Grant from UCL and occupies a number of buildings owned by UCL. The Union also receives administrative support in a number of areas including Human Resources, IT infrastructure and payroll. This support is intrinsic to the relationship between UCL and the Union.

An estimated annual value to the Union for its free of charge occupation of UCL's serviced accommodation has been included in the financial statements, priced at a market value of £2.57m (2020: £2.58m).

Although the Union continues to generate supplementary funding from various mutual trading activities, it is dependent on UCL's support and for this it is appreciative.

There is no reason to believe that this or equivalent support from UCL will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on UCL to ensure the financial viability of its student representative body.

Employment policy

The Union contracts of employment templates continue to be provided by UCL. This allows the Union to continue to benefit from UCL's extensive and proven HR procedures, policies and support from UCL Human Resources Division. Through its relationship with UCL, the Union offers competitive terms, conditions and benefits to its staff including a generous annual leave entitlement and pension scheme.

UCL implemented the Pay Framework Agreement for all non-clinical posts across the organisation in May 2006 and the Union's arrangement for setting pay and remuneration of staff is based on this agreement. The Union uses the same coherent ten grade structure as UCL, which is based on the non-discriminatory job evaluation scheme (HERA).

The Union has a longstanding commitment to equality, diversity and inclusion, and to providing a working and social environment in which the rights and dignity of its diverse staff are recognised. All staff have an annual appraisal which incorporates a personal development plan. The Union has excellent provision for training and also works closely with the UCL Organisational Development team.

Regular all-staff meetings and email briefings are used to keep staff up-to-date with relevant issues such as strategic and financial planning, and staff are invited to provide feedback to senior management through regular surveys and open meetings.

In the course of the year, to deliver and support our activities, we engaged a large number of part time casual student staff across many of our commercial and grant-funded services.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Employment policy (continued)

We also employ permanent members of staff, some of whom are responsible for the operational decisions taken across the organisation on a daily basis. Details of staff costs can be found in note 6.

Key management remuneration

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of such remuneration reviewed annually, including reference to comparisons with other unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere.

Details of key management personnel and their remuneration are set out in note 6.

Statement of trustees' responsibilities

The trustees (who are also directors of the Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- ◆ Select suitable accounting policies and then apply them consistently;
- ◆ Observe the methods and principles in the Charities SORP;
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities (continued)

Each of the trustees confirms that:

- ◆ So far as each of the trustees is aware, there is no relevant information of which the charitable company's auditor is unaware; and
- ◆ The trustee has taken all steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and establish that the charitable company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Risk management

The Risk & Audit Committee oversee the organisation's approach to risk management. A Strategic Risk Register is agreed by the Board of Trustees, Risk & Audit Committee and Senior Management Team (SMT). This is reviewed on a quarterly basis with an annual review cycle. Going forward, this will be updated regularly alongside departmental risk registers, overseen by the Risk & Audit Committee. The Union will follow the UCL risk framework, including regular staff training and reviews and updates of registers. This combined with a practical approach and visible engagement and support from trustees and senior management will help embed risk management across the Union. The principal potential risks and uncertainties facing the Union are:

- ◆ Continuing disruption to services and income arising from the Coronavirus pandemic and associated restrictions.
- ◆ Continuing increases in levels of demand for service provision from students without a comparable increase in grant funding from UCL.
- ◆ GDPR (General Data Protection Regulation) compliance.
- ◆ A serious incident on Union premises or by members of the Union's clubs and societies that results in harm to staff or students and / or reputational damage.

The Union's mitigation strategies against these are:

- ◆ Careful monitoring of the changing national and regional spread of the virus and associated government guidance – with weekly reviews of the impact on the Union's operations and finances, and maintaining a close relationship and dialogue with UCL regarding the financial and operational impact.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ Continuing to enhance and strengthen the Union's relationships with UCL and seeking increased contributions from commercial income.
- ◆ The Systems Manager is the Union's data protection and GDPR lead. A review of the Union's GDPR compliance and best practice in data management was completed in 2019 and work is continuing to monitor implementation of all controls.
- ◆ A Health and Safety Co-ordinator has been appointed (part time) to review and implement health and safety management for the Union, including risk assessments, training provision and records, safe working procedures, emergency response and incident response planning.
- ◆ Regular reviews of Union Health and Safety policies and procedures, continuing to work closely with UCL Communications and Marketing, continuing and improving training for Union and Clubs and Societies officers and ensure high quality risk assessments for activities and events.
- ◆ Implementation of a Student Union venues incident response plan currently under consultation. This includes identification of training needs and onsite supporting information. Training for team members will include external and internal training and simulation exercises. Testing of the plan will be undertaken periodically.
- ◆ Student Union working towards achieving completion of UCL T100 safety management system. The T100 tool is based around the Plan, Do, Check, Act management system approach which is consistent with Health and Safety Executive and Higher Education guidance and is based on practical measures to promote continuous improvement in health and safety.

STRATEGIC REPORT

Union purpose, vision, mission, values

Purpose

The object of the Union is the advancement of education of Students at UCL for the public benefit by:

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

Vision

To be the best part of the UCL student experience and to be one of the best students' unions in the UK and internationally.

STRATEGIC REPORT (continued)

Union purpose, vision, mission, values (continued)

Mission

Our mission is to help students:

- ◆ Make more of their time at UCL.
- ◆ Get outstanding support when they need it from our advice and welfare services.
- ◆ Have strong influence with UCL and the wider community locally and nationally on issues of importance to their lives as students.
- ◆ Experience more at university and develop strong social connections and communities through our societies, activities, sports, volunteering service and events.
- ◆ Feel at home in our excellent spaces.

Values

Our values are:

- ◆ Student driven
- ◆ Inclusive
- ◆ Inspiring
- ◆ Fun
- ◆ Bold

Review of 2020/21

Achievements

The role of the Union is wide ranging, but our core purpose is that all of our members have a fantastic experience of university life. We want their interests to be at the heart of the future direction of the university. We aim to provide fantastic opportunities for them to meet friends and pursue their extracurricular interests via our cafes, bars, societies, clubs and volunteering opportunities. For those who face difficulties and barriers to being able to fully participate in and enjoy student life, we provide high quality independent support and advice. And perhaps most importantly, we want all of our students to feel at home at UCL, with a strong sense of belonging and feeling proud to be students of our university.

