

University of Brighton Students' Union

Management Report
31 July 2021



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Date of audit	August 2021
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Finance Staff involved in audit	Richard Burgess-Gamble
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Date of report	September 2021
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1. Statement of Responsibility

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report highlights the significant findings arising from the audit for the benefit of those charged with governance, as required by International Standard on Auditing (UK & Ireland) 260. Its contents have been discussed with the board of directors/trustees.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal auditing procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Audits are not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence our work cannot be relied upon to disclose defalcations or other irregularities, or to include possible improvements in internal control that a more extensive special examination might identify.

To the fullest extent permitted by law, Knill James LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to University of Brighton Student's Union on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

2. Status of audit and opinion

Status	Our work is substantially complete and there are currently no matters of which we are aware which would require modification of our audit opinion, subject to the outstanding matters detailed below.
Outstanding matters	<ul style="list-style-type: none">• Review of post balance sheet events until the date of approval of the financial statements• Letter of representation to be signed with the financial statements
Audit opinion	<ul style="list-style-type: none">• Our anticipated audit report on the financial statements will be unmodified

3. Audit findings – Significant risks identified

	Risks identified in our audit plan	Commentary
1.	Revenue recognition <ul style="list-style-type: none"> Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue 	<p>To ensure that revenue has been correctly recognised we have:</p> <ul style="list-style-type: none"> Carried out analytical review of all income streams Carried out a proof in total review of the Grant Income Carried out cut-off testing on all income streams Conducted substantive testing of bankings, sales invoices and credit notes <p>Conclusion Our testing has not identified any significant issues with respect to revenue recognition.</p>
2.	Management over-ride of controls <ul style="list-style-type: none"> Under ISA 240 there is a presumed risk that the risk of management over-ride of controls is present in all entities 	<p>To ensure that we gain reasonable assurance that management over-ride of controls has not resulted in a material misstatement or fraudulent activities within the financial statements, we have performed the following tests:</p> <ul style="list-style-type: none"> Review of accounting estimates, judgements and decisions made by management; Testing of a sample of journal entries; Identification of related parties of the entity and a review of the procedures in place to ensure that any related party transactions are approved, captured and correctly presented within the financial statements; Review of unusual significant transactions. <p>Conclusion Our testing has not identified any significant issues in respect of journal entries, related party transactions, or management over-ride of controls.</p>

3. Audit findings – Significant risks identified (continued)

	Risks identified in our audit plan	Commentary
3.	Fund accounting <ul style="list-style-type: none"> Any funds received with restrictions must only be spent in accordance with those restrictions. There is a risk that restricted funds are spent inappropriately 	<p>To ensure that restricted income is correctly recognised and appropriately spent for specific purposes we have performed the following tests:</p> <ul style="list-style-type: none"> Substantive testing of source documents for any new restrictions; Discussions held with the finance team in relation to restrictions on income; Review of minutes, etc. <p>Conclusion</p> <p>All restricted funds were spent in the year, and our testing has not identified any restricted income inappropriately recognised or expenditure not authorised</p>
4.	Ultra vires acts	<p>To ensure that acts have not been carried out without authority, we have performed the following review:</p> <ul style="list-style-type: none"> Review of local news for acts carried out without authority; Review of correspondence with regulatory bodies; Review of transactions on a sample basis for potential ultra vires acts. <p>Conclusion</p> <p>Our testing did not suggest any evidence of ultra vires acts</p>

4. Other communication requirements

	Issue	Commentary
1.	Matters in relation to fraud	We have previously discussed the risk of fraud with the Trustees. We have not been made aware of incidents of fraud in the period, and no new issues have been identified during the course of our audit procedures.
2.	Matters in relation to related parties	We are not aware of any related party transactions which have not been disclosed.
3.	Matters in relation to laws and regulations	<p>The principal laws and regulations with which the entity complies include:</p> <ul style="list-style-type: none"> ○ Charities Statement of Recommended Practice (SORP) ○ Companies Act 2006. ○ HMRC ○ Health and safety and employment legislation ○ Data protection <p>We are not aware of any significant incidences of non-compliance.</p>
4.	Written representations	Standard representations are to be requested from management.
5.	Disclosures	Our review found no omissions in the financial statements.

4. Other communication requirements (continued)

	Issue	Commentary
6.	Going concern	<p>Going concern is a fundamental accounting concept that underpins the preparation of financial statements. Under the going concern concept, it is assumed that an entity will continue in operation and that there is neither the intention nor the need to liquidate the business or to cease trading.</p> <p>In order to assess this we:</p> <ul style="list-style-type: none"> • Obtained an understating of the entity's plans for the future; • Reviewed management's forecasts for at least the next 12 months post the expected signing date, including plans to deal with the impact of Covid19 • Reviewed the trustee report relating to the impact of Covid19 on the charity and its trading subsidiary and the conclusions reached on going concern <p>Conclusion</p> <p>Nothing has arisen during the course of our work which suggests that management's use of the going concern concept is inappropriate.</p>

5. Impact Assessment of Findings

Our findings, as detailed in section 6 of this report, have been analysed into the following four categories:

High	Considered to be critical, demonstrating fundamental risk or inefficiency, requiring immediate action
Medium	The entity may be subject to significant risk or inefficiency, warrants action of management
Low	Minor control or housekeeping issues, whereby improvements could be made to the efficiency of the control environment
Advisory	Points of note for the attention of board and management; no impact on the overall control environment, including any positive comments

Our review has not identified any matters that are required to be brought to your attention:

- The purpose of an audit is to express an opinion on the financial statements
- Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control
- The matters being reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with ISA 265
- If we had performed more extensive procedures on internal control, we might have identified more deficiencies to be reported

6. Internal controls and other matters

We have considered management's response to the internal control issues raised following the previous year's audit and we are content that the issues raised have been appropriately resolved. We have also considered the internal audit report completed in June 2020 and are satisfied that management has responded to the recommendations made.

7. Regulatory update

Government guidance on Coronavirus

The government has published updated coronavirus related guidance for the charity sector since the lifting of restrictions in July 2021. This covers a number of areas that the charity trustees should consider in response to the ongoing global pandemic. The guidance includes advice on keeping meetings as a remote practice, requirements of extending accounting deadlines and advice on supporting trading subsidiaries facing financial difficulty.

Full guidance available here:

<https://www.gov.uk/guidance/coronavirus-covid-19-guidance-for-the-charity-sector>

8. Conclusion

International Auditing Standard (ISA) 260, as well as other ISA's, prescribe matters which we are required to communicate to those charged with governance. This document outlines those key issues and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation of how these have been resolved.

We would like to take this opportunity to thank the board and the finance team for your assistance in completing our audit work.

KNILL JAMES LLP

Distribution of this report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, a minimum requirement exists for our findings to be distributed to all the trustees and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to those charged with governance.

