

Heriot-Watt University Student Union

Trustees' report and financial statements
31 July 2023

Charity number SC011949

Company number SC504788

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Union information

Reference and administrative details

Registered charity number	SC011949
Company number	SC504788
Registered office	Riccarton, Edinburgh EH14 4AS
Auditors	Henderson Loggie LLP 11-15 Thistle Street, Edinburgh EH2 1DF
Bankers	Royal Bank of Scotland 239 St. John's Road, Edinburgh EH12 7XA
Solicitors	Turcan Connell Princes Exchange, 1 Earl Grey Street, Edinburgh EH3 9EE
Chief Executive Officer	Darrin Nightingale

Trustee Board

The trustees, who are also the directors for the purpose of company law, and who served during the financial year and up to the date of approval of the financial statements were:

Fiona Fox (resigned 19/01/2023)
Paul Travill
Kathleen Patterson
Stephanie Harper (resigned 25/05/2023)
Linda Rodgers
Andrew Grant
Molly Knight
Sheree Mackay (appointed 19/01/2023)
Zafeer Alam Khan (appointed 23/03/2023)
Samantha Kane (appointed 01/06/2023)

President (*ex-officio*) and Vice-Presidents (*ex officio*) – as detailed below

Ex-officio trustees for 2023

President Scott Anderson (Appointed 20/02/2023)

Vice-Presidents

- Community Sebastian Merino-Beattie (Appointed 01/06/2023)

- Wellbeing Georgia Noble

- Education Connel Greenhorn (Appointed 01/06/2023)

Ex-officio trustees for 2022

President Sanjit Krishnakumar (Appointed 01/06/22, resigned 17/02/2023)

Vice-Presidents

- Community Scott Anderson

- Wellbeing Georgia Noble

- Education Molly Knight (Appointed 01/06/2022, resigned 31/05/2023)

Trustees' report

The trustees have pleasure in presenting their report for the period ended 31 July 2023. This report is prepared in accordance with the recommendations of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in accordance with applicable law.

Structure, management and governance

Governing documents

Heriot-Watt University Students Association is constituted under the Charter of Heriot-Watt University since 1966. The Association is a Charitable Company Limited by Guarantee registered in Scotland. Our charity number is SC011949, and company number is SC504788. The organisation has adopted the name Heriot-Watt University Student Union (the Union).

Appointment of Trustees

The four Full Time Officers are elected annually by the students attending the university UK campuses, both undergraduate and postgraduate. They take up office on 1 June to the following 31 May, though may choose to stand down early, they are also Trustees of the charity. There are two student Trustees appointed by the Trustee Board following an open recruitment process who can hold office for 2 years with a further 2-year re-appointment. There is one university appointed Trustee who is nominated by the university and ratified by the Board. There are up to six and no less than three external Trustees, one of whom must be an alumnus of the university. External Trustees are recruited by the Board and may serve a maximum of two consecutive 4-year periods.

Organisational structure

The Union Articles of Association and Bye Laws set out the organisation's membership-led structure. In order to ensure the charity is properly run and suitably focused on our membership the charity employs key management personnel. The charity considered the four Full Time Officers and Senior Management Team as key management. Full Time Officer remuneration is set by benchmarking against other Scottish student associations. Full Time Officers are auto enrolled into a pension scheme as appropriate.

The Senior Management Team consists of the Chief Executive Officer, Deputy Chief Executive and Head of Corporate Services, Chief Financial Officer and Student Engagement Manager. The Union uses the Higher Education Role Analysis (HERA) method to assess grades within the Union staff structure. All Senior Manager cost of living increases are assessed using the Union Pay and Reward Policy.

Objectives and activities

The objectives of the Union as set out in its governing document, are:

- The advancement of education of students at Heriot-Watt University by representing, supporting, advising and promoting the interests, health and welfare of students within the University during their course of study and within the wider community, and by promoting student participation in, facilitating, coordinating and developing, the services, project and activities of the Union.
- The provision of recreational activities through these services, project and activities of the University providing social, cultural and recreational activities and forums from discussions and debate for the personal development of its Students.
- The advancement of community development within the University and within the wider community through student participation in the Union and its services, projects and activities, and by facilitating the involvement of students in the wider community.

- The relief of the student needs by being the recognised representative channel between students and Heriot-Watt University, other academic organisations, the general public and any other external bodies and promoting social and academic unity among students of the University.

Decision making

The Trustee Board delegates day to day management powers to the Chief Executive Officer who is required to report regularly to the Trustee Board.

Senior Managers are allowed to make non-routine financial decisions up to the value of £10,000. The Chief Executive Officer has power to make non-routine financial decisions up to the value of £20,000 and any amount above this must be approved by the Trustees.

