



Robert Gordon University Student Association

**Financial Statements for the Year Ended
31 July 2023**

Scottish Charity Number SC016639

DRAFT

Contents

	Page
Legal and Administration Information	1 - 3
Report of the Student Association Trustee Board	4 - 9
Responsibilities of the Student Association Trustee Board	10
Independent Auditor's Report	11 - 14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Accounts	18 - 29

DRAFT

Legal and Administrative Information for the Year Ended 31 July 2023

Charity Name: Robert Gordon University Student Association

Charity Registration Number: SC016639

Principal Office: The Riverside Building
Garthdee Road
Aberdeen
AB10 7QE

Independent Auditor: Hall Morrice
6 & 7 Queens Terrace
Aberdeen
AB10 1XL

Solicitors: Ledingham Chalmers Solicitors
52-54 Rose Street
Aberdeen
AB10 1HA

Bankers: Virgin Money
62 Union Street
Aberdeen
AB10 1WD

The day-to-day management of the charity is delegated to the Student Association Chief Executive Officer, Gregor Mailer.

Members of the Student Association Trustee Board

The Trustee Board is responsible for the strategic oversight of the Student Association and is ultimately responsible for all of the affairs and property of the Association.

Members that served on the Student Association Trustee Board during the year and those serving at the time of signing the financial statements were:

	Name	Date of appointment	Date of resignation
Sabbatical Trustees	Joel Adebanjo (Vice Chair)	18 July 2022 (Elected Vice-Chair 18 July 2022)	9 July 2023
	Oluwafunmilola Akinoso	18 July 2022	9 July 2023
	Suzanna Bamigbola	18 July 2022	9 July 2023
	Phoebe Moncur (Vice Chair)	10 July 2023 (Elected Vice-Chair 10 July 2023)	Still in post
	Patricia Innocent	10 July 2023	Still in post
	Olunwatoyin Bolajoko	10 July 2023	Still in post
Student Trustees	Confidence Amuda	19 November 2021	31 December 2022
	Opeyemi Adedeji	19 November 2021	Still in post
	Calvin Park	19 November 2021	13 July 2023
	Adrianna Hoffman	11 February 2021	1 August 2022

Legal and Administrative Information (continued) for the Year Ended 31 July 2023

Members of the Student Association Trustee Board (continued)

External Trustees	David Strachan (Chair, From 8 July 2020)	1 July 2019	13 July 2023
	Ian Campbell (Chair, From 13 July 2023)	17 August 2020	Still in post
	Caroline Daniel	17 August 2020	13 July 2023
	Jo Hall	8 February 2021	Still in post
University Trustee	Jo Royle	1 July 2019	Still in post
Chief Executive Officer	Gregor Mailer	1 August 2020	Still in post

Members of the Student Association Trustee Board Finance Sub-Committee

Members that served on the Student Association Trustee Board Finance Sub-Committee during the year were:

	Name	Date of appointment	Date of resignation
Sabbatical Trustees	Phoebe Moncur	10 July 2023	Still in post
	Patricia Innocent	10 July 2023	Still in post
	Oluwatoyin Bolajoko	10 July 2023	Still in post
	Joel Adebajo	18 July 2022	9 July 2023
	Suzanna Bamigola	18 July 2022	9 July 2023
	Oluwafunmilola Akinoso	18 July 2022	9 July 2023
University Trustee	Jo Royle	1 July 2019	Still in post
External Trustees	David Strachan	8 July 2020	13 July 2023
	Ian Campbell	17 August 2020	Still in post
Chief Executive Officer	Gregor Mailer	1 August 2020	Still in post

Legal and Administrative Information (continued) for the Year Ended 31 July 2023

Members of the Student Association Executive Committee

Members that served on the Student Association Executive Committee during the year were:

Name	Position	Date of appointment	Date of resignation
Suzanna Bamigbola	President (Communication & Democracy) (Executive Committee Chair)	18 July 2022	9 July 2023
Patricia Innocent	President (Communication & Democracy) (Executive Committee Chair)	10 July 2023	Still in post
Joel Adebajo	President (Sport & Physical Activity)	18 July 2022	9 July 2023
Phoebe Moncur	President (Sport & Physical Activity)	10 July 2023	Still in post
Oluwafunmilola Akinoso	President (Education & Welfare)	18 July 2022	9 July 2023
Oluwatoyin Bolajoko	President (Education & Welfare)	10 July 2023	Still in post
Tamsyn Lampkin	Vice-President (Education)	1 August 2021	31 July 2023
Johnson Oshodi	Vice-President (Education)	1 August 2022	Still in post
Chioma Onuchukwu	Vice-President (International)	1 August 2022	31 July 2023
Rahul Krishnan Rb	Vice-President (International)	1 August 2023	Still in post
Ujunwa Odemis	Vice-President (Societies)	1 August 2022	31 December 2022
Ainsley Li	Vice-President (Societies)	1 August 2023	Still in post
Jill Adam	Vice-President (Sport)	1 August 2022	Still in post
Esther Erewafe	Vice-President (Community)	1 August 2022	31 July 2023
Queen Ukawkwe	Vice-President (Community)	1 August 2023	Still in post
Abisola Kareem	Vice-President (Welfare)	1 August 2022	31 July 2023
Millicent Akwuewanbhor	Vice-President (Welfare)	1 August 2023	Still in post

Report of the Student Association Trustee Board for the Year Ended 31 July 2023

The Board of Trustees presents its report and audited financial statements for the year ended 31 July 2023. This report is prepared in accordance with the accounting policies set out in note 1 to the financial statements. They also comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing the financial statements in accordance with FRS102 applicable in the UK and Republic of Ireland.