In the past year the Union has continued and accelerated its exciting programme of renewal and development, helping contribute to an improved experience for all of our students.

The pandemic has created an extraordinarily difficult year for our members as they have continued their studies amidst the impact of Covid. Many have experienced challenges with their mental health, others have suffered financial difficulties due to the lack of employment opportunities, huge numbers have experienced loneliness and isolation, whilst all have had to get to grips with remote study and research without the vibrant campus experience that is a vital part of a UCL education.

STRATEGIC REPORT (continued)

Achievements (continued)

Despite all this, our students have continued to do many incredible things this year and we have been proud to help support and enable a wide range of projects and initiatives that have supported and empowered them at this time. The resilience, determination, and community spirit our students have shown continues to inspire us, affirming our commitment to be the place *Where More Happens*.

We have focused our work this year on doing all we can to support our community of students and ensuring that the pandemic has not affected progress towards our long-term goal of once again becoming one of the best students' unions in the UK and the world.

Whilst the pandemic hugely affected our income and meant that our service provision was much reduced on a normal year, we have pulled together strongly as an organisation and the Union's staff and officer team have done a tremendous job of delivering fantastic support to students. From supporting 40 new student societies, launching speed friending sessions and lockdown challenges to tackle loneliness and isolation, and running the biggest Students' Union election this year in the UK, to the impact of our officers working with UCL to put students at the heart of the University's response to the pandemic, it's been a terrific team effort that has delivered incredible results. Our student satisfaction has continued to rise and was the most improved question in the National Student Survey for UCL this year. We have also laid the foundations for sustainable change at the Students' Union through the ratification of our first Sustainability Strategy and Action Plan.

Of course, given the impact of the pandemic on our finances, we have had to make considerable savings and reduce activity from their usual levels, but with additional financial support from UCL to support our student activities programme, and extensive use of the furlough scheme, we have come through the past year more strongly than we had originally feared. We now look forward to the future with confidence and optimism when we hope to transition towards a more normal year ahead.

As ever we are very grateful for UCL's support of the Students' Union. It has been fantastic to work with the senior leaders of the university who have demonstrated their commitment to our students so strongly during the past year. We look forward to working closely with all of UCL's incredible staff in the year ahead, continue to put students first and work towards our shared aim of a world leading student experience. We also ask for UCL's continuing help to address our space and facility issues which remain the Union's largest challenge and undermine what is in many other ways an excellent student experience. We are delighted to be working with UCL Estates on a new master plan for Students' Union space and sports facilities. We hope that this will address students' biggest priority for the future, which is a quality students' union building, comparable with other leading universities, with accompanying practice and rehearsal spaces for sport, music, performing arts and other societies, enabling our students to fulfil their extracurricular interests and build the friendships and social and cultural capital that are so important to an exemplary university education.

STRATEGIC REPORT (continued)

Achievements (continued)

Thank you to everyone who has played a role in the success of the Union this year, our elected officers, our fantastic staff team, all of UCL's staff who have done so much to support students during this extraordinary year, and finally to our amazing students who have continued to do incredible things supporting each other, contributing to the local community, and making UCL the very special place it is.

This year, we:

- ◆ Supported 336 sports clubs and societies which attracted 13,270 members.
- ◆ Supported the creation of 40 new student societies, with the aim of building communities, creating social opportunities and supporting their members.
- ◆ Enabled 47,841 memberships to clubs and societies, despite the barriers caused by remote delivery, with many students joining multiple groups and expanding their social circle.
- ◆ Won a One UCL Award 2021 for Outstanding Team
- ◆ Ran our first ever Digital Welcome Fair which 14,000 students visited, with more than 18,000 students tuning into watch our live Welcome broadcast.
- ◆ Introduced 7,800 students from 104 countries to UCL's Support Services during Welcome Week.
- ◆ Helped 1,233 students find friends fast during Welcome Week at innovative online Speed Friending sessions.
- ◆ One of the only universities in London to hold a competitive sports programme despite the pandemic. UCL beat King's College London to win the London Varsity Series for the fifth consecutive year, with thousands of students watching the events live from around the world.
- ◆ Engaged 1,309 students in online Project Active exercise classes, with 59% of attendees studying at Postgraduate level.
- ◆ Connected and supported 1,000 students with virtual volunteering opportunities, supporting projects like Age UK's Check In and Chat scheme, speaking to hundreds of vulnerable and isolated people in London.
- ◆ Launched a new online shop in January 2021 to enable all students to access high quality UCL merchandise, helping them to feel part of the student community from wherever they were in the world.
- ◆ Provided comprehensive support to 123 Postgraduate Taught students through the Community Research Initiative for Students, enabling them to research their dissertations in partnership with local community organisations.
- ◆ Hosted 3,307 student events throughout the year, up from 2,239 in the previous year, with the introduction of online events helping us to reach more students than ever before.

STRATEGIC REPORT (continued)

Achievements (continued)

- ◆ Delivered a digital International Festival across five themed days, featuring 23 different events, activities, and talks, helping to bring together and create intercultural experiences for UCL's amazingly diverse student body.
- ◆ Trained 9,874 students to be Active Bystanders, helping to prevent harassment and sexual misconduct, up from 2,323 the previous year.
- ◆ Supported 791 students in need via our Advice Service, including helping students win £104,000 of financial compensation, compared to £62,000 the previous year.
- ◆ Recruited and supported more than 1,900 Academic Representatives.
- ◆ Ran the largest and most successful ever election at UCL with 9,473 students voting in our Leadership Race – the largest student election in the UK this year and the largest ever across London.
- ◆ Met the Minister of Universities, Michelle Donelan MP; the Permanent Secretary of the Department for Education; and Leader of the Opposition and our local MP Sir Keir Starmer asking for additional financial assistance for students and to consider tuition fee refunds.
- ◆ Supported our clubs and societies to create a vibrant community at UCL and this year, hosting 1,006 guest speakers and running 994 society-led events.
- ◆ Developed a new activity tracking platform and encouraged 655 students to sign up and compete in challenges and leagues, helping them to remain active and healthy remotely.
- ◆ Achieved Investors in People Silver accreditation, with 95% of staff feeling the organisation is a great place to work and 97% of staff feeling the organisation has a positive impact on society.

Fundraising activities

The Union does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, the Union would ensure personal data is appropriately protected. The Union received no complaints within the year regarding fundraising.

