

REGISTERED COMPANY NUMBER: 08629047 (England and Wales)
REGISTERED CHARITY NUMBER: 1153572

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
FOR
USWSU**

DRAFT

MHA
Chartered Accountants and Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8RS

USWSU

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FOR THE YEAR ENDED 30 JUNE 2023**

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DRAFT

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objective and aims

The objectives of the University of South Wales Students' Union are:

- The advancement of education of students at the University of South Wales.
- Promoting the interests and welfare of students at the University during their course of study.
- Representing, advising and supporting students.
- Providing social, cultural, sporting and recreational activities, and forums for discussions and debate, for the personal development of our students.
- Campaign, influence public opinion, and seek to influence government and other institutions regarding the reform, development and implementation of appropriate policies.

The Students' Union planned to achieve this through:

- Advancement of the education of students through the provision of opportunities to engage in activities that are both academic and extra-curricular, such as sports, fundraising and volunteering, and political debate.
- Contribute to the employability agenda of the University of South Wales by providing opportunities for students to develop key employability skills. through developing student jobs and volunteering opportunities throughout the regions. Engage with, and fully support, the University's employability initiatives, and work in partnership with them whenever possible.
- Maintain a high-level student experience across all campuses and strive, where possible, to create parity of student experience, irrespective of the place of study. The Union is mindful of the demographic of students and strives to provide services that contribute positively to and enhance their student experience.

The trustees of USWSU have had regard to the guidance issued by the Charity Commission on public benefit and maintain oversight of this through regular meetings.

Contributions made by volunteers

Student volunteers are key to the success and engagement of our student community. Our volunteers are responsible for running our sports teams, clubs and societies, therefore delivering weekly activities for over 1,000 students. This year, our volunteers became even more important in creating communities for our students to keep them engaged during the final stages of the pandemic.

The academic representation network has 583 Course Representatives and 10 Student Voice Representatives (faculty representatives) ensuring that the student voice remains at the heart of academic decisions..

The Student Council are a group of elected part-time officers who represent their specific demographic. During 2022-2023, eleven part-time officers held a number of different positions, and were responsible for delivering virtual and in-person campaigns throughout the academic year. Notable successes include the response to the cost-of-living crisis, and Disability Awareness Week.

Course representative numbers increased from 450 in 2021-2022, and Student Voice Reps increased from 5 in 2021-2022. Student Council Officers increased from seven in 2021-2022. The increasing engagement by students in the Students' Union democratic processes demonstrates a strong student voice here at USWSU, and a return to pre-pandemic levels.

OBJECTIVES AND ACTIVITIES ACHIEVEMENTS AND PERFORMANCE

The Board of Trustees reviewed the Students' Union's Mission, Strategic Aims and Strategic Focus at the beginning of the academic year. The Students' Union's mission is "To Put Students First", and this has underpinned all work this year.

COST OF LIVING CRISIS

The Cost-of-Living crisis was a key focus this year, and work was undertaken in partnership with the University to make students' lives better. As part of the cross-University working group we worked to develop initiatives for students and to monitor the impact of these. The Students' Union was a key partner in the development of the bursary scheme and aided in publicising the scheme to members. We also worked in partnership to develop a free breakfast scheme available to both students and staff. The free breakfast offer was available across all campuses and in both Students' Union's and University catering outlets. The Students' Union distributed 785 free breakfasts to our students.

In addition to the free breakfast initiative, the Students' Union introduced a range of 'meal deals' in the SU shops and in the hot food provision across the USW campuses. Over 8.5k meal deals were sold in the SU shops, and over 1.7k 'plain and simple' meals were purchased through our catering outlets.

The SU has free sanitary products across all campuses, including in gender neutral toilets. This ensured that students who bleed can access free products when required. The SU also gave away 150 mooncups to completely mitigate the requirement for purchasing sanitary products.

Recognising that up-front fees were a barrier to some students who participate in the sporting programme, the SU introduced a payment plan for students struggling to pay. Students were given the option of paying two-thirds of the fee in the first term and then the remainder at the beginning of the second term. If this still posed a problem for students, individual payment plans were developed. This ensured students could still engage in their sport, which not only retained their skills for sports teams, but contributed to their physical and mental health, as well as their sense of wellbeing and belonging.

