

**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
	<u>2023 £</u>	<u>2022 £</u>
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	<u>170,291</u>	<u>123,857</u>

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.