

Charity registration number: 1195544

**LIVERPOOL HOPE STUDENTS' UNION
FINANCIAL STATEMENTS
31 JULY 2022**

LIVERPOOL HOPE STUDENTS' UNION

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

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LIVERPOOL HOPE STUDENTS' UNION

REFERENCE AND ADMINISTRATION INFORMATION

YEAR ENDED 31 JULY 2022

Trustees:

Clara Priestley	Chair & President (to June 2022)
Erin Meharry	Chair & President (from July 2022)
Stephanie Trujillo	Vice President Welfare & Community (to June 2022)
Olivia Vann	Vice President Welfare & Community (from July 2022)
Ollie Smith	Vice President of Sports and Activities (from July 2020 to September 2021)
Noah Thorley	Vice President Education (from July 2022)
Lucy Gill	External Trustee (from April 2021)
Jane Whalen	External Trustee (from April 2021)
Delaweh Hamelo-Mensah	External Trustee (from April 2021)
David Hoyte	Student Trustee (to September 2021)
Eleanor Quin	Student Trustee (to September 2021)
David Sennett	External Trustee (to January 2022)
Sanjana Basu	Student Trustee (from January 2022)
Kathryn McHugh	Student Trustee (from January 2022)
Aaron Ryan	Student Trustee (from October 2020)

General Manager: Khurram Dar

Official Name: Liverpool Hope Students' Union

Principal Address: Hope Park
Taggart Avenue
Liverpool
L16 9JD

Independent Examiner: Crowe UK LLP
3rd Floor
The Lexicon
Manchester
M2 5NT

Bankers: NatWest Bank
Allerton Road
Liverpool
L18 2JN

LIVERPOOL HOPE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

The Trustees, who are directors for the purpose of company law present their annual report and financial statements for the period ended 31 July 2022.

The Trustee Board have adopted the provisions of the revised 2019 Charities Statement of Recommended Practice – the Charities SORP 2019 (FRS 102), in preparing the annual report and financial statements. They are presented on a merger accounting basis for Charity No 1150387 and Charity No 1195544.

Status and Administration

The Students' Union is a charity registered with the Charity Commission. Until 2nd September 2021, the Students' Union operated as an unincorporated entity (Charity Commission no 1150387). On 3rd September, the assets and liabilities of the unincorporated entity (Charity No 1150387) were transferred to the incorporated entity (Charity No 1195544). The unincorporated entity ceased trading on 2nd September 2021.

The charity is constituted in accordance with its constitution, and is administered and managed by the Sabbatical Officer Trustees, appointed from time to time. An Annual General Meeting of the student body is held at least once in each academic year. Since the issues of the COVID-19 Pandemic, the Annual General Meeting (AGM) the guidance has been updated by the Charity Commission to allow for these to be held online for maximum engagement. This year's meeting took place on 12 May 2022.

The Sabbatical Officer Trustees are elected by the membership to take office on 1 July in the year in which they are elected and hold office for one year until the following 30 June.

Charitable Objects and the Advancement of Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit. Liverpool Hope Students' Union seeks to enhance the advancement of education of Students at Liverpool Hope University for the public benefit by:

- promoting the interests and welfare of Students at Liverpool Hope University during their course of study and representing, supporting and advising Members;
- being the recognised representative channel between Students and Liverpool Hope University 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 Members.

The Students' Union achieves its outcomes for the public benefit by providing information, advice, guidance and support for the student body, raising awareness of social, political and cultural issues, and achieves the advancement of sport and social interchange for the public benefit in particular, but not exclusively, by providing sporting and recreational facilities for a range of sports and generally equipping the student body for enhanced contribution to the local community.

Statement of Trustee Board's Responsibilities

Charity law requires the Trustee Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

LIVERPOOL HOPE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

The Trustee Board 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 charity and of its net incoming resources for that period. In preparing these financial statements, the Trustee Board 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 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 charity will continue in operation. In assessing going concern for the purpose of preparing the financial statements, the Trustee Board have paid particular attention to the period of 12 months from the balance sheet date.

The Trustee Board is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with charity law. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity and tax law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure, Governance & Management

LHSU is constituted under the Education Act 1994 as a charity and is governed by its Constitution. LHSU's charitable object is the advancement of education of Students at Liverpool Hope University for the public benefit by:

- promoting the interests and welfare of Students at Liverpool Hope University during their course of study and representing, supporting and advising Members;
- being the recognised representative channel between Students and Liverpool Hope University 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 Members.