The Students' Union, in conjunction with Student Council and Student Voice Forum responded to the All-Party Parliamentary Group Inquiry into Cost-of-Living pressures. The submission, informed by students, highlighted five key areas where students were experiencing pressures; namely housing and rent, transport, finance / grants, participation in clubs and societies / less socialising leading to social isolation, and employment.

COMMUNITY WORK

The Students' Union continues its partnership with Stamp Out Spiking, a charitable organisation, established to tackle the increasing incidents of drink spiking across the UK and worldwide; purchasing their StopTopps drink covers and participating in their accredited Drink Spiking Aware Training programme. The Students' Union is recognised as a Drink Spiking Aware venue, enabling us to carry the SOS Drink Spike Aware logo on all merchandise to publicise our ongoing mission to create safeguarding and safe spaces for our students and staff. The SU's work with StopTopps was recognised in Pontypridd PubWatch and has been replicated throughout the Treforest and Pontypridd areas. This demonstrates how the SU can influence policy and practice outside of the usual 'political' arena.

The Students' Union was pleased to participate in Rhondda Cynon Taff County Council Santa Appeal again this year. The appeal asks for participants to buy a gift for a child that would not usually receive a gift at Christmas. This was the 11th year of participation, and this year the Students' Union was highlighted by the council as a key partner in its' delivery of the campaign. The number of presents donated this year tripled from December 2021, with over 150 gifts donated to children who were at risk.

PARTNERSHIP

The Students' Union focused on engaging the wider student voice this year, and targeted work with partner colleges and Degree Apprentices. We worked closely with our HE in FE partners to ensure students could access opportunities to make their voice heard; through hosting a Student Voice Summit in November, making campaigns collaborative across partners, and by making the Student Choice Awards accessible for HE in FE students.

The Students' Union worked hard this year establishing relationships with the Degree Apprenticeship Operational Policing team, the providers of Initial Police Education across five police forces in Wales and England. Whilst the Operational Policing team has its own processes in place, the SU worked with the academic staff to ensure policing students have their student voice heard. The SU has a presence at Staff- Student - Employer Liaison Groups to enable us to produce a thematic report on student feedback, which will encourage improvements in their learning experience. The SU has also developed bespoke resources for off-campus Police apprentices, available through their Blackboard portal.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023**

The Student Choice Awards are a student-led, student-run awards event, and an annual opportunity to celebrate success across USW. Students nominate the staff and other students who have made a real difference to their student experience. The eleventh Student Choice Awards was held this year, but this time the Students' Union included USW staff and students across partner institutions and Degree Apprenticeships. A specific award was created for Degree Apprenticeship of the Year, which encouraged nominations from the Police Apprentices in other categories.

STRATEGIC REPORT

Financial position

The total income for the year was £2,576,645, £1,268,000 of this is the subvention grant received from the University of South Wales. Income from charitable activities increased to £784,478 (2022 - £776,496). Other trading activities also increased to give a total of £462,546 (2022 - £261,777).

Expenditure for the year totalled £2,536,161 (2022 - £2,259,152) which results in a surplus for the year of £40,484 before accounting for the unwinding for the discounting of the pension provision of £201,755 (2022 - £157,485), which gave an overall deficit of £161,271 (2022 - surplus of £83,209).

The balance sheet position at 30 June shows negative unrestricted funds of £2,595,703 (2022 - £2,434,432) the majority of this relates to the provision for the defined pension liability of £2,744,341 (2022 - £2,743,208).

Reserves policy

The Board of Trustees have reviewed USWSU's reserve requirement and recognises that a liquidity cash reserve reflective of the cash trading position is required for troughs in our funding. The Trustees recognise that reserves are part of USWSU's unrestricted funds, which are freely available to spend on any of USWSU's charitable purposes. When deciding on the level of reserves, the Board recognise that reserve levels which are too high could limit the amount USWSU spends on charitable activities thereby reducing the benefits to USWSU members. Likewise, the Board recognises a risk to USWSU and its future activities if reserves are too low. USWSU's reserves cover an operating surplus, designated capital commitments, and designated service investment.