Structure, Governance and Management

Legal Status

The Student Association is recognised by HM Revenue and Customs and the Office of the Scottish Charity Regulator (OSCR) as having charitable status with a charity registration number of SCO16639. Other restrictions may be applied by statute, the Education Act 1994, or by the Board of Governors of Robert Gordon University.

The objectives and organisational structure of the Student Association are set out in the Constitution, ratified at the AGM on 21 November 2013, revised April 2017.

In the first instance, the Executive Committee nominated members of the Trustee Board. External Members were appointed to represent the broad range of the Association's activities. Thereafter, two Student Trustees were nominated and approved by the Trustee Board, and a further three Student Trustees were elected by means of a cross-campus election which is held annually. External Trustees are nominated and approved by the Trustee Board. University Trustees are nominated by the University's Board of Governors from amongst the staff of the University, with any nominations subject to approval by the Trustee Board.

All members of the Executive Committee, with the exception of the Chief Executive Officer who is appointed by the University (until December 2021) or Trustee Board (from December 2021), are voted onto the Executive Committee by a cross-campus ballot which is held annually.

Induction and Training of Trustee Board and Executive Committee Members

Members of the Student Association Trustee Board and Executive Committee undergo training on their rights and responsibilities upon taking up their positions. Executive Committee members are also able to shadow the outgoing post-holders from their election up to the time before they begin their tenure in office.

Organisational Structure

The Student Association had, and continues to have, a Trustee Board with the following members:

- Sabbatical Officers;
- 5 Ordinary Members;
- 4 External Trustees;
- 1 University Trustee; and
- Chief Executive Officer of the Student Association.

The Student Association had, and continues to have, an Executive Committee with the following members:

- The President (Communication & Democracy);
- The President (Education & Welfare);
- The President (Sport & Physical Activity);
- Vice President (Sport);
- Vice President (Community);
- Vice President (International);
- Vice President (Societies);
- Vice President (Education);
- Vice President (Welfare); and
- Chief Executive Officer of the Student Association.

Report of the Student Association Trustee Board (continued) for the Year Ended 31 July 2023

Structure, Governance and Management (continued)

Organisational Structure (continued)

The Student Association has standing forums which are responsible for the main areas of its activities:

- The "Student Voice" forum;
- The "Sports Forum";
- The "Societies Forum";
- The Executive Committee; and
- The Sabbatical Executive Committee.

Key management personnel

No members of key management are employed by the University, with all staff and management employed directly by the Student Association.

Arrangements for setting pay and remuneration of key management personnel employed by the Union is agreed by the Trustee Board on a yearly basis in line with producing the budget.

Risk Management

The Student Association Trustee Board members have assessed the major risks to which the charity is exposed, in particular those related to the operation and finances of the Student Association. Major risks have been identified as the on-going pension obligations (as detailed further within notes 1 and 10 to the financial statements) and the identification of other sources of income (with the continuing reliance on the block grant from Robert Gordon University).

The Trustee Board are satisfied that systems are in place to mitigate exposure to these major risks and ensure that they are fully abreast of the pension obligations as they change.

In response to Covid-19 measures and restrictions experienced during 2020 and 2021, many core Union activities requiring altering and therefore adapted significantly to ensure the provision of welfare and representation services to our student membership continued. This process strengthened the Student Association's operational resilience, and the charity is well prepared should a similar interruption to regular business practice occur in the future.

Related party transactions

The Association is financially and materially supported by Robert Gordon University receiving unrestricted income of £531k (2022 - £508k) and accommodation from which the Association operates.

The Association works in partnership with Robert Gordon University in the furtherance of its purpose.

Objectives and Activities

The Student Association is an unincorporated association constituted with the following objectives:

- To represent and promote the general interests of students at the University.
- To provide or assist in the provision of facilities for recreation or other leisure time occupation so that their conditions of life may be improved.
- To advance the arts, culture, education, science, heritage and sport by providing amenities and supporting activities for students.
- To prevent and relieve poverty and advance health by providing advice and welfare service for students and potential students.

In order to achieve its stated objectives, the Student Association interacts with the student body on a daily basis through provision of social space and staging of organised events throughout the academic year. These include the annual Freshers Fayre and Graduation Ball together with sports, societies and other social activities. It provides support and advice to students pertaining to their general wellbeing and issues they encounter during their time at university.

