



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended

31 July 2021

Company Registration No. 06638759
Charity No 1137548

University of Birmingham Guild of Students

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University of Birmingham Guild of Students

REFERENCE AND ADMINISTRATION DETAILS

Charity Name: University of Birmingham Guild of Students

Charity Registration No: 1137548 (Registered in England & Wales)

Company Registration No: 06638759 (Registered in England & Wales)

Registered Office: Guild of Students, University of Birmingham
Edgbaston Park Road
Birmingham, B15 2TU

Trustee Board - as at 25 October 2021

		Appointed	Resigned
Mr Robert Smeath	Chair	23 rd Oct 17	-
Miss Tobiloba Adeyemi	Vice Chair – President (Officer across two financial years - Postgraduate Officer in 2019/20)	15 th Jul 19	16 th Jul 21
Mr Wei-Lun Chen	International Officer (Officer across two financial years)	20 th Jul 20	-
Miss Rebecca Cutler	Postgraduate Officer	20 th Jul 20	16 th Jul 21
Mr Robert Hegarty	Sports Officer	20 th Jul 20	16 th Jul 21
Miss Charlotte Minter	Welfare & Community Officer	20 th Jul 20	16 th Jul 21
Miss Amie Raphael	Activities, & Employability Officer	20 th Jul 20	16 th Jul 21
Mr Jules Singh	Education Officer (Officer across two financial years)	20 th Jul 20	-
Miss Rosa Alaluf		2 nd Jul 19	16 th Jul 21
Miss Sarah Aray		11 th Jan 21	-
Miss Henrietta Brealey		10 th Sept 19	-
Ms Erica Conway		3 rd Jul 18	-
Miss Maya Davey		7 th Sept 20	16 th Jul 21
Mr Johnny Davis		13 th May 19	-
Mr Thomas Goodman		13 th Jan 20	-
Miss Serabi Opiyo		19 th Jul 21	-
Mr Ian Pain		7 th Sept 20	-
Mr Jake Poulton		19 th Jul 21	-
Mrs Emma Wedge		11 th May 20	-
Mr Lyndon Williams		11 th Jan 16	-
2021/22 (New)			
Mr Michael Brown	Vice Chair – President	19 th Jul 21	-
Mr George Christian	Sports Officer	19 th Jul 21	-
Miss Josephine Conway	Activities & Employability Officer	19 th Jul 21	-
Miss Danielle Murinas	Postgraduate Officer	19 th Jul 21	-
Miss Aaliyah Simms	Welfare & Community Officer	19 th Jul 21	-

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Senior Management Team

Mrs Joanne Thomas	Chief Executive
Miss Emily Badger	Director of Operations
Mr Adam Sheridan	Director of Engagement
Miss Sarah Wright	Director of Support & Representation
Mr Nicholas Bailey	Head of Finance

Auditors Mazars LLP, 1st Floor, 2 Chamberlain Square, Birmingham, B3 3AX

Bankers HSBC, 130 New Street, Birmingham, B2 4JU

Solicitors **Governance, Charity Law & General**
Bates, Wells & Braithwaite London LLP
10 Queen Street Place, London, EC4R 1BE

HR
DFA Law LLP
2 Waterside Way, Northampton, NN4 7XD

VAT Consultancy RSM UK Tax and Accounting Limited
St Philips Point, Temple Row, Birmingham, West Midlands, B2 5AF

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REPORT OF THE TRUSTEE BOARD

The Trustee Board presents their Annual Report for the period ended 31 July 2021 which includes the administrative information set out on pages 1-2, together with the audited accounts for the year.

Structure, Governance and Management

The University of Birmingham Guild of Students (the Guild) is constituted under the Education Act 1994 as a Charity with internal regulations and rules approved by University Council, the governing body of the University of Birmingham.

The Guild's charitable objectives under the Act, to further and enhance the University's educational purposes by providing representation, support and promotion of social intercourse for the students of the University, are supplemented by the further object of supporting members to develop their own charitable activities as active participants in civil society.

The Guild of Students became incorporated into a Company Limited by Guarantee (CLG) in July 2008 and registered as a Charity in August 2010.

The Guild is administered by its Trustee Board of eighteen members comprising of seven Sabbatical Trustees; four Student Trustees; six external Trustees and a University Trustee, who are regarded as the Charity Trustees of the Guild for the purposes of the Charities Act.

The Full-Time Officers group, together with the part-time, non-sabbatical officers (referred to as Guild Officer Group), are elected annually by a cross-campus secret ballot of the Guild's membership. The seven posts consist of; President, Activities and Employability, Education, International, Postgraduate, Sport, and Welfare and Community Officers. Officers are full time posts remunerated as authorised by the Education Act and cannot exceed two years duration for each holder.

The Guild operates on democratic principles, working for and with our members, the students of the University of Birmingham. The voice of students is represented by the 'Members Democratic Process' revised in 2020, through its 'Ideas Submission Process', the 'All Student Meeting' and 'Scrutiny Panel' bodies. The revised systems were introduced from September 2020 onwards.

The 'Scrutiny Panel', a body of appointed independent students, holds the Guild Officer Group to account, and the 'All Student Meeting' proposes and debates ideas that set policy and can mandate the Guild and Guild Officers to undertake certain projects. Ideas are submitted online via the Guild's website, and then either allocated to the All Student Meeting, or one of the Guild's democratic 'decision making committees' to review, depending on the topic of the submission. This reformed structure was introduced for the 2020-21 academic year, following a successful referendum on democratic reforms in February 2020, with the aim of improving student engagement in the Guild's democracy and increasing flexibility. The new model has been successfully rolled out and is continuing to develop.

The Trustee Board, assisted by sub-committees where appropriate has delegated the day-to-day running of the Guild to the Chief Executive. As Charity Trustees, all Trustees receive a comprehensive training programme into their legal and administrative responsibilities at the start of their term of office, with ongoing guidance as and when required for issues arising during their term.

The Trustee Board meets at least six times per year to receive reports from sub-committees, Officers, Senior Management and the Chief Executive, and to review the Guild's performance and administration. In 2020/21, the Trustee Board met six times, including one away day in July 2021.

The Guild of Students also employs a number of core staff to provide continuity, consistency and expertise in the management of its many activities. The staff team are accountable to the Chief Executive for the performance of their duties.

The Guild of Students incurred costs of £5,152 (2020: £4,599) within the year relating to Professional Indemnity insurance cover of £5m (2020: £5m). This policy included cover for the Trustees, Directors,

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Officers, Employees, Student Group committee members as well as other volunteers associated with Guild activities.

Relationship with the University of Birmingham

The relationship between the University and the Guild is established in the Charter, Statutes, Ordinances and Regulations of the University and detailed in the Memorandum of Understanding, which is approved by both organisations.

The Guild receives a block grant from the University, and occupies a building owned by the University which is leased back to the Guild of Students at an agreed rent.

There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body. The University plays an important role within the Guild, having representatives on the Trustee Board and sub-committees.

Risk Management

The Trustee Board has examined the main strategic business and operational risks faced by the Guild. A risk management policy and risk register are in place where appropriate systems or procedures have been established to mitigate the risks the Guild faces. The risk register is updated on a regular basis.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and participants across all activities organised for the Guild. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Guild. The key risk areas identified are:

Risk	Mitigating/Control Measures
Financial SUSS Pension deficit payment, significant increases in future years	<ul style="list-style-type: none">• Estimated increases planned into long term financial forecast• Cash-flow planning to take advantage of advance discount offers as they fall due; where financially viable• Discussions with University of Birmingham regarding possible funding options in the future
Financial A significant reduction in trading income	<ul style="list-style-type: none">• Diversifying income streams to reduce reliance on one source of funding• Ongoing consultation through a task & finish group with the University as to the Guild's finances and grant funding in future.• Reduced sales/contributions incorporated into five year forecast for next two financial years, following Covid-19 lockdown.• Annual value for money check is completed
Financial HMRC challenge regarding grant funding	<ul style="list-style-type: none">• Appointment of external VAT consultants to defend the Guild's position on a technical basis• Include contingencies in financial planning• Ongoing consultation through a task & finish group with the University as to the Guild's finances and grant funding in future.

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Operational Loss of any aspect of Guild services due to disaster	<ul style="list-style-type: none"> • Guild and departmental contingency plans in place that are regularly tested in conjunction with University Emergency Planning Officer • Continuation of Covid-19 Emergency Planning Group in place and risk assessment completed.
Reputational/Operational Guild is no longer perceived as relevant to members and does not respond to changes in students lifestyle and needs	<ul style="list-style-type: none"> • Timely and relevant research is conducted on a regular basis to inform strategic and operational decisions • Regular reports are reviewed by Trustees, including members' satisfaction and performance against key targets
Reputational Student led groups/Officer Team acting in such a way that it harms the reputation of the Guild and/or University	<ul style="list-style-type: none"> • Regular training provided to key stakeholders regarding responsibilities, press and PR and organisational processes • Proactive support provided by staff team in dealing with media issues and other problems that arise.
Operational Health & safety matters across a broad range of activities and failure to follow approved processes such as risk assessments	<ul style="list-style-type: none"> • Training and support is provided for high risk areas by the Guild team • High risk areas are scrutinised more thoroughly by the Guild with effective support from University colleagues. • Implementation of 'COVID-19 Secure' operations from August 2020 onwards, following guidance from Public Health England, HSE, and support from University Estates team.
Brexit The unknown implications and challenges arising from Brexit	<ul style="list-style-type: none"> • Insight and advice taken from trade and sector advisory bodies. Review of service provision and supply chain undertaken by Management team. Limited plans for stockpiling of supplies due to storage constraints. Rise in cost of goods would be passed on through price increases and menu's streamlined for affected period.
Covid-19 Responding to challenges arising from the pandemic	<ul style="list-style-type: none"> • The Guild Emergency Management Group (GEMT) has continued to manage the Guild's handling of the majority of the government's COVID-19 restrictions, meeting on a weekly basis. • Adopted a Covid 19 building risk assessment in line with University of Birmingham protocols. • Reviewed the COVID risk assessment and moved to a revised approach from September 2021, with requirements on social distancing in office space and meeting rooms being removed, replaced with a new process for a 'hierarchy of controls' for all Guild activity, in line with the University's approach: • With the removal of most legal restrictions on events, we have continued to plan for September 2021 welcome events and a 'back to normal' approach for activities and events as much as possible. • Most core staff are working from the building several days each week in line with the building risk assessment.

