

Company no. 07703890
Charity no. 1143101

**University of Hertfordshire Students'
Union**

Report and Audited Financial Statements

31 July 2023

University of Hertfordshire Students' Union

Reference and administrative details

For the year ended 31 July 2023

Company number 07703890

Charity number 1143101

Registered office and operational address College Lane
Hatfield
Hertfordshire
AL10 9AB

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Officer trustees

Rhiannon Ellis	resigned 23 December 2022
Manoj Nagireddy	appointed 3 July 2023
Oluronke Oluwalere	appointed 3 July 2023
Md Sajal	
Osama Siddiqui	resigned 30 June 2023
Aman Tripathi	resigned 30 June 2023

External trustees

Lucy Atkinson	appointed 1 September 2023
Hamnah Baig	appointed 30 November 2022
David Ball	resigned 1 September 2023
Sarah Fuell	
Sardar Ilyas	resigned 30 June 2023
Stephen Isaacs	resigned 1 September 2023
Umar Mohamad	appointed 1 August 2022
Padmavathi Valluri	appointed 1 October 2023
Chinmay Vyas	appointed 1 October 2023
Robert Walder - Chair	appointed 1 September 2023
Dr Mairi Watson	

Chief executive officer Rebecca Hobbs

Company secretary Luci Ablett resigned 14 September 2022
re-appointed 20 July 2023
Kishani Praemnnath appointed 14 September 2022
resigned 20 July 2023

Principal bankers Santander Bank plc
Brindle Road
Bootle
Merseyside
L30 4GB

University of Hertfordshire Students' Union

Reference and administrative details

For the year ended 31 July 2023

Auditors	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD
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University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

Reference and administrative information set out on page 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Overview

The 2022-23 financial year was a positive year for the University of Hertfordshire Students' Union (HSU).

The Students' Union represented students well in 2022-23, actively seeking out the views of students and promoting issues that are of importance to them, through the many University Committees its representatives attend, but also through a proactive range of high-quality change campaigns.

Achievements and performance

The Students' Union has had numerous achievements this year in line with its strategy.

2022-23

HSU's strategic vision is for students to love life at Herts. Like other areas of the University of Hertfordshire, both academic and professional, HSU has seen a decline in the engagement of students throughout the year as they find their way back to campus following Covid. Our strategic approach for 2022-23 focused on rebuilding communities of students. This is in fact one of our strategic drivers (<https://hertfordshire.su/your-union/strategicplan/>).

Specific driving initiatives behind this work included:

- Supporting students to feel part of the Herts community from the off with a series of centralised and school-based activities that were timetabled, well-promoted/signposted and relevant and aimed at re-invigorating students in regaining social confidence; and
- Supporting the University in delivering the commitments it has made via the UPP Student Futures Manifesto: <https://upp-foundation.org/student-futures-commission/news/a-student-futures-manifesto/>.

Therefore, our focus over the coming year, in order to deliver on the above, was:

- Undertaking a review of, and implementing changes to, our structure of Elected Officers. In 2023-24, our new structure of one full time President and nine part time Officers will be rolled out;
- Fostering a sense of belonging through the development of a programme of year-long events, activities and programmes;
- Supporting the transition of students from induction activities into long term community groups such as societies, networks and sports clubs;
- Continuing to embed the Forum as a significant part of the student experience across UH, ensuring the space is safe, welcoming, and inclusive. Ensuring it provides a diverse programme of events for students, hosts UH events and works collaboratively with commercial partners;
- Championing student academic success throughout the student journey, advocating for students to have the resources, support and opportunities they need to complete their studies;
- Championing student mental health through supporting students to build social capital through the continued growth and development of our Buddy Scheme;
- Launching the new HSU brand amongst the student population, with a focus on what an SU is and how we support the University community;

University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

- Further developing our student research base to better understand our student communities, including those who may seem harder to reach, and use this information to represent students' voices within their schools and throughout the University;
- Rolling out tailored advice for international students via HSU's Advice and Support Centre. Increase School outreach to further knowledge and awareness of service amongst students and staff;
- Further developing links between academic societies and academic staff to enhance co-curricular activity and School/Course community;
- Preparing an evidence-based student submission for the TEF, utilising HSU's own insight, coupled with University-sourced evidence, to provide rich detail into the UH student experience;
- Building on and developing our capability on EDI so we can continue to employ staff from a diverse pool and support our growing community of students, especially international students. Completing our NCD EDI Action Plan;
- Recruiting, train and develop staff continually with the aim that student focus remains a priority and we continually evolve to serve their needs; and
- Continuing to ensure prudent financial, risk and regulatory management of HSU and the Forum.