The Full Time Sabbatical Officers are elected annually by cross-campus secret ballot of the LHSU membership. These three posts of President, Vice President (Education) and Vice President (Welfare & Community) are full-time posts remunerated as authorised by the Education Acts and cannot exceed two years duration for each holder. These posts took effect on 1st July 2021 for all sabbaticals and were advertised and elected accordingly. The three full-time Sabbatical Officers, three Student Trustees and four External Trustees are regarded as the charity trustees of LHSU for the purposes of the Charities Acts. The External Trustees may serve a term of 4 years renewable for a maximum of three terms, a fourth term may be reappointed after an interval of at least three years.

Trustee training

New Trustees are inducted into the workings of the Union as a registered charity, including Board Policy and Procedures, at both internal and external training and induction workshops.

LIVERPOOL HOPE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

Organisational Management

The Students' Union is a democratic organisation with the ultimate decision making power being vested through the Annual General Meeting of Members which is the sovereign body. The Trustee Board is the governing body of the Union whose decisions are reported to the Annual General Meeting. The Forums formulate and determine Union policy in accordance with the Standing Orders of the Union and hold the Sabbatical Officer Trustees to account through regular reports and plans. The Trustee Board sets an

apolitical policy regarding the operational management of the Union and approves and reviews the strategic plan.

The Executive Council is the emergency decision making body of the Union and can act in place of the Forums when an item of business is deemed too urgent to wait until the next appropriate Forum. The Forums may overturn any of these decisions. The Executive Council does however hold some specific powers including appointing and dismissing lay trustees and making rulings on interpretations of the constitution and by-laws of the Union.

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 the remuneration policy is reviewed annually.

Relationship with Liverpool Hope University

The relationship between the University and LHSU is established in the Regulations of the University. LHSU receives a Block Grant from the University and has access to office space owned by the University, which also pays for utilities. This non-monetary support is intrinsic to the relationship between the University and LHSU. As recommended by the Charities SORP, which has been adopted for this and future financial years for due compliance with the requirements for Students' Unions provided for in the Charities Act 2011, an estimated value to LHSU for this free serviced accommodation has been included in the accounts, priced at a conservative £12,000. Although the Students' Union successfully runs a small range of operational and fundraising activities, it will for the foreseeable future be dependent on the support of the University. There is no reason to believe that this support will not continue for the foreseeable future as the Students' Union is an integral part of the University structure and of value to the overall student experience at the University.

The trustees consider it reasonable to anticipate that this or equivalent support from the University will 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 in one form or another. The trustees therefore consider the Union to be financially viable for the foreseeable future.

With the impact of the Covid19 Pandemic, our block grant was frozen and receives no inflationary increase for the year 2021/2022. However, the University has assured it's continued support at the current figure, with a modest increase for inflation for 2022/23.

Principal Risks and Uncertainties

The Board reviews the Union's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties currently facing the Union are considered to be:

The possible reduction in funding by the University caused by

- Their own financial health
- Their perception of the value of the role of the Union
- The effects of the COVID-19 Pandemic

LIVERPOOL HOPE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

The financial health of the University is itself dependent on tuition fees from students, which in turn is susceptible to factors beyond the control of the Union, including

- Popularity of the academic offering
- Popularity as a result of academic standards
- Popularity as a result of the attractiveness of the campus and its facilities
- Popularity driven by affordability and fee levels
- Other demographics

- Reputational damage in the unlikely event of a high profile activity by a student
- Reputational damage in the unlikely event of a high profile activity by a trustee
- The effects of the COVID-19 Pandemic.

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident-reporting and monitoring systems, lone working policies, working from home policies and insurance cover wherever appropriate.

Aims, Objectives and Activities

The Trustee Board set a strategic plan for 2019-21 based on a vision of "Ensuring the best student experience; through representation and student voice."

By, for and of the students – there is no better way to encapsulate our purpose. We are a membership led organisation driven by our core values.

Liverpool Hope Students' Union is, quite simply, every student at Hope coming together to make positive change. Elected officers work toward this by representing students' views, needs and concerns to the University and relevant external organisations. The Union is here to offer advice on a variety of things from academic matters to housing, as well as giving students the opportunities to do what they love doing through our clubs, societies and events.

Our values, we will:

- Champion democracy & representation
- Be innovative
- Show enthusiasm
- Celebrate liberation & diversity
- Have fun

We deliver this vision and mission through four key strategic objectives:

1. **Leading the Way:** We will empower students to become future leaders
2. **Learning for Success:** We will work with each Member according to their needs to ensure they have access to a learning environment that allows them to fulfil their academic potential
3. **Living to the Full:** We will create opportunities for students to take advantage of and we will also empower them to forge their own opportunities
4. **Supporting Communities:** We will foster an environment which removes barriers and enables every Member to feel part of both the Hope community and wider Liverpool Life

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.