The Trustee Board are responsible for agreeing any amendments to any policy and procedure relating to employees and financial structures. The Student Parliament are responsible for passing policy on campaign issues. The SMT are responsible for advising both committees on the fulfilment of these responsibilities.

In respect of total compensation the Trustee Board delegates responsibility for recommending pay & reward to a Remuneration Committee that consists of external trustees (including trustees who are students at the University). Informed by external data including benchmarking and local competition the committee, that has its own terms of reference is supported by the CEO.

Trustee induction

The Union provides all new Trustees with an induction. The induction covers:

- Legal responsibilities of Trustees
- An introduction to the structure of the organisation
- Current financial position of the Union and an introduction to the format of our management accounts
- The Strategic & Organisational Plans
- Union policy
- Code of Conduct

Achievements and performance

In 2022 we commenced development of a new eight year strategy known as the BIG plan. It supports delivery of our purpose: students first, always. We have kept our values in our new plan. We are student-focused, fun, brave, welcoming, and empowering.

Our goal is to make sure students have the best student experience while at Heriot-Watt University. To do this we have five key areas:

- Connections
- Opportunities
- Representation
- Services
- Advice

To achieve our 2030 objectives, the Board oversees the development and delivery of an annual plan, (known internally as a LITTLE plan), that encompasses BIG plan objectives and the priorities of the Full Time Officers

This academic year has been one of change for the student population. Students have returned to campus for in-person teaching and assessment and are facing ever-growing pressures from external sources due to the Cost of Living and Housing crises. The Union continues to work on enabling students to **thrive**, while still ensuring we help students **survive** in these difficult times.

By working in partnership with the University we have been able to provide support to a greater number of students. However, more students are struggling than in previous years and fewer students are going through their university experience without requiring support. Student wellbeing has been a significant focus of the Union's work in the current year, particularly the wellbeing of underrepresented student groups.

COST OF LIVING CRISIS

As the Cost of Living continues to rise, the Student Union is seeing an increase in the number of students seeking financial aid or advice. The housing crisis is being felt across Scotland and **affordable housing** is becoming increasingly hard to find both on and off campus.

The Union also with support from the Alumni Fund & University provides a Community Larder and Hardship fund service for students struggling with everyday living costs.

WELLBEING

The inaugural Global Equality Diversity and Inclusion Summit took place at the end of March, during which the following topics were discussed:

- Involving marginalised students in the decisions that affect them.
- Having systems in place to support students' gender identity and preferred pronouns.
- Addressing non-academic student misconduct through measures that tackle racism and sexual misconduct.
- Making 'Global Equality Diversity and Inclusion' a reality.

The event was a joint effort between the Student Union and the University's Equality Diversity and Inclusion department.

Gender Parity - An International Women's Day event served to launch important conversations around the gender imbalance on degree courses.

The 2022-24 Student Mental Health Agreement has been written and co-signed by the Union and Student Wellbeing Services.

The Advice Hub continues to work with a large number of students, providing support and guidance in increasingly complex academic and wellbeing cases.

The key areas where the Advice Hub supports students are:

Academic Processes
Financial Issues
Accommodation

EDUCATION

The Union has worked closely with the University as part of the Academic Integrity Working Group, following the increase of academic misconduct cases. This group has focused on many different aspects of academic integrity, including the rise in popularity of artificial intelligence chatbots and the academic integrity module created within the University.

The Union has ensured that the ongoing work continues to be student focused, ensuring that it is both comprehensive for a wide variety of students as well as working to boost the ethos of "upholding academic integrity" as opposed to avoiding misconduct.

This year Assessment and Feedback has been a key priority for The Union. The Union has worked closely with the Learning and Teaching Academy to complete the creation of global feedback resources for both students and staff. These resources aim to increase student understanding of the various types of feedback the University provide, such as verbal and in-class feedback, so they can more effectively use it to improve their work.

This academic year saw the return to in-person 2/3-hour window exams. Throughout the year student representatives have raised concerns around the level of anxieties felt by students given the change. The Union has worked closely with Wellbeing Services, The Deputy Principal for Education and Student Life, and the Directors of Learning and Teaching across schools to create materials to minimise anxiety levels amongst the student population.

Post pandemic, many of our current students are unfamiliar with in-person Learning and Teaching. This has meant that many have struggled to adjust to traditional lecturing styles. Using feedback from student representatives The Union has initialised many conversations across the University around the continuation of providing recorded materials.

The Union has held three Academic Congress events across this academic year, discussing a range of topics. Academic Congress has been a valuable platform for student representatives to raise issues and give feedback to both the Student Union and the University. During these events students have raised key issues which have influenced priorities and subsequent work within both the Union and the University.