Report of the Student Association Trustee Board (continued) for the Year Ended 31 July 2023

Objectives and Activities (continued)

The Student Association is managed by the Trustee Board and Executive Committee, in conjunction with the Chief Executive Officer.

Achievements and performance

Following an extended period of Covid-related disruption, the 2022/23 academic session saw the Students' Union return to full operation with in-person events and activities being delivered with no restrictions and at full capacity for the first time in almost three years.

Freshers Week 2022 once again demonstrated strong partnership working, with a line-up of around 80 activities taking place on campus and throughout the city centre, arranged by the Students' Union team, University departments, external event promoters, student-led societies, sports clubs, and student groups/networks. The Union's relationship with ATIK Nightclub continued, as they provided a range of headline-level late night events, and for the first time during Freshers Week a joint social activity was arranged alongside Aberdeen University Students' Union, as both institutions aim to welcome new international arrivals to the city and build links between our respective student bodies.

The annual Freshers Fayre, held across the University campus, returned to full capacity for the first time since 2019, with commercial partners, national brands, local businesses, charities, community groups, student-led activity groups, and University departments making up a total of 120 exhibitors, with around 2500 students visiting throughout the day.

Elsewhere, the Union's student-led societies, clubs, groups, and networks continue to report encouraging engagement figures, with 1079 members registered with sports club (14% increase from 21/22) and 1713 members registered with societies/groups/networks (12% down on 21/22 academic session, which benefited from higher than average membership due to a 'free fees' promotion during Covid).

Following the relocation of all Union services to the Riverside Building in January 2022, efforts have been made to establish the Union in this new home, and to utilise its many new spaces effectively. Bookable rooms and spaces are now home to regular weekly society activities, hosting regular meetings, social events, fundraisers, presentations, training sessions, and awareness activities; open-access social and games spaces are utilised daily by building users; and group study pods have also proven extremely popular. Ahead of Freshers Week 2022 and the start of the new academic year, work was carried out to enable the student-led Go Green group's second-hand shop to transfer from its existing home in Kaim Cottage to an area within the Union. This provided the service with greater visibility and higher footfall to maximise the number of students who could benefit from their free or low-cost donated stock, including clothing, household, and stationary items.

The student voice drives all Union projects and initiatives, and we were pleased to see two of our set-piece democratic events return to the campus following two years of virtual delivery - the Student Election process and the Annual General Meeting.

The Annual General Meeting took place in February and was hosted in the Union's new spaces within the Riverside Building. While the 2022 version remained a virtual event, 2023 saw the AGM delivered in a hybrid manner, with it being possible for presenters and attendees to contribute on campus and also via video call. This proved successful, and a number of motions were debated and passed, including a call for the University to divest from fossil fuel investments, affordable travel options, and the introduction of spaces for mental wellbeing discussed amongst others. Members also voted to pass a reviewed Students' Union Constitution, which had undergone its five-year review throughout the session. The Student Election process also encountered a change in delivery method as in-person voting and polling booths returned to the campus for the first time in over 15 years. A total of 2198 students turned out to cast votes for their favoured candidates, the third highest turnout figure in RGU election history.

Report of the Student Association Trustee Board (continued) for the Year Ended 31 July 2023

Achievements and performance (continued)

The Union's priority welfare project for the academic session related to the cost of living crisis, which is impacting students from each and every one of the University's schools. Alongside the relocation of Go Green's second-hand shop, the Union worked in partnership with the University Executive and campus catering contractor, Aramark, to introduce a free breakfast club service, open to all students and staff. This currently operates once a week, from within the Students' Union, and provides a free breakfast for attendees in a relaxed and sociable environment.

Elsewhere, relationships were strengthened with local foodbanks who provide vital services to the local community. Food donation points were installed across campus, and fundraising efforts carried out, to provide both staff and students with the opportunity to donate and contribute towards the work of these charities, who also provide support to students living in the surrounding areas. Ongoing monthly donations are now distributed to each of the services, ensuring the items reach students in need and also members of the local community.

Looking ahead, with footfall numbers on campus returning to pre-Covid levels, the Union continues to focus on development of its vibrant social spaces, with an increased events offering being rolled out during the 2023/24 session. A number of changes within the staffing team will also ensure greater support is offered to the development and growth of student-led societies, groups and networks, alongside the Union's partnership and representative structures, plus volunteering and community engagement projects. Further efforts to support students impacted by the ongoing cost of living crisis will be rolled out, as we aim to help those being impacted by rising costs relating food, energy, and all other aspects of life.

Financial review

The total income generated by the Union for the year was £814k (2022 - £723k) which includes £531k of a grant from the University (2022 - £508k).