LIVERPOOL HOPE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

Achievements and performance

LHSU achieved the following outcomes against its published objectives for 2021/22:

Leading the Way: We will empower students to become future leaders

- 7.9% turnout in the annual Sabbatical Officer Elections.
- On average, 70 students attending forums and AGMs
-

Learning for Success: We will work with each member according to their needs to ensure they have access to a learning environment that allows them to fulfil their academic potential

- 250 Course Representatives attending Union-led training sessions
- We were a member of the Inclusive Practice Working Group to ensure all Learning Support Plans were reviewed with a disability lens to improve accessibility for all.

Living to the Full: We will create opportunities for students to take advantage of and we will also empower them to forge their own opportunities

- 50 different sports club and society activities offered to students.
- Over 500 students registered as members of those sports clubs and societies.
- 2 Social Media Volunteers
- 2 Mental Health Volunteers
- 3 Student Trustees

Supporting Communities: We will foster an environment which removes barriers and enables every Member to feel part of both the Hope community and wider Liverpool Life

- We had the most successful Freshers Fayre for at least a decade with 1,800 students through the doors. Feedback from the event was overwhelmingly positive.
- 10 out of the 13 Student Representatives were filled via an election.
- The year saw a high number of advice cases logged and resolved for students with a 100% complaints and appeals won record.

The key measure of our success is how the Union scores in Question 26 of the National Student Survey: "The Students' Union (Association or Guild) effectively represents students' academic interests". We scored 58% in 2022 which is less than 8% above the sector benchmarking standard.

Future plans

Due to a re-demarcation of Advice functions between the Students Union and the University, and the strategic plan still currently under review, the new Advice Service was launched in October 2020. This has been a huge success, so much that the University have withdrawn their own academic advice provision. Next steps are:

- Continue to review systems for tracking engagement of members within the Union
- Review the new Operating Plan to check it is fit for purpose
- Continue with our Strategic Plan Engagement

LIVERPOOL HOPE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

Financial review

For the period 2021/22 LHSU reported a surplus of £51,264 (2021: £40,198 surplus), this being an increase of £28,408 against budget (budgeted surplus £22,856). Gross income from all sources this year totalled £310,889 (2021: £274,618). Total expenditure of £259,625 (2021: £234,420) on a wide-range of student benefits we provide within a broadly balanced budget, as well as on the modest fundraising and other revenue-generating activities were unfortunately negatively impacted upon by the 2019 SUSS Pension Valuation.

LHSU has continued to benefit from the recognition and support of the University, and this year the, annual block grant was £252,150 (excluding an additional amount of £12,000 recognised as a benefit in kind for building/space rental use, maintenance of the building, HR support and on-site sports facilities for use by our clubs for training sessions and competitive fixtures).

Reserves level and policy

The Trustees have adopted a reserves policy, the objective of which is to protect the Union and its charitable activities by ensuring adequate liquidity while the organisation adjusts to any short term (two to three months) changes it encounters in its financial and operating environment. At the same time the Trustees want to ensure reserves are not too high in order to maximise the resources applied to the Union's charitable purpose, and to be able to designate specific funds to support the ongoing activities of the Union. Following this policy, the Trustees have set a target of the Union holding £58,000 in unrestricted funds (not including the pension deficit reserve).

The inclusion of the overall pension deficit reduces the overall total funds to (£58,979), Restricted Funds amount to £13,223 leaving General reserves of (£72,202). Excluding the pension liability (£207,116) from General reserves, free reserves amounted to £134,914. Therefore, the current level of free reserves is currently ahead of target by £76,914.

Based on the Union's financial model of receiving and spending grant income from the University, it is unlikely that the Union will generate significant operating surpluses in the future to rapidly build the level of free reserves. Given the continued support of the University, the Trustees regard the Union as a going concern.

LHSU is affiliated to the NUS, for which our total subscription costs amounted to £6,304 for the year, as well as BUCS (£2,305), Lacrosse (£185) and Nightline (£40), and no donations were made during the year to any external institutions out of LHSU's own resources.

Fundraising Disclosures

The Union is committed to the fundraising codes of practice upheld by the Fundraising Regulator. Our aim is to build a long-term relationship with our supporters.

During the year we reviewed our activities in relation to the protection of vulnerable people. Policies have been amended and the training of our membership recruiters has been updated to include guidance on recognising and dealing with vulnerable people.