COMMUNITY

We have 75 societies affiliated with the Student Union, 24 of which formed or re-formed during this academic year, with three based at our Galashiels campus. Our Indian and Muslim societies, while based in Edinburgh, have also expanded to include Galashiels in their planning, each offering a committee position to students based in the Scottish Borders.

Throughout the year, events hosted by societies have been highlights of the student experience. The subjects of these events were wide and varied, covering academic, cultural, wellbeing, professional development, and community areas.

Watt Welcome Fair

During Welcome Week we held our Watt Welcome Fair, in partnership with the Sports Union. This event is the busiest of the week, with all sports clubs and student societies hosting a stall promoting their activities, events and achievements. We also hosted external stalls in the union building, with companies ranging from pubs and clubs, to Nightline and anti-spiking support services.

Sustainability Week

Sustainability Week took place in early November, and explored and explained the need for options to improve Sustainability in Heriot-Watt as an institution and in our daily lives. The Student Union worked in collaboration with students from our Ocean Conservation, Chemistry, NetZero, and Progressive Student Societies to put on a programme of events'

Global Day

Global Day is the Student Union's celebration of the diversity of background and culture among our students. Fifteen countries were represented bringing examples of their local food, art, music, and culture, and shared them with over 200 students who attended the event.

Volunteer Awards

This year's Volunteer Awards saw students submit a record-breaking 538 nominations. Each category was highly contested, and two societies earned themselves special recognition awards. We had the pleasure of hosting the Awards Ceremony at the National Robotarium, followed by catering and entertainment at the Student Union. It was fantastic to see our exceptional student volunteers receive the recognition they deserve.

SCOTTISH BORDERS CAMPUS

We have worked hard to build our presence in the Scottish Borders Campus this year. Something we are continuously striving for is building more societies in Galashiels that will deliver student led events as this is the case in Edinburgh.

ORKNEY

We have improved communication with the Orkney campus this year and are looking to help students lead their own events by providing them with support and funding provided by the Alumni Fund.

Governance

During the year, the Articles of Association were revised and were approved by OSCR & Companies House in April 2023. Following on from this the Union has been working on refreshing the Bye-laws, this work was completed in December 2023.

Financial review

The principal funding sources of the charity come from our trading services activity and the block grant received from the University.

The current year, as a result of the current economic climate has proved challenging particularly for our trading activities. Through this period, the organisation has sought to mitigate costs wherever possible. As a result of these prudent measures, the impact on the underlying reserves position of the Union has been controlled as far as possible. Net income for the year amounted to £78,713 (2022: net expenditure £161,500), with net movement in funds (after actuarial losses/gains on the pension scheme) amounting to a surplus of £29,713 (2022: £264,500).

Reserves Policy

The Union aims to hold sufficient reserves to fund its student support activities for a period of at least six months. This means that we should hold sufficient cash reserve to cover salaries and overheads for the charitable activity of the Union for six months.

At 31 July 2023, the Union had a surplus on reserves of £874,806 (2022: £845,093). With unrestricted reserves not tied up in fixed assets totalling £452,951 (2022: £439,365). The board has deemed the level of reserves to be adequate to meet our charitable activity for six months. The union has a reserves policy that enables the union release cash reserves for investment. We currently do not have any plans to release any reserves.

Risk Management

The Trustees have assessed the major risks to which the Union is exposed, in particular those related to the operations and finances of the Union and are satisfied that systems are in place to mitigate our exposure to risk. The Trustees meet regularly and review all aspects of operations and finances with reference to financial reports and future forecasts. The Trustees formally review the risk register annually in September. However, due to the rapidly changing risks in the current economic climate, the board reviewed the risk register as required.

The Union building continues to present our most pressing strategic and operational risk. Unfortunately, the financial impact of Covid-19 and the ongoing economic environment has resulted in the new Student Life Building plans being delayed. The current Student Union building, while not fit for purpose, will enable the Union to continue providing services at its current level, rather than be able to grow to meet our ambition and our students' needs.

Disclosures required by the Educational Act 1994

Affiliations

The Union was affiliated to the following organisations during 2022/23

National Union of Students (NUS) – payments of £15,590

- Provides national representation, information, advice including office-bearer training and other services.

Plans for the future

Despite challenges, the Student Union aims to continue to provide valuable services and representation for our members. We are working closely with the University to deliver a positive student experience as the needs of our students evolve in the current educational environment & economic climate.

Statement as to disclosure of information to Auditors

The Trustee Board Members who were in office on the date of approval of these Financial Statements have confirmed, as far as they are aware, that there is no relevant information of which the Auditors are unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditors.