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UNIVERSITY OF BRIGHTON STUDENTS' UNION
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 JULY 2021

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT
for the year ended 31 July 2021**

The trustees present their report and the financial statements of the University of Brighton Students' Union (which is also known as "UBSU" or "the Union", and which also operates under the name "Brighton SU") for the year ended 31 July 2021. The trustees' report serves the purpose of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting; Statement of Recommended Practice (applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2020.

OBJECTIVES AND ACTIVITIES**Charitable objectives**

The charitable objectives for which the charitable company was established are:

The advancement of education of students at the University of Brighton for the public benefit by:

- The promotion of the interests and welfare of students of Brighton during their course of study and representing, supporting and advising students;
- Recognition as the representative channel between students and the University of Brighton and any other external bodies; and
- The provision of social, cultural, sporting and recreational activities and forums for discussion and debate for the personal development of its students.

Charitable activities

In pursuit of these objectives we support and represent over 21,000 students. We do this by:

- Operating a support and advocacy service providing individual advice and support to students through the Students' Union Support Service;
- Working with students and the University to maintain and improve the quality of academic support to students;
- Enabling and encouraging democratic participation in student leadership elections;
- Encouraging student participation in activities, events, partnerships and societies through Campus & Partnership teams;
- Supporting and developing student collectives and cooperatives to provide meaningful student opportunities;
- Building communities and facilitating engagement between students and local residents;
- Working with students to run entertainments and events that improve the overall student experience; and
- Providing employment opportunities and training through UBSU run cafes and shops.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021**

The trustees have taken The Charity Commission's guidance on public benefit into consideration in reviewing and managing the objectives and activities of the charity and are satisfied the information presented within this annual report demonstrates UBSU's public benefit.

Our Mission is to *Make Student Life Better*.

The use of volunteers and donated services

The charity makes considerable use of the services of volunteers in order to not only manage the charitable company at trustee level, but also to deliver activities and outcomes for the benefit of its beneficiaries. The charity is also reliant upon donated services, and those donated services which can be quantified, are recognised in the financial statements as donations in kind.

ACHIEVEMENTS AND PERFORMANCE

2020/21 represented the third year of our three-year Strategic Plan. We made great progress against our five Strategic Themes, supported by the development of our three key Foundations despite the challenging environment. Our progress was captured in the recent Student Crowd survey results which ranked UBSU as the third best students' union in the UK www.studentcrowd.com.

The Five Strategic Themes

Education: Challenge the University to provide our students with the best education possible.

We continued to work closely with colleagues across the University to try and minimise any negative impacts on teaching and learning during COVID-19 restrictions.

We increased the number of Course Representatives from 917 to 965 (5% increase). We also launched the Survey Superheroes Programme to gain additional insight from students through targeted surveys. We used the feedback from the Course representatives, and Survey Superheroes, along with feedback from focus groups to directly influence academic regulations, particularly relating to student assessments.

The 'On Your Side' campaign was launched in January 2021, providing an opportunity for students to chat to someone about their frustrations relating to the impact of COVID-19 restrictions on their education experience. The campaign also provided invaluable insight into the challenges faced by students and this evidence helped us lobby the University to ensure an adequate safety net was in place, to mitigate against the impact of COVID-19.

We continued to promote the education benefits of students' union involvement with 84.9% of students involved in Students' Union activities receiving 'good' degrees in comparison to 79.2% of the students who are not.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021**

Employability: Help our students stand out.

We continued to embed employability skills into the training and development of all our volunteers. Our 1,000+ society leaders, course reps, and post graduate research reps all have a section on employability skills embedded into their training. On completion of their role at the end of the academic year they also receive a certificate that outlines all of the employability skills they have gained throughout the year.

We ran an online Course Rep conference with 60 attendees that had speakers from across the UK discussing topics such as equality, race, student rights and how to showcase their experience when applying for jobs.

In partnership with funding from Santander Universities we launched an LGBTQ+ Leadership Training Programme where LGBTQ+ students attended a two day leadership training course followed by a number of small group coaching sessions.

Inclusive: Create a Union that is welcoming and relevant to all our students.

We elected our first Post Graduate Officer. This role was developed in response to analysis which suggested post graduate students are under-represented across the University activity.

We maintained a wide range of Societies with 1,200 active members. A slight reduction in the number of societies significantly outperformed the trend across many students' unions where in some cases society activity almost entirely ceased. We purchased professional zoom licenses which allowed them to meet as often as they wanted. While it is possible online events diluted the quality of society interaction, it broadened the accessibility to a wider demographic of student and provided an invaluable outlet for students constrained by COVID-19 restrictions.

BSU embraced online technologies to increase accessibility to many of its other services. Online student support appointments are now available, and this service will be maintained to enhance the physical service when University activity returns to campus.

We collaborated with the University to address Race and Faith issues, particularly focusing on terminology and highlighting areas of improvements needed. Our role helped UBSU further our reputation for being a legitimate voice on behalf of students.

We launched an LGBTQ+ Leadership Training programme during the year, which was fully subscribed with a large waiting list.

We continued to have higher-than-average engagement in our services from students specific demographics, such as Black, Asian and disabled students.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021**

Welfare: Support our students with their mental health and general wellbeing.

We recognized the mental and physical strains COVID-19 placed on students and reached out to every student individually to make sure they were aware of the support they could access through UBSU, the University and any other third parties. Contact by a friendly voice from the UBSU reminded the students they were not alone and that we care about their wellbeing. About 10% of students responded to the initial message, with many more reaching out a few weeks or months later when they had questions. We also ran several virtual wellbeing activities throughout the year, providing further support during a challenging period.

Our campaign to raise awareness of Sexual Harassment gained significant momentum and importance over the year, and we ran seven fully subscribed virtual consent workshops.

Our 'On Your Side' campaign also provided information and support for students seeking help with housing and mental wellbeing during the year, with success in achieving rent refunds and rebates for students in University and private sector accommodation.

Communication: Be clear and transparent about who we are and what we do.

The importance of our online communication channels has never been more important than the last year. We took the opportunity to invest in our online communication platforms, purchasing professional Zoom licenses and using online events platforms. These have been used to host Society events, as well as several UBSU events, including the UBSU Awards Night. We developed a new Freshers' website with access to an online Freshers' Fair platform. We also made significant improvements to our existing website, which as a result has seen a 25% increase in hits to c. 100,000 per month.

We have also presented at a number of national conferences to discuss the impact of the pandemic on the student experience, and how the Union has responded to it.

The Three Foundations

The five strategic themes are supported by three key foundations. We have developed these foundations throughout the year to ensure they best support the strategic themes.

Our People

Our people are UBSU's most valuable asset.