Income generation increased substantially following recent constraints by lockdowns and restrictions during the COVID-19 outbreak and represented a full return to activity for the first time since 2019/20. Whilst we did not see a return to pre-pandemic revenue levels there was nonetheless an encouraging uplift from last year. Firstly, our new online shop and print-on-demand merchandise procedure launched during September 2022, generated £16k thus comparing favourably with an income of £7k in the previous year. Indeed, the recent roll-out of a new internal accounting package allowed for these two platforms to integrate, streamlining the current administration process and allowing for wider product ranges being introduced throughout 2023, including options for customised school, course, and society merchandise. Moreover, Pop-up shops at Graduation ceremonies and a seasonal Christmas campaign contributed towards a pleasing first year performance. However, Student Achievement and Graduation Ball tickets continue to experience lower than hoped attendance figures with increasing costs contributing to a deficit. Nevertheless, Sports memberships and fundraising returned to more pre-covid levels and this helped to secure a positive increase in revenue streams accompanied by the usual Blues Ball selling out immediately. The Scottish Funding Council, in recognition of the challenges contributed a grant of £18k during 20/21 and this is expected to continue to be utilised in the following academic year for wellbeing and welfare projects. The Board, Union and management will continue to look for additional sources of revenue to support the objectives of the Association.

Report of the Student Association Trustee Board (continued) for the Year Ended 31 July 2023

The total expenditure of £766k rose from 21/22 (£740k) following a return to expenditure on events. The main overages related to loss on Union Balls, plus higher salary costs for Sabbaticals, Rowing and the associated recruitment fees for various roles within Marketing and PR. It is also worth noting that Freshers costs accelerated to £18k against a budget of £10k, resulting in an £8k overspend. This is due to disappointing volunteer recruitment numbers meaning an increase in the number of paid student staff recruited to deliver the Freshers Welfare Team service. Additional travel and facility hire added to the operational overheads following the increased Sports activity enforced via lockdowns during the last two academic years, but other than this operational expenditure correlates strongly with budgetary projections and the Union continues to monitor performance with meticulous diligence.

The net surplus of £48k will be integrated into the existing available funds to create more projects for student welfare.

Continuing the adoption of accounting legislation (FRS 102) the Union is required to project the pension deficit and account for it on the balance sheet as a long-term liability. Nevertheless, the overall governance and aim of the Trustees is to uphold and sustain the smooth flow of the operation and to create more favourable projects for the University's students. Note 10 demonstrates our continued payments to SUSS under this scheme. The current deficit will be evaluated again when the next actuarial valuation takes place on 30 June 2025. The recovery plan is anticipated to end in May 2037.

Reserves policy

The reserves at the year end are in deficit by £385k (2022 - £433k). This is after the inclusion of the pension liability of £637k (2022 - £679k). Were this excluded, the reserves would be £251k (2022 - £246k).

The Board review the reserves exclusive of the pension commitment when assessing the financial position of the Association and aim to hold at least £100k of unrestricted funds.

The reserves at the year end are in excess of this because the Union has been in a position to accumulate substantial reserves, mainly over the last 5 years. The rationale behind this has been the ability to source external income, predominantly from partnerships with local businesses. We must recognise though that this was unbudgeted income, and hence not sustainable, particularly as we have witnessed fluctuations in the local economy. It is therefore imperative that spending and investment decision making processes are informed and vigilant, with particular regard to ongoing pension commitments. The pension deficit is expected to cost the Association approximately £50k pa (increasing annually by 5% thereafter) and this cost is currently being met out of unrestricted funds.

Future plans

Immediate priorities for the Union during the 2023/24 session include development and implementation of a new strategic plan, a full review and refresh of internal policies and procedures, plus continuation of a significant ongoing projects to support the enhancement further of social space provisions on campus. All of the above planning is monitored and revised in accordance with the ever-evolving backdrop of the pandemic.

Provision of information to auditor

So far as the Trustees are aware, there is no relevant audit information of which the Association's auditors is unaware and we have taken all the necessary steps that we ought to have taken as Trustees in order to make ourselves aware of all the relevant audit information and to establish that the Association's auditor is aware of that information.

Report of the Student Association Trustee Board (continued) for the Year Ended 31 July 2023

Independent Auditor

The auditor, Hall Morrice, is appointed by the Board of Trustees of Robert Gordon University Student Association until after the year ending 31 July 2023.

By order of the Board of Trustees on XXXXXXXXXXXX

Ian Campbell
Chair

Phoebe Moncur
Vice Chair

DRAFT

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under charity law, the Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Charities in Scotland requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of the affairs of the Association and of the incoming resources and application of resources of the Association 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting statements have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under the Charities and Trustee Investment (Scotland) Act 2005, those statements of accounts comply with the requirements of regulations under that Act. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Independent auditor's report to the Trustees of Robert Gordon University Student Association

Opinion

We have audited the financial statements of Robert Gordon University Student Association (the 'charity') for the period ended 31 July 2023 which comprise the statement of financial activities, balance sheet, 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 charity's affairs as at 31 July 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Independent auditor's report to the Trustees of Robert Gordon University Student Association (continued)

Matters on which we are required to report by exception

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

- The information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to 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 report in accordance with the Act 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.