Financial review

The Union had an improved financial performance in 2020/21 versus the previous year. The realised income and expenditure (which excludes the unrealised gains and losses in relation to investments and pension schemes) is stated below and shows a net surplus from operations in the year of £116k (2020: deficit of £187k). The net expenditure after the depreciation charge of £379k (2020: £354k), relating to depreciation of a capital grant for building works, revaluation of investments and adjustment to pension provision, is a surplus of £273k (2020: £59k).

STRATEGIC REPORT (continued)

Financial review (continued)

	2021 £'000	2020 £'000
Total income	7,172	10,096
Total expenditure (excluding depreciated charged to restricted funds)	(7,056)	(10,283)
Operational surplus (deficit)	116	(187)

Throughout 2020/21, with the exceptions of a few venues, the Union's commercial outlets remained closed due to lockdown or the impact of covid restrictions. The low number of students on campus meant it was not viable to open all outlets, even when the lockdown restrictions were lifted. This was contrary to our expectation at the budgeting stage, which was that restrictions would be relaxed throughout the year and sales would return to approximately a quarter of those seen pre-covid. Commercial income generated fell well short of this, but the shortfall was offset by extensive use of the furlough scheme. The Union received income of £374k (2020: £439k) to offset the cost of staff unable to work due to covid restrictions, which covered a large proportion of fixed staff costs in Commercial, keeping the overall commercial deficit close to that anticipated at budget.

To manage this fall in commercial income, the Union reduced spend as much as possible whilst still providing core online student services, and also sought to recoup staff costs across all the non-commercial areas via use of the Government's furlough scheme. Savings were delivered from the necessary cancelling of student events, particularly around sports, and moving face-to-face activities to on-line.

The Union has continued to benefit from the recognition and support of UCL, and this year received a block grant of £2,795k (2020: £2,713k) and use of UCL facilities valued at £2,575k (2020: £2,582k). Income in the year was also supplemented by additional grants from UCL which were received on top of the block grant, totalling £462k (2020: £308k). This was in recognition of, and to help further, the vital work that the Union was delivering to support the student community.

Restricted reserves reduced to £1,517k (2020: £1,618k). This was the net of a reduction in restricted reserves of £379k, relating to the depreciation charge of a capital grant, and an increase of £278k due to restricted grants received which will be spent in the next financial year. Unrestricted reserves increased to £5,356k (2020: £4,982k).

Custodian activities: Clubs' & Societies Funds

The Union acts as custodian for funds raised by the students' Clubs & Societies amounting to a net figure of £968k (2020: £877k) in creditors at the year-end. In addition to this, the Union provides grant support for their core activities as shown in note 1 of the financial statements.

STRATEGIC REPORT (continued)

Future funding and going concern assessment

The Trustee board confirms that Students' Union UCL has sufficient funds to meet all its obligations. The cash at bank and on hand has reduced slightly to £1,630k (2020: £2,201k), however the intercompany balance with UCL, through which the grant funding is paid, has grown to £1,244k (2020: £287k) and in addition the Union has a letter of support from UCL that confirms that it will provide liquidity support, if required, throughout 2021/22 and into the following year as a minimum.

The Union expects that income will return to historic levels in 2021/22. Commercial and student activities will increase, but there is still an expectation that students will spend less time spent on campus due to the continuing impact of Covid-19. Although the occupancy on campus is anticipated to be lower than pre-covid, the contribution from commercial activities is expected to return to historic levels due to the opening of a new convenience store and because existing outlets should be open for the full year which were only partially in operation in previous years. The block grant for 2021/22 has been confirmed at £3,128k (2021: £2,795k) by UCL. This is an additional contribution of £250k on top of a 3% inflationary increase. UCL has agreed to increase the grant by a further £250k in 2022/23 and 2023/24, representing an increase of £750k over three years. The ongoing occupation of free-of-charge accommodation has also been confirmed.

Total fund levels have grown versus last year to £6,873k (2020: £6,600k) and, with the increase in block grant funding that has been agreed with UCL, the Union is financially stable and will be able to be resilient should trading conditions change in the coming year.

Reserves level and policy

The Union's reserves provide financial stability and the means for the continued development of our principal activities. The Union is heavily dependent on the annual grant received from UCL and would be at risk were those funds to be reduced.

In the event of a reduction in income and to ensure continuity of activities and scope for review, it is the trustees' policy to maintain free reserves (equating to general funds excluding the pensions liability) of a minimum of six months' running costs.

The charity had total reserves of £6,873k (2020: £6,600k) at the balance sheet date. This included restricted funds of £1,517k (2020: £1,618k) and designated funds of £4,317k (2020: £3,741k). After deducting these funds from total reserves, the free reserves at 31 July 2021 were £1,421k (2020: £1,582k) - equivalent to approximately 3.9 months' running costs. By budgeting to mitigate losses caused by Covid-19 restrictions and building commercial operations in the future to deliver accounting surpluses, the Union is taking steps towards rebuilding free reserves. The Union is also undertaking a review of its reserves policy to assess whether a cover of six months' operating costs is an appropriate free reserve target based on the potential operational risks.

The trustees have continued to formally designate £1,741k towards the planned developments within the strategic plan (2020: £1,697k). The Trustees will review this designation on an ongoing basis. The funds that are designated are for future strategic projects, including the development of student sports and the provision of sporting facilities.

STRATEGIC REPORT (continued)

Investments policy, objectives and performance

The Union's investment objectives are to balance the current and future needs by:

- ◆ maintaining (at least) the value of the investments in real terms;
- ◆ producing a consistent and sustainable amount to support expenditure; and
- ◆ delivering these objectives within acceptable levels of risk.

The policy to invest surplus funds is agreed by the Finance Committee.

Investments are placed after agreement with the Investment Team at UCL. Transfers are under the control of the Head of Finance and Chief Executive.

Other than investments in the UCL fund, all other assets must be held in a restricted portfolio (where capital has to be preserved).

Investments within the UCL Unified Fund follow UCL's Investment Policy including its ethical considerations, which are summarised below.

While the guiding principle of UCL's investment policy is to generate funds, whether through income or capital growth, with which to further the work of UCL, other than financial criteria being appropriate, UCL will not invest in a particular business in the following circumstances:

- ◆ Where such investment might conflict, or be inconsistent, with the aims, objects or activities of UCL. Thus, for example, investment in the tobacco industry would be inconsistent with and would conflict with UCL's research into cancer.
- ◆ Where such investment might hamper the work of UCL either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from potential students.
- ◆ Where such investment, while not excluded by virtue of (i) or (ii) above, is considered by UCL to be unethical.

