

London Business School Student Association

Annual Report and Financial Statements

For the Year Ended 31st July 2023

Registered Charity No: 1140901

Registered Company No: 07535015

London Business School Student Association

Annual report and financial statements for the year ended 31 July 2023

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

London Business School Student Association

Strategic Report for the year ended 31 July 2023

Trustees

The following were Trustees during the year:

Giwon Shin	(resigned 30/06/2023)
Dezhi Yu	(resigned 30/06/2023)
Kanika Bhachawat	(resigned 30/06/2023)
Ankush Thakkar	(resigned 30/06/2023)
Alisha Devji	(resigned 30/06/2023)
Ritika Shand	(resigned 30/06/2023)
Prashansa Prashansa	(resigned 30/06/2023)
Babatunde Gafaar	(resigned 30/06/2023)
Imogen Box	(resigned 30/06/2023)
Martin Jose Vilario Vera	(resigned 30/06/2023)
Hadi Hussaini	(resigned 30/06/2023)
Adam Bouzelmate	(resigned 30/06/2023)

Adithya Sridhar	(appointed 01/07/2023)
Priyal Keni	(appointed 01/07/2023)
Raunak Beria	(appointed 01/07/2023)
Anupam Verma	(appointed 01/07/2023)
Kathleen Doyle	(appointed 01/07/2023)
Faisal Albutairi	(appointed 01/07/2023)
Harshal Vora	(appointed 01/07/2023)
Jaspreet Pruthi	(appointed 01/07/2023)
Hitakshi Arora	(appointed 01/07/2023)
Saumya Sudhir	(appointed 01/07/2023)
Yousra Benzeghiba	(appointed 01/07/2023)
Cheuk Man Ip	(appointed 01/07/2023)
Daniella Lozada Gobelli	(appointed 01/07/2023)
Gurasees Singh	(appointed 01/07/2023)
Shivam Rathi	(appointed 01/07/2023)

Secretary and address

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

Company number

07535015 (England)

Charity registration number

1140901 (England)

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 2023 (continued)

Key achievements of the Student Association ("SA") in the year ended 31 July 2023 included:

- Recovered the SA and student clubs from the pandemic with key events being reinstated.
- Increased visibility of SA operations through the establishment of transparent elections for all positions, including President (previously indirect election with internal voting)
- New events such as FIFA World Cup Viewings and Mental Health Awareness Week, offering more value to students and increasing direct engagement with the SA.

The results for the 2023 Annual Student Survey indicated a case for further change with a Net Promoter Score (NPS) of -12, a decrease from +24 in 2022. The lower score was largely driven by the Full-Time MBA cohort with a small sample size impacting the validity of the data. Furthermore, the key driver for the drop in score was not related to the Student Association or its activities, but rather to other aspects of the London Business School such as its global ranking, which had dropped the previous year.

Student feedback from the Annual Student Survey focused on a desire to improve in 3 key areas which will influence the direction of the Student Association for the upcoming year.

- Improvement in classroom experience within London Business School ("The School")
- Increased access and engagement with the school's Career Centre
- Increased engagement and visibility of student body leadership & activities

Financial review

London Business School Student Association had a net deficit for the year of £165,716 (2022: deficit £293,370) and a closing cash position of £999,847, a decrease of 17% from 2022. Closing funds were £935,700 (2022: £1,101,416). This was in line with directives from the previous year to reduce the level of liquidity held by the charity, with increased funds allocated towards student related activities and initiatives than in previous years.

LBSSA's income decreased from £2,475,028 (2022) to £2,173,522 (2023) largely due to a decrease in the number of student members, which impacted the income generated from each new member of the student body. Likewise, the expenditure on charitable activities also decreased by £429,160, with the reduced student numbers also resulting in reduced number of events held by the various student clubs within the charity.

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:

- Increase alumni engagement and connection through mentoring programmes.
- Create a marketing team to help drive the engagement across the school and wider community.
- Create a team to support in establishing and implementing the policies and guidelines relating to ESG in coordination with the policies established by The School.
- Increased focus on inclusivity by running different options of activities within an event.