Alms, Objectives and Activities

The Guild has clear objects which are stated in its Articles of Association, which are:

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The furtherance and the enhancement of the educational purposes of the University of Birmingham including but not limited to;

- (i) The promotion of social intercourse between students of the University of Birmingham and the furtherance of the common interests of such students; and;
- (ii) The support of such societies that shall from time to time be recognised by the Guild.

In pursuit of these objectives, the Guild ensures the diversity of its membership is recognised, valued and supported and as such has established student support and development departments and quality services for use by its members, to support its work with the University and other organisations on behalf of students. These include Community Welfare; Student Groups; Voice & Representation and Venues.

The Guild continues to represent students on relevant local, national and international issues. Through the 'Ideas Submission Process', students are able to mandate the Guild to lobby and campaign in areas important to its members. The Guild also supports the work of the National Union of Students (NUS) via various national bodies and conferences.

On a local level, Guild Officers continue to attend many University committees and working groups to enhance the student experience at Birmingham and ensure that the student voice is heard and responded to at all levels of the University. Through the Student Representation Scheme and the Guild Officer Group, student representatives sit on and contribute to over 100 University committees and academic programme forums. Guild Officers also regularly meet with the local Authority, local residents, the Police and other providers of public services used by students in Birmingham.

To further enhance the student experience, the Guild attracts a diverse membership to get involved in the Guild, the University and the local community by actively promoting the benefits of volunteering in student-led activities. When reviewing our objectives and planning our activities, the Guild gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Achievements and Performance

The table below provides an update on projects and activities completed in 2020/21 towards the delivery of the strategic plan.

Objectives/Commitments	Outcomes/Achievements In 2020/21:
Theme 1	Engagement and Participation
Individual students voting in Officer elections maintained at circa 8,000.	Guild Elections voter turnout in 2021 was 6,228, in the top five students unions' nationwide during the COVID-19 pandemic and were held fully online
Individual group members maintained at circa 11,000	9,568 members joined student groups during 2020/21, despite severe interruptions to activities, travel and sports teams practise/matches due to Covid-19
Number of student groups maintained at circa 300	305 student groups affiliated to the Guild in 2020/21, up from 284 reported in 2019/20
Remodel event and engagement activity to meet students' needs	A 'Save a Society' scheme was launched to revitalise struggling student groups amid COVID-19 lockdown restrictions and was supported by targeted funding.
	55% increase in Guild Awards nominations compared to

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<p>Full delivery of online processes for joining, supporting and administering Student Groups</p> <p>80% satisfaction of events & activities</p> <p>20 outreach activities engaged in by students annually by Hall Reps</p> <p>Develop a programme of outreach activity which takes the Guild to students</p>	<p>2019/20.</p> <p>Comprehensive online committee elections, inductions and training was provided to society committee members and a transition to digital processing of events paperwork and financial documentation.</p> <p>91% of Joe's Bar customers were satisfied with their experience when surveyed</p> <p>More than 11,000 students made use of the Guild building between April – June 2021 following the relaxation of restrictions</p> <p>2,631 students attended Hall Reps events in University accommodation and Selly Oak including picnics, mini-golf, a community barbecue, open air cinema and virtual events.</p> <p>2,252 Selly Oak welcome visits to students' houses were conducted by Community Wardens during Welcome Week 2020 and semester one.</p>
<p>Theme 2</p>	<p>Communication and Branding</p>
<p>Rebrand delivered – with brand guidelines in place</p> <p>Communication & digital strategies implemented</p> <p>Deliver engaging and impactful communications that clearly focus on what the Guild is, who we are and what we do</p>	<p>The rebrand process was completed for roll-out in Welcome Week 2020, with brand guidelines delivered to Guild departmental staff in semester one and continuation of the roll-out throughout the year, when access to the building was possible.</p> <p>Circa 3% increase in followers on all current social media platforms, and increases in web traffic over key Guild events such as Elections etc. There were more than 8,000 viewers for Guild Awards Online, and circa 15,000 viewers for Elections Results Night.</p> <p>The Guild also expanded onto the 'Tik Tok' social media platform.</p> <p>Steady growth of both central social media accounts and Officer team reach on comms channels.</p> <p>A significant increase in video content produced, with informative updates, Officer interviews and events announcements via the refreshed Guild YouTube channel.</p> <p>10,218 engagements with 'Not On' Campaign social media content.</p> <p>38% open rate for Guild email communications to students, significantly higher than the University's statistics.</p> <p>Over 267,000 visits to the Guild's website, viewing more than 2.7m pages.</p> <p>Virtual Freshers and Welcome Fairs held for the first time in Welcome 2020, engaging 6,938 students over both events.</p>

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Theme 3	Academic and Learning Experience
<p>Review the Guild's decision-making structures to ensure all students can get involved</p> <p>Continue to ensure expertise in academic policy & lobby the University effectively to implement key changes in response to student feedback</p> <p>80% satisfaction with Student Rep Scheme from users</p> <p>Review the Student Representation Scheme to ensure that students' views on their academic experience are represented effectively</p> <p>Improve the academic experience of students studying at Birmingham</p>	<p>Democracy Review changes were implemented in September 2020 with newly formed 'decision making committees' now successfully operating. A new 'Scrutiny Panel' introduced to provide oversight and accountability for Officer Team work and three successful 'All Student Meetings' were held during the year.</p> <p>Delivery of the sector leading 'Decolonisation in Practice Conference' with over 300 attendees from across higher education (50% of which were UoB students). This included three days of content with 18 different speakers including case studies, campaigns skills, theory and practice.</p> <p>An 'Access and Participation Plan' has been submitted to the Office for Students in partnership with the University.</p> <p>Survey data indicates 83% of Student Rep System users were satisfied with the service.</p> <p>A Student Rep Review has been completed and delivered in partnership with the University, with positive results in terms of increased Rep satisfaction and diversity of Student Reps.</p> <p>Black Students rated the Guild more highly than White Students in the NSS for the first time in recent years.</p> <p>1,307 Student Reps were signed up, with 1,084 (83%) completing online training via Canvas.</p> <p>763 Outstanding Teaching Award nominations were received from students, 442 more than in 2019-20.</p>
Theme 4	Representing the Student Voice
<p>Support Officers to deliver 3 Priority Campaigns</p> <p>2,500 students annually engaging with democratic process</p> <p>Review and refocus representative and democratic mechanisms to ensure any student can get involved</p> <p>Deliver focused campaigning activity which identifies and delivers priority campaigns based on students' feedback</p>	<p>Two officer priority campaigns were delivered in 2020/21 (Black Voices & Climate Emergency),</p> <p>The Spring Elections generated 6,228 voters for 60 candidates (within the top 5 SU's nationwide during COVID-19 lockdown) in March 2021. 38 'ideas' submitted in first year of new democratic structure.</p> <p>Review of Year 1 of new democratic structure is underway following roll-out of the new structures in September 2020. The first year of the new decision-making committees and All Student Meeting has been delivered successfully.</p> <p>The Black Voices Priority Campaign delivered a strong programme of events and lobbying activity with a plan in place to transition to the third year. A successful virtual Go Green Week series of events was delivered in February 2021.</p>

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Theme 5	Support (Mental Health and Financial Assistance)
<p>80% of Students who say the Guild is a place I can get useful advice</p> <p>Support students in University accommodation with wellbeing and housing</p> <p>Have an intrinsic culture of support that ensures the Guild is the first point of contact for students needing help and advice</p>	<p>91% of service users would recommend Guild Advice to a friend.</p> <p>Over 2,300 successful calls to students staying in accommodation were made during periods of lockdown and closure of campus.</p> <p>2,862 successful wellbeing phone calls were made to students having to self-isolate in University Accommodation in semester one, and more than 14,000 wellbeing calls to UoB students affected by COVID-19.</p> <p>420 Students were supported with mentor's casework meetings, signposting to University and NHS support services.</p> <p>A "Match Up, Catch Up" scheme was launched to help students find new housemates, with 1,423 students introduced to new housemates via Hall Reps events.</p> <p>900 remote study packs were delivered to accommodation during lockdowns.</p> <p>An expanded Guild Hardship Fund was rolled out, providing grants to students in urgent need of financial assistance due to disruptions to housing and study from COVID-19.</p> <p>Circa 400 students made use of 'Selly Express' free night-time bus from March – June 2021.</p> <p>A further programme of activity was developed to support those living in accommodation during the lockdown period including competitions, birthday celebrations as well as signposting to other activities happening virtually, and via wellbeing calls.</p>
Other Key Achievements (2020/21 Academic Year)	
<ul style="list-style-type: none"> • A Welcome Week 2020 Programme and 'Lakeside' in-person event delivered in September 2020, despite significant COVID restrictions. • A NUS Green Impact 'Excellent' Award was achieved again, now accredited 'Excellent' for more than 5 consecutive years. • Times 100 'Best Companies' - Top 100 best companies to work for in the UK. • Transition to new 'Staff Savvy' HR System has been completed. • An increase of BAME (Black, Asian & Minority Ethnic) applicants to core staff roles to 39.5% • A 20% increase in the number of BAME core staff employees within the organisation compared to 2019/20. • A minimal 0.2% gender pay gap across the organisation, down from 3.2% in 2019/20, with a significant negative gender pay gap within the core staff team. • By making optimum use of the CJRS (furlough), the Guild were able to retain the services and employment status of over 180 student staff during the year. 	

