

# **London Business School Student Association**

## **Annual Report and Financial Statements**

For the Year Ended 31<sup>st</sup> July 2022

**Registered Charity No: 1140901**

**Registered Company No: 07535015**

# London Business School Student Association

## Annual report and financial statements for the year ended 31 July 2022

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### Contents

#### Page:

3	Strategic Report
6	Report of the Trustees
9	Independent auditors' report to the members of London Business School Student Association
12	Statement of Financial Activities including (Income and Expenditure Account)
14	Balance Sheet
15	Statement of Cash Flows
16	Notes forming part of the financial statements

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# London Business School Student Association

## Strategic Report for the year ended 31 July 2022

### Trustees

The following were Trustees during the year:

Kristina Stoli	(resigned 30/06/2022)
Vasudha Khandeparkar	(resigned 30/06/2022)
Faris Ahmad	(resigned 30/06/2022)
Xavier Bush Amengual	(resigned 30/06/2022)
Eva Chen	(resigned 30/06/2022)
Vedika Jhunjhunwala	(resigned 30/06/2022)
Ankit Kalyani	(resigned 30/06/2022)
Ishita Samaddar	(resigned 30/06/2022)
Neel Malhotra	(resigned 30/06/2022)
David Sheridan	(resigned 10/11/2021)
Giwon Shin	(appointed 01/07/2022)
Dezhi Yu	(appointed 01/07/2022)
Kanika Bhachawat	(appointed 01/07/2022)
Ankush Thakkar	(appointed 01/07/2022)
Alisha Devji	(appointed 01/07/2022)
Ritika Shand	(appointed 28/06/2022)
Prashansa Prashansa	(appointed 01/07/2022)
Babatunde Gafaar	(appointed 01/07/2022)
Imogen Box	(appointed 01/07/2022)
Martin Jose Vilaro Vera	(appointed 01/07/2022)
Hadi Hussaini	(appointed 01/07/2022)
Adam Bouzelmate	(appointed 01/07/2022)

### Secretary and address

Richard Alan Frost, London Business School, Sussex Place, London, NW1 4SA

### Company number

07535015

### Charity registration number

1140901

### Independent Auditors

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH

### Banker

HSBC Bank plc, 90 Baker Street, London, W1U 6AX

### Achievements and performance

The Student Association measures its performance through an online Annual Student Survey that is administered to the student community, the results of which are shared each summer with the London Business School Governing Body and key stakeholders across the London Business School community. The feedback collected through this Annual Student Survey allows the Student Association to measure its performance against its objectives.

# London Business School Student Association

## Strategic Report for the year ended 31 July 2022 (continued)

The results of the 2022 Annual Student Survey indicated that students are mostly satisfied with their student experience at LBS, with a Net Promoter Score (NPS) of +24, an increase of 19 from the previous year which was largely driven by more promoters in MFA, MIM and MBA with COVID affecting the students' experience in previous years.

Student feedback from the Annual Student Survey focused on a desire for improving the overall academic experience, enhance the LBS Student experience to maintain a diverse, engaged and vibrant community. These areas will influence the direction of the Student Association for the upcoming year.

Key achievements of the Student Association in the year ended 31 July 2022 included:

- Increased inclusivity by considering diverse groups of student when planning an event and make sure that student budget is allocated to support inclusivity.
- Continued with trainings for new faculty, and identified and shared best practices for classroom engagement/experiences
- Continuous improvement in communication & engagement channels between the alumni team at LBS and students
- Strengthened cross-programme and cross-club engagement opportunities and activities
- Enhanced student IT experiences by upgrading systems by renewing contracts with Campus Group, Eventcase, etc.

### Financial review

London Business School Student Association had a net deficit for the year of £293,370 (2021: surplus £352,739) and a closing cash position of £1,210,725, a decrease of 14% from 2021. Closing funds were £1,101,416 (2021: £1,394,786). The large cash surplus is attributable to certain activities and events being postponed due to previous years COVID restrictions.

LBSSA's income rose from £1,103,802 (2021) to £2,475,028 (2022). The major factor contributing to this increase was the rise in the number of events hosted, along with the fees earned for charitable activities during the same period. Likewise, the expenditure on charitable activities also increased by £2,017,335, which was directly proportional to the increase in the number of activities and participants involved throughout the year. However, despite the increase in income, the organisation incurred a deficit due to the surge in activities and higher inflationary costs associated with overseas events, including some events that were postponed from previous years.