The investment policy objective is to obtain a minimum income yield of base rate plus 0.5%.

Our listed investments, valued at £3,674k as at 1 August 2020 in the UCL Unified fund returned an income yield of 1.7%, and an unrealised capital gain of £577k or 15.7% growth was recognised, taking the valuation to £4,251k as at 31 July 2021. The income yield objective of base rate plus 0.5% is satisfied; with annual inflation (CPI) of 2.1% at July 2021, sufficient income/capital to negate the erosion of the capital sums invested has been earned.

Other average treasury investment, being fixed term deposit account of £1,010k, returned an income yield of 0.3%. Interest rates on deposit accounts fell in the year and alternative investment vehicles are being considered.

STRATEGIC REPORT (continued)

Future plans

Students' Union UCL has the ambition to be one of the best students' unions in the UK and globally. We want to be the best organisation that we can for our members, providing outstanding services and facilities for students, and achieving real influence across UCL and beyond.

Following the disruption to our services during the pandemic, our plans for 2021-22 are to reopen as many face-to-face services as and when there are sufficient students using the university campus to support this. We anticipate all our services being open for the beginning of the academic year in late September.

We have budgeted that operations in 2021-22 will break even although there will be additional expenditure funded by restricted grant income received in previous years where the work was unable to be completed due to the pandemic. We will maintain core service provision for students and start to rebuild and reinvest in our operations that have been cut back during the last two years. We expect 2021-22 will be a transitional year as we move from lockdown and restricted movement to more activity on campus. However, there is still some uncertainty as what the new environment will be like and we do not expect that all aspects will return to as they were pre-pandemic. For that reason, expenditure will be carefully controlled to ensure we do not over-commit and can be agile to react to a changing environment. In this way we aim to protect the Union's reserves in the short term to enable long term investment.

We are also committed to continuing the Union's modernisation and our work towards our long-term vision. As we emerge from the pandemic, our plans build on the organisation's great achievements of the past few years, such as the significant increase in student engagement, with more and more students participating in clubs and societies, standing for election and voting. But we are also seeking to focus more resources and attention on our core systems and processes with strengthened objectives in areas such financial management, governance, health and safety, engagement with our student staff, and our environmental sustainability. We are also working closely with UCL to explore options for the modernisation and expansion of our facilities

Key objectives for the next year include:

- ◆ Student Wellbeing and Belonging – we want to lead the way on improving student wellbeing and belonging at UCL.
- ◆ Student Change – we want student voices to effectively influence the development of UCL and for UCL student voices to be influential in the wider community and nationally.
- ◆ Student Education – we want to ensure that the environment here at UCL is one where all students can fulfil their potential.
- ◆ Postgraduate Students – we want to deliver the best postgraduate experience in the UK for our students.

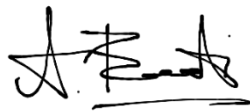
STRATEGIC REPORT (continued)

Future plans (continued)

- ◆ Student Activities and Development – we want to provide a fantastic student activities programme that enables our members to meet new friends, learn skills, develop their confidence and make more of their time at UCL.
- ◆ Accountability, Partnerships and Governance – we want to be one of the best students' unions in the UK and internationally, so that we provide the very best services and facilities for UCL students.

This Trustees' Report, comprising the Directors' Report and Strategic Report, was approved by the board and signed on its behalf by:

Trustee Ayman Benmati

A handwritten signature in black ink, appearing to be 'Ayman Benmati', with a horizontal line underneath.

Date 15/12/2021

Independent auditor's report to the members of UCLU

Opinion

We have audited the financial statements of UCLU for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- ◆ adequate accounting records have not been kept; 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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.

Responsibilities of Trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustees meetings.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Gained an understanding of the processes in place for the management of the charitable company's investments; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Review of the minutes of meetings of those charged with governance;
- ◆ Enquiring of management as to actual and potential litigation and claims; and
- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

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

A handwritten signature in grey ink, appearing to read 'Buzzacott LLP'.

Shachi Blakemore
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16 December 2021

Statement of financial activities (including income and expenditure account)
Year to 31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from:							
Grants and donations	1	5,370,655	478,944	5,849,599	5,383,153	220,469	5,603,622
Charitable activities							
. Trading	3	478,738	—	478,738	3,229,443	—	3,229,443
. Non-trading	3	775,835	—	775,835	1,170,816	—	1,170,816
Investments	2	67,481	—	67,481	92,332	—	92,332
Total income		6,692,709	478,944	7,171,653	9,875,744	220,469	10,096,213
Expenditure on:							
Charitable activities							
. Trading	4	3,114,107	—	3,114,107	5,622,190	—	5,622,190
. Non-trading	4	3,740,803	580,112	4,320,915	4,500,459	514,822	5,015,281
Total expenditure		6,854,910	580,112	7,435,022	10,122,649	514,822	10,637,471
Net expenditure		(162,201)	(101,168)	(263,369)	(246,905)	(294,353)	(541,258)
Other recognised gains and losses							
Actuarial (loss) gain on defined benefit pension schemes	16	(40,803)	—	(40,803)	481,848	—	481,848
Unrealised gain on investments	9	577,297	—	577,297	118,516	—	118,516
Net income (expenditure)		374,293	(101,168)	273,125	353,459	(294,353)	59,106
Transfer between funds		—	—	—	—	—	—
Net movement in funds		374,293	(101,168)	273,125	353,459	(294,353)	59,106
Balances brought forward		4,981,930	1,617,998	6,599,928	4,628,471	1,912,351	6,540,822
Balances carried forward		5,356,223	1,516,830	6,873,053	4,981,930	1,617,998	6,599,928

The statement of financial activities includes all gains and losses recognised in the above two years.

All amounts derive from continuing activities.

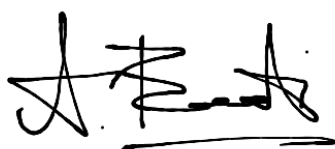
The notes on pages 30 to 40 form part of these financial statements.