Auditors

A resolution to reappoint MHA Henderson Loggie as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Approval of the report

This report has been prepared in accordance with the special provisions in Part 15 of the Companies Act 2016 relating to small companies.

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


Scott Anderson – 2024-03-19, 15:58:53 UTC

Scott Anderson
President

Trustees' responsibilities

The trustees (who are also directors of Heriot-Watt University Student Union for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices). Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulation 2006 (as amended) and the provisions of the charitable company's Articles of Association. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Trustees and Members of Heriot-Watt University Student Union

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Trustees and Members of Heriot-Watt University Student Union *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report incorporating the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Trustees and Members of Heriot-Watt University Student Union *(continued)*

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following were most relevant: Health and Safety; Employment Law, GDPR; and compliance with company and charity law.
- We considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing legal fee expenditure and minutes of board meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

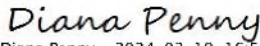
Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

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

Independent Auditor's Report to the Trustees and Members of Heriot-Watt University Student Union *(continued)*

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Diana Penny – 2024-03-19, 16:52:03 UTC

Diana Penny (Senior Statutory Auditor)

For and on behalf of Henderson Loggie LLP
Chartered Accountants
Statutory Auditor
11-15 Thistle Street
Edinburgh
EH2 1DF

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities (incorporating the income and expenditure account) for the year ended 31 July 2023

2023	Note	Unrestricted General Funds £	Restricted Funds £	2023 Total £	Unrestricted General Funds £	Restricted Funds £	2022 Total £
Income and endowments from:							
Donations and legacies	2	779,110	59,830	838,940	700,063	32,584	732,647
Other trading activities	3	25,151	-	25,151	3,911	-	3,911
Investments	4	78,733	-	78,733	244	-	244
Charitable activities	5	1,815,669	-	1,815,669	1,114,990	-	1,114,990
Total income and endowments		2,698,663	59,830	2,758,493	1,819,208	32,584	1,851,792
Expenditure on:							
Charitable activities	5	2,640,006	39,774	2,679,780	1,959,849	53,443	2,013,292
Total expenditure		2,640,006	39,774	2,679,780	1,959,849	53,443	2,013,292
Net income/(expenditure) before transfers		58,657	20,056	78,713	(140,641)	(20,859)	(161,500)
Transfers between funds		76,225	(76,225)	-	-	-	-
Other recognised gains and losses:							
Actuarial gain/(loss) in respect of pension scheme	14	(49,000)	-	(49,000)	426,000	-	426,000
Net movement in funds	13	85,882	(56,169)	29,713	285,359	(20,859)	264,500
Fund balance brought forward at 1 August 2022	13	683,875	161,218	845,093	398,516	182,077	580,593
Fund balance carried forward at 31 July 2023	13	769,757	105,049	874,806	683,875	161,218	845,093


All activities relate to continuing operations.

Balance sheet as at 31 July 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	8		316,806		323,883
Current assets					
Stock	9	51,435		52,140	
Debtors	10	94,396		40,048	
Cash at bank and in hand		552,873		600,657	
			698,704		692,845
Creditors: amounts falling due within one year	11	(140,704)		(142,654)	
Net current assets			558,000		550,191
Total assets less current liabilities			874,806		874,074
Creditors: Amounts falling due after more than one year	12		-		(28,981)
Net assets/(liabilities)			874,806		845,093
Funds					
Unrestricted funds	13		769,757		683,875
Restricted funds	13		105,049		161,218
Total funds			874,806		845,093

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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


Scott Anderson - 2024-03-19, 15:58:53 UTC

Scott Anderson
President

Company registration number SC504788

Statement of Cash Flows

For the year to 31 July 2023

	2023		2023		2022		2022
	£		£		£		£
Cash flows from operating activities							
Net income/(expenditure)	78,713				(161,500)		
Depreciation charges	30,590				25,127		
Income from investments	(4,733)				(244)		
Decrease/(increase) in stock	705				(4,632)		
Decrease/(increase) in debtors	(54,348)				3,439		
Increase/(decrease) in creditors	7,838				36,061		
Defined benefit pension scheme income	(49,000)				150,000		
	-----				-----		
Net cash provided by/(used in) operating activities			9,765				48,251
Cash flows from investing activities							
Income from investments	4,733				244		
Purchase of fixed assets	(23,513)				(11,275)		
	-----				-----		
Net cash (used in) investing activities			(18,780)				(11,031)
Cash flows from financing activities							
Repayment of borrowings	(38,769)				(9,522)		
	-----				-----		
Net cash provided by/(used in) financing activities			(38,769)				(9,522)
			-----				-----
(Decrease)/increase in cash and cash equivalents in the year			(47,784)				27,698
Cash and cash equivalents at 1 August 2022			600,657				572,959
			-----				-----
Total cash and cash equivalents at 31 July 2023			552,873				600,657
			=====				=====
Cash and cash equivalents comprise:							
Cash at bank and in hand			552,873				600,657
			=====				=====

Notes to the Financial Statements for the year ended 31 July 2023

1 Accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities", and in accordance with Financial Reporting Standard 102 (FRS 102). The financial statements have been presented in pounds sterling which is the functional currency of the charitable company, monetary amounts are rounded to the nearest £.