### Strategic Review

The Student Association's primary strategic objective is to foster greater interaction between students and the various constituents of the London Business School community.

During each committee's term of office, the Student Association Executive formulates its response to this strategic direction each year.

The Student Association has a number of projects planned for future years, some of which will require support from London Business School to achieve. These include:

- Support the school on moving from the hybrid education model to class room 1<sup>st</sup> model post COVID
- Increase alumni engagement and connection through monitoring programme
- Create an advocacy team to support inclusion and diversity across LBS community and for students to feel safe within the LBS community.
- Create an ESG team to support the school to match the global standard of ESG.
- Run events focused on inclusivity by running different options of activities within an event.
- Operate regular cross program mixers for students to get more exposure to experience the diverse community LBS provides.
- Continue enhancing student digital experiences and IT tools (calendars, Wi-Fi, email, etc.)

# London Business School Student Association

## Strategic Report for the year ended 31 July 2022 (continued)

### **Risk management**

The Trustees conduct annual risk management reviews and have identified three main areas of risk in the Student Association's activities: reputational risk, strategic risk, and operational risk.

The reputation of London Business School ("The School") is one of the Student Association's most valuable assets, and the Trustees continually monitor all interactions between the Student Association and external parties. The approval process through which all external relationships must pass is a check to ensure that reputational risk is mitigated.

The strategic risk, with regard to the inflation and coming recession is managed in collaboration with different departments from the London Business School. Multiple cross-functional teams have been formed to collect constant feedback from student community on academic, professional, and social experience and generate initiatives to maintain the standards in engaging in student activities and fulfilling post-graduation professional goals.

The operational risk, with regard to processing payments and funds, is managed with significant support and guidance from the London Business School's accounts department. These processes are continually reviewed by the Treasury team to ensure that accuracy and security is maintained.

The Trustees confirm that the major risks to which the charity is exposed, have been considered and that systems or procedures have been established to manage those risks.

# **London Business School Student Association**

## **Report of the Trustees for the year ended 31 July 2022**

The Trustees present their report along with the financial statements of the London Business School Student Association ("Students Association") for the year ended 31 July 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 17 and comply with current statutory requirements, the Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and the Charities SORP (FRS102) 2019.

### **Structure, governance and management**

The Student Association is a private company limited by guarantee. It was incorporated on 18 February 2011; on 28 March 2011 the company also became a registered charity (number 1140901), following which it inherited the net assets of the predecessor unincorporated exempt charity, London Business School Student Association. The company remained dormant until 1 August 2011 when it assumed the activities of the predecessor unincorporated exempt charity. The company's constitution is set out in its Memorandum and Articles of Association.

The Trustees are the sole members of the charitable company and their liability is limited to £1 in a winding up.

The Trustees have control of the Student Association's property and funds. According to the Memorandum and Articles of Association, the number of Trustees should be between 6 and 24. The day-to-day administration and financial management is delegated to the executive members of the Student Association.

### **Appointment and induction of Trustees**

The Trustees are the members of the Student Association Executive Committee and are elected into specific roles by the student body. Elections are conducted annually and are monitored by the Returning Officer. Trustees can stand for re-election after their first year.

On appointment, the new Trustee conducts a month-long handover period, working closely with their predecessor. There is also a central induction and training session in which their role as a Trustee is explained, along with the specific requirements of their role.

### **Objectives and activities**

The Student Association represents all students of the London Business School. Its objective is to improve the School community, and is the organisation that represents and coordinates student activities and interests throughout the School. To achieve this objective, the Student Association has three primary functions:

- To represent student interests to senior management boards of the London Business School
- To organise a number of campus wide events
- To help co-ordinate, promote and assist student clubs that form an integral part of life at the London Business School.

### **Relationship with London Business School**

The London Business School Student Association receives an annual central grant from London Business School. The grant amount is linked to student enrolment. The grant is provided without any conditions attached and the Student Association is free to utilise these funds for the benefit of students without encumbrance.