Balance sheet 31 July 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	7		529,960		947,614
Investments	9		5,261,019		4,683,782
			<u>5,790,979</u>		<u>5,631,396</u>
Current assets					
Stocks	10	31,197		73,826	
Debtors	11	1,374,025		492,157	
Cash at bank and in hand		<u>1,630,329</u>		<u>2,201,022</u>	
		<u>3,035,551</u>		<u>2,767,005</u>	
Liabilities					
Creditors: amounts falling due within one year	12	(1,571,944)		(1,457,742)	
Net current assets			<u>1,463,607</u>		<u>1,309,263</u>
Net assets excluding pension liability			<u>7,254,586</u>		<u>6,940,659</u>
Pension scheme deficit	16		(381,533)		(340,731)
Total net assets			<u>6,873,053</u>		<u>6,599,928</u>
Represented by:					
Restricted reserves	14		1,516,830		1,617,998
Unrestricted reserves					
. Designated funds	15		4,316,951		3,740,586
. General fund	15	1,420,805		1,582,075	
. Pension reserve	15	(381,533)		(340,731)	
	15		<u>1,039,272</u>		<u>1,241,344</u>
Total funds			<u>6,873,053</u>		<u>6,599,928</u>

These financial statements were approved by the Trustee Board and signed on their behalf by:

Trustee Ayman Benmati



Date: 15/12/2021

The notes on pages 30 to 40 form part of these financial statements.

Company Registration number 07635628

Statement of cash flows Year to 31 July 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net income (expenditure)		273,125	59,106
Depreciation		533,207	670,566
Gains on investments		(577,237)	(118,516)
Interest received		(4,003)	(25,970)
(Increase) decrease in stock		42,629	(20,542)
Decrease in debtors		(887,404)	407,546
(Gains) losses on defined pension scheme liabilities		40,803	(481,848)
(Decrease) in creditors		99,609	(121,794)
Net cash provided from operating activities		(479,271)	368,548
Cash flows from investing activities:			
Interest receivable		4,003	25,970
Purchase of tangible fixed assets		(95,425)	(194,245)
Net cash used in investing activities		(91,422)	(168,275)
Change in cash and cash equivalents in the year		(570,693)	200,273
Cash and cash equivalents at the beginning of the year		2,201,022	2,000,749
Total cash and cash equivalents at the end of the year		1,630,329	2,201,022
Analysis of cash and cash equivalents			
Cash in hand and at bank		1,630,329	2,201,022

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Reconciliation of net debt			
Cash at bank and in hand	2,201,022	(570,693)	1,630,329
Total cash and cash equivalents	2,201,022	(570,693)	1,630,329

Principal accounting policies Year to 31 July 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2021 and are presented in sterling and are rounded to the nearest pound.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 “the Financial Reporting Standard applicable in the UK and Republic of Ireland”, and the 2015 Charities Statement of Recommended Practice based thereon – the Charities SORP. University College London Union meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees consider that there is a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

The Union’s free reserves stand at £1,421k (2020: £1,582k) sustaining only a relatively small reduction in 2020/21 considering the drop in income due to the curtailing or closing of commercial operations. All commercial outlets were open again for the start of the new academic year in October 2021 and expectation is that income will return to historic levels in 2021/22. It is expected that there will be lower footfall on campus at the beginning of the year but there will be more outlets open than in previous years to offset this. To mitigate for the risk around commercial income, UCL is increasing the block grant by £750k over three years, an increase of 27% versus the 2020/21 grant and has also provided a letter of support confirming liquidity support, if required.

Total fund levels have been maintained in line with last year at £6.6m but the proportion of restricted reserves is now less at £1.6m (2019: £1.9m) and free reserves have benefitted from a reduction in required pension provision.

The trustees are of the opinion that UCLU will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ valuation of donations in kind received during the year;
- ◆ estimating the useful economic life of tangible fixed assets;

Critical accounting estimates and areas of judgement (continued)

- ◆ allocation of support costs across charitable activities; and
- ◆ valuation of the pension scheme liabilities in relation to the Universities Superannuation Scheme (USS).

Income

Income is recognised in the period in which the Union has entitlement to the income, the amount can be measured reliably, and it is probable that the income will be received.

Income comprises of donations and grants received from UCL, income generated from commercial activities, and investment income.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer or economic benefits will be received in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Charitable expenditure comprises the direct and indirect costs of delivering the charitable activities as set out in the Trustees' report. This includes governance costs, which are those costs incurred in relation to compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers.

Support costs are allocated to charitable activities. The value of serviced campus accommodation is apportioned on estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects/activities on a usage basis, pro rata to the staff costs of each project or activity undertaken.

Depreciation

A full year of depreciation is charged in the year of acquisition. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

For depreciation purposes, useful life is assessed to be:

- ◆ Fixtures and fittings 5-10 years
- ◆ Equipment 3-5 years
- ◆ Furniture 3-5 years

Capital expenditure in excess of £1,000 is capitalised within fixed assets. Expenditure less than this amount is charged to the statement of financial activities in the year it is incurred.

Principal accounting policies Year to 31 July 2021

Stocks

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

Taxation

No provision is made in these financial statements for corporation tax as the Union is exempt from such tax as a result of its charitable status.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Pension costs

The Union contributes to three principal pension schemes on behalf of its employees: the Universities Superannuation Scheme (USS), the Superannuation Arrangements for the University of London (SAUL), and the NEST scheme.

USS and SAUL are defined benefit schemes and it is not possible to identify the Union's share of the underlying assets and liabilities in the multiemployer schemes. However, the Union has entered into an arrangement to clear the USS scheme deficit by 31 March 2031. The net present value of the Union's contributions as part of these plans are reflected as a liability on the balance sheet, which will reduce as they are paid.

The NEST scheme is a defined contribution scheme.

Contributions to all schemes are charged to the statement of financial activities.

Fund accounting

Restricted funds are monies raised for, and their used restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the Trustees.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the Union's charitable objects.

Leased assets

Rentals payable under operating leases are charged as expenditure to the statement of financial activities on a straight line basis over the period of the lease.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Union anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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.

Notes to the Financial Statements Year to 31 July 2021

1 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Clubs and Societies grants	21,040	—	21,040	264,756	—	264,756
Union grant	2,773,537	—	2,773,537	2,448,426	—	2,448,426
Facilities grant ("donation in kind")						
• Trading	1,554,066	—	1,554,066	1,739,363	—	1,739,363
• Other	1,021,274	—	1,021,274	842,419	—	842,419
Total block grant from UCL	5,369,917	—	5,369,917	5,294,964	—	5,294,964
Other grants	—	478,944	478,944	87,619	220,469	308,088
Other donations	738	—	738	570	—	570
Total funds	5,370,655	478,944	5,849,599	5,383,153	220,469	5,603,622

Facilities grant funding above (trading and other) relates to "donation in kind" accommodation provided by the University to UCLU (see note 5).