Looking ahead to 2023-24

Launch the new HSU Strategic Plan 2023-26, which will focus on:

1. Student success and wellbeing – how does HSU contribute to the University's objectives around student continuation, completion and progression;
2. Student voice, representation and insight – HSU's contribution to defining the shape of the University experience;
3. Student communities – HSU's commitments under the Student Futures Manifesto, fostering a sense of belonging and supporting student transitions; and
4. Continued stability for the SU – financially, staffing-wise and reputationally.

1. Student success and wellbeing – how does HSU contribute to the University's objectives around student continuation, completion and progression

- Expansion of the Advice Centre to cover new areas and school-specific outreach;
- Free academic society membership across at least 3 schools – we know that students who engage with academic societies are prone to better degree outcomes and we will be exploring what the impacts are of doing this work en masse; and
- Roll out tailored advice for international students via HSU's Advice and Support Centre.

2. Student voice, representation and insight – HSU's contribution to defining the shape of the University experience

- Embed the new sabbatical officer structure throughout the University;
- Alongside University partners, drive the work of the Student Voice Group;
- Recruit and support a well-trained and diverse pool of student representatives and ongoing insight work; and
- Further develop our student research base to better understand our student communities and use this information to represent students' voices within their schools and throughout the University.

University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

3. Student communities – HSU's commitments under the Student Futures Manifesto, fostering a sense of belonging and supporting student transitions

- Foster a sense of belonging through the development of a programme of year-long events, activities and programmes, with at least 60% of the University community engaging in one HSU initiative;
- Support the Start of Term process; and
- Continue to embed the Forum as a significant part of the student experience across UH, ensuring the space is safe, welcoming, and inclusive.

4. Continued stability for the SU

- Building on and developing our capability on EDI so we can continue to employ staff from a diverse pool and support our growing community of students, especially international students;
- Recruit, train and develop staff continually with the aim that student focus remains a priority and we continually evolve to serve their needs;
- Continue to ensure prudent financial, risk and regulatory management of HSU and the Forum; and
- In addition to supporting the Officers, the Union employs 25 FTE staff. We have a Staff Wellbeing Policy and Wellness Action Plans to better support the staff.

Aims, objectives and activities

The Board of Trustees has undertaken a review of its strategy over the last year and identified HSU's mission as follows:

Our vision

We want students to love their life at Herts.

Our values

- Helpful
- Empowering
- Representative
- Transparent
- Student-focussed

We advocate for

- Student success and wellbeing
- Student insight and voice
- Student communities
- A strong Students' Union

In pursuit of these aims for the public benefit, HSU will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students. These include the Union's Advice and Support Centre, support for student representatives, societies and volunteering activities, student media, and support for student skills and training activities. In addition, the Union has established a subsidiary company (HSU Enterprises Limited) to operate the Union's bars, venues, and entertainments. Elected Officers of HSU sit on every major committee of the University and meet regularly with the Local Authority, other providers of public services affecting students and local community groups.

University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

HSU continues to represent the students of the University on relevant local, national and international issues by supporting a high number of student representatives. Student representatives sit on and contribute to over 50 University committees and academic programme committees which allows the Union to cater effectively to the needs of the students. Student representatives are present on all policy and strategy making boards.

When reviewing our objectives and planning our activities, we have given due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

HSU employs a Chief Executive Officer to work closely with the Trustees to ensure effective management of the charity as head of a senior management team as follows:-

Chief Executive Officer

Rebecca Hobbs

Head of Community Operations

Sean Ferrie

Head of People and HR

Leena Patel

Head of Student Services

Stephen Owen

Financial review

Going concern

After making appropriate enquiries, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This expectation is bolstered by the Union's free reserves availability of £391,759. For this reason they continue to adopt a going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies. The Trustees are aware of the impact on the financial statements of the inclusion of the FRS102 standard. This includes the liabilities in relation to the closed defined pension scheme. There is a deficit reduction scheme in place to ensure these liabilities are fully met over the next 14 years.

Reserves policy

The Union's reserves policy is to aim towards the following reserves:

- Provide financial stability to enable the Union to achieve its objectives during challenging trading periods with a working capital reserve of at least 10% of the Union's block grant available.

Free reserves stood at £385,197 at the year end.

HSU is currently affiliated only to the NUS, for which our total subscription costs amounted to £29,991 for the year, and no donations were made during the year to any external institutions out of HSU's own resources.

University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

Financial review

The Union has continued to benefit from the recognition and support from the University and received a substantially increased subvention grant for the year of £1,314,353. In addition the University funded £509,011 towards the cost of leased accommodation.

The University also directly funded on behalf of the Students' Union £70,000 towards the cost of the Athletic Union, which is not shown in these accounts.