The charity has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 no 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

Going concern

During the period to 31 July 2023, the Union has continued in a strong financial position with net current assets of £558,000. In view of this performance, the financial memorandum of agreement between Heriot-Watt University and the Union, and the financial assistance the University will provide for twelve months from signing, the Trustees are satisfied that it is appropriate to prepare these financial statements on the going concern basis.

Income

Income from donations and grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income from the provision of bar, café and shop services to students is recognised on receipt, which is when the service has been delivered.

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

In accordance with Charity SORP (FRS 102), services provided by volunteers are not recognised.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure of the Union, once incurred, is considered either a direct charitable activity cost or a support cost. Support costs are allocated to charitable activities according to the amount of staff time spent on these activities or by reference to floor space. Charitable activities are those resources applied in the delivery of services to meet the Union's charitable objectives. Support costs include management and accommodation costs and staff costs. They also include governance cost, which are those associated with the general running of the Union including activities which provide the Union's governance infrastructure.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employees services are received.

Termination payment are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the Financial Statements *(continued)* for the year ended 31 July 2023

1 Accounting policies *(continued)*

Fixed assets

All expenditure of a capital nature where the expenditure exceeds £750 is capitalised under one of the following categories.

Depreciation is provided on categories of fixed assets on a straight-line basis over the following periods:

Office equipment	3 to 5 years
Furniture and fittings	3 to 10 years
Plant and machinery	3 to 5 years
Building additions/improvements	30 to 50 years
Motor vehicles	5 years

A full year's depreciation is charged in the year of acquisition and none in the year of disposal. Impairment reviews are carried out at least annually as part of the annual reporting exercise and when significant changes in the Union's activities occur, or in other situations where circumstances indicate a review is necessary.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Impairment of fixed assets

At each reporting date, the charity reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for any slow-moving or obsolete stock.

Debtors

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

Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

Notes to the Financial Statements *(continued)* for the year ended 31 July 2023

1 Accounting policies *(continued)*

Pension costs

The Union offers a defined benefit pension scheme for certain employees: the Lothian Pension Fund (LPF – Local Government Scheme). This is a defined benefit plan, which is externally funded and contracted out of the State Second Pension.

The Union's share of the underlying assets and liabilities of the scheme are measured by a qualified actuary using the assumptions set out in note 14. The assets of the Scheme are measured using closing fair values. Liabilities are measured using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs relating to the defined benefit plan are recognised in the Statement of Financial Activities within employee benefit costs.

Taxation

The Union has been granted charitable status by HM Revenue and Customs and is a registered charity. The Union is not subject to corporation tax on any surpluses that have been derived in pursuing activities designed to carry out the main objects of its charitable status.

Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the charity's general charitable objectives.

Restricted funds are those for which the purpose and use of the funds has been specified prior to their transfer to the charity, and which can only be applied for those specified purposes.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

In preparing these financial statements, the trustees have made the following judgements:

- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

The union's key sources of estimation uncertainty are as follows:

The value of the surplus/deficit in the defined benefit pension fund is determined using an actuarial valuation, provided by an independent and qualified actuary. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the liabilities, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future pension increases are based on expected future inflation rates.

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

2 Donations and legacies

	Unrestricted £	Restricted £	2023 £	Unrestricted £	Restricted £	2022 £
Allocation from University	765,000	-	765,000	680,000	-	680,000
Grant income - HWU	-	59,830	59,830	-	32,584	32,584
Donations - other	14,110	-	14,110	5,831	-	5,831
CJRS income	-	-	-	7,332	-	7,332
Government grants	-	-	-	6,900	-	6,900
	<u>779,110</u>	<u>59,830</u>	<u>838,940</u>	<u>700,063</u>	<u>32,584</u>	<u>732,647</u>

3 Other trading activities

	2023 £	2022 £
Commission on sales	1,351	2,358
Marketing income	23,800	1,553
	<u>25,151</u>	<u>3,911</u>

4 Income from investments

	2023 £	2022 £
Interest receivable	4,733	244
Net interest income on defined benefit pension	74,000	-
	<u>78,733</u>	<u>244</u>