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Future Plans

The Guild has now completed its 2018 – 2021 strategic plan and is in the process of developing a new long-term plan in line with the University's own strategic planning framework over five years. Following significant disruption and the closure of the building during the COVID-19 pandemic, the Guild is currently developing a transitional 12-month framework for a return to 'as normal' operations, to be followed by a longer-term strategic plan.

In the delivery of the future strategy we will continue to strive to give students an excellent student experience at Birmingham, with a greater focus on how we support postgraduate and international students, as well as improving the quality of the undergraduate experience and services offered.

The Guild undertook a financial review of its operations during 2019/20 undertaken by SUMS Consultancy which formed the basis for a task and finish group on the Guild's relationship with the University and a number of wider reviews of the Guild's catering and community welfare offerings in partnership with the University. In June 2021 the Guild agreed a transitional funding agreement with the University for the next 12 months, to be further reviewed at the conclusion of both reviews.

Financial Review

Restatement of 2019/20

During 2019/20 and 2020/21, the Guild's has been defending two HMRC assessments.

A provision was created in the 2019/20 financial statements to account for potential historic liabilities that could arise in relation to our VAT exempt treatment of catering sales to students under the Extra Statutory Concession (ESC) applicable to Students' Unions. Following recent correspondence, HMRC have confirmed that the Guild will not incur any historic liabilities in relation to this matter and therefore, the provision has been cancelled. The 2019/20 figures have been restated to reverse the original restatement.

Further to this, the Guild has also been challenging a further HMRC assessment in relation to grant income received to fund Hall Reps and Student Mentor Scheme activities and this was originally highlighted as a contingent liability in the 2019/20 financial statements. HMRC's viewpoint is that the Guild is providing a supply of service to University of Birmingham in the delivery of these activities. The Guild is robustly challenging HMRC's view that a supply arrangement exists and following legal consultation, has submitted an appeal to tribunal to challenge HMRC's assessment. For 2020/21, the Guild has restated 2019/20 figures to take account of potential historic liabilities and further information is reported in note (32).

Income and Expenditure

For 2020/21, the Guild reports Net Income of £421.6k compared to restated Net Expenditure of £1.353m in 2019/20. Despite significant restrictions upon the Guild's trading operations throughout the year, the Guild were able to manage the financial position through a combination of generating operational savings, accessing the Government Coronavirus Job Retention Scheme and a one-off uplift to block grant funding received from University of Birmingham.

Total Income decreased by £1.075m (19.6%) from restated £5.479m in 2019/20 to £4.404m in 2020/21. The decrease in income was concentrated within our 'Income from Charitable Activities' that fell by £1.421m (62.3%) from restated £2.282m in 2019/20 to £0.861m in 2020/21. Income generated from charitable trading (mainly Venues) fell by £905.7k (71.9%) whilst income generated from Student Groups' activity fell by £539.7k (75.2%).

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Grant income (donations) increased by £296.6k (10.5%) to £3.119m although £80.6k of this increase is directly related to accounting for an accrued contribution from University of Birmingham with regards to the ongoing HMRC VAT challenge for the Hall Reps and Student Mentor Scheme.

During the year, the Guild also accessed Government funding through the Coronavirus Job Retention Scheme by furloughing a number of staff directly impacted by campus closure for long periods of the year. This particularly impacted our Venues, Facilities and cross-organisational student staff teams. This income is reported as 'other income' in the financial statements (totalling £357.8k), of which £307.8k related to CJRS claims compared to £218.9k claimed for the final four months of 2019/20. The 'furlough scheme' provided a valuable means of financing costs for staff that were unable to work due to the pandemic and enabled the Guild to protect jobs whilst not being able to operate fully.

Total expenditure & charges decreased by £2.849m (41.7%) from restated £6.832m in 2019/20 to £3.983m in 2020/21.

However, £1.68m of this difference specifically relates to the annual treatment of the SUSS pension deficit charge. For 2019/20, the Guild reported a charge of £1.669m arising from the June 2019 actuarial revaluation when the overall scheme deficit increased to £140.9m. The corresponding adjustment for 2020/21 is a credit of £11.2k arising from a marginal increase to the discount factor used to estimate the liability discounted to a net present value. Further information is reported in notes (21) and (31).

Operational expenditure within the year decreased by £1.169m (22.6%) from restated £5.163m in 2019/20 to £3.994m in 2020/21. Total expenditure for Charitable Activities decreased by £1.094m to £3.818m of which £349k related to charitable trading and £646.7k related to student development and employability activities (student groups).

As highlighted in note (9), the expenditure highlighted above take account of support cost allocations totalling £1.754m. This represents a £133.3k decrease compared to restated £1.888m reported for 2019/20. The direct costs of the Professional/Legal budget and Senior Management Team increased by a combined £24.3k whilst the costs of Facilities (buildings), Communication, Marketing & IT, Finance and HR & Administration Departments decreased by a combined £157.6k compared to 2019/20. The most significant difference reported is for our Facilities (buildings) Department that generated savings of £117.9k (17.3%) compared to 2019/20 mainly due to the building lockdown for prolonged periods during the financial year.

Credits, charges and transfers to both the unrestricted, restricted and designated reserves are reported in greater detail below in the Reserves Policy section and also in notes (22), (23) and (24).

Fixed Assets

As highlighted in note (14), the net book value of 'Total Fixed Assets' decreased by £120.1k to £261.1k. Capital investment was very limited during the financial year with new purchases only totalling £19.6k (2020: £194.2k) whilst depreciation charges amounted to £139.7k (2020: £207.5k). No new assets relating to central building works were purchased during 2020/21 compared to £167.4k in 2019/20. Equipment purchases totalled £19.6k (2020: £26.8k) and for 2020/21, only comprised of General IT hardware to further improve remote working capabilities.

Net Current Assets & Cash-Flow

Total Net Current Assets increased by £252.8k from a restated 2019/20 balance of £1.871m to £2.124m for 2020/21. This movement consisted of a decrease to current assets by £51.3k and a decrease to creditors due within one year by £304.1k.

As reported within the Statement of Cash Flows on page 23, total cash balances decreased by £635.4k across the year to £1.893m held at year-end, whilst debtor and stock balances increased by

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net £584.1k. The Guild reported a significant 'accrued income' balance at year-end, of which the majority was received during August 2021.

Within the cash balances of £1.893m held at year-end, it is important to highlight that £536.7k (2020: £803.9k) consisted of student group balances, including £340.1k Guild societies and sports clubs, £35.4k Hall Reps funds, £104.1k Medsóc funds and £57.1k University sports club custodian funds. The latter custodian funds are reported as creditors to the Guild whilst the Guild's student groups and Hall Reps are reported as both designated and restricted funds (see notes (23) and (24)).

Creditors due within one year have decreased by £304.1k to £824.4k at 31 July 2021 compared to restated creditors for the previous year. This mainly consists of a decrease to 'other creditors' by £366.1k. The restated creditor balance for 2019/20 incorporated potential historic liabilities to HMRC in relation to the Student Mentors and Hall Reps grants and this potential liability was paid during 2020/21. All other shorter term creditor balances increased by a combined £62.0k.

Further detail regarding movements to stock, debtor and creditor balances is reported in notes (16), (17) and (19).

Provision for Liabilities and Net Liabilities

Since 2015/16 (and restated for 2014/15), the Guild has been required to adopt Financial Reporting Standard 102 (FRS102). Under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a liability discounted to net present value.

As highlighted in note (21), during the year the total liability provision is estimated to have decreased by £254.5k from £5.302m recorded as at 31 July 2020 to £5.047m calculated as at 31 July 2021. The £5.047m liability is split between creditors falling due within one year (£277.7k) and the longer term provision (£4.769m).

The £254.5k estimated decrease arises from repayments within the year totalling £243.3k and a £11.2k credit adjustment arising from a marginal improvement to the discount factor assumption used to calculate the net present value of the liability. For 2019/20, the Guild applied a discount factor of 1.07% and this has been increased to 1.24% for 2020/21. The revised discount factor better reflects current market conditions forecast for investments over the next fourteen year period.

Custodian Funds

University of Birmingham Sports Clubs who hold a 'social' account with the Guild are classified as Custodian Funds held on behalf of University of Birmingham and are treated as Creditors. At year-end, the closing balance of funds held on behalf of AU Sports Clubs was £57.2k compared to a closing balance of £55.3k held at the end of 2019/20, an increase of £1.9k.

Guild Services Ltd

As highlighted in note (15), Guild Services Ltd is a wholly owned trading subsidiary of the parent charity, University of Birmingham Guild of Students. Guild Services Ltd engages in trading activities not directly associated with the charitable objects of the parent charity for the purposes of generating income that is donated back to the parent charity to fund charitable activities. During the year, Guild Services Ltd engaged in marketing and sponsorship activities albeit at significantly reduced levels due to the pandemic.

For 2020/21, Guild Services Ltd generated income of £60.5k (2020: £139.5k) and incurred costs of £62.4k (2020: £122.9k). At 31 July 2021, no gift-aid payment was receivable due to the £1.9k loss incurred in the year compared to a gift aid payment of £16.6k payable for the previous year, 2019/20.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Future Finances

The budget for 2021/22 financial year was approved by the Guild's Trustee Board in July 2021. This reports Net Income of £209.0k for the year. After allocating budgeted expenditure and charges to both restricted and designated reserves of £68.7k, and accounting for pension deficit repayments of £277.7k, free unrestricted reserves are budgeted to break-even.