The Union's gross income from all sources during the year was £2,592,673 (2022: £2,556,335). The decrease in income is due to trading dropping slightly this year but not significantly. Total expenditure of £2,604,282 (2022: £2,507,275 restated) on the student facing services and income-generating activities resulted in a deficit of £11,609 for the year (2022: surplus £49,060 restated).

Going forward, the Union's budget for 2023-24 shows a surplus of £12,373. This includes a subvention grant of £1,399,305 from the University.

Structure, governance and management

Constitution

HSU is constituted under the Education Act 1994 as a charity (see page 2) in line with Memorandum and Articles of Association most recently approved by the governing body of the University of Hertfordshire (the University) dated 11 July 2011 and amended February 2020.

HSU's charitable Objects under the Act are as follows:

The advancement of education of students at the University of Hertfordshire for the public benefit by:

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

HSU is administered by a Board of Trustees, consisting of four Officer Trustees elected annually by cross-campus secret ballot of HSU members, up to two Student Trustees appointed by the Board to serve a maximum of two years, up to four Independent Trustees appointed by the Board to serve up to three years and a maximum of two consecutive terms, and a University Trustee, appointed by the University's Vice-Chancellor, to serve up to three years and a maximum of two consecutive terms. The four Officer Trustees are full-time, elected officers whose posts are remunerated as authorised by the Education Act 1994 and cannot exceed two years duration for each holder. The term of office for Officer Trustees runs from June to the first week in July each year (or nearest Friday) to link better to the academic year of students at the University and ensure a thorough induction period each summer. The four Officer Trustees, two Student Trustees, four External Trustees and one University Trustee are regarded as the charity trustees of HSU for the purposes of the Charity Acts.

University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

From 2023-24, in line with the new Officer structure of one full-time President and up to nine part-time portfolio Officers, the President will serve as a Trustee and Deputy Chair for the duration of their term of office (up to the maximum term length of one year, re-electable once). The other part-time Elected Officers will serve as Trustees for a term of two consecutive meetings in the year, re-electable once. There will be four Elected Officer Trustees positions at each meeting - the President and three part-time Elected Officers.

Organisational structure and decision making

HSU operates on democratic principles, with supervisory power vested in the Board of Trustees, which can veto decisions made by the Student Council and approves the annual budgets and accounts. The Student Council approves the Union's political policy.

The Trustees, assisted by sub-committees where appropriate, delegate the day-to-day running of HSU to a Chief Executive Officer, named above. As Charity Trustees, Trustees receive an induction into their legal and administrative responsibilities, with an on-going training programme as and when needed for issues arising during their term of office.

HSU employs a team of professional staff who provide and manage many of the charity's services and activities. Those staff are accountable to the Chief Executive, through the senior management team, for the performance of their duties.

Relationship with the University of Hertfordshire

The relationship between the University and HSU is established in the University's Memorandum and Articles of Governance and detailed in a Code of Practice approved by both organisations. HSU receives a subvention grant from the University, and part-occupies buildings owned by the University, which also pays for utilities, and other management costs. The cost of such services is charged for through Service Charges which are funded through the allocation of additional accommodation grants. Although HSU continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the University's support.

The Union also occupies its premises under commercial leases of approximately £509,011 pa. The University has continued to fund a similar amount via an accommodation grant.

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

Risk management

The Board of Trustees has examined the major strategic, business and operational risks faced by HSU. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

Plans for future periods

Future funding

The Board of Trustees confirms that HSU has sufficient funds to meet all its obligations for the coming year. The subvention grant funding for the 2023/24 financial year has been confirmed at £1,399,305. In addition, £509,011 has been confirmed for accommodation costs. Furthermore, the Union expects its commercial activities to continue to generate significant funds to support itself.

Custodian activities: Clubs and societies funds and the annual RAG

HSU acts as custodian for funds raised by the Union's many societies, amounting to an income of £630 in addition to the grant-support funds it disburses to them as shown in the accounts. HSU is also custodian of the annual RAG (Raise and Give) proceeds from fundraising events organised by the students under HSU auspices for distribution to the intended charities. Net funds raised by this year's RAG were distributed among the charities nominated by the RAG Committee. In addition, student groups supported by the Union raised further funds which were donated directly to student's chosen charities.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity 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 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).

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

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

In so far as the trustees are aware:

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

University of Hertfordshire Students' Union

Report of the trustees

For the year ended 31 July 2023

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were appointed as auditors to the group and parent charity during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 14 November 2023 and signed on their behalf by

r walder

Robert Walder - Trustee

Independent auditors' report

To the members of

University of Hertfordshire Students' Union

Opinion

We have audited the financial statements of University of Hertfordshire Students' Union (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 July 2023 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows and the related 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 the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the group and parent charity financial statements and our auditor's report thereon. Our opinion on the group and parent charity 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.