We invested significant time and resource transitioning staff into remote working environments during the period of COVID-19 physical restrictions. We are constantly reviewing these arrangements with the aim of introducing the majority of our staff back into physical spaces during 2021/22 and where possible, adopting hybrid working. The welfare of our staff will remain the most important influence on all these staffing decisions, and our staff survey check ins showed high levels of satisfaction with the arrangements, support and communication in place.

We recognise the importance of both the mental and physical wellbeing of our staff. We reviewed our Employee Assistance Programme during the year and will be launching a new programme in 21/22, providing many additional services to our staff. Organisational culture can also have a significant impact on the wellbeing of our staff and we continue to pro-actively monitor all areas of the organization to ensure we create a positive and inclusive environment.

We are aware of the importance of good communication, especially during this last year when physical communication has been limited, and we have continued to maintain excellent communication with all our staff (those working and those on Furlough Leave) to ensure that everyone is kept up to date on any developments and

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021**

decisions made by the Government, the University, or UBSU. We will continue to listen to our staff and take whatever action we can to ensure they feel comfortable with their working arrangements.

We are committed to providing clarity to our people and have updated several HR related policies and procedures. All staff have been issued with new Terms and Conditions of Employment which are in line with the latest employment legislation.

Whilst COVID-19 has reduced our ability to provide as many employment opportunities for students as we normally do, we have pro-actively created employment opportunities for a limited number of students wherever possible. We anticipate being able to increase the number of students we employ as COVID-19 restrictions are removed, our cafes and shops re-open and physical activity on campus increases.

Our commercial income has significantly decreased during the COVID-19 pandemic, however, we have avoided a review of staffing levels through the utilization of the Government Job Retention Scheme and by re-deploying staff wherever possible.

We took opportunities presented by natural staff turnover during the year to review the structure of our finance team and our student engagement team. As a result we created a part time finance intern role for a current University of Brighton Business School student, and two Student Engagement Team intern roles for recent graduates.

We provide a comprehensive training program for all our staff and have taken advantage of many of the additional on-line learning tools that have become available since the start of COVID-19.

We recognise the importance of inclusion and diversity throughout our team and have appointed an external body to complete a Diversity Audit to look at all areas of the organisation. The results of the audit will influence the development of our People Strategy.

Responsible Union

We have maintained a stable financial position despite COVID-19 and a significant decrease in income. This was achieved through responsible decision making and accurate and timely financial reporting. The Development Fund and Minimum Reserve Fund are likely to be critical over the next few years as UBSU adjusts to new operating environments as a result of COVID-19 and potential national and international political decisions that could impact the University and UBSU.

We have reviewed, updated and introduced policies across all areas of governance as a result of our periodic review timetable.

Relationship with the University

Our relationship with the University has grown even stronger over the past year, with representation on the Covid Response committees and regular meetings with all academic schools and professional departments. We have been invited to speak at a number of University staff conferences about the student experience during covid and race and faith.

It remains a positive critical friend relationship that has directly led to positive changes for students, such as the implementation of the no detriment policy and significant reduction in accommodation costs.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021

FINANCIAL REVIEW

Financial results of activities and events

Total income for the year was £1,760,023 (19/20 – 2,979,067) which is a decrease of £1,219,044 (41%). Income from cafes and shops decreased by £873,136 (92%) which reflects the impact of COVID-19 restrictions. Income generated by Societies decreased by £33,656 (79%) for similar reasons. Entertainments and Events income decreased by £212,118 (99%) with no physical events taking place. While many online events did take place, their ability to generate revenue was limited. UBSU continues to benefit from the financial support of the University of Brighton through the block grant, which decreased by £54,000 (5%). Donations and Grants from other funders decreased by £15,698 (5%). £122,542 (19/20 - £141,271) was received from HMRC in the form of COVID-19 Job Retention Scheme Grants.

Total expenditure for the year was £1,737,189 (19/20 - £3,433,718) which is a decrease of £1,696,529 (49%). Café and Shop expenditure decreased by £853,094 (77%). While all permanent staff roles were retained, the lack of activity and revenue due to COVID-19 significantly decreased operating expenditure. Academic Experience, Campus and Community, and Other Student Activities expenditure decreased by a combined total of £61,749 (5%). All these decreases reflect UBSU's response to COVID-19 either through restrictions enforcing a reduction in physical activity, or through UBSU's attempt to manage expenditure during a period of reduced income. Entertainments and Events expenditure decreased by £100,018 (58%) which directly reflects the lack of physical events. The Provision for Pension deficit Payments increased by £15,868, reflecting a movement in the interest rate used to discount future cash payments. This was offset by a £74,334 recovery plan cash payment during the year, resulting in a total provision decrease of £58,466.

Funds increased by £22,834 (2%) during the year. These funds will be used to support the transition to a post-pandemic environment in 21/22 and the return to campus. They will also be used to support the launch of a new UBSU venue. The Minimum Reserve has been maintained at £100,000, in line with the Reserves Policy.

Cash decreased by £49,025 (10%), which mainly reflects the SOFA surplus for the year (£22,834), minus the decrease in the SUSS Pension provision (£58,466), minus the increase in debtors as sales and marketing activity gains momentum before the start of 21/22 (£28,964).

Reserves policy

Although the charitable company had no free reserves at 31 July 2021, excluding the pension deficit liability of £1,531,692 (19/20 - £1,590,158), free reserves would have been £441,064 (19/20 – £476,696).

The Trustees reviewed the UBSU Reserves Policy in 20/21. The policy follows Charity Commission guidelines and considers the risks associated with its activity and the financial impact of these risks on income and expenditure. The review concluded an appropriate minimum reserve level remains at no less than £100,000. At the end of 2020/21 UBSU had a minimum reserve of £100,000 (19/20 - £100,000) and a Development reserve of £322,926 (19/20 - £349,453). Development reserves are primarily held to support one-off strategic projects in line with the strategic plan and society activity throughout the year. It is possible this fund will also be required to support a deficit in 2021/22 due to the impact of COVID-19.

The trustees are committed to reviewing the Reserves Policy on an annual basis.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021**

Investments policy

The trustees, having regard to the liquidity requirements of UBSU, have kept available funds in an interest-bearing deposit account bearing an interest rate of 0.01%.

Going concern

As at 31 July 2021, the balance sheet showed net liabilities of £1,090,629 after recognising the SUSS pension deficit liability of £1,531,692.

In considering the going concern basis of preparation of the financial statements, the trustees have reviewed the three-year finance plan. The plan aims to achieve at least a breakeven position across the three years of the plan.

The Union's main income streams are the University of Brighton in the form of subvention, and commercial trading activity from its outlets (cafes and shops) and student events. The University of Brighton has confirmed its support in the form of a Block Grant for the year ended 31 July 2022 totaling £1,122,000 (2020/21: £1,067,500). The Union's commercial activity provides a diversified and robust source of income. Costs associated with generating commercial income primarily vary with the level of commercial activity thus reducing the financial risks associated with this activity.