The Union does not make direct fundraising appeals to its members. Our societies, on occasion, carry out fundraising activities for their society funds and for charities. We carry out an annual RAG week,

LIVERPOOL HOPE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2022

and provides guidance to students based on the Union's fundraising policy. The majority of fundraising completed by sports teams and societies was for Movember.

There were no complaints received during this period.

Students' Union Governance Code

The Trustees have adopted the Charity Governance Code, an updated version of which was published in July 2017, and are guided by its principles and recommended practice for good governance. A review of the Code's recommendations is planned for next year.



E. Meharry

Chair of Trustees

8th February 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LIVERPOOL HOPE STUDENTS' UNION

YEAR ENDED 31 JULY 2022

I report to the trustees on my examination of the accounts of Liverpool Hope Students' Union (the Trust) for the year ended 31 July 2022, which are set out on pages 12 to 28.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Michael Jayson FCA
Crowe UK LLP
3rd Floor
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Manchester
M2 5NT

9 February 2023

LIVERPOOL HOPE STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME					
Income from generated funds:					
Voluntary income	2	252,150	12,000	264,150	264,150
Incoming resources from charitable activities	3	11,206	17,681	28,887	2,091
Other incoming resources from generated funds	4	17,852	-	17,852	8,377
Net incoming resources		281,208	29,681	310,889	274,618
RESOURCES EXPENDED					
Charitable activities	5	220,544	39,081	259,625	234,420
Total resources expended		220,544	39,081	259,625	234,420
Net incoming/(outgoing) resources		60,664	(9,400)	51,264	(40,198)
Transfers	13	(3,968)	3,968	-	-
Net incoming resources for the year		56,695	(5,431)	51,264	40,198
Fund brought forward		(128,897)	18,654	(110,243)	(150,441))
Funds carried forward at 31 July 2022		(72,202)	13,223	(58,979)	(110,243)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The notes on pages 15 to 29 form part of these financial statements.

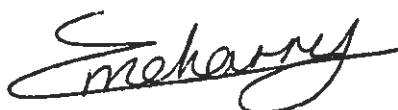
LIVERPOOL HOPE STUDENTS' UNION

BALANCE SHEET

AS AT 31 JULY 2022

	Note	£	2022 £	£	2021 £
Tangible fixed assets	9		<u>775</u>		<u>230</u>
			775		230
Current assets					
Debtors	10	6,000		10,638	
Cash at bank and in hand		<u>164,872</u>		<u>164,616</u>	
		170,872		175,254	
Current liabilities: amounts due within one year	11	(23,510)		(32,054)	
Net current assets			<u>147,362</u>		<u>143,200</u>
Creditors: amounts due after one year	12		(207,116)		(253,673)
Net (liabilities)			<u>(58,979)</u>		<u>(110,243)</u>
Reserves					
Restricted funds	13		13,223		18,654
Unrestricted Funds	13		(72,202)		(128,897)
			<u>(58,979)</u>		<u>(110,243)</u>

These financial statements were approved by the Board of Trustees on **th December 2022 and are signed on their behalf by:



E Meharry
Chair & President

The notes on pages 15 to 29 form part of these financial statements.

LIVERPOOL HOPE STUDENTS' UNION
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £	2021 £
Net cash used in operating activities	20	1,053	59,519
Cashflows from investing activities:			
Purchase of fixed assets		(797)	-
Change in cash and cash equivalents in the year		256	59,519
Cash and cash equivalents brought forward		164,616	105,097
Cash and cash equivalents carried forward		164,872	164,616

The notes on pages 15 to 29 form part of these financial statements.

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

General Information

General information regarding the charity is included on page 3.

1. ACCOUNTING POLICIES

(a) Basis of preparation

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 updated 2019 Charities Statement of Recommended Practice based thereon – the Charities SORP (FRS 102). Liverpool Hope Students' Union constitutes a public benefit entity as defined by FRS 102.

(b) Income

All income and capital resources are recognised in the accounts when entitlement to the income arises, there is probable economic benefit to Liverpool Hope Students' Union (LHSU) and the amount can be reliably quantified. The University grant of free serviced accommodation on the campus is accounted for as income and expenditure of the year at an estimated value to LHSU by reference to the alternatives available on the commercial market.

(c) Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure includes irrecoverable VAT and comprises the direct and indirect costs of delivering public benefit. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers. The value of free serviced campus accommodation is apportioned on estimated floor space occupied. Other central overhead costs, as well as governance costs, are apportioned to charitable and other projects/activities on a usage basis, pro rata to the total costs of each project or activity undertaken.