During 2019/20 and 2020/21, the Guild has been working alongside University colleagues to review the operations, service provision and longer term financial position of the Guild. For 2020/21, the Guild received a one-year only increase to block grant funding of £250k whilst further analysis was undertaken with the view to securing a five year funding arrangement. This work was progressed significantly during the year although the longer term funding agreement has been paused, with a decision due during 2021/22 for the five year period 2022/23 – 2026/27. As an interim position for 2021/22, the Guild were able to secure a £415.2k increase to block grant funding in comparison to 2019/20 levels, increasing the grant to £2.909m.

In addition, the Guild will also receive estimated additional funding of £953.2k to fund Student Mentors, Community Wardens, Hall Reps and Medsoc support.

The 2021/22 budget assumes a delayed bounce back from COVID-19 in relation to trading activities and as a general assumption, trading levels are assumed to achieve 80% of levels achieved in 2018/19, the last full financial year not impacted by the pandemic. This position will be closely monitored throughout the year to ensure the Guild are able to manage the financial position as best possible.

The Guild has budgeted for capital expenditure purchases of £60.0k and a marginal net increase to cash balances of £54.9k.

During the financial review conducted during 2020/21, the Guild updated its financial five year forecast and will be further developing the financial plan over the coming months in parallel with ongoing discussions with University. As part of this process, the Guild are also seeking a periodic discussion with University with regard to the longer term estimated pension liability to find the most economical solution to discharging the liability. The next SUSS actuarial revaluation is scheduled for June 2022.

Investment Policy

In accordance with the Guild's Investment Policy, the primary objective is to continue to invest surplus cash to best advantage with minimum risk, although it is anticipated that the Guild will be able to generate greater returns in future years through implementation of the policy. During the year, the Guild has taken a prudent stance, with funds being deposited with high street banks. Investment returns in the year reflect the stated policy.

Remuneration Policy

In 2017/18, the pay-scale was reviewed and recalibrated reducing pay-points from five points to four points for each grade on the scale. The lower-end of the scale was also corrected to take account of erosion of the Guild pay-scale arising from national statutory increases to minimum wage increasing at a faster rate than annual cost of living/inflationary increases applied by the Guild. The pay-scale was introduced from the start of 2018/19 and has been adjusted by approved cost of living increases for 2019/20, 2020/21 and 2021/22.

Annual cost of living/inflationary increases are applied to the scale each year after taking account of general economic conditions, funding, affordability and benchmarking against similar organisations. The Guild applied increases ranging from 1.75% to 3.33% for 2020/21 and has applied increases ranging from 1.75% to 2.16% for next financial year 2021/22.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

In addition, the Guild also compares the pay-scale to the Higher Education Single Pay Spine although the Guild does not formally adopt the HE scale. Whilst the Guild has issued annual cost of living/inflationary increases that vary from the HE scale uplifts each year, the Guild's pay-scale has remained very much in line with movements reflected in the HE scale.

During 2009/10, the Guild adopted the Local Authority Employers Job Evaluation scheme that remains in place today. All new posts created are evaluated prior to recruitment and all current job roles are also evaluated periodically either as they become vacant or when variations to responsibility levels are made to roles. The Board commissioned an external consultant to undertake a benchmark review using Job Evaluation of the CEO's remuneration during 2017/18 and the report was subsequently approved by HR Committee.

In addition, staff are able to increment within a pay-scale grade on an annual basis in line with standard organisational policies and subject to outcomes measured in an employee's annual Development & Performance Review. The full-time Officer Team elected annually are paid against a specific pay-scale grade/point.

With reference to student staff positions, the basic hourly rate of pay currently tracks against National Minimum Wage (21 – 22 year old rate) for all student staff under 23 years old. Student staff aged 23 and older are paid the National Living Wage. The Guild also pays an enhanced hourly rate for senior assistants. From 2019/20, changes to student staff hourly rates of pay are adjusted in April each year in line with government announcements whilst core staff pay-scales are linked to the financial year.

Reserves Policy

At 31 July 2021, the Guild's free reserves (being general funds excluding that represented by fixed assets and the longer term SUSS pension deficit) stood at £889.3k (2020 restated: £667.2k). After taking account of general funds including fixed assets, but excluding the longer term SUSS pension deficit, total unrestricted reserves stood at £1.137m (2020 restated: £1.038m) (as shown in note (25)). This is in line with the minimum £1m unrestricted funds target reported within the Guild's current Reserves Policy.

For 2020/21, the Guild has not made any new designations to fund future capital investments. Similarly, the designated reserve for the next significant building project (£550k) remains unchanged for 2020/21. It is anticipated that a future project will not commence until at least 2023 given current environmental and economic conditions.

Historical designated reserves held to fund the IT Strategy implementation costs are eroded as assets are depreciated. By 31 July 2021, the Guild had completed implementation of the original IT Strategy with assets continuing to depreciate.

As a result of recognition of the Guild's SUSS pension deficit arising from FRS102 implementation in 2015/16, a negative unrestricted pension fund balance of £5.047m is recognised as at 31 July 21. Refer to the accounting policies section and note (21).

Auditors

Mazars LLP has indicated its willingness to continue in office.

Statement as to Disclosure of Information to Auditors

The members of the Trustee Board 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 audit information of which the auditors are unaware. Each of the Trustee Board members have confirmed that they have taken all the steps that they ought to have taken as Trustee Board members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

Small Company Provisions

The report of the Trustee Board has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by Part 15 and Section 414B(b) of the Companies Act 2006.

On behalf of the Trustee Board



Robert Smeath
Chair of Trustee Board

Date: 25th October 2021

University of Birmingham Guild of Students

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of University of Birmingham Guild of Students for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 (October 2018), 'the Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also 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.

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

Opinion

We have audited the financial statements of University of Birmingham Guild of Students (the 'parent charity') and its subsidiary (the 'group') for the year ended 31st July 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group 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 group's and of the parent charity's affairs as at 31st July 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent 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 Annual Report, 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements,

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity's 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.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption 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 set out on page 15, 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 group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of the group and the parent charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to employment regulation, fraud and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, inappropriately shifting the timing and basis of revenue recognition, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Ian Holder

Ian Holder (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: Nov 15, 2021

University of Birmingham Guild of Students

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

For the year ended 31 July 2021

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Restated Total 2020 £
INCOME						
Donations	2	2,880,491	-	238,222	3,118,713	2,822,090
Income from charitable activities	3	356,961	178,034	326,422	861,417	2,282,267
Income from other trading activities	4	60,483	-	-	60,483	139,504
Investment income	5	5,901	-	-	5,901	16,026
Other Income	6	357,753	-	-	357,753	218,885
TOTAL INCOME		3,661,589	178,034	564,644	4,404,267	5,478,772
EXPENDITURE						
Expenditure on raising funds	7	175,429	-	-	175,429	250,695
Expenditure on charitable activities	8	3,097,340	185,559	535,503	3,818,402	4,912,622
Pension Deficit (credit)/charge	21	(11,159)	-	-	(11,159)	1,668,697
TOTAL EXPENDITURE		3,261,610	185,559	535,503	3,982,672	6,832,014
NET INCOME/ (EXPENDITURE)		399,979	(7,525)	29,141	421,595	(1,353,242)
Transfers between funds	22-24	(12,863)	(8,833)	21,696	-	-
NET MOVEMENT IN FUNDS		387,116	(16,358)	50,837	421,595	(1,353,242)
Reconciliation of Funds						
Funds bought forward as originally stated		(4,062,357)	1,124,505	356,189	(2,581,663)	(1,278,268)
Prior Year Adjustment		42,424	-	(267,172)	(224,748)	(174,901)
Adjusted funds bought forward		(4,019,933)	1,124,505	89,017	(2,806,411)	(1,453,169)
TOTAL FUNDS CARRIED FORWARD		(3,632,817)	1,108,147	139,854	(2,384,816)	(2,806,411)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The Consolidated Statement of Financial Activities (including income and expenditure account) for the year ended 31 July 2020 is reported in note (1).

The accounting policies and notes on pages 24 to 49 form an integral part of these financial statements.

University of Birmingham Guild of Students

CONSOLIDATED AND COMPANY BALANCE SHEETS

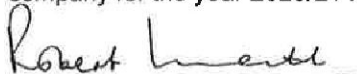
As at 31 July 2021

Company registration number: 06638759

		Group		Guild	
	Note	2021 £	Restated 2020 £	2021 £	Restated 2020 £
FIXED ASSETS					
Tangible assets	14	261,071	381,151	261,071	381,151
Investments	15	-	-	25,000	25,000
		<u>261,071</u>	<u>381,151</u>	<u>286,071</u>	<u>406,151</u>
CURRENT ASSETS					
Stocks	16	16,680	39,069	16,680	39,069
Debtors	17	1,038,053	431,570	1,064,887	499,977
Investments	18	928,251	1,928,136	928,251	1,928,136
Cash at bank and in hand		964,958	600,458	860,819	442,408
		<u>2,947,942</u>	<u>2,999,233</u>	<u>2,870,637</u>	<u>2,909,590</u>
CREDITORS: Amounts falling due within one year	19	(824,396)	(1,128,479)	(821,236)	(1,114,869)
NET CURRENT ASSETS		<u>2,123,546</u>	<u>1,870,754</u>	<u>2,049,401</u>	<u>1,794,721</u>
Provisions for Liabilities: SUSS Pension Deficit	21	(4,769,433)	(5,058,316)	(4,769,433)	(5,058,316)
NET LIABILITIES	25	<u>(2,384,816)</u>	<u>(2,806,411)</u>	<u>(2,433,961)</u>	<u>(2,857,444)</u>
FUNDS					
Restricted funds	23	139,854	89,017	139,854	89,017
- Unrestricted - General	22	1,414,340	1,281,681	1,365,195	1,230,648
- Unrestricted - Pension	21/22	(5,047,157)	(5,301,614)	(5,047,157)	(5,301,614)
- Designated	24	1,108,147	1,124,505	1,108,147	1,124,505
		<u>(2,384,816)</u>	<u>(2,806,411)</u>	<u>(2,433,961)</u>	<u>(2,857,444)</u>

The financial statements were approved by the Trustee Board and authorised for issue on 25th October 2021 and signed on their behalf by:

These accounts are prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. Net Income for the parent company for the year 2020/21 is £421,595.