Independent auditors' report

To the members of

University of Hertfordshire Students' Union

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 group and the parent charity and their 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 by the parent charity, or returns adequate for our audit have not been received from branches not visited by us;
- the parent charity financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

University of Hertfordshire Students' Union

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- (1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
- (2) We reviewed the charity's policies and procedures in relation to:
 - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
 - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
- (3) We inspected the minutes of trustee meetings.
- (4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
- (5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
- (6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
- (7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
 - Testing the appropriateness of journal entries;
 - Assessing judgements and accounting estimates for potential bias;
 - Reviewing related party transactions; and
 - Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

To the members of

University of Hertfordshire Students' Union

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

Use of our report

This report is made solely to the charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 15 November 2023

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

University of Hertfordshire Students' Union

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 July 2023

				2023	Restated
	Note	Restricted £	Unrestricted £	Total £	2022 Total £
Income from:					
Donations and legacies	3	26,298	1,823,364	1,849,662	1,718,772
Charitable activities	4	50,532	31,258	81,790	61,744
Other trading activities	5	-	649,332	649,332	775,452
Investments		-	11,889	11,889	367
Total income		<u>76,830</u>	<u>2,515,843</u>	<u>2,592,673</u>	<u>2,556,335</u>
Expenditure on:					
Raising funds		-	994,294	994,294	1,027,136
Charitable activities		<u>49,476</u>	<u>1,560,512</u>	<u>1,609,988</u>	<u>1,480,139</u>
Total expenditure	6	<u>49,476</u>	<u>2,554,806</u>	<u>2,604,282</u>	<u>2,507,275</u>
Net income / (expenditure) and net movement in funds	7	27,354	(38,963)	(11,609)	49,060
Reconciliation of funds:					
Total funds brought forward		<u>68,090</u>	<u>(948,383)</u>	<u>(880,293)</u>	<u>(929,353)</u>
Total funds carried forward		<u><u>95,444</u></u>	<u><u>(987,346)</u></u>	<u><u>(891,902)</u></u>	<u><u>(880,293)</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the accounts.

Prior period expenditure has been restated to adjust for a misstatement relating to the prior year movements in the defined benefit pension scheme provision. The restatements are disclosed in note 22 to the accounts.

University of Hertfordshire Students' Union

Consolidated balance sheets

As at 31 July 2023

	Note	The group 2023 £	The group 2022 £	The charity 2023 £	The charity 2022 £
Fixed assets					
Tangible assets	10	5,854	15,972	5,854	15,972
Investments	11,12	-	-	1	1
		<u>5,854</u>	<u>15,972</u>	<u>5,855</u>	<u>15,973</u>
Current assets					
Stocks	13	37,611	30,975	-	-
Debtors	14	152,468	153,058	64,459	57,370
Cash at bank and in hand		<u>620,917</u>	<u>563,956</u>	<u>595,886</u>	<u>523,438</u>
		810,996	747,989	660,345	580,808
Liabilities					
Creditors: amounts falling due within 1 year	15	<u>(330,355)</u>	<u>(326,451)</u>	<u>(193,488)</u>	<u>(156,253)</u>
Net current assets		<u>480,641</u>	<u>421,538</u>	<u>466,857</u>	<u>424,555</u>
Net assets excluding pension liability		486,495	437,510	472,712	440,528
Defined benefit pension scheme liability	18	<u>(1,378,397)</u>	<u>(1,317,803)</u>	<u>(1,378,397)</u>	<u>(1,317,803)</u>
Net assets	16	<u>(891,902)</u>	<u>(880,293)</u>	<u>(905,685)</u>	<u>(877,275)</u>
Funds	17				
Restricted funds		95,444	68,090	95,444	68,090
Unrestricted funds		<u>(987,346)</u>	<u>(948,383)</u>	<u>(1,001,129)</u>	<u>(945,365)</u>
Total charity funds		<u>(891,902)</u>	<u>(880,293)</u>	<u>(905,685)</u>	<u>(877,275)</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 14 November 2023 and signed on their behalf by

r walder

Robert Walder - Trustee

University of Hertfordshire Students' Union

Consolidated statement of cash flows

For the year ended 31 July 2023

	2023	Restated
	£	2022
		£
Cash used in operating activities:		
Net movement in funds	(11,609)	49,060
Adjustments for:		
Depreciation charges	11,505	17,213
Loss / (profit) on the sale of fixed assets	137	172
Interest from investments	(11,889)	(367)
Decrease / (increase) in stocks	(6,636)	(7,619)
Decrease / (increase) in debtors	590	(103,022)
Increase / (decrease) in creditors	64,498	84,238
	46,596	39,675
Net cash provided by / (used in) operating activities	46,596	39,675
Cash flows from investing activities:		
Purchase of tangible fixed assets	(1,524)	(5,838)
Interest from investments	11,889	367
	10,365	(5,471)
Net cash provided by / (used in) investing activities	10,365	(5,471)
Increase / (decrease) in cash and cash equivalents in the year	56,961	34,204
Cash and cash equivalents at the beginning of the year	563,956	529,752
Cash and cash equivalents at the end of the year	620,917	563,956