(d) Clubs and Societies

The income and expenditure of individual clubs and societies raised in their own right is consolidated into the Union's SOFA and is shown as restricted income and expenditure. Any unspent balances at the year-end are held as restricted funds for application in the future.

A cumulative deficit in any fund will be recovered from future income raised by the club or society.

(e) Fund accounting

LHSU administers and accounts for a number of charitable funds, as follows:-

- **Unrestricted funds**

Representing unspent income which may be used for any activity/purpose at the trustees' own discretion;

- **Restricted funds**

Restricted funds are funds raised and administered by LHSU for specific charitable purposes as determined by students, such as funds held within charitable Clubs and Societies Accounts, as well as revenue received for charitable purposes specified by the donor;

- **Designated funds**

Designated funds are funds that have been set aside by the Trustees for particular purposes. The

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

aim and use of each designated fund is set out in the notes to the accounts.

(f) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Assets are not capitalised below £500 cost per item/set. Equipment, fixtures and fittings are included at cost. Depreciation is provided at rates calculated to spread each asset's cost, less its estimated current residual value as if at the end of its useful economic life, evenly over that estimated useful economic life :-

Fixtures and Fittings	- 20% of Cost
Computer and Office Equipment	- 33% of Cost

(g) Pension costs

Retirement benefits to employees of the Union are provided through two pension schemes, one defined benefit (SUSS) and the other defined contribution (NEST).

SUSS

Liverpool Hope Students' Union participates 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 country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual. The 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 LHSU. However the Union has entered into an arrangement to clear the scheme deficit over a 15 year period. The Net Present Value of LHSU's contributions as part of this plan are reflected as a liability on the balance sheet, which will reduce as they are paid.

NEST

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme, National Employment Savings Trust (NEST). Contributions are at the rate of 6% for the employer and 4.8% for the employee. Pension costs are charged in the period in which the salaries to which they relate are payable

(h) Leased assets

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

(i) Stock

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

(j) Financial Instruments

The Union only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities. Debt instruments (other than those wholly repayable within one year) are initially measured at present value of the future cash flows and subsequently amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables are measured initially

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity.

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(k) Critical accounting estimates and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1. Multi-employer defined benefit pension scheme.

The Charity participated in the Students' Union Superannuation Scheme, a multiemployer defined benefit pension scheme with other Students' Union organisations. In 'The judgement of the trustees, the Charity does not have sufficient information on the plans asset and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 16 for further details.

The Charity must measure its defined benefit obligation on a discounted present value basis. The Charity must determine the rate to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds. The term of the corporate bonds shall be consistent with the estimated period of the future payments.

(l) Going Concern

As explained in Note 21 and the Trustee's Annual Report, the old unincorporated charity (Charity no 1150387) ceased trading after 3rd September. The unincorporated entity transferred its activities, assets and liabilities to a new incorporated legal entity of the same name on 3rd September 2021 (charity no 1195544). Since 3rd September 2021, the SU has traded in the incorporated entity and the results are presented as if continued through the use of merger accounting.

The trustees consider that there are no material uncertainties about the Union's ability to continue as a going concern given the continued support of the University in way of an annual grant. There is no reason for the Union to believe this financial support from the University will not continue for the foreseeable future. The Trustees express their thanks on behalf of the members of the Union for the support of Liverpool Hope University.

The financial position of the Union is described in the Financial Statements and accompanying notes. The Union made a surplus of £51,264 during the year and has net current assets of £147,362 (2021: £143,200).

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Block grant from Liverpool Hope University	252,150	-	252,150	252,150	-	252,150
Facilities in kind	-	12,000	12,000	-	12,000	12,000
	252,150	12,000	264,150	252,150	12,000	264,150

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
NUS extra commission	361	-	361	449	-	449
Event income	10,845	-	10,845	-	-	-
Clubs and societies	-	17,681	17,681	-	1,642	1,642
	11,206	17,681	28,887	449	1,642	2,091

4. OTHER INCOMING RESOURCES FROM GENERATED FUNDS

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Other income (including BAM)	17,852	-	17,852	8,377	-	8,377
	17,852	-	17,852	8,377	-	8,377

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

5. COSTS OF CHARITABLE ACTIVITIES

	Direct Costs £	Support Costs £	2022 Total Costs £	Direct Costs £	Support Costs £	2021 Total Costs £
Events	34,805	28,309	63,114	24,961	33,003	57,964
Internal representation	6,151	11,324	17,475	8,785	13,201	21,986
Subscriptions and affiliations	6,304	-	6,304	6,304	-	6,304
Education and welfare	16,017	28,309	44,326	18,420	33,003	51,423
Clubs and societies	36,122	22,647	58,769	16,349	26,402	42,751
Sports	35,407	22,647	58,054	17,454	26,402	43,856
Governance costs	-	11,583	11,583	-	10,136	10,136
	134,805	124,819	259,625	92,273	142,147	234,420