The Board has set an ideal level of reserves at between 2 - 3 months operating costs amounting to approximately £377,000 - £565,000 based on 2023 expenditure levels. There are no free reserves at 30 June 2023. Although reserves after adjustments for pension provision and fixed assets would be £69,940.

Pension liabilities

The Students' Union is part of a closed pension scheme, and as such must make annual deficit contributions which are expected to eliminate the deficit by August 2035. The most recent valuation of SUSS showed assets of £119.1m and liabilities of £260.0m, a funding deficit of 46%.

This year's accounts demonstrate the full impact of the pension's deficit provision under FRS102, which means the Students' Union has to show provision for our proportion of the above funding deficit.

Going concern

The trustees have assessed the Students' Union's ability to continue as a going concern, taking into account the financial impacts of Covid-19. They have considered several factors when forming their conclusions including liquidity, cash resources, liabilities, support available from government initiatives and support from the University of South Wales.

Like many organisations, our financial position has been, and will continue to be impacted by the financial impact of recent events.

After assessing the impact of possible different scenarios, which assume that support from the University will continue, the trustees have concluded that there is a reasonable expectation that adequate resources are available to continue to operate for at least 12 months from the date of signing the financial statements and have therefore continued to prepare the financial statements on a going concern basis.

Principal funding

USWSU's funding is derived in two main ways: through a subvention from the University of South Wales, and through income from commercial services.

STRATEGIC REPORT

Principal risks and uncertainties

The relationship between the Students' Union Board of Trustees and the University's Board of Governors deteriorated this year, resulting in the University issuing notice to withdraw funding from the Students' Union on 31 August 2024 unless a number of requirements are met. The Students' Union is working hard to meet these, and the USWSU Board of Trustees is confident that a close working relationship can be re-established with the USW Board of Governors. These actions reduce the risk of defunding, but the principal risk still remains that if funding is withdrawn then the Students' Union will become insolvent.

The Students' Union Superannuation Scheme, the closed pension scheme of which USWSU was a member, continues to be a risk to the Students' Union. The pension fund is closed to future accrual, therefore previous members are responsible for the deficit payments to the scheme. The deficit payments are increasing year on year, which pose a financial risk to both USWSU and all other Students' Unions who are members.

The national decrease in students entering Higher Education is also a principal risk to the charity. This has a twofold effect on the Students' Union:

- 1) The subvention is based on student numbers, and therefore a decrease in numbers equals a decrease in funding from the University.
- 2) Decreasing student numbers results in a decrease in income as less students use the Students' Union facilities.

Future plans

- Develop strong sustainable and satisfying relationships with our stakeholders whilst ensuring that the Union actively engaging its stakeholders in setting strategy and operational plans.
- Continually improve what the Union does whilst equipping staff, officers and volunteers with the skills and knowledge they need to achieve the Union's Vision.
- Achieve financial stability through robust financial management, reviewing existing practices and investing in the Union's services to students.
- Ensure that the Union's systems, policies and procedures add value, enable greater student engagement and are easy to understand.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The USWSU is a students' union within the meaning of the Education Act 1994. The Union is devoted to promoting the education, interests and welfare of its members, students at the University of South Wales. It is the recognised independent representative body of students at the University.

The charity is a registered charitable company that is limited by guarantee. The charity is governed by Memorandum and Articles of Association.

Trustee selection methods

Not more than four Sabbatical Trustees shall be elected, by secret ballot, by the Student Members of the Union at an election held in accordance with the Standing Orders and shall remain in office for a term of usually twelve months, as specified in the Standing Orders. The term of office may be shorter or longer on a transitional basis to coincide with the alteration of the year-start or year-end.

Three Student Trustees shall be elected by secret ballot by the Student Members of the Union at an election to be held in accordance with the Standing Orders and shall remain in office for a term of usually twelve months as specified in the Standing Orders. The term of office may be shorter or longer on a transitional basis to coincide with the alteration of the year-start or year-end.

Student Trustees may be re-elected for a further non-renewable term of usually one year. The term of office may be shorter or longer on a transitional basis to coincide with the alteration of the year-start or year-end. The maximum period that a Student Trustee may serve is twenty-four months.