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

University of Hertfordshire Students' Union meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Group accounts

These financial statements consolidate the results of the charitable company and its subsidiary, on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees acknowledge the net liability position of the charity at the year end. However, the pension provision will not crystallise in the short term and a repayment plan is in place to ensure these liabilities are met over the next 14 years. Unrestricted general funds excluding the pension provision are £391,051, and the trustees therefore consider there to be no material uncertainties about the charity's ability to continue as a going concern.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of advertising and events is deferred until criteria for income recognition are met.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group: this is normally upon notification of the interest paid or payable by the bank.

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particularly areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities based on the proportion of staff time as follows:

	2023	2022
Raising funds	39.5%	43.6%
Charitable activities	60.5%	56.4%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Plant and machinery	4 years straight line
Motor vehicles	4 years straight line
Office equipment	3 to 4 years straight line

Items of equipment are capitalised where the purchase price exceeds £1,000.

j) Investment in subsidiary undertakings

The charitable company has one wholly owned subsidiary, UHSU Enterprises Limited, (registered company number 06666418). The subsidiary is used for non-primary purpose trading activities. The subsidiary undertaking is valued at cost less any cumulative impairment losses in the charitable company's accounts.

Notes to the financial statements

For the year ended 31 July 2023

1. Accounting policies (continued)

k) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The group and charitable company only have 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

p) Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

q) Defined contribution pension scheme

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

r) Defined benefit contribution scheme

The group participates in the Students' Union Superannuation Scheme, a defined benefit pension scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the pension scheme trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the group. Under the terms of FRS102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

Notes to the financial statements

For the year ended 31 July 2023

1. Accounting policies (continued)

r) Defined benefit contribution scheme (continued)

With effect from 30 September 2011, the scheme was closed to future accrual. Payments to the Students' Union Superannuation Scheme continued after the closure of the scheme in the form of deficit funding and levies.

s) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Depreciation

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Defined benefit pension scheme

As described in note 1r to the financial statements, the charity recognises a liability for their share of the Students' Union Superannuation Scheme as the discounted present value of future cash flows. The assumptions behind the valuation of this scheme are set out in full in note 18 to the accounts.

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	Restated 2022 Total £
Income from:			
Donations and legacies	19,900	1,698,872	1,718,772
Charitable activities	44,817	16,927	61,744
Other trading activities	-	775,452	775,452
Investments	-	367	367
Total income	64,717	2,491,618	2,556,335
Expenditure on:			
Raising funds	-	1,027,136	1,027,136
Charitable activities	69,685	1,410,454	1,480,139
Total expenditure	69,685	2,437,590	2,507,275
Net income / (expenditure) and net movement in funds	(4,968)	54,028	49,060

3. Income from donations and legacies

	Restricted £	Unrestricted £	2023 Total £
University block grant	-	1,314,353	1,314,353
University grant for rent	-	509,011	509,011
Donations	26,298	-	26,298
Total income from donations and legacies	26,298	1,823,364	1,849,662

Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
University block grant	-	1,199,638	1,199,638
University grant for rent	-	499,234	499,234
Donations	19,900	-	19,900
Total income from donations and legacies	19,900	1,698,872	1,718,772

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

4. Income from charitable activities

	Restricted £	Unrestricted £	2023 Total £
Societies income	50,532	-	50,532
Other charitable income	-	31,258	31,258
Total income from charitable activities	50,532	31,258	81,790

Prior period comparative:

	Restricted £	Unrestricted £	2022 Total £
Societies income	44,817	-	44,817
Other charitable income	-	16,927	16,927
Total income from charitable activities	44,817	16,927	61,744

5. Other trading activities

	Restricted £	Unrestricted £	2023 Total £	2022 Total £
Trading income	-	649,332	649,332	775,452

All income from other trading activities in the prior year was unrestricted.