2 Investment income

	Unrestricted	
	Total funds 2021 £	Total funds 2020 £
Income from deposits	4,004	25,970
Investment income	63,477	66,362
	67,481	92,332

3 Incoming resources from charitable activities

	Unrestricted	
	Total funds 2021 £	Total funds 2020 £
Trading income	478,738	3,229,443
Non-trading income - other	402,138	731,454
Non-trading - Furlough grant income	373,697	439,362
	1,254,573	4,400,259

4 Total resources expended

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2021 £
Charitable activities:					
Trading expenditure	828,787	309,368	123,682	1,852,270	3,114,107
Non-trading expenditure	1,155,189	242,237	15,607	2,907,882	4,320,915
	1,983,976	551,605	139,289	4,760,152	7,435,022

Notes to the Financial Statements Year to 31 July 2021

4 Total resources expended (continued)

	Direct staff costs £	Direct other costs £	Direct depreciation £	Support costs (note 5) £	Total funds 2020 £
Charitable activities:					
Trading expenditure	1,628,219	1,638,444	191,531	2,163,996	5,622,190
Non-trading expenditure	1,139,336	778,377	13,092	3,084,476	5,015,281
	<u>2,767,555</u>	<u>2,416,821</u>	<u>204,623</u>	<u>5,248,472</u>	<u>10,637,471</u>

	Total 2021 £	Total 2020 £
This is stated after charging:		
Depreciation	533,207	670,566
Auditors' remuneration		
. Current year	17,085	18,492
. Prior year under provision	690	14,400
VAT services	<u>12,900</u>	<u>8,000</u>

5 Support costs

	Total funds 2021 £	Total funds 2020 £
Rent *	2,575,340	2,581,782
Salaries and wages	1,352,239	1,389,753
Other staff related costs**	(16,387)	140,125
Printing and stationery	795	6,269
Website and publicity	27,540	94,044
Cleaning and utility costs	57,737	93,142
Repairs, maintenance and equipment	89,482	(11,110)
Depreciation	393,918	465,944
Audit	19,275	21,550
Legal and professional	35,872	60,290
Insurance	74,743	75,734
Membership and subscription	51,106	73,703
Training and conferences	21,556	23,771
Bank charges and cash handling	16,200	37,584
Irrecoverable VAT	55,365	190,075
Doubtful debts***	(2,727)	(44,856)
Other	8,098	50,772
	<u>4,760,152</u>	<u>5,248,472</u>

*Rent charge above relates to the "donation in kind" for accommodation provided by UCL (see note 1).

** Other staff related costs above is showing a credit value due to the release of Holiday Pay provision of £36,834 in the current year.

*** Doubtful debts above is showing a credit value due to recovery of debts provided for in the prior year.

6 Staff costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Wages and salaries	2,645,354	3,428,663
Agency costs	85,372	249,718
Social and security costs	223,802	227,655
Pension costs	381,687	354,065
	3,336,215	4,260,101

Included in staff costs are redundancy and settlement costs of £nil (2020: £99,068).

	Permanent No.	Casual (FTE) No.	Total 2021 No.	Permanent No.	Casual (FTE) No.	Total 2020 No.
Average	68	15	83	71	55	126

The number of employees whose emoluments exceeded £60,000 was:

	Total 2021 £	<i>Total 2020 £</i>
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1

Pension contributions made on behalf of the above individuals totalled £61,693 (2020: £50,985).

Key management personnel received aggregate remuneration of £590,041 (2020: £521,911). Key management personnel comprise the trustees and senior management team as set out on page 1. This includes employers' national insurance and pension contributions.

7 Tangible fixed assets

	Fixtures & fittings £	Assets under construction £	Equipment £	Furniture £	Total £
Cost					
At 1 August 2020	5,992,543	—	780,937	41,341	6,814,821
Additions	11,310	75,743	28,500	—	115,553
At 31 July 2021	6,003,853	75,743	809,437	41,341	6,930,374
Depreciation					
At 1 August 2020	5,201,563	—	643,429	22,215	5,867,207
Charge for the year	442,510	—	83,430	7,267	533,207
At 31 July 2021	5,644,073	—	726,859	29,482	6,400,414
Net book value:					
At 31 July 2021	359,780	75,743	82,578	11,859	529,960
At 31 July 2020	790,980	—	137,508	19,126	947,614

7 Tangible Fixed Assets (continued)

Costs incurred under assets under construction related to a new student convenience store on campus and a 'Grab N Go' concept development at a café outlet.

8 Capital Commitments

The Union had contracted capital commitments of £nil (2020: £nil).

9 Investments

	Unlisted investments £	Cash £	Listed investments £	Total £
Cost or valuation				
At 1 August 2020	60	1,009,535	3,674,187	4,683,782
Sale of unlisted investment	(60)	—	—	(60)
Revaluation in the year	—	—	577,297	577,297
	(60)	—	577,297	577,237
Net book value:				
At 31 July 2021	—	1,009,535	4,251,484	5,261,019
At 31 July 2020	60	1,009,535	3,674,187	4,683,782
Historic cost of investments	—	1,009,535	2,173,606	3,183,141

On 29 July 2021 the Students' Union sold their minority holding of 60 "A" shares in NUS Services Limited. These shares had been held at cost under unlisted investments.

Listed investments represent the value of investments held on behalf of the Union by UCL in its University Trust Fund. The investment was originally purchased by the Union and revaluations in investments are recognised through the Revaluation fund (see note 15).

Cash relates to a cash deposit held with Scottish Widows.