The Trustees shall co-opt by a simple majority of those present and voting up to five such persons as they consider suitable to be charity trustees (having regard to their skills and experience) as Co-opted Trustees.

Two of the five will be alumni of the University of South Wales (including any and all of its former names) subject to ratification by the Student Council and the Student Voice Forum. Unless their appointment is terminated in accordance with Article 18, Co-opted Trustees shall remain in office for terms of up to three years calculated from the date of appointment. At the end of their term of office Co-opted Trustees shall be eligible for reappointment by a simple majority of those trustees present and voting for a further term of up to three years but shall not be eligible for re-appointment once they have served six years in aggregate.

Trustee induction and training

New trustees are trained at the beginning of each academic year to ensure they understand their roles and responsibilities. This forms part of a comprehensive in-house training programme and focuses in depth on their full responsibilities, accountability and Nolan Principles.

Organisational structure

The Students' Union is run by students for students, supported by a number of staff, and overseen by a Board of Trustees.

Elections are held annually for the students at the University of South Wales to vote for their full-time and part-time student officers. These form Student Council, who are responsible for the representation and campaigning function of the Students' Union and Student Voice Forum, who are responsible for the academic representation function of the Students' Union.

The Board of Trustees are responsible for the legal, financial and governance arrangements of the Students' Union, and delegates day-to-day responsibility of their duties to the Chief Executive Officer and Senior Management Team.

The Students' Union is affiliated to the National Union of Students, and through them, works closely with the National Union of Students in Wales. The student officers regularly meet with the officers of NUS Wales to collaborate on campaigns and activities.

Pay and remuneration

The arrangements for setting pay and remuneration of the Union's key management are in line with sector practice and take in to account the financial performance of the Union. Normally, a 1% cost of living increase is agreed annually by the Board of Trustees, however this is dependent on future financial forecasts. The Students' Union is a Living Wage Employer and ensures all employees are paid in accordance with relevant legislation governing pay.

Risk management

The trustees have identified and reviewed the risks to which the charity is exposed and ensured appropriate controls are in place to provide reasonable assurance against fraud and error.

USWSU

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08629047 (England and Wales)

Registered Charity number

1153572

Registered office

University of South Wales
Students' Union
Forest Grove
Pontypridd
Rhondda Cynon Taff
CF37 1UF

Trustees**Officer Trustees**

David Pye		Resigned 1 December 2022
Jamal Abdilahi	President	Appointed 1 July 2022
Kyle Eldridge		Appointed 1 July 2022: Resigned 30 June 2023
Cheryl T Chinghoso		Appointed 1 July 2023
Kenul M N Herath		Appointed 1 July 2023
Sofia Soberson		Appointed 1 July 2023

External Trustees

Anna Morgan		Resigned 25 July 2022
Richard Seymour		Resigned 22 August 2023
Caroline Smith		Resigned 29 August 2023
Susan Hayes		Appointed 28 July 2022: Resigned 1 August 2023
Stuart Leonard Williams	Chair	Appointed 5 September 2023
Rebecca Nyasha Mamhende		Appointed 15 September 2023
Josef Walsh		Appointed 12 September 2023
Richard Main		Appointed 24 September 2023
Richard Mark Cadwallader		Appointed 5 October 2023

Student Trustee

Kelly-Marie Williams		Appointed 22 September 2023
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Key Management Personnel

Sian Taylor	CEO
Helen Thomas	Central Resources Manager
Michael Borley	Commercial Services Manager
Rhiannon Jones	Membership Services Manager

Company Secretary

S Taylor

Auditors

MHA
Chartered Accountants and Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8RS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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.