# London Business School Student Association

## Report of the Trustees for the year ended 31 July 2022 (continued)

### Relationship with London Business School (continued)

Whilst London Business School has no direct involvement in the management and governance of the Student Association, the Association is obliged to provide the Governing Body of the School with the financial statements on an annual basis to allow the School to discharge its responsibilities under the Education Act 1994. The President of the Student Association is also a member of the School's Governing Body and represents students' interests on that body.

The Student Association also has a number of dependencies on the School, including:

- **Facilities:** The Student Association utilises School facilities including meeting and reception rooms as required. In addition, London Business School provides office space for the use of the Student Association in the Taunton Building.
- **Accounts:** The Student Association relies on the services provided by the accounts department to process, execute and archive all transactions undertaken by the Student Association and its constituent clubs.
- **LBS Staff:** The Student Association benefits from active support and assistance of the Student Activities Manager, who has a seat on the Executive Committee meetings and acts as a liaison between the Student Association and the School. The Student Association also receives task/event specific support from the administrative staff on an ad-hoc basis.

### Reserves policy

The Student Association reserves are needed to meet the working capital requirements for the company. The Trustees consider the plans for the use of reserves on an annual basis.

The Student Association actively monitors the balances and expenditure of individual clubs to ensure that no large surpluses are built up over the year. Club funds are classified as 'Restricted' funds in the Student Association's accounts.

The Student Association implements this monitoring policy through the annual Coin Vote system, which allocates clubs funds from the school's central grant. To be eligible to participate in the coin vote, clubs must meet certain conditions with regards to the amount of expenditure they have incurred during the year, versus their ending balance. The allocation made to each club is decided democratically by the entire student community and is in proportion to the coin votes cast for each club.

Transfers from general reserves to restricted funds are also made when a club has a structural deficit, becomes inactive with a negative balance or is closed down. There is also a "small projects funding", capped at an annual amount, through which all clubs have the opportunity to apply for a grant of up to £1,000 to fund a specific new initiative. There are very few scenarios in which transfers are made from restricted to central funds, unless the clubs themselves choose to do so.

As a charity, our goal is to not generate a significant surplus. In accordance with the plan from 2021 many of the postponed activities have taken place in 2022 as the COVID restrictions were lifted. The 2022 Executive Committee has continued the reserves policy that will see the Student Association gradually wind down its reserves to a sustainable working capital and contingency. Reserves as at 31 July 2022 total £1,101,416 but of that £650,821 is restricted as Clubs' funds, leaving a basic reserve of £450,595 which the Trustees consider adequate to meet its working capital for three months.

# London Business School Student Association

## Report of the Trustees for the year ended 31 July 2022 (continued)

### Public benefit

The Trustees have considered the Charity Commission's general guidance on public benefit and have taken it into account when reviewing the Student Association's aims and objectives and in planning its future activities. The Trustees are satisfied that the aims of the Student Association are carried out wholly in pursuit of its charitable aims.

### Statement of Trustees' responsibilities

The trustees (who are also directors of London Business School Student Association for the purposes of company law) are responsible for preparing the Annual Report and Financial Statements (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Trustees' confirmations

In the case of each trustee in office at the date the trustees' report is approved, that:

- (a) so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Signed for and on behalf of the Trustees



Giwon Shin  
Trustee

20 April 2023



# London Business School Student Association

## Independent auditors' report to the members of London Business School Student Association

### Report on the audit of the financial statements

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#### Opinion

In our opinion, London Business School Student Association's charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2022; the Statement of Financial Activities (including Income & Expenditure Account), and Statement of Cash Flows for the year then ended and the notes to the financial statements, which include a description of significant accounting policies.

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#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

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

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#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to

# London Business School Student Association

## Independent auditors' report to the members of London Business School Student Association (continued)

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### **Reporting on other information (continued)**

be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### ***Strategic Report and Report of the Trustees***

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and Report of the Trustees for the period ended 31 July 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Trustees.