Robert Smeath
Chair of Trustee Board

The accounting policies and notes on pages 24 to 49 form an integral part of these financial statements.

University of Birmingham Guild of Students
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 July 2021

	2021 £	2020 £
Net cash (used in)/generated from operating activities	(621,684)	82,391
Cash flows from investing activities		
Interest received	5,901	16,026
Purchase of tangible fixed assets	(19,602)	(194,243)
Net cash used in investing activities	(13,701)	(178,217)
Net (decrease) in cash & cash equivalents in the year	(635,385)	(95,826)
Cash & cash equivalent at the beginning of the year	2,528,594	2,624,420
Total cash & cash equivalents at the end of the year	1,893,209	2,528,594

Reconciliation of net movement in funds (operating surplus) to net cash generated from/(used in) operating activities	2021 £	Restated 2020 £
Operating Surplus/(Deficit)	421,595	(1,353,242)
Depreciation	139,682	207,505
Interest received	(5,901)	(16,026)
Decrease/(Increase) in stocks	22,389	(4,313)
(Increase)/Decrease in debtors	(606,483)	53,132
(Decrease)/Increase in creditors & pension liability provision	(592,966)	1,195,335
Net cash (used in)/generated from operating activities	(621,684)	82,391

Analysis of changes in net funds	At 1 August 2020 £	Cash flow £	At 31 July 2021 £
Short term investment	1,928,136	(999,885)	928,251
Cash in hand and at bank	600,458	364,500	964,958
	2,528,594	(635,385)	1,893,209

The cash balance of £1.893m includes £536.7k (2020: £803.9k) cash relating to student groups consisting of £340.1k Guild societies and sports clubs, £35.4k hall reps, £104.1k Medsoc funds and £57.1k University sports club custodian funds (see notes (19), (23) and (24)).

University of Birmingham Guild of Students

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

University of Birmingham Guild of Students meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

JUDGEMENTS AND ESTIMATIONS

Management has made two significant judgements and estimations in the process of applying the accounting policies. Firstly, in relation to the revised estimation of the SUSS pension liability as detailed below within accounting policies (pensions) and within note (21).

Pension deficit estimations included within the 2020/21 financial statements are based upon the latest information available following an actuarial revaluation conducted as at 30 June 2019 and communicated to the Guild in May 2020. It is reasonable to assume the estimations will not change until the next actuarial revaluation is conducted as at June 2022.

Secondly, the Guild has made a judgement in recognising the potential liability arising from the current HMRC challenge in relation to grants received to fund Hall Reps and Student Mentors activities. A detailed estimation of potential historic liabilities has been produced, shared and paid to HMRC to progress to appeal. It is reasonable to assume this estimation is correct following a detailed analysis of related transactions dating back to February 2016. The Guild continues to challenge HMRC as to whether the potential liability is payable and further information is reported within note (32).

FINANCIAL INSTRUMENTS

The group 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.

GOING CONCERN

Since 2015/16 (and restated for 2014/15), the Guild has been required to report estimated future repayments into the SUSS pension deficit discounted to a net present value. This has resulted in the Guild reporting a restated net liability position within the Balance Sheet of £2.806m brought forward as at 1 August 2020. For 2020/21, the Guild reports Net Income of £421.6k reducing the Balance Sheet net liability position to £2.385m as at 31 July 2021.

However, the SUSS pension liability is repayable on an incremental basis over a fourteen year period to 31 August 2035 and there is no reason to believe the Guild cannot meet its annual commitments to repay the liability. Actuarial revaluations will take place every three years and the pension deficit will decrease as the Guild makes payments up to August 2035.

The Trustees have prepared detailed budgetary and cash flow information for the financial year 2021/22 and robust financial & cash flow forecasts are also prepared for the following four year period to 31 July 2026. This enables Trustees to plan effectively for financial issues and capital investments during the planning period and this is reviewed, updated and extended by one year annually. In addition, the Guild regularly reviews actual financial performance against budgeted performance and makes decisions regularly to manage the position.

The Guild benefits from significant annual grant funding from University of Birmingham and this funding is reviewed annually by both Guild and University representatives. During the financial year, the Guild

University of Birmingham Guild of Students

ACCOUNTING POLICIES

and University has significantly progressed a financial review to establish a longer term funding model. It is expected that this review will be concluded in the first semester of 2021/22 with a five year funding agreement to be in place for 2022/23 – 2026/27.

In comparison to 2019/20 grant levels, the Guild and University agreed an increase of £250k for 2020/21 and this has been enhanced to an increase of £415.2k for 2021/22 until the longer term plan is finalised. The block grant for 2021/22 is forecast to be £2.909m as a result of this uplift. This excludes additional funding receivable to deliver core services such as the Student Mentor Scheme, Wardens Scheme and Hall Reps, all of which are supported by service level agreements. The Trustees have no reason to believe that at least equivalent level of funding will not continue in future years.

Furthermore, the Guild currently benefits from significant cash resources of £1.893m contributing to total current assets of £2.948m as at 31 July 2021 and much lower short term creditors of £824.4k. This enables the Guild to report net current assets of £2.124m as at 31 July 2021.

The Guild is actively trying to manage the environmental and economic difficulties arising from the COVID-19 pandemic and minimise the negative financial impact as best possible. In the short term, this has included delaying capital investment, identifying savings from non-essential expenditure and investigating new ways of generating income. The Guild has also factored in a reduction to trading contributions for 2021/22 and 2022/23 into financial forecasts.

On the basis of this information, the Trustees believe the charity and group remain in a position to continue operating and have the capacity to meet all liabilities as they fall due.

BASIS OF CONSOLIDATION

The financial statements consolidate the results, assets and liabilities of the University of Birmingham Guild of Students and trading subsidiary, Guild Services Limited on a line by line basis. The University of Birmingham Guild of Students is the sole Corporate Director of Guild Services Limited and all shares are owned by the Company Limited by Guarantee. In accordance with FRS102 – Consolidated and separate financial statements – Guild Services Limited is considered to be under the control of the Guild. In addition, advantage has been taken of the FRS102 exemption from disclosure of certain intra group transactions.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and the SORP.

FIXED ASSETS and DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing below £500 are not capitalised.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Central and building services	- over 2 to 10 years
Other equipment	- over 2 to 5 years

'Central/building services' capital investment and depreciation only relates to refurbishments works undertaken within the building, and do not include the physical building which is owned by University of Birmingham and leased to the Guild.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow moving items. Stock is recognised on a first in, first out basis.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

INCOME

The Guild receives donations in the form of a block grant from the University and this is credited to the financial statements in respect of the period to which each grant relates.

Donations including grants receivable and other voluntary income are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from the sale of goods is recognised within income from charitable activities when all of the following conditions are satisfied:

- the Guild has transferred the significant risks and rewards of ownership to the buyer;
- the Guild retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Guild will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions or relates to primary purpose charitable trading. Such income is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from other trading activities relates to the sale of marketing services and franchise agreements and is recognised in the period the activities relate to on a receivable basis.

Investment income is recognised on a receivable basis.

All income arose within the United Kingdom.

EXPENDITURE

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Expenditure on raising funds are those costs incurred in attracting donations, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with student representation, student advice, support and community, student development and employability and charitable trading and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources (see note (8) for further details).

LEASED ASSETS

All leases are operating leases and the annual rentals are charged to expenditure on a straight line basis over the lease term.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

PENSION COSTS

The Guild 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.

Whilst the scheme operates as a pooled arrangement, under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a liability discounted to net present value. As at 31 July 2021, the liability to the Guild was calculated as amounting to £5,047,157 (2020: £5,301,614).

The Guild also participates in both the National Union of Students Pension Scheme (NUSPS) and government NEST scheme. Both NUSPS and NEST are defined contribution schemes and are accounted for under the terms of FRS102 based upon actual contributions paid during the year.

INVESTMENTS

Investments are stated at the original investment value. The Trustee Board value the 100% shareholding in the trading subsidiary, at its original investment value. Short term investments relate to money market investments.

FUNDS STRUCTURE

The Guild has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The Trustees intend to use part of the unrestricted funds to finance building refurbishment plans and have set up a designated fund to reflect this.