AUDITOR

On 30 June 2023 as a result of a recent merger, Watts Gregory LLP resigned as auditor in accordance with Section 516 of the Companies Act 2006 and re-engaged its services as MHA.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:

.....
Trustee

DRAFT

USWSU

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 Unrestricted funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	1,327,194	1,461,439
Charitable activities			
General	6	784,478	776,496
Other trading activities	4	462,546	261,777
Investment income	5	1,856	134
Other income		571	-
Total		<u>2,576,645</u>	<u>2,499,846</u>
EXPENDITURE ON			
Raising funds	7	384,786	219,739
Charitable activities			
General	8	<u>2,151,375</u>	<u>2,039,413</u>
Total		<u>2,536,161</u>	<u>2,259,152</u>
Actuarial loss/Unwinding of pension scheme provision		<u>(201,755)</u>	<u>(157,485)</u>
NET INCOME/(EXPENDITURE)		(161,271)	83,209
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>(2,434,432)</u>	<u>(2,517,641)</u>
TOTAL FUNDS CARRIED FORWARD		<u>(2,595,703)</u>	<u>(2,434,432)</u>

The notes form part of these financial statements

USWSU

BALANCE SHEET
30 JUNE 2023

	Notes	2023 Unrestricted funds £	2022 Total funds £
FIXED ASSETS			
Tangible assets	15	78,698	50,959
CURRENT ASSETS			
Stocks	16	43,337	34,838
Debtors	17	86,300	67,195
Cash at bank and in hand		<u>182,343</u>	<u>507,741</u>
		311,980	609,774
CREDITORS			
Amounts falling due within one year	18	(203,706)	(293,624)
		<u>108,274</u>	<u>316,150</u>
NET CURRENT ASSETS			
		186,972	367,109
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	19	(38,334)	(58,333)
PENSION LIABILITY	23	(2,744,341)	(2,743,208)
NET ASSETS/(LIABILITIES)		<u>(2,595,703)</u>	<u>(2,434,432)</u>
FUNDS	22		
Unrestricted funds		<u>(2,595,703)</u>	<u>(2,434,432)</u>
TOTAL FUNDS		<u>(2,595,703)</u>	<u>(2,434,432)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on and were signed on its behalf by:

.....
R J Seymour - Trustee

The notes form part of these financial statements

USWSU

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(249,132)</u>	<u>222,265</u>
Net cash (used in)/provided by operating activities		<u>(249,132)</u>	<u>222,265</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(58,122)	(27,017)
Interest received		<u>1,856</u>	<u>134</u>
Net cash used in investing activities		<u>(56,266)</u>	<u>(26,883)</u>
Cash flows from financing activities			
Loan repayments in year		<u>(20,000)</u>	<u>(44,661)</u>
Net cash used in financing activities		<u>(20,000)</u>	<u>(44,661)</u>
Change in cash and cash equivalents in the reporting period		(325,398)	150,721
Cash and cash equivalents at the beginning of the reporting period		<u>507,741</u>	<u>357,020</u>
Cash and cash equivalents at the end of the reporting period		<u><u>182,343</u></u>	<u><u>507,741</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(161,271)	83,209
Adjustments for:		
Depreciation charges	30,383	18,818
Unwinding of pension scheme provision	201,755	157,485
Interest received	(1,856)	(134)
(Increase)/decrease in stocks	(8,499)	6,214
Increase in debtors	(19,104)	(22,356)
(Decrease)/increase in creditors	(89,918)	163,022
Difference between pension charge and cash contributions	<u>(200,622)</u>	<u>(183,993)</u>
Net cash (used in)/provided by operations	<u>(249,132)</u>	<u>222,265</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/7/22 £	Cash flow £	At 30/6/23 £
Net cash			
Cash at bank and in hand	<u>507,741</u>	<u>(325,398)</u>	<u>182,343</u>
	<u>507,741</u>	<u>(325,398)</u>	<u>182,343</u>
Debt			
Debts falling due within 1 year	(20,000)	-	(20,000)
Debts falling due after 1 year	<u>(58,333)</u>	<u>19,999</u>	<u>(38,334)</u>
	<u>(78,333)</u>	<u>19,999</u>	<u>(58,334)</u>
Total	<u>429,408</u>	<u>(305,399)</u>	<u>124,009</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. STATUTORY INFORMATION

USWSU is a registered charity and private company limited by guarantee, having no share capital, incorporated in Wales in the United Kingdom. The registered office is University of South Wales Students' union, Forest Grove, Treforest, Rhondda Cynon Taff, CF37 1UF. The nature of the company's operations and principal activities are disclosed within the Report of the Trustees.