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

In identifying and assessing the risk of material misstatement due to non-compliance with laws and regulations we have:

- Ensured that the engagement team had the appropriate competence, capabilities and skills to identify or recognise non-compliance with laws and regulations;
- Identified the laws and regulations applicable to the entity through discussions with directors and management and through our own knowledge of the sector;
- Focused on the specific laws and regulations we consider may have a direct effect on the financial statements, including FRS 102, the Charities SORP, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charity Accounts (Scotland) Regulations 2006 (as amended) and tax compliance regulations;
- Focused on the specific laws and regulations we consider may have an indirect effect on the financial statements that are central to the entity's ability to trade including those relating to Health and Safety regulations, Employment regulations and GDPR.
- Reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations;
- Made enquiries of management and inspected correspondence with the charity's regulator OSCR and legal correspondence;
- Reviewed minutes of meetings of those charged with governance; and

Independent auditor's report to the Trustees of Robert Gordon University Student Association (continued)

- Ensured the engagement team remained alert to instances of non-compliance throughout the audit.

In identifying and assessing the risk of material misstatement due to irregularities, including fraud and how it may occur, the potential for management bias and the override of controls we have:

- Obtained an understanding of the entity's operations, including the nature of its revenue sources and of its objectives and strategies, to understand the classes of transactions, account balances, expected financial disclosures and business risks that may result in risk of material misstatement;
- Obtained an understanding of the internal controls in place to mitigate risks of irregularities, including fraud;
- Vouched balances and reconciling items in key control account reconciliations to supporting documentation;
- Carried out detailed testing, on a sample basis, to verify the completeness, occurrence, existence and accuracy of transactions and balances;
- Carried out detailed testing to verify the completeness, validity, existence and accuracy of income including cut-off testing and ensuring income recognition is in line with stated accounting policies.
- Made enquiries of management as to where they consider there was a susceptibility to fraud, and their knowledge of any actual, suspected or alleged fraud;
- Tested journal entries to identify any unusual transactions;
- Performed analytical procedures to identify any significant or unusual transactions; and
- Evaluated the appropriateness of accounting policies and the reasonableness of accounting estimates.

We did not identify any matters relating to non-compliance with laws and regulations, or relating to fraud.

Because of the inherent limitations of an audit, there is an unavoidable risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk of not detecting a material misstatement due to fraud is inherently more difficult than detecting those that result from error as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. In addition, the further removed any non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 of Robert Gordon University Student Association (continued)

Use of our report

This report is made solely to the 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 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 charity and its trustees as a body for our audit work, for this report, or for the opinions we have formed.

Hall Morrice
Chartered Accountants
Statutory Auditors
6 & 7 Queens Terrace
Aberdeen
AB10 1XL
XX March 2024

Statement of Financial Activities for the Year Ended 31 July 2023

	Note	2023 Unrestricted Funds £	2023 Designated Funds £	2023 Total Funds £	2022 Unrestricted Funds As restated £	2022 Designated Funds £	2022 Total Funds As restated £
Income from:							
Donations and legacies	2	530,500	-	530,500	508,000	-	508,000
Income from fundraising activities	2	38,131	-	38,131	7,184	-	7,184
Other trading activities	2	244,930	-	244,930	207,383	-	207,383
Total	2	813,561	-	813,561	722,567	-	722,567
Expenditure on:							
Charitable activities	3	(670,096)	(3,496)	(673,592)	(633,310)	(2,134)	(635,444)
Raising funds	3	(92,452)	-	(92,452)	(104,147)	-	(104,147)
Total	3	(762,548)	(3,496)	(766,044)	(737,457)	(2,134)	(739,591)
Net income/(expenditure) before transfers		51,013	(3,496)	47,517	(14,890)	(2,134)	(17,024)
Transfers		-	-	-	-	-	-
Net movement in funds		51,013	(3,496)	47,517	(14,890)	(2,134)	(17,024)
Reconciliation of funds:							
Total (deficit)/surplus brought forward	9	(451,723)	18,748	(432,975)	(436,833)	20,882	(415,951)
Total (deficit)/surplus carried forward	9	(400,710)	15,252	(385,458)	(451,723)	18,748	(432,975)

The statement of financial activities includes all gains and losses in the year.

Expenditure on charitable activities of £673,592 includes a credit of £41,869 (2022: credit of £25,129) for provision of pension deficit obligations.

Further details are included in note 10 to the financial statements.

All activities relate to continuing operations.

Balance Sheet at 31 July 2023

	Notes	Year ended 31 July 2023		Year ended 31 July 2022 As restated
		£	£	£
Fixed assets				
Tangible assets	6		35,371	24,346
Current assets				
Stock		-	-	-
Debtors	7	34,402		41,218
Cash held on behalf of clubs and societies		65,177		59,400
Cash at bank and in hand		244,699		246,274
Total current assets		344,278		346,892
Creditors – amounts falling due within one year	8	(128,245)		(125,482)
Net current assets			216,033	221,410
Total assets less current liabilities			251,404	245,756
Provisions: pension liability	10	(636,862)		(678,731)
Net liabilities			(385,458)	(432,975)
The deficit of the charity Unrestricted funds	9			
General funds			236,152	227,008
Pension reserve			(636,862)	(678,731)
			(400,710)	(451,723)
Designated funds			15,252	18,748
			(385,458)	(432,975)
Total charity deficit			(385,458)	(432,975)

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

Ian Campbell
Chair

Phoebe Moncur
Vice Chair

The notes on pages 17 to 29 form part of the financial statements.