The Union held £449,801 (19/20 - £498,826) in cash and bank deposits at the end of 2020/21 and had net current assets of £422,926 (19/20 - £449,453). Free reserves are maintained in low risk, high liquidity deposit accounts ensuring cash will be readily available to support operating activity. The profile of the Union's income, expenditure, and cashflow is closely correlated, ensuring there are no periods of significant net cash outflow.

The Trustees have considered the impact of COVID-19 and any post-epidemic impacts and believe the current level of free reserves, along with close control of expenditure will be sufficient to manage any decreases in income over at least the next twelve months.

BSU Enterprise Limited is a trading subsidiary company wholly owned by UBSU. The trading subsidiary normally generates a net profit, however, COVID restrictions resulted in significant reductions in activity and a net loss of £60,599 (19/20 – net profit £36,136). Sales revenue was £114,908 (19/20 - £1,228,478) and expenditure was £175,508 (19/20 - £1,192,342). It is anticipated BSU Enterprise Limited will return to profit in 21/22 as COVID restrictions are removed, offsetting the 20/21 deficit.

On the basis of this information, the trustees consider the going concern basis to be appropriate.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. Systems and procedures have been established to mitigate the financial and trading risks. Procedures are in place to ensure compliance with health and safety legislation in relation to staff, volunteers and participants in all activities of the Union.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021

PLANS FOR FUTURE YEARS

In 2018/19 we created a new three-year Strategic Plan. This plan came to an end at the end of 2020/21. The Trustee Board took the decision to defer the development of a new three-year plan until 2021/22. We will use the five Strategic Themes and three Foundations of the existing plan to guide our activity during 2021/22, setting goals and objectives that align with this plan. We will also aim to focus our efforts transitioning to a post-pandemic environment as we return to campus.

The following section outlines the five Strategic Themes of the plan which are supported by our three key Foundations. The plan is underpinned by UBSU's Vision, Mission and Values;

Vision: All our students have the best experience imaginable

Mission: Making student life better

Values: Supportive, Transparent, Approachable, Dynamic, Inclusive

The five Strategic Themes within the plan, developed from student feedback are outlined below, with key objectives for listed underneath each one. These are underpinned by three key Foundations:

Education: Challenge the University to provide our students with the best education possible.

- Ensure course reps are well trained, supported and empowered to make a difference in their schools.
- Raise awareness of our education support service.
- Provide an accessible education support service that is responsive to evolving student needs.
- Challenge the University to ensure they meet their own strategic objective to put our students at the heart of everything they do.
- Support and empower our students to make change happen.

Employability: Help our students stand out.

- Help our students to identify and articulate the skills they develop when being a union volunteer or student staff member.
- Continue to provide student staff opportunities throughout our organisation.
- Challenge the University's Careers Service to ensure they provide the services that our students want and need.
- Ensure the development of an employability skills award scheme.

Inclusive: Create a Union that is welcoming and relevant to all our students.

- Create and deliver engagement plans to provide opportunities for all students to engage with us.
- Provide opportunities, societies, communities and events to suit all our students' backgrounds, hobbies and lifestyles.
- Get to know our students better in order to understand their needs.
- Create welcoming student spaces on all campuses and continue to campaign for the University to do the same.

Welfare: Support our students with their mental health and general wellbeing.

- Continually improve awareness of and access to resources, support and partner services.
- Challenge the University to provide appropriate services to support our students with mental health concerns.
- Actively campaign for the rights of our students, inside and outside the University community.

Communication: Be clear and transparent about who we are and what we do.

- Develop a clear brand identity so our students recognise our activities and services, and the quality of experience we provide.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021

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- Produce targeted and relevant communications to our students.
 - Increase our staging and officer presence across all our campuses.
 - Invest in digital communications to adapt to the evolving needs of our students.

We have also identified the following key Foundations to support our work:

Our People

- Create and implement a People Plan to develop and support our team.
- Be an employer of choice and an organisation people are proud to work for.
- Ensure our people have up to date knowledge, skills, and support to carry out their roles.
- Create a culture that embodies our value and recognises outstanding work.
- Provide meaningful employment for students.

Responsible Union

- Have a decisive, diverse and engaged Trustee Board.
- Develop robust and transparent governance systems.
- Spend our money effectively to achieve our Strategic Plan.
- Focus on commercial services to ensure they provide value for money for all.
- Utilise all appropriate opportunities to increase our funds to support our core objectives.

Relationship with the University

- Work in collaboration with the University to maintain and strengthen our relationship.
- Improve our mutual understanding of each other.
- Development an operational agreement between us.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT**Status and history**

UBSU is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

The Union was originally set up by the University of Brighton. It created its own unique constitution which was formally adopted on 30 April 2010 and it was registered as a charitable trust in England and Wales on 25 August 2010. The new charitable company was incorporated on 8 June 2015, took over all the activities of the charitable trust with effect from 31 July 2015, and was registered as a charity in England and Wales on 20 October 2015.

UBSU is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 8 June 2015.

Organisational structure

UBSU is administered by its Board of Trustees consisting of up to four Lay Persons, up to four Students and four Sabbatical Trustees (students elected annually by cross-campus secret ballot of the UBSU membership). The four sabbatical posts of President, Education Officer, Activities Officer and Post Graduate Officer.

The sabbatical posts are full-time, remunerated posts as authorised by the Education Act 1994.

Business and employment decisions are the responsibility of the Board, as are the approvals of the annual budgets and accounts. The Board meet on a regular basis to receive reports and review the charity's performance. The board of trustees has delegated the day-to-day running of UBSU to a Chief Executive, named under 'Reference and Administrative details'. UBSU employs several full-time staff undertaking the management of its many activities and these staff are accountable to the Chief Executive in the performance of their duties.

The Sabbatical Trustees attend several training events designed to ensure they understand their role as Trustees. All external trustees and student trustees are also given an induction session before they join the Board which includes the role and responsibilities of trustees generally and in relation to Brighton Students' Union; conflicts of interest; and the principles of good governance.

Relationships with related parties and co-operation with other organisations

With the exception of the Sabbatical Officers (as discussed above), none of the trustees receive remuneration or other benefit from their work with the charity. Trustees are required to make declarations of interest at the start of every board meeting. In the current year no such related party transactions were reported.