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### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the trustees for the financial statements***

As explained more fully in the Statement of Trustees' Responsibilities, 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the parent charitable company and its industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder including the Charities (Accounts and Reports) Regulations 2008, 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 financial statements such as the

# London Business School Student Association

## Independent auditors' report to the members of London Business School Student Association (continued)

### **Responsibilities for the financial statements and the audit (continued)**

#### *Auditors' responsibilities for the audit of the financial statements (continued)*

Companies Act 2006. We evaluated 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 the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations;
- Understanding and evaluating management's controls in place to prevent and detect irregularities; and
- Testing unusual or unexpected journal entries, particularly those impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

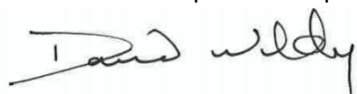
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Wildey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
20 April 2023

# London Business School Student Association

## Statement of Financial Activities including (Income & Expenditure Account)

for the year ended 31 July 2022

**2022**

	Notes	Restricted £	Unrestricted £	Total £
<b>Income</b>				
<b>Donations</b>				
Grant from London Business School		-	397,700	<b>397,700</b>
Donated facilities income		-	2,000	<b>2,000</b>
<b>Charitable activities:</b>				
Student Association Committee		-	633,631	<b>633,631</b>
Professional clubs		275,569	-	<b>275,569</b>
Cultural clubs		493,568	-	<b>493,568</b>
Sports clubs		486,927	-	<b>486,927</b>
Social/community clubs		185,188	-	<b>185,188</b>
<b>Investment</b>		-	445	<b>445</b>
<b>Total income</b>		<b>1,441,252</b>	<b>1,033,776</b>	<b>2,475,028</b>
<b>Expenditure</b>				
<b>Expenditure on charitable activities:</b>				
Student Association Committee	2	-	1,190,549	<b>1,190,549</b>
Professional clubs		320,903	30,399	<b>351,302</b>
Cultural clubs		517,683	28,341	<b>546,024</b>
Sports clubs		456,763	20,131	<b>476,894</b>
Social/community clubs		189,425	14,204	<b>203,629</b>
<b>Total expenditure</b>		<b>1,484,774</b>	<b>1,283,624</b>	<b>2,768,398</b>
<b>Net expense for the year</b>		<b>(43,522)</b>	<b>(249,848)</b>	<b>(293,370)</b>
Balance as at 1 August 2021		694,343	700,443	<b>1,394,786</b>
<b>Balance as at 31 July 2022</b>		<b>650,821</b>	<b>450,595</b>	<b>1,101,416</b>

There are no recognised gains or losses for the year other than those included in the statement of financial activities.

All activities reported above represent continuing activities and relate to restricted and unrestricted funds.

The notes on page 16 to 20 form part of these financial statements.

# London Business School Student Association

## Statement of Financial Activities (including Income & Expenditure Account)

for the year ended 31 July 2021

**2021**

	Notes	Restricted £	Unrestricted £	Total £
<b>Income</b>				
<b>Donations</b>				
Grant from London Business School		-	369,225	<b>369,225</b>
Donated facilities income		-	2,000	<b>2,000</b>
<b>Income from charitable activities:</b>				
Student Association Committee		-	228,763	<b>228,763</b>
Professional clubs		205,325	-	<b>205,325</b>
Cultural clubs		60,327	-	<b>60,327</b>
Sports clubs		176,628	-	<b>176,628</b>
Social/community clubs		61,426	-	<b>61,426</b>
<b>Investment</b>		-	108	<b>108</b>
<b>Total income</b>		<b>503,706</b>	<b>600,096</b>	<b>1,103,802</b>
<b>Expenditure</b>				
<b>Expenditure on charitable activities:</b>	<b>2</b>			
Student Association Committee		-	355,075	<b>355,075</b>
Professional clubs		87,605	27,236	<b>114,841</b>
Cultural clubs		40,794	33,613	<b>74,407</b>
Sports clubs		142,815	18,255	<b>161,070</b>
Social/community clubs		32,119	13,551	<b>45,670</b>
<b>Total expenditure</b>		<b>303,333</b>	<b>447,730</b>	<b>751,063</b>
<b>Net income for the year</b>		<b>200,373</b>	<b>152,366</b>	<b>352,739</b>
Balance as at 1 August 2020		493,970	548,077	<b>1,042,047</b>
<b>Balance as at 31 July 2021</b>		<b>694,343</b>	<b>700,443</b>	<b>1,394,786</b>

There are no recognised gains or losses for the year other than those included in the statement of financial activities.

All activities reported above represent continuing activities and relate to restricted and unrestricted funds.

The notes on page 16 to 20 form part of these financial statements.