In the event of the company being wound up the liability of its members is limited to a sum of £1.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

Going concern

USWSU is confident of sufficient funds in the coming year to meet its obligations, mainly due to the continued support of the University of South Wales via the subvention grant. Internal forecasting and cashflow projections have been undertaken through to June 2024 and on the basis of the findings, the trustees have concluded that the going concern basis for preparation is appropriate and that the charity will be able to meet its liabilities as they fall due.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies income includes grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Basis of recognition of liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

2. ACCOUNTING POLICIES - continued**Basis of recognition of liabilities**

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost.

Depreciation is provided at 20% on cost and 33.33% in reducing balance per annum.

Investments

Fixed asset investments are stated at cost.

Stocks

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Financial instruments

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

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors are recognised where the charity 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Where a plan has been agreed to fund an identified deficit, a liability is recognised for the present value of the contributions payable that arise from that agreement with the resulting expense recognised in the Statement of Financial Activities.

Significant accounting judgements and estimates

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

2. ACCOUNTING POLICIES - continued

Significant accounting judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Subvention Grant	1,268,000	1,268,000
Government Grants	-	3,642
HMRC Job retention scheme grant	-	25,117
Higher Education Funding Council for Wales	<u>59,194</u>	<u>164,680</u>
	<u>1,327,194</u>	<u>1,461,439</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
University of South Wales Grant	<u>1,268,000</u>	<u>1,268,000</u>

4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Travel and employment service	446,457	247,676
Sponsorship and other trading activities	<u>16,089</u>	<u>14,101</u>
	<u>462,546</u>	<u>261,777</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>1,856</u>	<u>134</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Shop income	392,333	292,427
Bar income	201,789	289,258
Catering income	140,572	93,916
ENTS department income	20,164	50,747
SU Sport income	<u>29,620</u>	<u>50,148</u>
	<u>784,478</u>	<u>776,496</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

7. RAISING FUNDS**Other trading activities**

	2023 £	2022 £
Staff costs	<u>384,786</u>	<u>219,739</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
General	<u>1,683,062</u>	<u>468,313</u>	<u>2,151,375</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	675,453	619,081
Insurance	18,621	28,668
Rent - Campus Centre	168,000	168,000
Bar expenditure	145,195	169,528
Shop expenditure	314,059	222,671
Catering expenditure	76,224	49,525
ENTS department expenditure	47,645	45,865
SU Sport expenditure	177,406	150,237
Irrecoverable VAT	19,695	37,983
Training & development programme expenditure	6,916	54,074
Welfare, representation	5,588	5,073
Affiliations	26,820	26,525
Minibus hire costs	1,440	2,069
	<u>1,683,062</u>	<u>1,579,299</u>

10. SUPPORT COSTS

	Salaries £	Management £	Depreciation £	Governance costs £	Totals £
General	<u>290,272</u>	<u>95,400</u>	<u>30,383</u>	<u>52,258</u>	<u>468,313</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	5,440	8,893
Depreciation - owned assets	<u>30,383</u>	<u>18,818</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

12. TRUSTEES' REMUNERATION AND BENEFITS

There were three trustees (2022: four) who received remuneration in the year totalling £47,374 (2022: £50,703)

	Gross Pay £	Pension £
Jamal Abdilahi	18,862	-
Kyle Elderidge	19,177	386
David Pye	<u>8,779</u>	<u>170</u>
	<u>46,818</u>	<u>556</u>

Trustees' expenses

Two trustees were reimbursed in the year (2022: Nil) for a total of £140 (2022: £Nil) in respect of travel and subsistence in accordance with section 6.3 of the articles of association.

13. STAFF COSTS

	2023 £	2022 £
Wages and salaries	1,281,043	1,066,998
Social security costs	60,933	55,960
Other pension costs and deficit contributions	<u>54,561</u>	<u>56,620</u>
	<u>1,396,537</u>	<u>1,179,578</u>

The average number of employees during the year was as follows:

	2023	2022
	<u>139</u>	<u>117</u>

No employees received emoluments in excess of £60,000.