The relationship between the University of Brighton and UBSU is established in the Regulations of the University. UBSU receives a block grant from the University of Brighton. UBSU occupies space in the buildings owned by the University inclusive of utilities, caretaking and cleaning staff. An estimated value to UBSU for this free serviced accommodation has been included in the financial statements at a conservative £274,111. Although UBSU continues to generate supplementary funding from various mutual trading activities, it will remain dependent on the University of Brighton for support. The Education Act 1994 imposes a duty on the University of Brighton to ensure the financial viability of its student representative body and therefore the board of trustees considers this support will continue in the foreseeable future.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021**

Arrangements for setting remuneration of key management personnel

Remuneration of UBSU's key management personnel is decided by the Trustee Board. These decisions are based on recommendations from the CEO following an annual appraisal of the post holders. The CEO's remuneration is decided by the trustees.

Trustees' responsibilities in the preparation of financial statements

The trustees (who are also the directors of University of Brighton Students' Union for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of its income and expenditure for that year.

In preparing those 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 judgements and accounting 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; 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 proper accounting records, which 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 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 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 the legislation in other jurisdictions.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021

Auditor

Knill James LLP has been appointed as the auditor to the charitable company and has indicated its willingness to continue in office.

Statement as to disclosure of information to the auditor

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees of the charity, who are also the directors of the company, have held office as follows:

Ramy Badrie	(resigned 25/06/2021)
Rayan Badrie	(appointed 30/06/2021)
Sufia Begum (Chair)	(appointed 21/06/2021)
Megan Donovan	(resigned 04/06/2021)
Jenniver Girgawi	(appointed 21/06/2021)
Hadi Hassoun	(appointed 21/06/2021)
Sean Heath	
Evangeline Solomon	(resigned 30/01/2021)
Caroline Walmsley	
Alistair Welham	
Dwayne Williams	(resigned 01/09/2021)
John Wilson	
Siham Ziada (Chair)	(resigned 25/06/2021)
Jonathan Tindall	(appointed 01/12/2021)
Lauren Harrison	(appointed 02/12/2021)

The principal address of the charity and the registered office of the company is Watts Building, Lewes Road, Brighton BN2 4GJ.

The charity is registered under the Charity Commission number 1164033 and the company is incorporated with the company registration number 09628909 in England and Wales. Laura Greenwood-Pearsons is the charitable company's correspondence contact.

The charity has made the following professional appointments:

Auditor	Knill James LLP, One Bell Lane, Lewes, East Sussex, BN7 1JU
Banker	Barclays Bank Plc, 139 North Street, Brighton, East Sussex BN1 1SJ

UNIVERSITY OF BRIGHTON STUDENTS' UNION**TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2021**

The following staff are responsible for the day-to-day management of the charity:

Chief Executive	Laura Greenwood-Pearsons
Director of Human Resources	Jaci Baker
Director of Commercial Services	Justin Brentnall
Director of Finance	Richard Burgess-Gamble

EXEMPTIONS FROM DISCLOSURE

No exemptions from the disclosure requirements applicable to a larger charity have been taken in this trustees' annual report.

FUNDS HELD AS CUSTODIAN

The charitable company acts as custodian for the funds raised by the students' many sports clubs. The charitable company is also custodian of the annual Raising and Giving (RAG) proceeds arising from the various fundraising events organised by the students each year and then distributed to the nominated charities involved. Finally, the charity is custodian of funds raised by students on certain courses to supplement their course activity. Funds of £69,860 were held on behalf of these clubs and groups as at 31 July 2021 – see note 15.

This report was approved by the board of trustees on the 3rd of December 2021, and was signed for and on behalf of the board by



.....
Sufia Begum
17/12/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BRIGHTON STUDENTS' UNION

Opinion

We have audited the financial statements of Brighton Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements 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 Financial Reporting Standard 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 parent charitable company's affairs as at 31 July 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BRIGHTON STUDENTS' UNION

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BRIGHTON STUDENTS' UNION

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 parent 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 group or the parent charitable company 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 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company, we identified that the principal risk of non-compliance with laws and regulations related to employment regulation and health and safety regulation, 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 controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings
- Performing audit procedures on the risk of management override of controls, including testing journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BRIGHTON STUDENTS' UNION

Use of our report

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



David W Martin
For and on behalf of Knill James LLP, Statutory Auditor
Chartered Accountants
One Bell Lane
Lewes
East Sussex
BN7 1JU

Date: 14 January 2022

Knill James LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Consolidated Income and Expenditure Account)
for the year ended 31 July 2021

		Unrestricted	Restricted	Total 2021	Total 2020
		Funds	Funds	£	£
	Notes	£	£		
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,560,710	75,000	1,635,710	1,705,908
Charitable activities					
Working with students	4	89,036	-	89,036	1,207,946
Other trading activities	5	35,073	-	35,073	63,388
Investments	6	204	-	204	1,825
TOTAL		1,685,023	75,000	1,760,023	2,979,067
EXPENDITURE ON:					
Raising funds	7	43,681	-	43,681	38,298
Charitable activities:					
Working with students	8	1,602,640	75,000	1,677,640	2,695,682
Provision for pension deficit payments	8	15,868	-	15,868	699,738
TOTAL		1,662,189	75,000	1,737,189	3,433,718
NET INCOME FOR THE YEAR & NET MOVEMENT IN FUNDS	10	22,834	-	22,834	(454,651)
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 August 2020		(1,113,462)	-	(1,113,462)	(658,811)
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2021	17	(1,090,628)	-	(1,090,628)	(1,113,462)

UNIVERSITY OF BRIGHTON STUDENTS' UNION

BALANCE SHEETS

for the year ended 31 July 2021

	Notes	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
FIXED ASSETS					
Tangible assets	11	18,138	18,138	27,243	27,243
Investments	12	-	2	-	2
		18,138	18,140	27,243	27,245
CURRENT ASSETS					
Stocks	13	83,223	83,223	87,299	87,299
Debtors	14	67,561	74,749	38,597	42,997
Cash at bank and in hand		449,801	442,611	498,826	494,424
		600,583	600,583	624,722	624,720
LIABILITIES					
Creditors: Amounts falling due within one year	15	(177,659)	(177,659)	(175,269)	(175,269)
NET CURRENT ASSETS		422,926	422,924	449,453	449,451
TOTAL ASSETS LESS CURRENT LIABILITIES		441,064	441,064	476,696	476,696
Provisions for liabilities	16	(1,531,692)	(1,531,692)	(1,590,158)	(1,590,158)
NET LIABILITIES		(1,090,628)	(1,090,628)	(1,113,462)	(1,113,462)
THE FUNDS OF THE GROUP AND CHARITY					
Restricted income funds	17	-	-	-	-
Unrestricted income funds	17	(1,090,628)	(1,090,628)	(1,113,462)	(1,113,462)
TOTAL GROUP AND CHARITY FUNDS	18	(1,090,628)	(1,090,628)	(1,113,462)	(1,113,462)

As permitted by S408 Companies Act 2006, the charity has not prepared its own Statement of Financial Activities and related notes as it prepares group accounts. The charity's surplus for the year ended 31 July was £22,834 (19/20 - £454,651 deficit).