Cash flow statement for Year Ended 31 July 2023

	2023	2022
	£	As restated £
Cash flows from operating activities		
Surplus/(deficit) for the year	47,517	(17,024)
<i>Adjustments for:</i>		
Depreciation for the year	8,182	9,360
Decrease in stocks	-	6
Decrease/(increase) in debtors	6,816	(14,960)
Increase in cash held on trust	(5,777)	(23,877)
Increase in trade and other creditors	2,763	9,324
Decrease in pension provision	(41,869)	(25,129)
Net cash from operating activities	17,632	(62,300)
Cash flows used by investing activities		
Acquisition of tangible assets	(19,207)	(2,667)
Disposal of tangible assets	-	-
Net cash used by investing activities	(19,207)	(2,667)
Net decrease in cash and cash equivalents	(1,575)	(64,967)
Cash and cash equivalents at 1 August 2022	246,274	311,241
Cash and cash equivalents at 31 July 2023	244,699	246,274

Notes to the Financial Statements for the Year Ended 31 July 2023

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Robert Gordon University Student Association meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

b) Restated Corresponding Figures

The corresponding figures for the year to 31 July 2022 have been restated for an increase in the defined pension liability that was not recorded in the year ended 31 July 2020. The repayment period for the funding deficit increased in the year end 31 July 2020 and should have resulted in an increase to the pension deficit liability of £146,654 and then also impacted into the unwinding of the discount from 31 July 2020 onwards. As a result the surplus for year ended 31 July 2022 has been adjusted from £8,402 to a deficit of £17,024. The pension deficit as initially reported at 31 July 2022 was £(471,491) which increased to £(678,731), an increase of £207,240.

c) Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the Association's operations with the shop being closed permanently. In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cash flows taking into account the potential impact on the Association of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the Association, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

The Student Association has significant long term pension deficit contributions to settle for its employees' participation in the Students' Union Superannuation Scheme, as well as current service payments. The present value of the deficit payments is recognised as a provision in the balance sheet in these financial statements of £636,862 (2022: £471,491). The full liability is long term, payable over a period of 14 years and is taken into account by the Trustees when budgeting annual income and expenditure. The Student Association continues to make adequate cash provision for its annual cash pension contributions. Cash contributions in the year ended 31 July 2023 are £47,394.

Grant funding from RGU has been confirmed for 2023-24 as a 1% increase from 2022-23.

d) Income

All income is recognised once the Student Association has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1. Accounting Policies (continued)

e) Interest receivable

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

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Students Association.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

g) Expenditure

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (h) below.

Irrecoverable VAT is charged as a cost against the related activity expenditure. The total cost of this for the year is £5,443 (2022 - £5,029).

h) Taxation

The Students Association is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Students Association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. There is no similar exemption for VAT.

i) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. These costs have been allocated between expenditure on raising funds and expenditure on charitable activities. Costs which can be apportioned on a usage basis are apportioned as shown in note 3. Payroll related costs are apportioned pro rata to staff costs.

The allocation of support and governance costs is analysed in note 3.

j) Costs of raising funds

The costs of generating funds consist of purchases for resale and entertainments.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1. Accounting Policies (continued)

k) Charitable activities

Costs of charitable activities include the provision of student services, governance costs and an apportionment of support costs as shown in note 3.

l) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised and valued at historical cost. Depreciation is charged on fixtures, fittings and equipment on a straight line basis over the estimated useful life of five years from the date of acquisition.

m) Stock

Stock is included at the lower of cost or net realisable value and is accounted for on a first in first out basis. Obsolete and slow moving stock is written down to a nil value.

n) Debtors

The Student Association is predominately a cash business and as such debtors, other than funds due from Robert Gordon University are minimal, any debts over three months are classed as overdue and subject to normal recovery procedures.

o) Cash at bank and in hand

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

p) Cash held on behalf of societies

Student clubs and societies raise funds in their own right and the Student Association provides a banking facility. Transactions are not reflected in the SOFA and a creditor is held in the balance equivalent to the value of the cash funds.

q) Creditors

Creditors and provisions are recognised where the Students Association 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.

r) Pensions

The Robert Gordon Student Association participates in the Students' Union Superannuation Scheme (SUSS), 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.

No share of the underlying assets and liabilities can be directly attributed to The Robert Gordon Student Association. Under the terms of FRS102, in these circumstances contributions are accounted for as if the Scheme was a defined contribution scheme based on actual contributions paid through the year. A liability is recorded within provisions for any contractual commitment to fund past deficits within the SUSS scheme.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1. Accounting Policies (continued)

The Robert Gordon University Students' Association also participates in a separate defined contribution scheme. A defined contribution scheme is a pension scheme under which fixed contributions are paid into a separate entity, and the amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

s) 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.

t) Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

u) Judgements in applying accounting policies and key sources of estimation

In the application of the charity'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:

- Determine whether leases entered into by the charity as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- 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 that are indicators of Impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

There are no material sources of estimation within the charity.