London Business School Student Association

Strategic Report for the year ended 31 July 2023 (continued)

Strategic Review (continued)

- Improve and enhance Treasury operations to ensure greater visibility and timely processing of transactions
- 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.)

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 risks, regarding the reducing student numbers and the reduced associated income, as well as inflation and the related cost increases are 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, regarding 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 are 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 2023

The Trustees present their report along with the audited financial statements of the London Business School Student Association ("Students Association") for the year ended 31 July 2023. 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 registered in England, United Kingdom. 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 to 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 2023 (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. The 2023 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 2023 total £935,700 but of that £484,379 is restricted as Clubs' funds, leaving a basic reserve of £451,321 which the Trustees consider adequate to meet its working capital for twelve months.

London Business School Student Association

Report of the Trustees for the year ended 31 July 2023 (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 Trustees' Annual Report (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



Adithya Sridhar
Trustee
26 April 2024

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

Opinion

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

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 2023; the Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 July 2023, the Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 July 2022 and the Statement of Cash Flows for the year then ended; and the Notes forming part of the financial statements, which include a description of Principal accounting policies.

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.

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.

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.

London Business School Student Association

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

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify 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 and Report of the Trustees, 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 the Report of the Trustees for the period ended 31 July 2023 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.

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.

London Business School Student Association

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

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

Based on our understanding of the 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 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:

- Enquiry of management and the directors with regard to actual and potential fraud and 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. 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 charitable company'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 by the charitable company, 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 charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Sturges (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2024

London Business School Student Association

Statement of Financial Activities including (Income & Expenditure Account)

for the year ended 31 July 2023

2023

	Notes	Restricted £	Unrestricted £	Total £
Income				
Donations				
Grant from London Business School		-	405,655	405,655
Donated facilities income		-	2,000	2,000
Charitable activities:				
Student Association Committee		-	398,871	398,871
Professional clubs		243,785	-	243,785
Cultural clubs		590,392	-	590,392
Sports clubs		355,024	-	355,024
Social/community clubs		168,981	-	168,981
Investment		-	8,814	8,814
Total income		1,358,182	815,340	2,173,522
Expenditure				
Expenditure on charitable activities:	2			
Student Association Committee		-	716,885	716,885
Professional clubs		278,934	32,189	311,123
Cultural clubs		606,352	29,921	636,273
Sports clubs		402,695	22,344	425,039
Social/community clubs		236,643	13,275	249,918
Total expenditure		1,524,624	814,614	2,339,238
Net expense for the year		(166,442)	726	(165,716)
Balance as at 1 August 2022		650,821	450,595	1,101,416
Balance as at 31 July 2023		484,379	451,321	935,700

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 2022

2022

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

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 2023

Company registration No 07535015

Charity registration No 1140901

	Notes	2023	2022
		£	£
Current assets			
Debtors	5	193,136	153,218
Cash		999,847	1,210,725
		1,192,983	1,363,943
Creditors: amounts falling due within one year	6	(257,283)	(262,527)
Net assets		935,700	1,101,416
Funds			
Unrestricted funds	8	451,321	450,595
Restricted funds (available to the clubs)	8	484,379	650,821
Total funds	8	935,700	1,101,416

The financial statements on pages 12 to 20 were approved by the trustees on 26 April 2024 and signed on its behalf by

Adithya Sridhar

Adithya Sridhar
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 2023

	Notes	2023 £	2022 £
Cash used in operating activities	9	<u>(219,692)</u>	<u>(190,110)</u>
<i>Cash flows from investing activities:</i>			
Interest income		<u>8,814</u>	<u>446</u>
Cash provided by investing activities		8,814	446
Decrease in cash and cash equivalents in the year		<u>(210,878)</u>	<u>(189,664)</u>
 Cash and cash equivalents at the beginning of the year		 1,210,725	 1,400,389
 Total cash and cash equivalents at the end of the year		 <u>999,847</u>	 <u>1,210,725</u>