# London Business School Student Association

## Balance Sheet

as at 31 July 2022

Company registration No 07535015

Charity registration No 1140901

	Notes	2022	2021
		£	£
<b>Current assets</b>			
Debtors	5	153,218	317,980
Cash		1,210,725	1,400,389
		<b>1,363,943</b>	1,718,370
<b>Creditors: amounts falling due within one year</b>	6	<b>(262,527)</b>	(323,583)
<b>Net assets</b>		<b>1,101,416</b>	1,394,786
<b>Funds</b>			
Unrestricted funds	8	450,595	700,443
Restricted funds (available to the clubs)	8	650,821	694,343
<b>Total funds</b>	8	<b>1,101,416</b>	1,394,786

The financial statements were approved by the Board of Trustees and authorised for issue on 20 April 2023

  
 .....  
**Giwon Shin**  
 Trustee

The notes on pages 16 to 20 form part of these financial statements.

# London Business School Student Association

## Statement of Cash Flows for the year ended 31 July 2022

	Notes	2022 £	2021 £
Cash (used in)/provided by operating activities	9	<u>(190,110)</u>	<u>508,809</u>
<i>Cash flows from investing activities:</i>			
Interest income		<u>446</u>	<u>108</u>
<b>Cash provided by investing activities</b>		<b>446</b>	<b>108</b>
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		<u><b>(189,664)</b></u>	<u><b>508,917</b></u>
 <b>Cash and cash equivalents at the beginning of the year</b>		 <b>1,400,389</b>	 <b>891,472</b>
 <b>Total cash and cash equivalents at the end of the year</b>		 <u><b>1,210,725</b></u>	 <u><b>1,400,389</b></u>

# London Business School Student Association

## Notes forming part of the financial statements for the year ended 31 July 2022

### 1. Principal accounting policies

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

#### (a) Basis of preparation

The accounting policies have been applied consistently.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### (b) Going concern

The Student Association reported a cash deficit of £189,664 for the year, leaving a cash balance of £1,210,725 at the year end. The large cash surplus is attributable to certain activities and events being postponed due to COVID restrictions during the last two years. As restrictions ease, the Student Association has resumed most of its hallmark activities and events reducing the reported surplus. The clubs that comprise the Student Association also have the flexibility to spend in line with their available reserves. As a result of all these circumstances the trustees are of the view that the charity's immediate future is secure and therefore have adopted the going concern basis for the financial statements.

#### (c) Incoming Resources

Income is recognised when the Student Association has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income from ticket sales is recognised as the related service is provided.

The Student Association receive voluntary income from the London Business School in the form of a block annual grant as an unrestricted funds. This is disbursed to the Student Association throughout the financial year.

The clubs of the Student Association receive income from memberships that cover fixed costs and company sponsors and ticket sales to cover variable costs. Additionally, clubs also received part of the annual grant based on the student community's democratic vote in the Coin Vote system. The allocation made to each club is decided democratically by the entire student community and is in proportion to the coin votes cast for each club.

Income received for activities relating to a future accounting period is deferred until the criteria for income recognition are met.



# London Business School Student Association

## Notes forming part of the financial statements for the year ended 31 July 2022 (continued)

### **(d) Fund accounting**

Funds held by the Student Association are either:

Unrestricted funds - these are funds that can be used in accordance with the Student Association's charitable objects at the discretion of the Trustees.

Restricted funds - these are funds that arise from the activities of clubs and societies.

### **(e) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is allocated to the various clubs whenever possible. Support costs include management fees and any other costs incurred on behalf of the clubs. These costs are allocated to the clubs and Student Association Committee based on the proportion of the central grant they are provided with during the year. Irrecoverable VAT is added to the relevant expenditure headings.

### **(f) Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount paid.

### **(g) Cash**

Cash is the amount held in current and deposit accounts.

### **(h) Creditors**

Creditors are recognised where the Student Association has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

### **(i) Financial instruments**

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

### **(j) Donated services**

Donated services and facilities are recognised in the financial statements in incoming resources at the estimated value of the service or facility to the Student Association. An equivalent amount is included as expenditure under the appropriate heading in the Statement of Financial Activities.

### **(k) Critical Accounting Judgement and Estimates**

There were no critical accounting judgement and estimates made in the year ending 31 July 2022.