2. Analysis of Income

	Total 2023 £	Total 2022 £
Donations and legacies		
Donations from the Robert Gordon University	530,500	508,000
Income from fundraising activities		
Fundraising activities	38,131	7,184
Other trading activities		
Events and other student services	244,930	207,383
Total	813,561	722,567

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

3. Analysis of Expenditure

3a. Analysis of charitable expenditure

	Direct expenditure £	Support and governance costs £	Total 2023 £
Student services	617,774	55,818	673,592

	Direct expenditure As restated £	Support and governance costs As restated £	Total 2022 As restated £
Student services	588,227	47,217	635,444

3b. Analysis of expenditure on raising funds

	Direct expenditure £	Support and governance costs £	Total 2023 £
Expenditure on raising funds	76,937	15,515	92,452

	Direct expenditure £	Support and governance costs £	Total 2022 £
Expenditure on raising funds	89,644	14,503	104,147

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

3. Analysis of Expenditure

3c. Support and governance costs

The breakdown of support and governance costs and how these were allocated between expenditure on raising funds and expenditure on charitable activities is as follows:

Cost type	Basis of apportionment	Expenditure on raising funds	Expenditure on charitable activities: student services	2023 Total
	£	£	£	£
Support costs				
Staff related expenses	Staff Cost	87	1,163	1,250
Travel and subsistence	Staff Cost	14	190	204
NUS fees	Staff Cost	906	12,035	12,941
Insurances	75%/25%	10,592	3,528	14,120
Cleaning and hygiene	Staff Cost	20	268	288
Computer expenses	Staff Cost	844	11,215	12,059
Advertising and promotion	75%/25%	2,082	695	2,777
Postage	Staff Cost	22	289	311
Telephones	Staff Cost	265	3,527	3,792
Stationery	Staff Cost	130	1,728	1,858
Subscriptions and donations	Staff Cost			
Training	Staff Cost	405	5,386	5,791
Credit card charges	Staff Cost	131	1,736	1,867
Health and safety	Staff Cost	17	223	240
		15,515	41,983	57,498
Governance costs	Direct to expenditure on charitable activities	-	13,835	13,835
		15,515	55,818	71,333

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

3. Analysis of Expenditure (continued)

3c. Support and governance costs (continued)

Cost type	Basis of apportionment	Expenditure on raising funds	Expenditure on charitable activities: student services	2022 Total
	£	£	£	£
Support costs				
Staff related expenses	Staff Cost	87	1,163	1,250
Travel and subsistence	Staff Cost	5	80	85
NUS fees	Staff Cost	863	11,462	12,325
Insurances	75%/25%	10,379	3,459	13,838
Cleaning and hygiene	Staff Cost	-	-	-
Computer expenses	Staff Cost	267	3,545	3,812
Advertising and promotion	75%/25%	1,717	572	2,289
Postage	Staff Cost	(55)	(726)	(781)
Telephones	Staff Cost	177	2,345	2,522
Stationery	Staff Cost	283	3,761	4,044
Subscriptions and donations	Staff Cost	487	6,473	6,960
Training	Staff Cost	163	2,165	2,328
Credit card charges	Staff Cost	113	1,497	1,610
Health and safety	Staff Cost	17	223	240
		14,503	36,019	50,522
Governance costs	Direct to expenditure on charitable activities	-	11,198	11,198
		14,503	47,217	61,720

Governance costs

	2023	2022
	£	£
Audit fee	8,685	8,265
Legal and professional charges	5,150	2,933
	13,835	11,198

Audit and non-audit remuneration

	2023	2022
	£	£
Audit remuneration	5,750	7,370
Non-audit remuneration	2,935	895
	8,685	8,265

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

4. Employee Information

	Year ended 31 July 2023	Year ended 31 July 2022 As restated
	£	£
Staff costs:		
Wages and salaries	317,329	308,629
Social Security costs	28,273	27,658
SUSS Scheme pension provision change (note 10)	(41,868)	(25,129)
Other pension costs	66,405	63,754
	370,139	374,912
Redundancy payments made or committed	-	-

The average number of employees during the year, based on headcount, was 17 (2022: 14).

The Trust considers its key management personnel comprise Trustees and the Chief Executive Officer. The total employment benefits including employer pension contributions of the key management personnel were £145,111 (2022: £122,169). No employees had employee benefits in excess of £60,000 (2022: £60,000).

5. Executive Committee Members' Remuneration

During the year the following members of the Student Association Executive Board received payment for the performances of their roles. The salary costs for each were as follows:

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Phoebe Moncur (Sport & Physical Activity)	2,438	1,940
Patricia Innocent (Communication & Democracy)	2,438	1,940
Oluwatoyin Bolajoko (Education & Welfare)	2,438	1,940
Joel Adebajo (Sport & Physical Activity)	25,757	22,416
Suzanna Bamigola (Communication & Democracy)	26,189	22,416
Uluwafunmilola Akinoso (Education & Welfare)	25,106	21,154

During the year no members of the Student Association Executive Board received reimbursement of expenses (2022 - nil).