TAXATION

The University of Birmingham Guild of Students is a registered charity and is exempt from incurring taxation on its charitable activities.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

1 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDING 31 JULY 2020 - RESTATED

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Restated Total 2020 £
INCOME					
Donations	2	2,562,105	-	259,985	2,822,090
Income from charitable activities	3	1,262,480	704,578	315,209	2,282,267
Income from other trading activities	4	139,504	-	-	139,504
Investment income	5	16,026	-	-	16,026
Other Income	6	218,885	-	-	218,885
TOTAL INCOME		4,199,000	704,578	575,194	5,478,772
EXPENDITURE					
Expenditure on raising funds	7	250,695	-	-	250,695
Expenditure on charitable activities	8	3,654,067	611,867	646,688	4,912,622
Pension Deficit charges		1,668,697	-	-	1,668,697
TOTAL EXPENDITURE		5,573,459	611,867	646,688	6,832,014
NET INCOME/ (EXPENDITURE)		(1,374,459)	92,711	(71,494)	(1,353,242)
Transfers between funds		12,509	(92,496)	79,987	-
NET MOVEMENT IN FUNDS		(1,361,950)	215	8,493	(1,353,242)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

2	DONATIONS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Restated Total 2020 £
	Grants receivable					
	University					
	- Block grant	2,568,142	-	3,672	2,571,814	2,294,810
	- Other	312,349	-	-	312,349	275,178
	- Hall Reps	-	-	234,550	234,550	252,102
		<u>2,880,491</u>	<u>-</u>	<u>238,222</u>	<u>3,118,713</u>	<u>2,822,090</u>
3	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Restated Total 2020 £
	Student Representation	2,228	-	-	2,228	-
	Student Advice, Support & Community	-	-	326,422	326,422	304,114
	Student Development & Employability (Incl. Student Groups)	50	178,034	-	178,084	717,751
	Charitable Trading	354,683	-	-	354,683	1,260,402
		<u>356,961</u>	<u>178,034</u>	<u>326,422</u>	<u>861,417</u>	<u>2,282,267</u>
4	INCOME FROM OTHER TRADING ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
	External trading income	60,483	-	-	60,483	139,504
		<u>60,483</u>	<u>-</u>	<u>-</u>	<u>60,483</u>	<u>139,504</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

5 INVESTMENT INCOME	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank interest receivable	5,901	-	-	5,901	16,026

6 OTHER INCOME	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
CJRS Government Grant	307,753	-	-	307,753	218,885
Insurance Claim	50,000	-	-	50,000	-
	357,753	-	-	357,753	218,885

7 EXPENDITURE ON RAISING FUNDS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
External trading costs	48,315	-	-	48,315	79,993
	48,315	-	-	48,315	79,993
Support Costs (Note 9)	127,114	-	-	127,114	170,702
	175,429	-	-	175,429	250,695

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

8	EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Restated Total 2020 £
	Student Representation:					
	Direct costs					
	Officer Team	214,400	-	-	214,400	234,894
	Student Voice	179,246	-	-	179,246	185,409
	Support costs (note 9)	284,790	-	-	284,790	287,025
		<u>678,436</u>	<u>-</u>	<u>-</u>	<u>678,436</u>	<u>707,328</u>
	Student Advice, Support & Community:					
	Direct costs					
	Advice	88,672	-	-	88,672	98,701
	Not On Ambassadors	5,107	-	-	5,107	14,120
	Mentor Scheme	-	-	170,696	170,696	224,527
	Community Wardens	-	-	81,976	81,976	66,475
	Vale Fireworks	-	-	-	-	23,395
	Support costs (note 9)	166,180	-	49,683	215,863	211,525
		<u>259,959</u>	<u>-</u>	<u>302,355</u>	<u>562,314</u>	<u>638,743</u>
	Student Development & Employability:					
	Direct costs					
	Student Groups Dept, Hall Reps & Student Groups	261,330	185,559	177,778	624,667	1,066,515
	Job, Skills & Volunteering & Medsoc Support	28,319	-	-	28,319	168,925
	Support costs (note 9)	586,309	-	55,370	641,679	705,895
		<u>875,958</u>	<u>185,559</u>	<u>233,148</u>	<u>1,294,665</u>	<u>1,941,335</u>
	Charitable trading:					
	Direct costs	773,869	-	-	773,869	1,090,679
	Support costs (note 9)	352,594	-	-	352,594	384,769
		<u>1,126,463</u>	<u>-</u>	<u>-</u>	<u>1,126,463</u>	<u>1,475,448</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

8	EXPENDITURE ON CHARITABLE ACTIVITIES – RESTATED (CONTINUED)	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Restated Total 2020 £
	Governance Costs					
	Audit Fees	10,650	-	-	10,650	10,350
	Legal/Professional Fees	5,929	-	-	5,929	4,044
	Other direct costs	7,675	-	-	7,675	7,657
	Support costs (note 9)	132,270	-	-	132,270	127,717
		<u>156,524</u>	<u>-</u>	<u>-</u>	<u>156,524</u>	<u>149,768</u>
	Total Expenditure on Charitable Activities	<u>3,097,340</u>	<u>185,559</u>	<u>535,503</u>	<u>3,818,402</u>	<u>4,912,622</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

9 SUPPORT COSTS

EXPENDITURE ON RAISING FUNDS

EXPENDITURE ON CHARITABLE ACTIVITIES

	Generating voluntary income £	Fundraising Trading £	Student Represent- ation £	Student Advice, Support & Community £	Student Development & Employability £	Charitable Trading £	Governance £	Total 2021 £	Restated Total 2020 £
HR, Administration & Reception	93	1,961	33,042	36,954	69,087	44,408	29,020	214,565	230,573
Finance Department	1,563	3,930	14,301	24,308	52,947	42,215	28,132	167,396	181,755
Professional/Legal costs	1,724	3,066	19,214	32,341	64,702	46,568	5,055	172,670	157,139
Communications, Marketing, IT	-	1,250	69,985	70,297	132,159	42,491	12,496	328,678	337,993
Facilities/Buildings costs	93,134	6,163	69,334	20,404	238,741	135,421	1,391	564,588	682,509
Senior Management costs	5,900	8,330	78,914	31,559	84,043	41,491	56,176	306,413	297,664
	102,414	24,700	284,790	215,863	641,679	352,594	132,270	1,754,310	1,887,633

Support costs are allocated on the following bases:

HR, Administration and Reception – based upon number of employees associated with each activity.

Finance Department – based on total transaction values for each activity.

Professional/Legal costs – based on total transaction values for each activity.

Communications, Marketing & IT – based on number of items of equipment requiring support and number of promotional campaigns conducted.

Facilities/Building costs – based on space occupied.

Senior Management Costs – based on proportion of time spent.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

10 REMUNERATION OF SABBATICAL OFFICERS

Gross salary payments and employer pension contributions made during the year to Sabbatical Officers totalled £156.7k in 2020/21 compared to £153.7k in 2019/20. The breakdown is as follows:

	2021 £	2020 £
Sabbatical Officers - Trustee status		
Gross salary payments	153,959	151,735
Employers pension costs	2,716	2,014
Total Sabbatical Officer Remuneration	156,675	153,749

The trustee status of the Sabbatical Officer teams has varied in recent years as follows:

	Trustee	Non-Trustee
2016/17 Sabbatical Officer Team	7	1
2017/18 Sabbatical Officer Team	7	1
2018/19 Sabbatical Officer Team	6	1
2019/20 Sabbatical Officer Team	7	-
2020/21 Sabbatical Officer Team	7	-
2021/22 Sabbatical Officer Team	7	-

During the financial year, the 2020/21 Sabbatical Officer Team were in post for the period 1 August 2020 – 16 July 2021. The 2021/22 Sabbatical Officer Team started their induction on 28 June 2021 and formally took office from 19 July 2021.

In 2020/21 financial year, the following Trustees received remuneration:

2020/21 Team – T Adeyemi, WL Chen, R Cutler, R Hegarty, C Minter, A Raphael & J Singh.
2021/22 Team – M Brown, WL Chen, G Christian, J Conway, D Murinas, A Simms & J Singh.

In 2019/20 financial year, the following Trustees received remuneration:

2019/20 Team – T Adeyemi, J Dooler, A Gibbins, R Ginger, CW Park, A Sefton & J Williams.
2020/21 Team – T Adeyemi, WL Chen, R Cutler, R Hegarty, C Minter, A Raphael & J Singh.

No remuneration was paid to any other Trustees.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

11 TRUSTEE BOARD AND SABBATICAL OFFICER TEAM PERSONAL EXPENSES

No external members of the Guild's Trustee Board were reimbursed for travel or other expenses within the year (2020: £362 - 2 external Trustees). For 2019/20, this expenditure is reported within Governance Costs, shown in note (8).

In addition, the 2020/21 Sabbatical Officer Team were reimbursed a total of £314 (2020: £785) in respect of personal travel and subsistence expenses, in accordance with their role as elected Sabbatical Officers.

Similarly, three 2021/22 Sabbatical Officer Trustees were reimbursed £78 (2020: £331 – 6 Officers) as part of the election process and during office towards the end of the financial year. These costs are included within the total costs of Student Representation and are recorded within the costs of charitable activities in note (8).

For 2019/20, a number of external Trustees did not claim travel expenses to attend board and sub-committee meetings and personally chose to waive their expenses. The value of these expenses were unknown. For 2020/21, all board and sub-committee meetings were conducted online due to the pandemic.

The Guild of Students also incurred costs of £5,152 (2020: £4,599) within the year relating to Professional Indemnity insurance cover of £5m (2020: £5m). This policy included cover for the trustees, directors, officers, employees, student group committee members as well as other volunteers associated with Guild activities. A proportion of this cost has been allocated as a Governance Cost, reported in note (8).

12 STAFF COSTS

	2021 Number	2020 Number
The average weekly number of persons employed, excluding the Officer Team and Trustee Board shown in notes (9) and (10), during the year was as follows:		
Permanent Staff (average / full time equivalent)	69 / 65	73 / 69
Student Staff (average / full time equivalent)	182 / 22	230 / 36
	<u>251 / 87</u>	<u>303 / 105</u>

	2021 £	2020 £
The aggregate payroll costs of these persons were as follows:		
Wages & Salaries	2,077,704	2,418,580
Social security costs	161,429	162,786
Pension costs – contributions within year	66,243	66,968
Pension costs – deficit (credit)/charges	(11,159)	1,668,697
	<u>2,294,217</u>	<u>4,317,031</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

The following number of employees received remuneration above £60,000 within the year:	2021 Number	2020 Number
£60,000 - £69,999	-	-
£70,000 - £79,999	-	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
	<u>1</u>	<u>1</u>

For the 2020/21 employee paid in the range £90,000 - £99,999, employer pension contributions totalled £5,472 (2020: £5,378). Contributions were paid into National Union of Students Pension Scheme (NUSPS).