Notes to the Financial Statements *(continued)*
for the year ended 31 July 2023

5 Charitable activities

	Social space and ancillary trading £	Other charitable activities £	2023 Total £	2022 Total £
Income:				
Income from normal operations	1,794,857	20,812	1,815,669	1,114,990
Expenditure:				
Staff costs	(653,940)	(306,829)	(960,769)	(887,285)
Sabbaticals	(24,237)	(89,171)	(113,408)	(110,016)
Property costs	(175,246)	(5,553)	(180,799)	(143,539)
Support costs	(75,308)	(17,097)	(92,405)	(73,293)
Welfare costs	-	(41,595)	(41,595)	(12,985)
Commercial cost of sales	(1,251,030)	-	(1,251,030)	(715,573)
Specific project costs		(39,774)	(39,774)	(64,601)
Net interest expense on defined benefit pension scheme	-	-	-	(6,000)
	(2,179,761)	(500,019)	(2,679,780)	(2,013,292)
Deficit	(384,904)	(479,207)	(864,111)	(898,302)

Within the above expenditure, amounts relating to specific projects costs of £39,774 (2022: £53,013) and £2,718 (2022: £430) of property costs were restricted.

Included within property costs were £6,406 (2022: £6,406) of operating lease payments.

Commercial cost of sales represent stock recognised as an expense in the year.

Support costs include the following.

	2023 £	2022 £
Bank charges	20,740	15,027
Computer expenses	25,468	21,577
Office expenses	26,937	22,071
Governance costs (note 6)	19,260	14,618
	92,405	73,293

Support costs are allocated between charitable activities according to the amount of staff time spent on these activities or by reference to floor space.

6 Governance costs

	2023 £	2022 £
Office-bearer's training costs	2,793	3,424
Election costs	1,307	1,080
Consultant's costs	2,155	(1,350)
Remuneration of auditors	12,000	10,250
Trustee Costs	618	87
Welfare	387	1,127
	19,260	14,618

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

7 Staff costs and numbers

	2023	2022
	£	£
Wages and salaries	849,871	723,291
Social security costs	56,411	50,310
Pension costs	81,038	82,755
FRS 102 Defined benefit pension adjustments (Note 14)	25,000	144,000
	1,012,321	1,000,356
Other staff costs not through payroll	36,291	-
	1,048,612	1,000,356
Average number of employees during the period	76	52

The number of employees receiving emoluments, including pension contributions of greater than £60,000 ranged as follows:

	2023	2022
£60,000 - £70,000	1	-

No termination payments were made during the year (2022: £Nil).

The key management personnel are the Chief Executive officer, the President and Vice-Presidents and other members of the Senior Management Team whose total employment benefits for the year totalled £337,795 (2022: £300,528).

4 trustees (2022: 7) received reimbursement of expenses amounting to £1,241 (2022: £1,354) in the year.

The President and Vice-Presidents are required by the constitution of the Union to be Sabbatical members of the Executive Committee and Trustees ex-officio and as such are remunerated for their work. Remuneration and pension contributions totaling £87,085 (2022: £79,040) were paid to the President and Vice-Presidents.

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

8 Fixed assets

	Building improvements £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 August 2022	551,758	32,346	507,599	66,436	1,158,139
Additions	-	-	12,885	10,628	23,513
At 31 July 2023	551,758	32,346	520,484	77,064	1,181,652
Depreciation					
At 1 August 2022	246,020	32,346	499,133	56,757	834,256
Charge for year	11,905	-	9,668	9,017	30,590
At 31 July 2023	257,925	32,346	508,801	65,774	864,846
Net book value					
At 31 July 2023	293,833	-	11,683	11,290	316,806
At 1 August 2022	305,738	-	8,466	9,679	323,883

9 Stock

	2023 £	2022 £
Bar	6,760	9,325
Catering	-	1,634
Shop	44,675	41,181
	51,435	52,140

10 Debtors

	2023 £	2022 £
Trade debtors	31,924	2,666
Other debtors	6,036	11,469
Heriot-Watt University	18,125	3,425
Prepayments	10,887	11,488
Accrued income	27,425	11,000
	94,396	40,048

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

11 Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	51,627	45,102
Heriot-Watt University	21,135	7,645
Other tax and social security	14,546	13,319
Other creditors	12,625	13,834
Accruals and deferred income	40,771	52,966
Bank Loan	-	9,788
	140,704	142,654
	140,704	142,654

12 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank Loan	-	28,981
	-	28,981
	-	28,981

Analysis of maturity of loan:

	2023	2022
	£	£
Amounts falling due:		
Within one year	-	9,788
Between one to two years	-	10,035
Between two to five years	-	18,946
More than five years	-	-
	-	38,769
	-	38,769

The Union obtained a £50,000 bank loan as part of the Government supported Bounce Back Loan Scheme in response to the COVID-19 pandemic. The loan was fully repaid during the year.