# London Business School Student Association

## Notes forming part of the financial statements for the year ended 31 July 2022 (continued)

### 2 Total Resources expended

	Direct	Support	Total	Total
	costs	costs	2022	2021
	£	£	£	£
Student Association Committee	1,123,577	66,972	1,190,549	355,075
Professional clubs	346,515	4,787	351,302	114,841
Cultural clubs	535,199	10,825	546,024	74,407
Sports clubs	472,307	4,587	476,894	161,070
Social/Community clubs	195,645	7,984	203,629	45,670
Total	2,673,243	95,155	2,768,398	751,063

Support costs comprise:

	2022	2021
	£	£
Management fee to London Business School	40,217	33,672
Bank charges	39,938	13,324
Governance costs - Audit fees	13,000	10,857
Donated facilities expenditure	2,000	2,000
<b>Total</b>	<b>95,155</b>	<b>59,853</b>

### 3

#### Governance costs

	2022	2021
	£	£
Audit fees*	13,000	10,857

\*The Governance cost is audit fee for the year exclusive of VAT.

### 4 Taxation on surplus for the year

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the year.

# London Business School Student Association

## Notes forming part of the financial statements for the year ended 31 July 2022 (continued)

### 5 Debtors

	2022	2021
	£	£
Trade debtors	47,536	63,329
Amount owed by related party	-	5,483
Accrued income and prepayments	93,233	236,358
Tax debtors	12,449	12,810
	<b>153,218</b>	<b>317,980</b>

### 6 Creditors : amounts falling due within one year

	2022	2021
	£	£
Trade creditors	71,253	3,574
Accruals and deferred income	158,151	319,346
Amount owed to related party	32,922	-
Other Creditors	201	663
	<b>262,527</b>	<b>323,583</b>

The deferred income of £77,800 is related for events in financial year 2022-23.

### 7 Trustee and related party transactions

London Business School Student Association receives a grant from the London Business School. The amount receivable in the current year was £397,700 (2021: £369,225). LBSSA has been charged by LBS for catering services amounting £181,666 (2021: £145). The finance department of the London Business School provides accountancy services for the school. In the current year this service cost the Student Association £40,217 (2021: £33,672). At the year-end 31 July 2022 London Business School Student Association owes £32,922 to London Business School (2021: owed £5,483).

No Trustee has been paid any fees apart from the reimbursement of expenses. Expenses reimbursed to eight Trustees during the year totalled £112,208 (2021: £16,799 reimbursed to seven Trustees). These costs were incurred by Trustees on behalf of participating students and were subsequently reimbursed.

# London Business School Student Association

## Notes forming part of the financial statements for the year ended 31 July 2022 (continued)

### 8 Analysis of funds

	At 31 July 2021	Income	Expenditure	Transfer to Restricted Funds	At 31 July 2022
<b>Unrestricted Funds</b>					
Student Association Committee	700,443	1,033,776	(1,190,549)	(93,075)	<b>450,595</b>
<b>Restricted Funds</b>					
Professional Clubs	341,696	275,569	(351,302)	30,399	<b>296,362</b>
Cultural Clubs	141,114	493,568	(546,024)	28,341	<b>116,999</b>
Sports Clubs	130,053	486,927	(476,894)	20,131	<b>160,217</b>
Social/Community Clubs	81,480	185,188	(203,629)	14,204	<b>77,243</b>
<b>Total</b>	<b>1,394,786</b>	<b>2,475,028</b>	<b>(2,768,398)</b>	<b>-</b>	<b>1,101,416</b>

Club funds are classified as 'Restricted' funds in the Student Association's accounts. The Student Association implements this monitoring policy through the annual Coin Vote system, which allocates clubs funds from the school's central grant. However, significant part of the Grant amounting £304,626 (2021: £276,570) is still unrestricted.

### 9 Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income	<b>(293,370)</b>	352,739
Adjustments for:		
Interest income	<b>(446)</b>	(108)
(Increase)/Decrease in debtors	<b>164,762</b>	(149,553)
(Decrease)/increase in creditors	<b>(61,056)</b>	305,731
<b>Net cash (used in)/generated from operating activities</b>	<b>(190,110)</b>	508,809

### 10 Analysis of change in net debts

	At 1 August 2021 £	Cash flow £	At 31 July 2022 £
Cash at bank	<u>1,400,389</u>	<u>(189,664)</u>	<u><b>1,210,725</b></u>