The financial statements on pages 18 to 38 were approved by the trustees and authorised for issue on the 3rd of December 2021, and are signed on their behalf by



Sufia Begum

17/12/2021

Company Number: 09628909

UNIVERSITY OF BRIGHTON STUDENTS' UNION

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2021

		Group 2021	Charity 2021	Group 2020	Charity 2020
	Notes	£	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash (outflow)/inflow from operating activities	19	(49,229)	(52,017)	165,800	161,496
		(49,229)	(52,017)	165,800	161,496
CASH FLOWS FROM INVESTING ACTIVITIES:					
Dividends, interest and rents from investments		204	204	1,825	1,825
Purchase of property, plant and equipment		-	-	(14,270)	(14,270)
Net cash used in investing activities		204	204	12,445	12,445
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING YEAR					
		(49,025)	(51,813)	153,355	149,051
Cash and cash equivalents at the beginning of the reporting year		498,826	494,424	345,471	345,373
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING YEAR					
	20	449,801	442,611	498,826	494,424

UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

The charitable company, which is a public benefit entity under FRS 102, is constituted as a company limited by guarantee, incorporated in England and Wales and governed by its Memorandum and Articles of Association. The members of the charitable company and the principal address are given in the Reference and Administrative Details of the Trustees' Annual Report. The nature of the charitable company's operations and principal activities are included on page 1.

1. ACCOUNTING POLICIES
Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) **issued in October 2020** and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice **as it applies from 1 January 2020**.

Going concern

As at 31 July 2021, the balance sheet showed net liabilities of £1,090,629 after recognising the SUSS pension deficit liability of £1,531,692.

In considering the going concern basis of preparation of the financial statements, the trustees have reviewed the three-year finance plan. The plan aims to achieve at least a breakeven position across the three years of the plan.

The Union's main income streams are the University of Brighton in the form of subvention, and commercial trading activity from its outlets (cafes and shops) and student events. The University of Brighton has confirmed its support in the form of a Block Grant for the year ended 31 July 2022 totaling £1,122,000 (2020/21: £1,067,500). The Union's commercial activity provides a diversified and robust source of income. Costs associated with generating commercial income primarily vary with the level of commercial activity thus reducing the financial risks associated with this activity.

The Union held £449,801 (19/20 - £498,826) in cash and bank deposits at the end of 2020/21 and had net current assets of £422,926 (19/20 - £449,453). Free reserves are maintained in low risk, high liquidity deposit accounts ensuring cash will be readily available to support operating activity. The profile of the Union's income, expenditure, and cashflow is closely correlated, ensuring there are no periods of significant net cash outflow.

The Trustees have considered the impact of COVID-19 and any post-epidemic impacts and believe the current level of free reserves, along with close control of expenditure will be sufficient to manage any decreases in income over at least the next twelve months.

BSU Enterprise Limited is a trading subsidiary company wholly owned by UBSU. The trading subsidiary normally generates a net profit, however, COVID restrictions resulted in significant reductions in activity and a net loss of £60,599 (19/20 – net profit £36,136). Sales revenue was £114,908 (19/20 - £1,228,478) and expenditure was £175,508 (19/20 - £1,192,342). It is anticipated BSU Enterprise Limited will return to profit in 21/22 as COVID restrictions are removed, offsetting the 20/21 deficit.

On the basis of this information, the trustees consider the going concern basis to be appropriate.

Basis of consolidation

The statement of financial activities and the balance sheet consolidate the results of the activities of both University of Brighton Students' Union and its wholly owned subsidiary undertaking, BSU Enterprise Limited.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)**
for the year ended 31 July 2021

1. ACCOUNTING POLICIES (Continued)**Income**

All income is recognised in the statement of financial activities when the charitable company is legally entitled to the funds, the receipt of those funds is probable, and the amount can be measured reliably and quantified with reasonable accuracy.

Income from grants, including government grants, where related to performance and specific deliverables, is accounted for as the charitable company earns the right to consideration by its performance.

Gifts in kind donated for distribution and/or utilisation are included at valuation and recognised as income when the related projects are undertaken. Gifts donated for resale are included as income when sold. Donated facilities are included at the value to the charitable company, where this can be quantified, and a third party is bearing the cost.

Expenditure

Expenditure is included in the statement of financial activities on an accruals basis.

Expenditure is allocated to the charitable company's principal activity, as the costs of raising funds or as governance costs where the costs can be identified as being directly related to those activities. All costs that cannot be so identified are categorised as support costs. Support costs are then allocated over the different categories of expenditure on the basis of estimated time spent by members of staff in those particular areas.

Grants payable are recognised in the year in which the approved offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised only when the conditions attaching to the award are fulfilled.

Governance costs are the costs associated in running the University of Brighton Students' Union as a United Kingdom charitable company and specifically include the costs of the external audit.

Taxation

University of Brighton Students' Union is a registered charitable company and as such its income and gains falling due under section 471 to 489 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporate tax to the extent that they are applied to its charitable objectives.

Termination Payments

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

UNIVERSITY OF BRIGHTON STUDENTS' UNION**NOTES TO THE FINANCIAL STATEMENTS (Continued)**
for the year ended 31 July 2021

1. ACCOUNTING POLICIES (Continued)**Tangible fixed assets**

All tangible assets purchased at a cost of £1,000 or more and that have an expected useful economic life that exceeds one year are capitalised and classified as tangible fixed assets. Tangible fixed assets are stated at historical cost less depreciation. 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:

Equipment - over five years

Investments

All of the charitable company's fixed asset investments are carried in the balance sheet at cost less provisions for impairment. These assets are not readily realisable through sale and accordingly, a reliable market value cannot be ascertained.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making allowance for any slow-moving, damaged or obsolete items.

Liabilities

A contingent liability is disclosed for those grants, which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control. Provisions are recognised for those grants where there is uncertainty as to the timing or amount, and any uncertainty regarding the amount is more than one of the determining factors as a basis for reasonable estimation of the liability arising from that constructive obligation.

Leased assets and obligations

All of the charitable company's leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight-line basis over the lease term.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**FINANCIAL STATEMENTS
for the year ended 31 July 2021**

1. ACCOUNTING POLICIES (Continued)**Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are therefore classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

Financial assets and liabilities

The charitable company's debtors and creditors that meet the definition of either a financial asset or a financial liability are initially recognised at fair value and thereafter are stated at amortised cost using the effective interest method.

Provisions for liabilities

Provisions are recognised when the charitable company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at a discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within finance costs.