Total remuneration paid to key management personnel in the year was £217,127 (2022 - £209,693).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

All income and expenditure in the prior year related to unrestricted funds.

15. TANGIBLE FIXED ASSETS

	Office fixtures & fittings £	Motor vehicles £	Totals £
COST			
At 1 July 2022	258,870	-	258,870
Additions	<u>42,127</u>	<u>15,995</u>	<u>58,122</u>
At 30 June 2023	<u>300,997</u>	<u>15,995</u>	<u>316,992</u>
DEPRECIATION			
At 1 July 2022	207,911	-	207,911
Charge for year	<u>27,717</u>	<u>2,666</u>	<u>30,383</u>
At 30 June 2023	<u>235,628</u>	<u>2,666</u>	<u>238,294</u>
NET BOOK VALUE			
At 30 June 2023	<u>65,369</u>	<u>13,329</u>	<u>78,698</u>
At 30 June 2022	<u>50,959</u>	<u>-</u>	<u>50,959</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

16. STOCKS

	2023	2022
	£	£
Stocks	<u>43,337</u>	<u>34,838</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	61,993	38,529
Prepayments and accrued income	<u>24,307</u>	<u>28,666</u>
	<u>86,300</u>	<u>67,195</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 20)	20,000	20,000
Trade creditors	15,400	41,939
Social security and other taxes	13,222	12,611
VAT	28,172	41,943
Other creditors	104,463	78,083
Accruals and deferred income	<u>22,449</u>	<u>99,048</u>
	<u>203,706</u>	<u>293,624</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 20)	<u>38,334</u>	<u>58,333</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>20,000</u>	<u>20,000</u>
Amounts falling between one and two years:		
Bank loan	<u>38,334</u>	<u>58,333</u>

One bank loan bears interest of 4.2% p.a. over LIBOR. Instalments are paid monthly until 2022. The other bank loan bears interest of 4.42% p.a. over Base Rate. Instalments are paid monthly until 2025.

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	<u>168,000</u>	<u>168,000</u>

The above lease commitment each year is in respect of the annual rent charge to the University.

22. MOVEMENT IN FUNDS

	At 1/7/22 £	Net movement in funds £	At 30/6/23 £
Unrestricted funds			
General fund	(2,434,432)	(161,271)	(2,595,703)
TOTAL FUNDS	<u>(2,434,432)</u>	<u>(161,271)</u>	<u>(2,595,703)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,576,645	(2,536,161)	(201,755)	(161,271)
TOTAL FUNDS	<u>2,576,645</u>	<u>(2,536,161)</u>	<u>(201,755)</u>	<u>(161,271)</u>

Comparatives for movement in funds

	At 1/7/21 £	Net movement in funds £	At 30/6/22 £
Unrestricted funds			
General fund	(2,517,641)	83,209	(2,434,432)
TOTAL FUNDS	<u>(2,517,641)</u>	<u>83,209</u>	<u>(2,434,432)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,499,846	(2,259,152)	(157,485)	83,209
TOTAL FUNDS	<u>2,499,846</u>	<u>(2,259,152)</u>	<u>(157,485)</u>	<u>83,209</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

23. EMPLOYEE BENEFIT OBLIGATIONS

	2023	2022
	£	£
At 1 July 2022	2,743,208	2,769,716
Amounts paid	(200,622)	(183,993)
Unwinding of discounted scheme	<u>201,755</u>	<u>157,485</u>
At 30 June 2023	<u><u>2,744,341</u></u>	<u><u>2,743,208</u></u>

The above schedule shows the present value at the year-end for the multi-employer defined benefit Students' Union Superannuation Scheme.

The 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 2022 and showed that the market value of the Scheme's assets was £106.7m with these assets representing 44% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £136.6m which reported a decrease to the previous 2019 valuation deficit of £140.9m.

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 previous 2019 actuarial valuation recommended a monthly contribution requirement by each Union expressed in monetary terms intended to clear the ongoing funding deficit over a period of 16 years which was due to end in 2035. Given the already substantial level of contributions being made to the scheme by employers, the Trustees of the scheme concluded that extending the recovery period was the most appropriate option.