10 Stocks

	2021 £	2020 £
Bars	16,113	41,543
Cafes	1,432	12,105
Sports centre	3,781	5,397
Retail and other	9,871	14,781
	31,197	73,826

11 Debtors

	2021 £	2020 £
Trade debtors	39,265	51,821
Amounts due from university	1,281,248	292,643
Other debtors	13,732	129,695
Prepayments and accrued income	39,780	17,998
	1,374,025	492,157

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	178,679	102,164
Other creditors	1,004,131	956,334
Accruals and deferred income	389,134	399,244
	1,571,944	1,457,742

	2021 £	2020 £
Deferred income included above:		
At 1 August	162,431	272,937
Utilised in the year	(162,431)	(272,937)
Deferred in the year	147,126	162,431
At 31 July	147,126	162,431

13 Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised cost	3,004,355	2,693,179
Financial assets measured at fair value through the statement of financial activities	5,261,019	4,683,782
Financial liabilities		
Financial liabilities measured at amortised cost	1,424,819	1,295,311
Financial liabilities measured at fair value through the statement of financial activities	381,533	340,731

	2021 £	2020 £
Interest income and expenses		
Interest income for financial assets measured at amortised cost	4,003	25,970
Interest expense for financial liabilities measured at amortised cost	24,900	11,259

Financial assets measured at amortised cost comprise trade debtors, other debtors, intercompany debtors and cash.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise, trade creditors, other creditors, and accruals excluding deferred income.

Financial liabilities measured at fair value comprise the pension deficit contribution liability

14 Restricted reserves

	As at 1 August 2020 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2021 £
Capital grants	405,087	—	(379,181)	5,534	31,440
Other restricted reserves	149,010	478,944	(200,931)	(5,534)	421,489
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	1,617,998	478,944	(580,112)	—	1,516,830

	As at 1 August 2019 £	Incoming resources £	Resources expended £	Transfers £	As at 31 July 2020 £
Capital grants	759,337	—	(354,250)	—	405,087
Other restricted reserves	89,113	220,469	(160,572)	—	149,010
The Shenley Athletics Ground capital fund	1,063,901	—	—	—	1,063,901
	1,912,351	220,469	(514,822)	—	1,617,998

Capital Grant Fund relates to receipts received to fund specific capital purchases. The funds are written down over the life of the asset.

Other restricted funds relate to receipts received for the following specific purposes:

- ◆ Hardship Fund – received to set up a revolving hardship loan/grant service for students in need. The fund is administered by UCLU's Rights & Advice Department and payments are authorised by the officers/trustees of the Union.
- ◆ Alumni Fund – received from UCL Alumni to be spent on student "Welfare" projects. These funds will be utilised by the welfare officer/trustee as specified.
- ◆ Supporting Student Communities Fund - received from UCL to help students to participate in co-curricular activities by facilitating and enhancing student services and activities.
- ◆ Global Engagement Fund - received to support the Students' Union Global Engagement Programme to increase support for UCL's international students and create opportunities for all students to integrate and build cultural sensitivity and awareness.
- ◆ Active Bystander Fund - received as part of the UCL 'Full Stop' campaign to put a full stop to sexual misconduct, bullying and harassment in any form at UCL and beyond. These funds will be utilised to provide both online training and in person workshops for students.
- ◆ VSU Fund - received to help fund projects within the Volunteering unit.
- ◆ Creche Feasibility Study Fund - received to establish the feasibility of running child creches for students.

14 Restricted reserves (continued)

- ◆ EDI Chinese Students Fund - received for a research project on Chinese and East Asian students.

The Shenley Athletics Ground Capital Fund originates from transfer of surplus funds previously held in trust by UCL on behalf of UCLU and used to carry out capital works to ensure the grounds and facilities are fit for purpose. There are restrictions which limit the use of funds on capital works greater than £20k.

15 Unrestricted reserves

	As at 1 August 2020 £	Incoming resources £	Resources expended £	Gains and transfers £	As at 31 July 2021 £
Designated funds					
Sports Development fund	118,100	43,075	—	—	161,175
Big Idea fund	244,927	—	—	—	244,927
Capital reserve	542,527	—	—	(44,007)	498,520
Shenley athletics ground fund	1,334,451	—	—	—	1,334,451
Revaluation fund	1,500,581	—	—	577,297	2,077,878
	3,740,586	43,075	—	533,290	4,316,951
Pension fund	(340,731)	—	—	(40,803)	(381,534)
General fund	1,582,075	6,649,634	(6,854,910)	44,007	1,420,806
Total unrestricted reserves	4,981,930	6,692,709	(6,854,910)	536,494	5,356,223
	As at 1 August 2019 £	Incoming resources £	Resources expended £	Gains and transfers £	As at 31 July 2020 £
<i>Designated funds</i>					
<i>Sports Development fund</i>	75,025	43,075	—	—	118,100
<i>Big Idea fund</i>	244,927	—	—	—	244,927
<i>Capital reserve</i>	664,620	—	—	(122,093)	542,527
<i>Shenley athletics ground fund</i>	1,334,451	—	—	—	1,334,451
<i>Revaluation fund</i>	1,382,065	—	—	118,516	1,500,581
	3,701,088	43,075	—	(3,577)	3,740,586
<i>Pension fund</i>	(822,579)	—	—	481,848	(340,731)
<i>General fund</i>	1,749,962	9,832,669	(10,122,649)	122,093	1,582,075
Total unrestricted reserves	4,628,471	9,875,744	(10,122,649)	600,364	4,981,930

The Sports Development fund originates from the increase in grant received when the Chislehurst Sports ground was sold in 1999. There is no restriction on the grant but UCLU took the decision to ring fence these funds annually to be spent on sport/student development projects. Any underspend in the year against the annual designated fund of £43,075 will be added to the fund for future projects.

The Big Idea fund represents ring-fenced project expenditure earmarked for use in delivering the Students' Union's strategic objectives that will be undertaken by the Union on behalf of our membership.

15 Unrestricted reserves (continued)

The Capital reserve represents fixed asset expenditure incurred from the Union's unrestricted reserves. The transfer is to cover fixed assets purchased in the year less depreciation charged against assets held.

The Shenley Athletic Ground fund originates from the annual unused grant allocated to the management of the grounds by the UCLU. The grounds are held in Trust by the UCL on behalf of UCLU. These funds have been designated to support and fund the upkeep, maintenance and future running of the grounds and facilities.

The revaluation fund consists of the unrealised gains on revaluation of the listed investments held by UCLU in the University Trust Fund.

The pension fund represents UCLU's liability at the balance sheet date under the deficit recovery plan in relation to the Universities Superannuation Scheme (see note 16).