Key management personnel are considered to be the Guild's Senior Management Team reported on page 2. This consists of the Chief Executive, three Director positions and Head of Finance. Gross salary costs including employer pension contributions totalled £322.4k for 2020/21, compared to £309.3k for 2019/20.

During 2020/21, the Guild did not make any termination payments to employees compared to £32,507 for 2019/20 in relation to 3 employees. Statutory payments (2020 - £22.3k) and non-statutory payments (2020 - £10.2k) were both nil in the year.

13	NET MOVEMENT IN FUNDS	2021 £	2020 £
	Is stated after charging:		
	Auditors remuneration:		
	- audit services	10,650	10,350
	- other services	3,080	2,955
		<u>13,730</u>	<u>13,305</u>
	Depreciation:		
	- owned assets	139,682	207,505
		<u>139,682</u>	<u>207,505</u>
	Operating lease rentals:		
	- plant and machinery	5,071	9,470
	- land and buildings	133,445	133,445
		<u>138,516</u>	<u>142,915</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

14 TANGIBLE FIXED ASSETS	Central Building Refurbs £	Equipment £	Total £
GROUP & GUILD			
Cost:			
At 1 August 2020	2,628,698	1,657,070	4,285,768
Additions	-	19,602	19,602
Disposals	-	-	-
At 31 July 2021	2,628,698	1,676,672	4,305,370
Depreciation:			
At 1 August 2020	2,351,839	1,552,778	3,904,617
Charge for the year	90,967	48,715	139,682
Disposals	-	-	-
At 31 July 2021	2,442,806	1,601,493	4,044,299
Net book value:			
At 31 July 2021	185,892	75,179	261,071
At 31 July 2020	276,859	104,292	381,151

University of Birmingham Guild of Students
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2021

15	INVESTMENTS	Group £	Guild £
	Cost:		
	At 1 August 2020	-	25,000
	At 31 July 2021	-	25,000
	Net book value:		
	At 1 August 2020	-	25,000
	At 31 July 2021	-	25,000

An analysis of the above investments is set out below. At 31 July 2021 the Guild held investments in the following companies which are incorporated in the United Kingdom:

Name of Company	Main Trading Activity	Equity Held
Guild Services Limited	Provision of external marketing services & property lettings agency (discontinued from July 2019)	100%

The registered address of Guild Services Ltd is C/O Guild of Students, Edgbaston Park Road, Birmingham, B15 2TU.

UNLISTED INVESTMENTS	Unlisted investments £	Investment in subsidiary £	Total £
Cost			
At 1 August 2020	-	25,000	25,000
At 31 July 2021	-	25,000	25,000
Net book value			
At 1 August 2020	-	25,000	25,000
At 31 July 2021	-	25,000	25,000

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

15 INVESTMENTS (continued)

The results and assets of Guild Services Limited are as follows:

	2021 £	2020 £
Turnover	60,483	139,504
Operating (loss)/profit	(1,888)	16,557
Interest receivable	-	-
Taxation	-	-
Donation under Gift aid distribution	-	(16,569)
(Loss for the year)	(1,888)	(12)
Net current assets and shareholders' funds	74,145	76,033

Guild Services Limited is a registered company in England and Wales under number 2080761.

For the year ended 31 July 2021, Guild Services Limited was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476.

16 STOCKS

	Group		Guild	
	2021 £	2020 £	2021 £	2020 £
Bars	15,485	36,132	15,485	36,132
Catering – combined outlets	1,195	2,937	1,195	2,937
	16,680	39,069	16,680	39,069

Total expenditure for bars and catering stocks purchased in 2020/21 is £54,841 (2020: £348,619).

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

17		Group		Guild	
	DEBTORS: Amounts falling due after more than one year	2021 £	2020 £	2021 £	2020 £
	Prepayments (General)	20,827	57	20,827	57
		<u>20,827</u>	<u>57</u>	<u>20,827</u>	<u>57</u>
		Group		Guild	
	DEBTORS: Amounts falling due within one year	2021 £	Restated 2020 £	2021 £	Restated 2020 £
	Trade debtors	305,786	44,396	284,416	13,153
	Other debtors	48,963	7,164	48,963	7,164
	Owed by subsid. undertakings	-	-	48,204	99,650
	Prepayments (General)	206,112	172,842	206,112	172,842
	Accrued Income	456,365	207,111	456,365	207,111
		<u>1,017,226</u>	<u>431,513</u>	<u>1,044,060</u>	<u>499,920</u>
		<u>1,038,053</u>	<u>431,570</u>	<u>1,064,887</u>	<u>499,977</u>
18	SHORT TERM INVESTMENTS	Group		Guild	
		2021 £	2020 £	2021 £	2020 £
	Money Market/Deposit Investments	928,251	1,928,136	928,251	1,928,136
		<u>928,251</u>	<u>1,928,136</u>	<u>928,251</u>	<u>1,928,136</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

19	CREDITORS: Amounts falling due within one year	Group		Guild	
		2021 £	Restated 2020 £	2021 £	Restated 2020 £
	Trade creditors	225,524	218,738	225,384	218,598
	Other taxation & social security	39,961	39,125	39,961	39,125
	Custodian Funds held on behalf of AU/University Sports Groups	57,216	55,321	57,216	55,321
	Other Creditors	21,121	387,263	21,121	387,263
	Accruals	191,041	172,918	188,021	170,048
	Deferred Income	11,809	11,816	11,809	1,216
	SUSS Pension Deficit	277,724	243,298	277,724	243,298
		<u>824,396</u>	<u>1,128,479</u>	<u>821,236</u>	<u>1,114,869</u>

20	DEFERRED INCOME	Group		Guild	
		2021 £	2020 £	2021 £	2020 £
	At 1 August 2020	11,816	18,494	1,216	17,498
	Additions	11,809	11,816	11,809	1,216
	Released	(11,816)	(18,494)	(1,216)	(17,498)
		<u>11,809</u>	<u>11,816</u>	<u>11,809</u>	<u>1,216</u>
	At 31 July 2021	<u>11,809</u>	<u>11,816</u>	<u>11,809</u>	<u>1,216</u>

Deferred income for 2020/21 primarily relates to income received for events taking place during 2021/22 whilst balances for 2019/20 related to marketing sponsorship activities raised in advance of the period that it relates to.

University of Birmingham Guild of Students
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2021

21	PROVISION FOR LIABILITIES: SUSS PENSION DEFICIT	2021 £	2020 £
	Balance brought forward	5,301,614	3,864,631
	Deficit contributions paid	(243,298)	(231,714)
	Unwinding of discount factor/interest (based upon prior year rate)	55,947	68,130
	Adjustment arising from actuarial revaluation in year	-	1,292,444
	(Surplus)/Deficit adjustment arising from change to discount factor assumption	(67,106)	308,123
	Total Balance carried forward	5,047,157	5,301,614
	Creditors – Amounts falling due within one year (see note 19)	277,724	243,298
	Provisions for liabilities	4,769,433	5,058,316
		5,047,157	5,301,614

The SUSS pension liability after five years is estimated to be £3,771,466 (2020: £4,103,165).

22	UNRESTRICTED FUNDS (For Guild only)	Restated 1 August 2020 £	Income £	Expenditure £	Transfers £	31 July 2021 £
	General Reserve	1,230,648	3,649,311	(3,258,603)	(256,161)	1,365,195
	Pension Reserve	(5,301,614)	-	11,159	243,298	(5,047,157)
		(4,070,966)	3,649,311	(3,247,444)	(12,863)	(3,681,962)

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

23	RESTRICTED FUNDS (For Group & Guild)	Restated 1 August 2020 £	Income £	Expenditure £	Transfers £	31 July 2021 £
	Mentor Scheme	-	208,896	(205,896)	7,978	10,978
	Warden Scheme	57,445	117,526	(96,076)	4,965	83,860
	Vale Fireworks	-	-	-	-	-
	Hall Reps	-	234,550	(231,005)	4,939	8,484
	Capital Grants	5,179	-	(2,526)	3,814	6,467
	Global Buddies Scheme	11,461	-	-	-	11,461
	University Maintenance SLA	14,932	3,672	-	-	18,604
		<u>89,017</u>	<u>564,644</u>	<u>(535,503)</u>	<u>21,696</u>	<u>139,854</u>

All of the above restricted reserves represent funds received specifically for the identified activity and are either supported by service level agreements or one-off grant applications.

24	DESIGNATED FUNDS (For Group & Guild)	1 August 2020 £	Income £	Expenditure £	Transfers £	31 July 2021 £
	IT Infrastructure	119,850	-	-	(8,833)	111,017
	Building Refurbishment 2	550,000	-	-	-	550,000
	Student Groups (Societies, Guild Sports Clubs & Medsoc)	454,655	178,034	(185,559)	-	447,130
		<u>1,124,505</u>	<u>178,034</u>	<u>(185,559)</u>	<u>(8,833)</u>	<u>1,108,147</u>

IT depreciation charges of £8.8k have been allocated against the IT Infrastructure Fund within the year, compared to £7.1k charged in 2019/20. This allocation specifically relates to assets purchased to support the Guild's previous IT strategy that is currently under review.

The 'Building Refurbishment 2' designated reserve has been allocated to help fund a potential extension to the Guild building, and this reserve has been frozen since 2018/19. The implementation of this project is currently delayed whilst additional funding is identified and further work conducted to formulate a wider building development plan.