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Staff wages (note 8)	229,765	352,269	473,545	1,055,579
Other staff costs	-	-	25,000	25,000
Trading expenditure	360,234	-	-	360,234
Marketing and advertising	28,450	-	-	28,450
Rental costs	-	509,011	-	509,011
Activities and services	-	172,474	-	172,474
Travel and subsistence	-	-	6,507	6,507
Insurance	-	-	26,086	26,086
Depreciation	-	-	11,505	11,505
Equipment	-	-	29,605	29,605
Office costs	-	-	168,108	168,108
Audit	-	-	13,065	13,065
Legal and professional	-	-	18,949	18,949
Trustee expenses	-	-	2,392	2,392
Pension deficit and levy (note 18)	-	-	162,317	162,317
Bank charges	-	-	12,193	12,193
Irrecoverable VAT	-	-	2,099	2,099
Tax	-	-	708	708
Sub-total	618,449	1,033,754	952,079	2,604,282
Allocation of support and governance costs	375,845	576,234	(952,079)	-
Total expenditure	994,294	1,609,988	-	2,604,282

Total governance costs were £15,547 (2022: £15,405)

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

6. Total expenditure (continued)

Prior period comparative:

	Raising funds £	Charitable activities £	Support and governance costs £	Restated 2022 Total £
Staff wages (note 8)	306,459	397,133	357,076	1,060,668
Other staff costs	-	-	36,330	36,330
Trading expenditure	388,676	-	-	388,676
Marketing and advertising	31,299	-	-	31,299
Rental costs	-	499,232	-	499,232
Activities and services	-	194,102	-	194,102
Travel and subsistence	-	-	5,160	5,160
Insurance	-	-	16,943	16,943
Depreciation	-	-	17,213	17,213
Equipment	-	-	43,525	43,525
Office costs	-	-	111,448	111,448
Audit	-	-	13,850	13,850
Legal and professional	-	-	25,945	25,945
Trustee expenses	-	-	1,555	1,555
Pension deficit and levy (note 18)	-	-	48,623	48,623
Bank charges	-	-	9,225	9,225
Irrecoverable VAT	-	-	3,481	3,481
Sub-total	726,434	1,090,467	690,374	2,507,275
Allocation of support and governance costs	300,702	389,672	(690,374)	-
Total expenditure	1,027,136	1,480,139	-	2,507,275

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

7. Net movement in funds

This is stated after charging:

	2023 £	2022 £
Depreciation	11,505	17,213
Operating lease payments	231,162	228,922
Trustees' remuneration (note 20)	76,966	82,960
Trustees' reimbursed expenses	2,392	1,555
Auditors' remuneration:		
▪ Statutory audit (excluding VAT)	11,700	16,000
▪ Other services	300	Nil

During the year a total of £2,392 was reimbursed to or paid on behalf of 2 trustees for travel and subsistence, and other expenditure relating to their responsibilities as a trustee (2022: £1,555, 2 trustees).

8. Staff costs and numbers

Staff costs were as follows:

	2023 £	Restated 2022 £
Salaries and wages	947,489	906,755
Social security costs	77,788	104,363
Pension costs	30,302	49,550
	<u>1,055,579</u>	<u>1,060,668</u>

One employee earned between £70,000 and £80,000 during the year (2022: One employee earned between £70,000 and £80,000).

The key management personnel of the charitable company comprise the Trustees and the senior management team. The total employee benefits of the key management personnel were £335,344 (2022: £313,246 restated).

	2023 No.	2022 No.
Full time	29	31
Students	<u>76</u>	<u>76</u>
Average head count	<u>105</u>	<u>107</u>

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The subsidiary company distributes any profits to the charity and therefore no corporation tax is payable.

10. Tangible fixed assets

The group and the charity

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 August 2022	75,211	20,580	414,130	509,921
Additions in year	-	-	1,524	1,524
Disposals	(6,069)	-	(33,579)	(39,648)
At 31 July 2023	<u>69,142</u>	<u>20,580</u>	<u>382,075</u>	<u>471,797</u>
Depreciation				
At 1 August 2022	73,813	20,580	399,556	493,949
Charge for the year	1,398	-	10,107	11,505
On disposals	(6,069)	-	(33,442)	(39,511)
At 31 July 2023	<u>69,142</u>	<u>20,580</u>	<u>376,221</u>	<u>465,943</u>
Net book value				
At 31 July 2023	<u>-</u>	<u>-</u>	<u>5,854</u>	<u>5,854</u>
At 31 July 2022	<u>1,398</u>	<u>-</u>	<u>14,574</u>	<u>15,972</u>

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

11. Subsidiary undertakings

UHSU Enterprises Limited

The charitable company owns the whole of the issued share capital (1 ordinary £1 share) of UHSU Enterprises Limited, a company registered in England and Wales. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are donated to the charitable company. A summary of the results of the subsidiary is shown below:

	2023 £	2022 £
Turnover	997,668	1,175,452
Cost of sales	<u>(260,164)</u>	<u>(291,668)</u>
Gross profit	737,504	883,784
Administrative expenses	<u>(719,992)</u>	<u>(801,304)</u>
Operating profit	17,512	82,480
Corporation tax	<u>(708)</u>	<u>(2,580)</u>
Profit for financial year	<u><u>16,804</u></u>	<u><u>79,900</u></u>
The aggregate of the assets, liabilities and funds was:		
	2023 £	2022 £
Assets	162,151	167,181
Liabilities	<u>(148,364)</u>	<u>(170,198)</u>
Funds	<u><u>13,787</u></u>	<u><u>(3,017)</u></u>

12. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £	2022 £
Gross income	1,763,535	1,716,670
Result for the year	<u><u>(28,410)</u></u>	<u><u>(30,840)</u></u>

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

13. Stock

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Finished goods and goods for resale	<u>37,611</u>	<u>30,975</u>	<u>-</u>	<u>-</u>

14. Debtors

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	23,243	15,841	1,315	291
Amounts owed by group undertakings	-	14,897	-	14,897
Other debtors	41,565	51,135	22,505	24,376
Prepayments and accrued income	<u>87,660</u>	<u>71,185</u>	<u>40,639</u>	<u>17,806</u>
	<u>152,468</u>	<u>153,058</u>	<u>64,459</u>	<u>57,370</u>

15. Creditors : amounts due within 1 year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	31,147	60,090	23,640	36,647
Amounts owed to group undertakings	-	14,897	11,498	-
Other taxation and social security	20,622	24,279	20,622	21,699
Other creditors	130,635	101,940	45,672	27,919
Accruals and deferred income	<u>147,951</u>	<u>125,245</u>	<u>92,056</u>	<u>69,988</u>
	<u>330,355</u>	<u>326,451</u>	<u>193,488</u>	<u>156,253</u>

Deferred income relates to University accommodation grant income and a business support grant received in advance of the period it is relating to.

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

16. Analysis of net assets between funds

The group

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	5,854	5,854
Current assets	95,444	715,552	810,996
Current liabilities	-	(330,355)	(330,355)
Provisions for liabilities	-	(1,378,397)	(1,378,397)
Net assets at 31 July 2023	<u>95,444</u>	<u>(987,346)</u>	<u>(891,902)</u>

Prior year comparative

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	15,972	15,972
Current assets	68,090	679,899	747,989
Current liabilities	-	(326,451)	(326,451)
Provisions for liabilities	-	(1,317,803)	(1,317,803)
Net assets at 31 July 2022	<u>68,090</u>	<u>(948,383)</u>	<u>(880,293)</u>

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

17. Movements in funds

	At 1 August 2022 £	Income £	Expenditure £	At 31 July 2023 £
Restricted funds				
Societies	51,609	50,532	(35,546)	66,595
Other	16,481	26,298	(13,930)	28,849
Total restricted funds	68,090	76,830	(49,476)	95,444
Unrestricted funds				
General funds	(948,383)	2,515,843	(2,554,806)	(987,346)
Total unrestricted funds	(948,383)	2,515,843	(2,554,806)	(987,346)
Total funds	(880,293)	2,592,673	(2,604,282)	(891,902)

Purposes of restricted funds

Societies

Societies funds represent amounts raised by the clubs and societies of the Union for their own use.

Other

Other funds represent amounts received for specific minor projects.

Prior year comparative

	At 1 August 2021 £	Income £	Expenditure £	At 31 July 2022 £
Restricted funds				
Societies	53,101	44,817	(46,309)	51,609
Other	19,957	19,900	(23,376)	16,481
Total restricted funds	73,058	64,717	(69,685)	68,090
Unrestricted funds				
General funds	(1,002,411)	2,491,618	(2,437,590)	(948,383)
Total unrestricted funds	(1,002,411)	2,491,618	(2,437,590)	(948,383)
Total funds	(929,353)	2,556,335	(2,507,275)	(880,293)

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

18. Provisions for liabilities: defined benefit pension scheme liability

The Union is a Participating Employer in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the United Kingdom. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis.

The most recent valuation of the scheme was carried out as at 30 June 2022 and showed that the market value of the Scheme's assets was £106,700,000 excluding AVC's and insured pensioners with these assets representing 44% of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £136,600,000.

The 2022 valuation shortfall recovery plan requires a monthly contribution requirement by each Participating Employer up to 31 May 2037 increasing by 5% each year. This is to cover additional liabilities resulting from the discovery of a historical change to the pension benefits which had not been documented correctly. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2022 and will be formally reviewed following completion of the next valuation due with an effective date of 1 October 2026. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The total amount of contributions paid into the Scheme by University of Hertfordshire Students' Union in respect of eligible employees during the year ended 31 July 2023 amounted to £Nil (2022: £Nil).