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

6. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £
Cost:	
At 1 August 2022	83,341
Additions in the year	19,207
At 31 July 2023	102,548
Accumulated Depreciation:	
At 1 August 2022	58,995
Charge for year	8,182
At 31 July 2023	67,177
Net book value:	
At 31 July 2023	35,371
At 31 July 2022	24,346
	Fixtures, Fittings & Equipment £
Cost:	
At 1 August 2021	80,674
Additions in the year	2,667
At 31 July 2022	83,341
Accumulated Depreciation:	
At 1 August 2021	49,635
Charge for year	9,360
At 31 July 2022	58,995
Net book value:	
At 31 July 2022	24,346
At 31 July 2021	31,039

7. Debtors

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Trade debtors	20,076	26,940
Other debtors	6,537	6,410
Prepayments and accrued income	7,789	7,868
	34,402	41,218

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

8. Creditors: Amounts Falling Due Within One Year

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Trade creditors	34,067	34,618
Creditors & accruals	94,178	90,864
	128,245	125,482

9. Statement of funds

	Brought Forward As restated £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	227,008	813,561	(804,417)	-	236,152
Pension reserve	(678,731)	-	(41,869)	-	(636,862)
	(451,723)	813,561	(762,548)	-	(400,710)
Designated					
Video wall reserve	748	-	(748)	-	-
Scottish Funding Council reserve	18,000	-	(2,748)	-	15,252
	18,748	-	(3,496)	-	15,252
Total reserves	(432,975)	813,561	(766,044)	-	(385,458)

Unrestricted funds

The unrestricted funds are available to be spent for any of the purposes of the charity.

Designated funds

Video Wall reserve – During 17/18, £10,669 of general funds were designated for the purchase of a video wall which was capitalised and is included in fixed asset cost (note 6).

Scottish Funding Council reserve – During 20/21, £18,000 was received for the purpose of a Welfare Project.

Prior year adjustment

The prior year brought forward funds have been restated for an increase in the defined pension liability that was not recorded in the year ended 31 July 2020. The repayment period for funding the deficit increased in the year end 31 July 2020 and should have resulted in an increase to the pension liability of £146,654 which also impacted into the unwinding of the discount from 31 July 2020 onwards. The pension deficit reserve as initially reported at 31 July 2022 was £(471,491) and has been adjusted to £(678,731), a funds reduction of £207,240.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

10. Pension Schemes

The Student Association 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.

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 2022 valuation recommended a contribution requirement by each Union expressed in monetary terms intended to clear the on-going funding deficit over a period of 14 years and will increase by at least 5% each year. These contributions also include an allowance for cost of the on-going administrative and operational expenses of running the scheme. These rates applied with effect from 1 October 2023.

In accordance with FRS 102 provision has been made for the discounted value of contributions payable. The discount rate applied was 4.74%. Surpluses and deficits which arise at future valuations will also impact on the Unions future contribution commitment. In addition to the above contributions, the Union also pays its share of the schemes levy to the Pension Protection Fund.

The present value of the deficit payments is recognised as a provision in the balance sheets in these financial statements as set out below. The full liability is long term, payable over a period of 14 years to June 2037:

	Pension provision As restated
	£
Balance brought forward at 1 August 2021	(703,860)
Discount rate change and accretion	25,129
Balance carried forward 1 August 2022	<u>(678,731)</u>
Discount rate change and accretion	<u>41,869</u>
Balance carried forward at 31 July 2023	<u>(636,862)</u>

The credit to profit and loss in the year principally represents the unwinding of the discount rate over future cashflows.

Cash contributions for the year ended 31 July 2023 are £47,394.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

11. Operating lease commitments

Lessee

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Within one year	1,718	-
Between two and five years	5,442	-
	7,160	-

12. Related party transactions

The Union is in receipt of a recurrent grant from the Robert Gordon University of £530,500 (2022: £508,000).

In addition, the Union is provided with administrative accommodation within the campus of the Robert Gordon University. The trustees cannot put a value on this service.

Executive Committee Members remuneration is disclosed in note 5.

13. Analysis of funds

	Unrestricted funds Designated funds £	General Funds £	Funds at 31 July 2023 £
Tangible fixed assets	-	35,371	35,371
Net current assets	15,252	200,781	216,033
Pension liability	-	(636,862)	(636,862)
	15,252	(400,710)	(385,458)
	Unrestricted funds Designated Funds As restated £	General Funds As restated £	Funds at 31 July 2022 As restated £
Tangible fixed assets	748	23,598	24,346
Net current assets	18,000	203,410	221,410
Pension liability	-	(678,731)	(678,731)
	18,748	(451,723)	(432,975)

14. Control

The Association is controlled by the Trustees on behalf of the members.