In addition, Guild Societies, Guild Sports Clubs and Medsoc student groups are classified as designated activity of the Guild of Students. The net balances decreased by £7.5k during 2020/21 compared to an increase by £92.7k reported for the previous year, 2019/20. The net decrease consists of £178.0k income (2020: £704.6k) and £185.5k expenditure (2020: £611.9k). Student group activities were significantly impacted by the pandemic during the financial year.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

25	ANALYSIS OF NET LIABILITIES (2020/21)	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
	Charity				
	Restricted funds	6,467	133,387	-	139,854
	Designated funds	7,307	1,100,840	-	1,108,147
	General funds				
	- UoB Guild of Students	272,297	1,092,898	-	1,365,195
	- UoB Guild – Pension	-	(277,724)	(4,769,433)	(5,047,157)
	For Charity	286,071	2,049,401	(4,769,433)	(2,433,961)
	Group				
	Restricted funds	6,467	133,387	-	139,854
	Designated funds	7,307	1,100,840	-	1,108,147
	General funds				
	- UoB Guild of Students	247,297	1,092,898	-	1,340,195
	- UoB Guild – Pension	-	(277,724)	(4,769,433)	(5,047,157)
	- Subsidiary undertaking(s)	-	74,145	-	74,145
	For Group	261,071	2,123,546	(4,769,433)	(2,384,816)

The restated comparative figures for the previous financial year are as follows:

ANALYSIS OF NET LIABILITIES (2019/20) - RESTATED	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
Charity				
Restricted funds	5,179	83,838	-	89,017
Designated funds	4,824	1,119,681	-	1,124,505
General funds				
- UoB Guild of Students	396,148	834,500	-	1,230,648
- UoB Guild – Pension	-	(243,298)	(5,058,316)	(5,301,614)
For Charity	406,151	1,794,721	(5,058,316)	(2,857,444)

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ANALYSIS OF NET LIABILITIES (2019/20) – RESTATED Continued	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
Group				
Restricted funds	5,179	83,838	-	89,017
Designated funds	4,824	1,119,681	-	1,124,505
General funds				
- UoB Guild of Students	371,148	834,500	-	1,205,648
- UoB Guild – Pension	-	(243,298)	(5,058,316)	(5,301,614)
- Subsidiary undertaking(s)	-	76,033	-	76,033
For Group	381,151	1,870,754	(5,058,316)	(2,806,411)

26 LEGAL STATUS

The University of Birmingham Guild of Students incorporated as a company limited by guarantee on 4th July 2008, changing from its previous status as an unincorporated association.

In addition, the Guild of Students also registered as a Charity with the Charity Commission in August 2010. This was due to students' unions connected with higher education institutions being removed from the list of exempt charities within section 11(9) of the Charities Act 2006.

27 RELATED PARTY TRANSACTIONS

The charity has taken advantage of the exemptions allowed under FRS102 and does not detail related party transactions with its subsidiary undertaking.

Other related party disclosures consist of the following:

- University of Birmingham**

Ms E Conway was appointed as both the University Finance Director and the Guild's University nominated trustee in July 2018.

During the year, the Guild received income of £3.672m (2020: £3.419m) and incurred expenditure of £404.3k (2020: £535.0k). At 31 July 21, the Guild held a creditor balance of £169.9k (2020: £157.2k) and a debtor balance of £779.9k (2020: £161.2k).

- BAM Agency Ltd**

Mr I Pain who was appointed as a trustee of the charity, University of Birmingham Guild of Students in September 2020 was also a Marketing Director for BAM Agency Ltd up until October 2020. This company also trades with the Guild's wholly owned trading subsidiary, Guild Services Ltd.

During the year, Guild Services Ltd received income of £7.9k (2020: £6.7k) but did not incur any expenditure. At 31 July 2021, Guild Services Ltd held an outstanding debtor balance of £3.2k (2020: Nil).

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

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28 OPERATING LEASE COMMITMENTS

At 31 July 2021, the Guild had commitments under property leases and non-cancellable equipment operating leases (minimum lease payments) as set out below:

	2021 £	2020 £
Land & Buildings Lease which expire:		
Within 1 year	133,445	133,445
Within 2 – 5 years	266,890	266,889
Over 5 years	-	-
	<u>400,335</u>	<u>400,334</u>
Operating leases which expire:		
Within 1 year	9,673	9,462
Within 2 – 5 years	13,436	20,728
Over 5 years	-	-
	<u>23,109</u>	<u>30,190</u>

29 CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for	36,333	15,978
	<u>36,333</u>	<u>15,978</u>

30 SUBSCRIPTIONS AND AFFILIATIONS

The Guild of Students paid the following memberships and affiliations during the year. They are listed in accordance with the requirements of the Education Act 1994.

	2021 £	2020 £
Advice UK Limited	258	100
NUS Services Limited	380	380
National Union of Students	37,500	60,000
National Centre for Voluntary Organisations - Free	-	-
TES Global	1,120	75
Subscriptions & Affiliations of £175 or less	294	441
	<u>39,552</u>	<u>60,996</u>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

31 PENSIONS

The University of Birmingham Guild of Students 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 onwards accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

The most recent full valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m with these assets representing 46% 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 £140.9m after incorporating liabilities arising from a historical legal issue.

The following assumptions applied at 30 June 2019:-

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

The 2019 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a remaining period of 15 years ending 31st August 2035. This represented an extension to the repayment plan of 2 years and 2 months compared to the 2016 valuation.

The Guild's deficit contribution will increase by 15.9% from 1 October 2021 as per the approved 2019 valuation plan, followed by at least 5% per year thereafter. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme.

The rates applied above will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2022. Surpluses or deficits which arise at future valuations will also impact on the University of Birmingham Guild of Students's future contribution commitment.

In addition to the above contributions, the University of Birmingham Guild of Students also pays its share of the scheme's levy to the Pension Protection Fund.

The total deficit contributions paid into the Scheme by the Guild in respect of eligible employees for the year ended 31 July 2021 was £243,298 (2020: £231,714). The Guild will be required to make pension deficit payments into SUSS totalling £277,724 during 2021/22.

In addition, the Guild of Students also participates in the National Union of Students Pension Scheme (NUSPS) and the government NEST scheme to fulfil auto-enrolment obligations. NUSPS is a defined contribution scheme and the Guild contributes either 4% or 6% based upon matched funding from individual employees. Contributions into the NEST scheme are currently based upon 4.0% of qualifying earnings also matched by employee contributions, or enhanced 4% or 6% employer contributions matched by individual employees.

The total contributions paid into both NUSPS and NEST by the Guild in respect of eligible employees amounted to £66,243 (2020 - £66,968). At 31 July 2021, a balance of £10,032

University of Birmingham Guild of Students

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was recorded as a Creditor within the Balance Sheet representing July 2021 pension contributions payable in August 2021 (2020: £9,848). The estimated employer contributions for 2021/22 financial year relating to NUSPS and NEST are £75,567.

32 PRIOR YEAR ADJUSTMENTS

Within the 2019/20 financial statements, the Guild created a provision totalling £181.4k in relation to potential historic VAT liabilities. This concerned the Guild's treatment of student catering as a VAT exempt supply whilst HMRC have now assessed this supply as standard rated. The £181.4k adjustment was treated as both a prior year adjustment (£128.5k up to July 2018) and £52.9k 'in-year' adjustments across 2018/19 and 2019/20.

Following recent correspondence, HMRC have agreed that the Guild will not incur historic liabilities in relation to catering supplies, due to the strength of the Guild's previous communication with HMRC in relation to this matter. The Guild has therefore cancelled this provision and reversed previous prior year adjustments restating brought forward balances to their unadjusted position in relation to student catering.

However, for 2020/21 the Guild has now made further prior year adjustments in relation to potential historic VAT liabilities in relation the Student Mentor Scheme and Hall Reps funding. The Guild has treated such income as grant funding, again based upon historic correspondence with HMRC although HMRC's viewpoint is that the Guild is providing a supply of service to University of Birmingham in the delivery of these activities. This matter was reported as a contingent liability within the 2019/20 financial statements.

The Charity is robustly challenging HMRC's view that a supply arrangement exists and following legal consultation, the Charity has submitted an appeal to tribunal to challenge HMRC's assessment. Whilst correspondence is ongoing, this matter will likely progress to VAT tribunal in 2022.

The potential historic liability covering the period February 2016 to July 2020 is £406.1k and the Guild has made payment to HMRC during the 2020/21 financial year, in order to progress the appeal. The prior year adjustments reflected are as follows:

- The Net Liabilities closing position reported within the 2019/20 financial statements was £2.582m incorporating the catering VAT provision only. This has been adjusted by £224.7k to a brought forward Net Liabilities position of £2.806m within the 2020/21 financial statements.
- The £224.7k negative adjustment consists of a new provision of £406.1k in relation to the ongoing grants appeal less £181.4k arising from the cancelled catering VAT provision.

In addition to the above adjustments, the Guild has also recognised accrued income of £80.6k from University of Birmingham within 2020/21 in respect of University support to meet potential historic liabilities.

33 CONTINGENT LIABILITY

There are no contingent liabilities to report.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

34 FINANCIAL PERFORMANCE OF THE CHARITY

The charity reports Net Income of £421,595 for the year ended 31 July 2021 in comparison to restated Net Expenditure of £1,353,242 reported for 2019/20.

The charity reports gross income of £4,391,989 for the year ended 31 July 2021 in comparison to restated gross income of £5,517,255 reported for 2019/20.

The charity has taken advantage of Section 408 of the Companies Act 2006 and the SORP and has not included a separate Statement of Financial Activities in these financial statements.

35 EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have taken place since the Balance Sheet date.