Pension contributions

The University of Brighton Students' Union participates in the Students' Union Superannuation Scheme (SUSS), a defined benefit multi-employer pension scheme, which is externally funded and contracted out of the State Second Pension. SUSS is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees of SUSS on the advice of the actuary. The 2013 valuation recommended a monthly contribution requirement by each participating employer expressed in monetary terms intended to clear the ongoing funding deficit. As a consequence under FRS 102, the University of Brighton Students' Union has recognised a liability in the balance sheet equal to the net present value of future deficit reduction payments. These payments are discounted to the present value using the market yield on high quality bonds.

The charitable company also makes contributions into a group personal pension plan with Aegon and additionally, participates in NEST. The Aegon scheme is available to certain employees, while the NEST scheme is available to all employees. The assets of these defined contribution pension schemes are held separately from those of the charitable company in independent trustee-administered funds. The amount charged to the statement of financial activities in respect of pension costs is the contributions payable for the year.

UNIVERSITY OF BRIGHTON STUDENTS' UNION**FINANCIAL STATEMENTS
for the year ended 31 July 2021**

1. ACCOUNTING POLICIES (Continued)**Funds held as custodian**

The charitable company acts as custodian for the funds raised by the students' many sports clubs. The charitable company is also custodian of the annual Raising and Giving (RAG) proceeds arising from the various fundraising events organised by the students each year and then distributed to the nominated charities involved. Finally, the charity is custodian of funds raised by students on certain courses to supplement their course activity. The cash balances in respect of these custodian activities are held in the charitable company's bank accounts together with a corresponding liability for the amounts involved. Prior to 18/19 the charitable company also acted as custodian for funds raised by student societies. These are now considered part of UBSU's financial activity and have now been incorporated into the Consolidated Statement of Financial Activities and Balance Sheet Reserves.

Fund accounting

The general fund comprises the accumulated surpluses of unrestricted income over expenditure, which are available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year-end are carried forward in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used by the scheme actuary in calculating the University of Brighton Students' Union's portion of the SUSS defined benefit pension scheme liability.

In the opinion of the trustees, there are no other estimates and underlying assumptions in the application of accounting policies that are considered to be critical, because they either require a significant amount of management judgement or the results are material to the charitable company's financial statements.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2021

3. DONATIONS AND LEGACIES	Unrestricted funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Block grant from the University of Brighton	1,067,500	-	1,067,500	1,122,000
Donations from other funders	219,099	75,000	294,099	309,797
Grant of serviced accommodation	274,111	-	274,111	274,111
	<u>1,560,710</u>	<u>75,000</u>	<u>1,635,710</u>	<u>1,705,908</u>

Of the total donations and legacies income for the year ended 31 July 2021 £75,000 is attributable to restricted funds and £1,560,710 to unrestricted funds.

4 INCOME FROM WORKING WITH STUDENTS	Unrestricted Total 2021 £	Unrestricted Total 2020 £
Cafes and shops	77,528	950,664
Entertainments and events	2,308	214,426
Societies	9,200	42,856
	<u>89,036</u>	<u>1,207,946</u>
5 OTHER TRADING ACTIVITIES	Unrestricted Total 2021 £	Unrestricted Total 2020 £
Commercial marketing sponsorship	35,073	63,388
	<u>35,073</u>	<u>63,388</u>
6 INVESTMENTS	Unrestricted Total 2021 £	Unrestricted Total 2020 £
Bank interest receivable on short term cash deposits	204	1,825
7 RAISING FUNDS	Unrestricted Total 2021 £	Unrestricted Total 2020 £
Commercial activities:		
Direct costs	19,548	13,524
Direct staff costs	7,602	5,219
Support staff costs	10,595	10,575
Rent	500	500
Other support costs	5,436	8,480
	<u>43,681</u>	<u>38,298</u>

UNIVERSITY OF BRIGHTON STUDENTS' UNION

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8 COSTS OF WORKING WITH STUDENTS	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Analysed by activity:				
Cafes and shops	249,861	-	249,861	1,102,955
Entertainments and events	71,739	-	71,739	171,757
Academic experience, advice and wellbeing	278,535	-	278,535	282,815
Campus and community	87,395	75,000	162,395	246,407
Other student activities	817,040	-	817,040	790,497
Provision for pension deficit payments	15,868	-	15,868	699,738
Governance costs	98,070	-	98,070	101,251
	<u>1,618,508</u>	<u>75,000</u>	<u>1,693,508</u>	<u>3,395,420</u>
	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Analysed by type of cost:				
Direct costs	244,454	-	244,454	1,029,288
Direct staff costs	558,009	75,000	633,009	825,935
Support staff costs	310,200	-	310,200	299,948
Provision for pension deficit payments	15,868	-	15,868	699,738
Rent	273,611	-	273,611	273,611
Other support costs	118,297	-	118,297	165,649
Governance costs	98,070	-	98,070	101,251
	<u>1,618,508</u>	<u>75,000</u>	<u>1,693,508</u>	<u>3,395,420</u>
Governance costs are made up as follows:			Total 2021	Total 2020
			£	£
Sabbatical Officer salaries			81,859	87,812
Sabbatical Officer training			5,036	4,731
Trustees' expenses			65	2,558
Auditors' remuneration:				
External audit services			12,500	12,500
Corporate tax compliance services			1,100	1,100
(Over)/Under accrual in respect of prior years			(555)	(6,762)
			<u>100,005</u>	<u>101,939</u>

Of the total costs of working with students for the period to 31 July 2021 £75,000 is attributable to restricted funds and £1,618,508 is attributable to unrestricted funds.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

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for the year ended 31 July 2021

9 STAFF COSTS	2021	2020
	No.	No.
The average monthly number of persons working with the charitable company (excluding trustees) during the year was:		
Cafes and shops	8	8
Entertainments and events	1	0
Academic experience, advice and wellbeing	8	8
Campus and community	6	9
Office and management	9	7
Sabbatical Officers	4	4
Raising funds	1	1
	<u>37</u>	<u>37</u>
	£	£
Staff costs for the above persons:		
Wages and salaries	954,175	1,133,848
Social security costs	85,615	81,333
Pension costs - regular annual contributions	40,537	40,381
Pension costs - provision for pension deficit payments	15,868	699,738
Termination payments	11,968	-
Other costs	21,157	37,015
	<u>1,129,320</u>	<u>1,992,315</u>

The total amount of employee benefits received by key management personnel for their services to the charitable company during the year amounted to £210,146 (19/20 - £213,553) and the charitable company incurred employers' national insurance contribution costs of a further £22,495 (19/20 - £22,910) in relation to the employment of these same members of staff. One member of staff received a salary plus employer contributions towards national insurance and pension during the year of between £80,000 and £90,000.