London Business School Student Association

Notes forming part of the financial statements for the year ended 31 July 2023

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 £210,878 for the year, leaving a cash balance of £999,847 at the year end. The deficit is a result of the Student Association resuming 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, ensuring that funds are efficiently allocated to events that meet the requirements of the student community. This setup ensures that not only are the most popular initiatives supported with funds, but also fiscal governance and oversight is maintained centrally by the Executive Committee. 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 2023 (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 judgements and estimates made in the year ending 31 July 2023 (2022: Nil).

London Business School Student Association

Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

2 Total Resources expended

	Direct costs £	Support costs £	Total 2023 £	Total 2022 £
Student Association Committee	633,444	83,441	716,885	1,190,549
Professional clubs	306,817	4,306	311,123	351,302
Cultural clubs	624,910	11,363	636,273	546,024
Sports clubs	422,143	2,896	425,039	476,894
Social/Community clubs	241,579	8,339	249,918	203,629
Total	2,228,893	110,345	2,339,238	2,768,398

Support costs comprise:

	2023 £	2022 £
Management fee to London Business School	60,829	40,217
Bank charges	31,713	39,938
Governance costs - Audit fees	15,803	13,000
Donated facilities expenditure	2,000	2,000
Total	110,345	95,155

3

Governance costs

	2023 £	2022 £
Audit fees*	15,803	13,000

*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 (2022: Nil).

London Business School Student Association

Notes forming part of the financial statements for the year ended 31 July 2023 (continued)

5 Debtors

	2023	2022
	£	£
Trade debtors	107,698	47,536
Tax debtors	52,576	12,449
Prepayments and accrued income	32,862	93,233
	193,136	153,218

6 Creditors : amounts falling due within one year

	2023	2022
	£	£
Trade creditors	70,548	71,253
Amount owed to related party	69,256	32,922
Other Creditors	2,362	201
Accruals and deferred income	115,117	158,151
	257,283	262,527

The deferred income of £100,795 is related for events in financial year 2023-24 (2022-23: £77,800).

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 £405,655 (2022: £397,700). LBSSA has been charged by LBS for catering services amounting £299,320 (2022: £181,666). The finance department of the London Business School provides accountancy services for the school. In the current year this service cost the Student Association £52,786 (2022: £40,217). At the year-end 31 July 2023 London Business School Student Association owes £69,256 to London Business School (2022: £32,922).

No Trustee has been paid any fees apart from the reimbursement of expenses. Expenses reimbursed to six Trustees during the year totalled £17,951 (2022: £112,208 reimbursed to eight 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 2023 (continued)

8 Analysis of funds

	At 1 August 2022	Income	Expenditure	Transfer to Restricted Funds	At 31 July 2023
	£	£	£	£	£
Unrestricted Funds					
Student Association Committee	450,595	815,340	(716,885)	(97,729)	451,321
Restricted Funds					
Professional Clubs	296,362	243,785	(311,123)	32,189	261,213
Cultural Clubs	116,999	590,392	(636,273)	29,921	101,039
Sports Clubs	160,217	355,024	(425,039)	22,344	112,546
Social/Community Clubs	77,243	168,981	(249,918)	13,275	9,581
Total	1,101,416	2,173,522	(2,339,238)	-	935,700

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 £307,926 (2022: £304,626) is still unrestricted.

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

	2023 £	2022 £
Net expenditure	(165,716)	(293,370)
Adjustments for:		
Interest income	(8,814)	(446)
(Increase)/Decrease in debtors	(39,918)	164,762
Decrease in creditors	(5,244)	(61,056)
Net cash (used in) from operating activities	(219,692)	(190,110)

10 Analysis of change in net debts

	At 1 August 2022 £	Cash flow £	At 31 July 2023 £
Cash at bank	1,210,725	(210,878)	999,847