At the balance sheet date the charity had commitments to pay deficit funding contributions starting at £7,839 per month. This monthly payment is scheduled to increase by 5% per annum in October each year until 31 May 2037.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement the charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present value of provision

	2023 £	2022 £
Present value of provision	<u>1,378,397</u>	<u>1,317,803</u>

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

18. Provisions for liabilities: defined benefit pension scheme liability (continued)

Reconciliation of opening and closing provisions

	2023 £	2022 £
Provision at the start of the year	1,317,803	1,317,803
Deficit contributions paid	(93,728)	(86,116)
Unwinding of the discount factor (interest expense)	39,170	40,132
Impact of extension to repayment period	262,866	-
Impact of change in discount rate	(147,714)	-
Provision at the end of the year	1,378,397	1,317,803

Income and expenditure impact

	2023 £	2022 £
Unwinding of the discount factor (interest expense)	39,170	40,132
Impact of extension to repayment period	262,866	-
Impact of change in discount rate	(147,714)	-
Annual levy	7,995	8,491
	162,317	48,623

Assumptions

	2023 %	2022 %
Rate of discount	4.66	3.20

The discount rates shown above are the equivalent single discount rates which, when used to discount future recovery plan contributions due, would give the same results as using a full AAA corporate bond yield curve to discount the same recovery plan contributions.

19. Operating lease commitments

The group and charity had operating leases at the year end with total future minimum lease payments as follows:

	The group		The charity	
	2023 £	2022 £	2023 £	2022 £
Amount falling due				
Within 1 year	231,162	228,922	72,240	70,000
Within 1 - 5 years	924,650	915,690	288,960	280,000
Later than 5 years	250,426	406,922	78,260	75,833
	1,406,238	1,551,534	439,460	425,833

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

20. Related party transactions

Trustee remuneration

The Union's 4 (2022: 4) sabbatical officers received total employee benefits, including employer pension contributions, totalling £73,011 (2022: £77,936). These payments are permitted under the charity's articles of association. In 2023 all sabbatical officers were also trustees (2022: all sabbatical officers were trustees).

	Salary £	Pension £	2023 £
Aman Tripathi	20,482	-	20,482
Md Sajal	20,661	(66)	20,595
Osama Siddiqui	20,287	(66)	20,221
Rhiannon Ellis	9,087	281	9,368
Manoj Nagireddy	2,292	53	2,345
	<u>72,809</u>	<u>202</u>	<u>73,011</u>
Total trustee remuneration	<u>72,809</u>	<u>202</u>	<u>73,011</u>

UHSU Enterprises Limited

The charitable company's wholly owned subsidiary undertaking is UHSU Enterprises Limited, a registered company in England and Wales (number: 06666418). The company gifts available taxable profits to its parent undertaking. The balance owing to UHSU Enterprises Limited at 31 July 2023 was £11,498 (2022: £14,897 from UHSU Enterprises Limited). Transactions between the entities during the year have not been disclosed in accordance with section 33 of FRS 102.

21. Relationship to the University of Hertfordshire

The charitable company receives a substantial part of its income by means of grant funding from the University of Hertfordshire. The core grant amounted to £1,314,353 (2022: £1,199,638) in the year under review, along with an additional £2,544 of ad hoc unrestricted funding received from the University to fund other projects (2022: £Nil). The trustee board are of the opinion that this financial assistance is not an influencing factor with regards to the formulation of charitable company policy nor does it have any effect on the internal management and decision making of the charitable company.

An accommodation grant amounting to £509,011 (2022: £499,234) was received in the year from the University. The buildings the group occupy are owned by the University of Hertfordshire and are provided effectively rent free as the accommodation grant received is paid back to the University at regular intervals throughout the year.

University of Hertfordshire Students' Union

Notes to the financial statements

For the year ended 31 July 2023

22. Prior period restatement

The group and the charity

The prior year comparatives have been restated to correctly reflect movements in the defined pension benefit scheme. The impact upon the prior year defined benefit pension scheme movements, expenditure, other gains and losses and employer pension costs is shown below. The reclassifications do not affect net income.

Deficit contributions paid

	2022 £
Original contributions paid	-
Adjustment from pension costs	<u>86,116</u>
Adjusted contributions paid	<u><u>86,116</u></u>

Unwinding of the discount factor (interest expense)

	2022 £
Original unwinding of the discount costs	-
Adjustment from pension costs	<u>40,132</u>
Adjusted unwinding of the discount costs	<u><u>40,132</u></u>

Employer pension costs

	2022 £
Employer pension costs as originally stated	144,156
Less: defined benefit contributions paid	(86,116)
Less: Pension levy	<u>(8,490)</u>
Employer pension costs as restated	<u><u>49,550</u></u>

Actuarial gains / losses

	2022 £
Actuarial gain as originally stated	45,984
Less: defined benefit contributions paid	(86,116)
Unwinding of discount	<u>40,132</u>
Actuarial gain as restated	<u><u>-</u></u>