6. SUPPORT COSTS

	2022 £	2021 £
<i>Staff costs</i>		
Administrative staff salaries	106,886	98,838
Pension contributions	(29,436)	(4,170)
Staff training, conferences and travel	1,036	160
	78,486	94,828
<i>Building</i>		
Rent and services in kind	12,000	12,000
Telephone	302	304
	12,302	12,304
<i>Other costs</i>		
Depreciation	252	251
Insurance	4,448	4,167
Hospitality and entertaining	489	712
Printing, stationery and postage	469	122
Legal & professional	1,626	5,861
Marketing & support costs	6,458	5,673
Fees – Subs & Other	185	323
Expenses inc taxi, hotel, travel	153	43
Equipment, clothing & consumables	195	1,053
Bank charges	94	-
Redundancy	-	6,666
Write Off	8,079	8
	22,448	24,879
<i>Governance costs</i>		
Independent examiner fee	1,260	1,116
Staff recruitment and Conferences	76	7,447
Legal & professional	10,247	1,573
	11,583	10,136
	124,819	142,147

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

7. STAFF COSTS AND KEY MANAGEMENT PERSONNEL

	2022 Total Funds £	2021 Total Funds £
Wages and salaries	136,781	153,266
Social security	10,524	11,215
Pension costs	20,779	408
	<u>168,084</u>	<u>164,889</u>

Area	2022 Average number of staff	2021 Average number of staff
Sabbatical officers	2	3
Management	1	1
Student activities	2	1
Administration	2	2
	<u>7</u>	<u>7</u>

The key management personnel of the Union comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Union was £85,918 (2021: £107,395).

No employees received remuneration in excess of £60,000 (2021: none).

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

8. TRUSTEE REMUNERATION

The Sabbatical Officers were the only Members of the Board of Trustees to receive any remuneration in accordance with the Union's operating document. Total trustee remuneration for the year was as follows:

	2022 £	2021 £
President		
E Meharry (from 1.7.22)	1,818	-
C Priestley (until 30.6.22)	18,654	1,601
H Pearce (until 30.6.21)	-	18,127
Vice Presidents		
O Vann (from 1.7.22)	1,816	
N Thornley (from 1.7.22)	1,819	
S Trujillio (until 30.6.22)	18,945	1,720
O Smith (until 8.9.21)	2,292	20,558
S. Wills (until 30.6.21)	-	18,749
	<u>45,344</u>	<u>60,755</u>

Under our governance structure, trustees may be reimbursed for expenses incurred during the course of their duties. During the year the three Sabbatical Officers were reimbursed for expenses totalling £470 (2021: £625).

9. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment
Cost	£
At 31 July 2021	753
Additions	797
At 31 July 2022	<u>1,550</u>
Depreciation	£
At 1 August 2021	523
Charge for the year	252
At 31 July 2022	<u>775</u>
Net Book Values	
- at 31 July 2022	<u>775</u>
- at 31 July 2021	<u>230</u>

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

10. DEBTORS

	2022	2021
	£	£
Trade debtors	3,759	7,452
Accrued income	-	900
Prepayments	791	2,286
Amount owed from University	1,450	-
	<u>6,000</u>	<u>10,638</u>

11. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	2022	2021
	£	£
Operating creditors	510	125
Accruals and deferred income	6,814	7,777
Amount owing to University	-	8,621
SUSS pension deficit	16,186	15,531
	<u>23,510</u>	<u>32,054</u>

12. CREDITORS: AMOUNTS FALLING IN MORE THAN ONE YEAR

	2022	2021
	£	£
SUSS pension deficit	207,116	253,673
1-5 years	64,099	67,301
>5 years	143,017	186,372

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

13. RESERVES

	At 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2022 £
Restricted reserves					
Green fund	657	-	-	-	657
Clubs and Societies	17,997	17,681	(27,081)	3,968	12,566
Rent and services in kind	-	12,000	(12,000)	-	-
	18,654	29,681	(39,081)	3,968	13,223
Unrestricted reserves					
General funds	(128,897)	281,208	(220,544)	(3,968)	(72,202)
Total funds	(110,243)	310,889	(259,625)	-	(58,979)