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

13 Funds

2023	Balance at 1 August 2022	Income	Expenditure	Transfers	Actuarial Gain/(Loss)	Balance at 31 July 2023
	£	£	£	£	£	£
Unrestricted funds						
General fund	683,875	2,698,663	(2,640,006)	76,225	(49,000)	769,757
	<u>683,875</u>	<u>2,698,663</u>	<u>(2,640,006)</u>	<u>76,225</u>	<u>(49,000)</u>	<u>769,757</u>
Restricted funds						
Building improvements	67,954	-	(2,718)	(65,236)	-	-
Alumni Fund	61,855	32,825	(23,048)	-	-	71,632
Lift funding	11,419	-	(430)	(10,989)	-	-
Scottish Funding Council	4,411	-	(4,411)	-	-	-
USC grant	10,077	-	(2,202)	-	-	7,875
Other restricted funds	5,502	27,005	(6,965)	-	-	25,542
	<u>161,218</u>	<u>59,830</u>	<u>(39,774)</u>	<u>(76,225)</u>	<u>-</u>	<u>105,049</u>
Total funds	<u>845,093</u>	<u>2,758,493</u>	<u>(2,679,780)</u>	<u>-</u>	<u>(49,000)</u>	<u>874,806</u>
2022	Balance at 1 August 2021	Income	Expenditure	Transfers	Actuarial Gain	Balance at 31 July 2022
	£	£	£	£	£	£
Unrestricted funds						
General fund	674,516	1,819,208	(1,809,849)	-	-	683,875
Designated fund	(276,000)	-	(150,000)	-	426,000	-
	<u>398,516</u>	<u>1,819,208</u>	<u>(1,959,849)</u>	<u>-</u>	<u>426,000</u>	<u>683,875</u>
Restricted funds						
Building improvements	70,672	-	(2,718)	-	-	67,954
Alumni Fund	66,435	14,250	(18,830)	-	-	61,855
Lift funding	11,849	-	(430)	-	-	11,419
Scottish Funding Council	16,000	-	(11,589)	-	-	4,411
USC grant	14,001	-	(3,924)	-	-	10,077
Other restricted funds	3,120	18,334	(15,952)	-	-	5,502
	<u>182,077</u>	<u>32,584</u>	<u>(53,443)</u>	<u>-</u>	<u>-</u>	<u>161,218</u>
	<u>580,593</u>	<u>1,851,792</u>	<u>(2,013,292)</u>	<u>-</u>	<u>426,000</u>	<u>845,093</u>

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

13 Funds *(continued)*

Purpose of the fund

Designated fund – this represents the value of the defined benefit pension scheme liability. At the 31 July 2023, the defined benefit pension scheme was in an asset position which was not considered recoverable, as it is not certain that future pension contributions will reduce because of the net asset position, and therefore not recognized within the financial statements. As such, the designated fund balance at 31 July 2023 was nil.

Building improvements – a capital fund for improvements financed by HWU against which depreciation is applied annually. The restricted fund was transferred to unrestricted funds at 31 July 2023 as the restriction has now been met.

Alumni fund – grant awards from HWU for specific charitable projects and activities.

Lift fund – grant awarded towards installation of lift in Union building against which depreciation is applied annually. The restricted fund was transferred to unrestricted funds at 31 July 2023 as the restriction has now been met.

Scottish Funding Council – grant for student unions to support student wellbeing post pandemic.

USC grant - University Covid Support grant – support grant from the University for student community activity during the pandemic.

Other restricted funds – smaller grants received for specific purposes.

13 Analysis of net assets between funds

	Unrestricted £	Restricted £	2023 £	Unrestricted £	Restricted £	2022 £
Fixed assets	316,806	-	316,806	244,510	79,373	323,883
Net current assets	452,951	105,049	558,000	468,346	81,845	550,191
Creditors due > 1 year	-	-	-	(28,981)	-	(28,981)
	<u>769,757</u>	<u>105,049</u>	<u>874,806</u>	<u>683,875</u>	<u>161,218</u>	<u>845,093</u>

14 Pension commitments

Heriot-Watt University Student Union participates in the Lothian Pension Fund (LPF) which is part of the Local Government Pension Scheme (LGPS) (Scotland), a multi-employer scheme. The LGPS is a defined benefit scheme based on final pensionable salary.

The Union's share of the assets and liabilities of the scheme at 31 July 2023 are assessed by independent qualified actuaries using the projected unit method, updated from the latest full actuarial valuation of the scheme at 31 March 2020. The major assumptions used by the actuary are shown below.