In summary, employer contributions will increase by 5% each year until the end of the deficit recovery period, which is now expected to be in May 2037. However, contributions due from October 2026 onwards will be reviewed following the next actuarial valuation.

In addition to the above contributions, the Union also pays its share of the scheme's levy and associated expenses to the Pension Protection Fund.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 30 June 2023 amounted to £200,622 which are all deficit contributions (2022: £183,993). At the year-end a liability was recognised for the present value of the contributions payable of £2,744,341 (2022 - £2,743,208).

The Union also participates in the National Union of Students Pension Scheme, a defined contribution scheme. During the year ended 30 June 2023 the Union contributed a total of £37,598 into the scheme (2022: £37,566). At the year-end there were outstanding contributions of £Nil (2022: £Nil).

24. RELATED PARTY DISCLOSURES

During the year, salaries totalling £13,865 (2022: £6,356) were paid to close family members of key management personnel.

25. FINANCIAL INSTRUMENTS

The charity has the following financial liabilities measured at fair value:

	2023	2022
	£	£
Financial liabilities		
Provision - pension liability	<u>2,744,341</u>	<u>2,743,208</u>
	<u>2,744,341</u>	<u>2,743,208</u>

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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Subvention Grant	1,268,000	1,268,000
Government Grants	-	3,642
HMRC Job retention scheme grant	-	25,117
Higher Education Funding Council for Wales	<u>59,194</u>	<u>164,680</u>
	1,327,194	1,461,439
Other trading activities		
Travel and employment service	446,457	247,676
Sponsorship and other trading activities	<u>16,089</u>	<u>14,101</u>
	462,546	261,777
Investment income		
Deposit account interest	1,856	134
Charitable activities		
Shop income	392,333	292,427
Bar income	201,789	289,258
Catering income	140,572	93,916
ENTS department income	20,164	50,747
SU Sport income	<u>29,620</u>	<u>50,148</u>
	784,478	776,496
Other income		
Other income	<u>571</u>	<u>-</u>
Total incoming resources	2,576,645	2,499,846
EXPENDITURE		
Other trading activities		
Wages	377,430	215,778
Social security	<u>7,356</u>	<u>3,961</u>
	384,786	219,739
Charitable activities		
Wages	594,607	558,859
Social security	42,653	33,926
Pensions	38,193	26,296
Insurance	18,621	28,668
Rent - Campus Centre	168,000	168,000
Bar expenditure	145,195	169,528
Shop expenditure	314,059	222,671
Catering expenditure	76,224	49,525
ENTS department expenditure	47,645	45,865
SU Sport expenditure	177,406	150,237
Irrecoverable VAT	19,695	37,983
Training & development programme expenditure	6,916	54,074
Carried forward	1,649,214	1,545,632

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USWSU

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Charitable activities		
Brought forward	1,649,214	1,545,632
Welfare, representation	5,588	5,073
Affiliations	26,820	26,525
Minibus hire costs	1,440	2,069
	<u>1,683,062</u>	<u>1,579,299</u>
Support costs		
Salaries		
Wages	254,832	239,511
Social security	18,280	14,540
Pensions	16,368	30,324
Bank loan interest	792	-
	<u>290,272</u>	<u>284,375</u>
Management		
Telephone costs	2,021	6,320
Post, stationery and other	12,512	11,468
Office equipment	19,661	21,229
Professional fees	5,177	9,988
Bank charges	11,217	8,944
Interest charges	1,850	7,117
Staff expenses	11,783	5,320
Sundry expenses	31,179	9,374
Other activities	-	11,885
	<u>95,400</u>	<u>91,645</u>
Depreciation		
Depreciation of tangible fixed assets	30,383	18,818
Governance costs		
Wages	43,378	52,850
Social security	3,440	3,533
Auditors' remuneration	5,440	8,893
	<u>52,258</u>	<u>65,276</u>
Total resources expended	<u>2,536,161</u>	<u>2,259,152</u>
Net income before gains and losses	40,484	240,694
Unwinding of discounted pension provision		
Unwinding of discounted pension provision	<u>(201,755)</u>	<u>(157,485)</u>
Net (expenditure)/income	<u>(161,271)</u>	<u>83,209</u>

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