	At 1 August 2020 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2021 £
Restricted reserves					
Green fund	657	-	-	-	657
Clubs and Societies	14,995	1,642	(2,485)	3,845	17,997
Rent and services in kind	-	12,000	(12,000)	-	-
	15,652	13,642	(14,485)	3,845	18,654
Unrestricted reserves					
General funds	(166,093)	260,976	(219,935)	(3,845)	(128,897)
Total funds	(150,441)	274,618	(234,420)	-	(110,243)

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

14. STUDENT CLUB/SOCIETY material funds held were:-

	At 1 August 2021 £	Income for Fund £	Resources expended £	Grants & Transfers £	At 31 July 2022 £
Hope Christian Union	1,992	1,453	(1,796)	100	1,749
Rugby Mens	997	1,183	(1,518)	400	1,062
Musical Theatre	730	1,322	(1,043)	-	1,009
Islamic	864	-	(73)	-	791
Gaelic Womens	676	1,202	(1,890)	350	338
Hockey Mens	178	-	(60)	200	318
Green Hope	657	-	-	-	657
Other Clubs & Societies	9,620	12,521	(20,300)	2,918	4,759
Societies – Closed 18/19	2,940	-	(400)	-	2,540
Total Funds	18,654	17,681	(27,081)	3,968	13,223

	At 1 August 2020 £	Income for Fund £	Resources expended £	Grants & Transfers £	At 31 July 2021 £
Hope Christian Union	1,903	534	(845)	400	1,992
Cheerleading	1,715	229	-	-	1,944
Rugby Mens	487	10	-	500	997
Islamic	834	30	-	-	864
Musical Theatre	680	50	-	-	730
Green Hope	657	-	-	-	657
Other Clubs & Societies	6,487	389	(1,291)	2,945	8,530
Societies – Closed 18/19	2,889	400	(349)	-	2,940
Total Funds	15,652	1,642	(2,485)	3,845	18,654

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

Restricted reserves

Green Fund

Liverpool Hope University made a donation of £677.98 during 2017 to Green Hope to support the development of an allotment which has yet to be fully spent against.

Clubs & Societies

Income raised by individual clubs and societies is used to support activities and events hosted by those clubs and societies. Any amounts unspent are carried forward to the subsequent year for spending by each club or society. Any amounts overspent are carried forward to be recovered against further income.

Transfers

A transfer is made from unrestricted funds to restricted funds to cover the support costs allocated to clubs and societies.

15. ANALYSIS OF NET ASSETS BY FUND

	Restricted £	Unrestricted £	At 31 July 2022 £	At 31 July 2021 £
Tangible fixed assets	-	775	775	230
Current assets	13,223	157,649	170,872	175,254
Current liabilities	-	(23,510)	(23,510)	(32,054)
Non-current liabilities	-	(207,116)	(207,116)	(253,673)
	13,223	(72,202)	(58,979)	(110,243)

	Restricted £	Unrestricted £	At 31 July 2021 £	At 31 July 2020 £
Tangible fixed assets	-	230	230	481
Current assets	18,654	156,600	175,254	146,595
Current liabilities	-	(32,054)	(32,054)	(22,714)
Non-current liabilities	-	(253,673)	(253,673)	(274,803)
	18,654	(128,897)	(110,243)	(150,441)

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

16. PENSION COSTS

Liverpool Hope Students' Union participates 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 country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent valuation of the scheme was carried out as at 30 June 2019 and showed that the market value of the scheme's assets was £119.1m (June 2016: £101.3m) with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The 2019 valuation showed a scheme deficit of £140.9m. The increase in the deficit is in line with the level expected and previously reported by scheme trustees.

The assumptions which have the most significant effect upon the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2019:-

- The investment return would be 4.0% per annum before retirement and 2.0% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by the Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 valuation recommended a monthly contribution requirement by each participating employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and increased by 20% from October 2017 and by a further 5% in each subsequent year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied from 28 June 2017.

Following the 2019 triennial valuation, which also reflected the outcome from the previously identified '7% pension increase' issue affecting some members within the scheme (Liverpool Hope members were not directly affected by the pension issue), the Trustees of SUSS concluded that it would be necessary to increase contributions to clear the deficit over the next 15 years. Those Unions with members directly affected by the pension increase issue would be required to pay a greater contribution to the scheme deficit, Liverpool Hope does not have any such members. Surpluses or deficits which arise at future valuations will also impact on the Union's future contributions commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

In accordance with FRS 102, the net present value of the future contributions required over 13 years to clear the funding deficit is £223,302 (2021: £269,204). In calculating this net present value, annual increases of 5% have been made (with the exception of the year 2021/22 where an increase of 8% was made; 8% being the rate notified by scheme trustees for Unions not impacted by the pension increase issue) and a discount rate of 3.45% representing the typical yield of high-quality corporate bonds has then been applied.