The Lothian Pension Fund is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The employer contributions made for the year ended 31 July 2023 totalled £73,000 (2022: £79,000). The agreed contribution rates for future years are 21.2% to 31 March 2024 for employers and an average of between 5.5% and 12% for employees.

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

14 Pension commitments *(continued)*

Principal Actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary:

	2023	2022
	% p.a.	% p.a.
Inflation/Pension increase rate	3.00	2.75
Salary increase rate	3.50	3.25
Discount rate	5.05	3.50
	=====	=====

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current pensioners	19.8 years	22.7 years
Future pensioners	21.0 years	24.5 years
	=====	=====

The net pension asset/(deficit) was:

	2023	2022
	£000	£000
Estimated employer assets	6,316	6,193
Present value of scheme liabilities	(3,386)	(4,065)
Effect of asset ceiling	(2,930)	(2,128)
	=====	=====
Net pension asset/(deficit)	-	-
	=====	=====

The surplus on the Union's share of the assets and liabilities of the scheme as at 31 July 2023 of £2,930,000 is not considered recoverable, as it is not certain that future pension contributions will reduce as a results of the net asset position, and as such has not been recognised on the balance sheet.

Reconciliation of fair value of scheme assets:

	2023	2022
	£000	£000
Opening fair value of scheme assets	6,193	5,659
Interest income on plan assets	216	90
Contributions by members	24	25
Contributions by employer	73	79
Return on assets	(72)	445
Benefits paid	(118)	(105)
	=====	=====
	6,316	6,193
	=====	=====

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

14 Pension commitments *(continued)*

Reconciliation of defined benefit obligation:

	2023	2022
	£000	£000
Opening defined benefit obligation	4,065	5,935
Current service cost	98	223
Interest cost	142	96
Contributions by members	24	25
Actuarial losses/(gains)	(825)	(2,109)
Benefits paid	(118)	(105)
	3,386	4,065
	3,386	4,065

Analysis of the amount charged to staff costs (Note 7):

	2023	2022
	£000	£000
Current service costs	98	223
Past service cost	-	-
	98	223
Total operating charge	98	223
Less: Contributions paid	(73)	(79)
	25	144
	25	144

Amount charged to operating costs (Note 5):

	2023	2022
	£000	£000
Interest income on plan assets	216	90
Interest cost on defined benefit obligation	(142)	(96)
	74	(6)
	74	(6)

Analysis of the amount recognised in the Statement of Financial Activities

	2023	2022
	£000	£000
Return on assets	(72)	445
Actuarial gains/(losses) in defined benefit obligations	825	2,109
Effect of asset ceiling	(802)	(2,128)
	(49)	426
	(49)	426

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

14 Pension commitments *(continued)*

Movement in pension during the year:

	2023	2022
	£000	£000
Surplus/(deficit) at beginning of year	-	(276)
Movement in year:		
Current service cost	(98)	(223)
Employer contributions	73	79
Net interest income/(costs)	74	(6)
Actuarial gain	753	2,554
Effect of asset ceiling	(802)	(2,128)
Surplus/ (Deficit) at end of year	-	-

Analysis of scheme assets:

	2023	2022
Equities	73%	71%
Bonds	15%	13%
Property	8%	7%
Cash	4%	9%

15 Related party transactions

During the year, Heriot-Watt University allocated to the Students' Union £765,000 (2022: £680,000) in the form of block grant funding. Other grant funding from Heriot-Watt University amounted to £73,940 (2022: £22,984).

During the course of the Union's activities for the period, transactions with Heriot-Watt University took place. The total amount invoiced by the Union to the University for goods and services was £58,354 (2022: £9,220) and the total amount invoiced by the University to the Union for goods and services was £49,873 (2022: £66,413). At 31 July 2023 the University owed the Union a balance of £18,125 (2022: £3,425). Amounts owed by the Union to Heriot-Watt University amounted to £21,135 (2022: £7,645).

Rent of £6,406 (2022: £6,406) was paid to Heriot Watt University for the Union shop premises. The Union building is owned by Heriot Watt University and is made available for use by the Union free of charge. Due to the layout, location and purpose of the building no accurate estimated annual rent for the building could be calculated and as such has not been recognised as a donation in the accounts.

Notes to the financial statements *(continued)*
for the year ended 31 July 2023

16 Ultimate controlling party

The charitable company is constituted by its Articles of Association and is controlled by its Board of Trustees.

17 Contingent liabilities

Contingent liabilities relate to donations received from Alumni Fund which are repayable if unspent on specified purpose. This total at 31 July 2023 is therefore the balance of £71,629 (2022: £61,855) held within restricted funds.