16 Pensions

The principle pension schemes for the UCLU's staff are the Universities Superannuation Scheme (USS), Superannuation Arrangements of the University of London (SAUL) and NEST. The schemes are externally funded and contracted out of the State Second Pension (S2P) and are valued every three or four years by professionally qualified independent actuaries using the projected unit method. Assets of each scheme are held in separate trustee administered funds. As these are multi-employer schemes it is not possible to identify UCLU's share of the underlying assets and liabilities.

Universities Superannuation Scheme (USS)

USS is the main pension scheme for academic and academic-related staff across the sector, and it operates on a mutual basis such that assets are not attributed to individual institutions and a scheme-wide contribution rate is set. UCLU is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The latest actuarial valuation of the scheme was at 31 March 2018 (the 2018 valuation). It was carried out using the projected unit method, and the financial assumptions that had the most significant effect on the result were as follows:

Discount rate (forward rates)

Years 1-10: CPI - 0.14% reducing linearly to CPI - 0.73%

Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21

Years 21+: CPI + 1.55%

Pension increase (CPI)

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

16 Pensions (continued)

Universities Superannuation Scheme (USS) (continued)

Pension increase (CPI) (continued)

The mortality assumptions included within the valuation are that male (female) members who retire at typical ages will live to approximately age 89 (91).

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective of maintaining sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7bn and the value of the scheme's technical provisions was £67.3bn, indicating a shortfall of £3.6bn and a funding ratio of 95%. This compares favourably to the equivalent, FRS102 adjusted, shortfall of £11.8bn that was reported following the scheme's 2017 valuation and the associated funding ratio of 85%.

Since that point, the funding position of the scheme has been updated on an FRS 102 basis, which values scheme assets at £67.4bn and technical provisions at £79.2bn. On that basis, a resulting shortfall of £11.8bn reflects a total funding level of 85%.

As part of the 2018 valuation, a new deficit recovery plan was put in place. Over the period from 1 October 2019 to 30 September 2021, a proportion of employer contributions equating to 2% of salaries will be specifically earmarked to repair the existing deficit, and from October 2021 that proportion will increase to 6%. On this basis, it is expected that the shortfall will be eliminated by 31 March 2028. The previous recovery plan, based on the 2017 valuation, earmarked 5% of salaries over the period from 1 April 2020 to 30 June 2034.

In accordance with the requirements of FRS102 and the SORP, UCLU recognises a provision for the obligation to fund past deficits. As a consequence of the substantial decrease in deficit contributions, the value of the provision has risen from £340,371 to £381,533.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The total pension cost for the Union in respect of the USS pension scheme amounted to £150,729 during the year (2020: £136,290).

The Superannuation Arrangements of the University of London

The latest completed actuarial valuation of the scheme was as at 31 March 2020 (unaudited) using the projected unit method. The financial assumptions that had the most significant effect on the result of the valuation were as follows:

Investment returns per annum:	
- before retirement	3.15%
- after retirement	1.05%
Price inflation (RPI)	2.70%
Post 2016 pension increases per annum	2.50%

16 Pensions (continued)***The Superannuation Arrangements of the University of London (continued)***

The mortality assumptions included within the valuation are that male (female) members who retire at typical ages will live to approximately age 86 (89).

As at the valuation date, the assets of the scheme were reported as £3.61bn and the scheme's technical provisions as £3.83bn, resulting in a shortfall of £217m. Assets were therefore sufficient to cover only 94% of the past service benefits that had accrued to members, after allowing for expected future increases in earnings.

These results represent a decline in funding level compared to the 2017 valuation (a reported £56m surplus and funding level of 102%) and are reflective of a significant fall in yields of fixed interest gilts over the inter-valuation period, an increase to the CPI inflation assumptions underpinning the valuation of member's future benefits and an increase in SAUL's "short service" active members: those with less than 3 years' service in the Scheme.

To address this issue and ensure that the statutory funding objective continues to be met, the Trustee and employers have agreed to increase employer contributions from 16% to 19% from 1 April 2022 and then again to 21% from January 2023, and amend the Scheme's eligibility requirements such that new members joining after January 2023 can only accrue full benefit after 3 complete years of service. In combination, these measures are estimated to reduce contribution strain by approximately £50m per annum.

Auto-enrolment pension scheme

Since 2017/18, eligible employees have been included in the NEST scheme for auto-enrolment. The Union's cost of contribution in the year amounted to £24,106 (2020: £31,019).

17 Analysis of net assets between funds

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2021 £
Unrestricted funds	—	1,442,588	(21,783)	(381,533)	1,039,272
Designated funds	498,520	3,818,431	—	—	4,316,951
Restricted funds	31,440	—	1,485,390	—	1,516,830
Total funds	529,960	5,261,019	1,463,607	(381,533)	6,873,053

	Fixed assets £	Investment £	Net current assets £	Pensions liability £	Total 2020 £
Unrestricted funds	—	1,485,723	96,352	(340,731)	1,241,344
Designated funds	542,527	3,198,059	—	—	3,740,586
Restricted funds	405,087	—	1,212,911	—	1,617,998
Total funds	947,614	4,683,782	1,309,263	(340,731)	6,599,928

18 Related party transactions

The Union is in receipt of a recurrent grant from UCL of £2,794,577 (2020: £2,713,182). Other grants were received from UCL of £514,194 (2020: £241,396).

In addition, the Union occupies its building on a rent-free basis under an informal licence subject to the Union maintaining the building in a good state of repair. Under the Charities SORP the “donation in kind” must be valued and included within the financial statements. The value to the Union for this space is considered to be £2,575,340 (2020: £2,581,782).

The trustees of the Union are stated on page 1. Seven sabbatical officers received remuneration totalling £205,039 (2020: £227,046) for their services as provided for within the Constitution. There are seven sabbatical officers per year with a two week handover period in July. No trustees received reimbursement of expenses during the year (2020: none).

The Union is also a related party of Somers Town Community Sports Centre Ltd, an incorporated charity (Charity Registration Number 1057305, Company Registration Number 3157703), as it is considered to be under common control. The Union has been invoiced for amounts totalling £nil (2020: £nil) for the hire of sports facilities. Somers Town Community Sports Centre Limited was invoiced for amounts totalling £nil (2020: £1,513). The balance due to UCLU at 31 July 2021 is £37,136 (2020: £5,169).

19 Affiliations

	2021 £	2020 £
Membership contribution to National Union of Students	37,880	60,380

The membership fee is paid directly by UCLU for membership of the National Union of Students.