SUSS as a scheme closed to future accrual in 2011, and as such, there were no regular employer contributions paid into the scheme by the Union for the year ended 31 July 2022.

The Union continues to pay funding towards the deficit as part of the deficit reduction plan which is expecting to clear the Union's overall deficit in the next 13 years. For the year ended 31 July 2022, these contributions amounted to £16,466 (2021: £15,940).

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

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Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme, National Union of Students Pensions Scheme (NUSPS). Contributions for existing members remain at a variable rate (minimum of 5% for the employee and 3% for the employer. Contributions for new members are in line with Government guidelines at a variable rate (minimum of 5% for the employee and 3% for the employer with effect from April 19). None of the Union's staff participate in the NUSPS scheme.

The Union participates in NEST. During the year, contributions of £5,248 (2021: £4,578) were paid to the scheme. NEST is the scheme selected by the Union to support auto enrolment and is the scheme used for those staff on casual or fixed term contracts and newly appointed staff.

Trustees pension contributions paid

	2022 £	2021 £
President		
E Meharry (from 1 st July 2022)	97	-
C Priestley (until 30 th June 2022)	-	-
Vice Presidents		
O Vann (from 1 st July 2022)	96	
N Thornley (from 1 st July 2022)	98	
S Wills (until 30 th June 2021)	-	(96)
O Smith (until 8 th September 2021)	-	-
	<u>291</u>	<u>(96)</u>

17. RELATED PARTY TRANSACTIONS

The Union is in receipt of an annual grant from Liverpool Hope University of £252,150 (2021: £252,150). In addition, the Union occupies part of a building owned by the University under an informal agreement. In accordance with the Charities SORP (FRS 102) the trustees have valued the use of this space at a market value of £12,000. At the year end the University owed the Union £1,450 (2021: Amount owing by the Union to the University £8,621).

18. AFFILIATION FEES

	2022 £	2021 £
NUS	6,304	6,304
BUCS	2,305	2,172
Other	<u>225</u>	<u>40</u>
	<u>8,834</u>	<u>8,516</u>

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

19. ULTIMATE CONTROLLING PARTY

The Board of Trustees is responsible for the management and administration of the Union and (subject to the Education Act 1994, the Constitution and by-laws) may exercise all the powers of the Union. They may override any decision or policy made by the Members in general meeting or by Referendum of the Executive Council which the Trustees consider (in their absolute discretion):

- has, or may have, financial implications for the Union;
- is, or may be, in breach of, contrary to or otherwise inconsistent with charity or education law or any other legal requirements (including ultra vires);
- is not, or may not be, in the best interests of the Union or all or any of its charitable objects; or
- will, or may otherwise affect, the discharge of any or all of the responsibilities referred to in Clause 62 of the Constitution.

However, the Members of the Union enjoy the right, which must be exercised in accordance with charity law, to elect a proportion of the Trustees and to dismiss all of the Trustees.

The ultimate controlling party of the Union therefore is considered to be the Members, being each and every student who has not opted out of membership and the officer trustees of the Union.

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net movement in funds	51,264	40,198
Add back depreciation charge	252	251
(Increase) decrease in debtors	4,637	30,860
(Decrease) increase in creditors	(9,198)	8,320
(Decrease) increase in pension liability	(45,902)	(20,110)
Net cash provided by use in operating activities	1,053	59,519

LIVERPOOL HOPE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

21. MERGER ACCOUNTING

The unincorporated entity (Charity number 1150387) transferred its activities, assets and liabilities to a new incorporated legal entity of the same name on 3rd September 2021 (Charity number 1195544). Since 3rd September 2021 Liverpool Hope Students' Union has traded as the incorporated entity and the old incorporated entity ceased trading on 2nd September 2021.

The table below summarises the pre and post merger activity:

Analysis of principal SOFA components for the current reporting period

	Unincorporated Charity to 2 nd September 2021 £	Incorporated Charity from 3 rd September 2021 £	Combined total for the year to 31 st July 2022 £
Income	21,039	289,850	310,889
Expenditure	(14,067)	(245,558)	(259,625)
Net income/(expenditure)	6,972	44,292	51,264

All income and expenditure incurred to 2nd September was incurred within the old unincorporated charity.

Analysis of net assets at the date of merger

	Unincorporated Charity £	Incorporated Charity £	Combined Total £
Net Assets	(102,622)	-	(102,622)
Represented by:			
Unrestricted Funds	(121,930)	-	(121,930)
Restricted Funds	19,308	-	19,308
Total Funds	(102,622)	-	(102,622)