The Sabbatical Trustees, who are also all trustees, received employee benefits as authorised in the charitable company's governing document, for their representation, campaigning and support work they undertake as distinct from their role as trustees. Those employee benefits comprised:

	Gross salary	Employer pension
	£	contributions
		£
Ramy Badrie	19,084	-
Rayan Badrie	1,837	-
Sufia Begum	2,395	96
Megan Donovan	17,886	-
Jenniver Girgawi	2,395	-
Hadi Hassoun	2,395	-
Evangeline Solomon	10,540	-
Siheem Ziada	19,084	-

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2021
9. STAFF COSTS (Continued)

Other than as disclosed above, no trustees received remuneration for their services to the charitable company during the current year.

The Sabbatical Officers incurred normal business expenses for travel, subsistence and training during the course of their employment as Sabbatical Officers and reclaimed them through the normal employee expenses reimbursement procedures. The total of these expenses for all the Sabbatical Officers amounted to £5,036 (19/20 - £2,885).

In addition, three of the other trustees were reimbursed for expenses incurred on behalf of the charitable company during the year relating to travel to board meetings and postage of board approved documents, amounting to £65 (19/20 - £360) is included within governance costs.

The use of volunteers and donated services

The charity makes considerable use of the services of volunteers in order to not only manage the charitable company at trustee level but also to deliver services and other similar project outcomes and benefits to beneficiaries. The charitable company is also reliant upon donated services provided by its wide range of supporters, and those donated services which can be quantified, are recognised in the financial statements as donations in kind.

10	NET INCOME FOR THE YEAR	2021	2020
		£	£
	Net income for the year is stated after charging:		
	Depreciation	9,105	12,828
	Operating lease costs - equipment	3,118	3,118
		<u>12,223</u>	<u>15,946</u>
11	TANGIBLE ASSETS		
	Group and charity	Equipment	Total
		£	£
	Cost:		
	1 August 2020	332,740	332,740
	Disposals	(156,888)	(156,888)
	31 July 2021	<u>175,852</u>	<u>175,852</u>
	Depreciation:		
	1 August 2020	305,497	305,497
	Disposals	(156,888)	(156,888)
	Charge in the year	9,105	9,105
	31 July 2021	<u>157,714</u>	<u>157,714</u>
	Net book value:		
	31 July 2021	<u>18,138</u>	<u>27,243</u>
	31 July 2020	<u>27,243</u>	<u>25,801</u>

UNIVERSITY OF BRIGHTON STUDENTS' UNION

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12	INVESTMENTS	Union Funds 2021	Union Funds 2020		
		£	£		
	Group				
	Cost:				
	1 August	-	-		
	Fair Value of assets transferred	-	-		
	31 July	-	-		
	Charity	Union Funds £	BSU Enterprise Limited £	Total 2021 £	Total 2020 £
	Cost:				
	1 August	-	2	2	2
	Change	-	-	-	-
	31 July	-	2	2	2

The charitable company owns the entire share capital of BSU Enterprise Limited, a company incorporated in England and Wales (Company registration number 09242214), through which commercial revenues are generated. For the year ended 31 July 2021, BSU Enterprise Limited had turnover of £114,908 and expenditure of £175,508 resulting in a net loss of £60,599. BSU Enterprise Limited normally generates a net profit, the whole of which is distributed by way of Gift Aid to the charitable company. At the end of a normal year BSU Enterprise Limited has net assets and shareholders' funds of £2. 2020/21 has been an exceptional year due to COVID and the net loss of £60,599 has been retained in the trading subsidiary, so BSU Enterprise Limited has net liabilities and negative shareholders' funds of £60,597 at 31 July 2021. It is anticipated BSU Enterprise Limited will return to generating a net profit in 2021/22.

13 STOCKS	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Café supplies	4,168	4,168	1,381	1,381
Shop supplies	79,055	79,055	85,918	85,918
	83,223	83,223	87,299	87,299

The total stock purchased during the year was £37,498.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2021

14	DEBTORS	Group 2021	Charity 2021	Group 2020	Charity 2020
		£	£	£	£
	Amounts falling due within one year:				
	Trade debtors	17,131	17,131	14,861	14,861
	Amounts due from group undertakings	-	7,188	-	4,400
	Other debtors	329	329	22,361	22,361
	Prepayments and accrued income	50,101	50,101	1,375	1,375
		67,561	74,749	38,597	42,997
15	CREDITORS	Group 2021	Charity 2021	Group 2020	Charity 2020
		£	£	£	£
	Amounts falling due within one year:				
	Trade creditors	26,488	26,488	(992)	(992)
	Other taxes and social security costs	9,595	9,595	25,846	25,846
	Clubs and societies funds	69,860	69,860	78,777	78,777
	Accruals	51,217	51,217	49,234	49,234
	Deferred income	20,499	20,499	22,404	22,404
		177,659	177,659	175,269	175,269
	Deferred income:				
	Deferred income brought forward	22,404	22,404	67,865	67,865
	Deferred income released to the statement of financial activities	(22,404)	(22,404)	(67,865)	(67,865)
	Income received in advance during the year	20,499	20,499	22,404	22,404
	Deferred income carried forward:	20,499	20,499	22,404	22,404

Deferred income includes those funds received in advance for services to be delivered by the charitable company in the 2021/2021 financial year, and primarily comprises booking fee income received in advance for the 2021 Freshers' Fair. The charitable company receives commission income relating to the sale of NUS Loyalty cards, which can be for periods of up to three years in advance. All such income relating to future years is deferred.

16	PROVISIONS FOR LIABILITIES	2021	2020
		SUSS pension deficit provision	SUSS pension deficit provision
		£	£
	Balance at 1 August	1,590,158	961,218
	Amounts provided during the year - see note 24	(58,466)	628,940
	Balance at 31 July	1,531,692	1,590,158

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 202117 THE FUNDS OF THE GROUP
AND THE CHARITY

	1 August 2020	Income	Expenditure	Transfers between funds	31 July 2021
Group	£	£	£	£	£
Restricted income funds:					
Retention fund	-	75,000	(75,000)	-	-
	-	75,000	(75,000)	-	-
Unrestricted income funds:					
General fund	-	1,685,023	(1,653,084)	(31,939)	-
Designated funds:					
Capital reserve fund	27,243	-	(9,105)	-	18,138
Contingency reserve fund	100,000	-	-	-	100,000
Development reserve fund	349,453	-	-	(26,527)	322,926
SUSS pension deficit fund	(1,590,158)	-	-	58,466	(1,531,692)
	(1,113,462)	1,685,023	(1,662,189)	-	(1,090,628)
	(1,113,462)	1,760,023	(1,737,189)	-	(1,090,628)

	1 August 2019	Income	Expenditure	Transfers between funds	31 July 2020
Group	£	£	£	£	£
Restricted income funds:					
Retention fund	-	75,000	(75,000)	-	-
	-	75,000	(75,000)	-	-
Unrestricted income funds:					
General fund	-	2,904,067	(3,345,890)	441,823	-
Designated funds:					
Capital reserve fund	25,801	-	(12,828)	14,270	27,243
Contingency reserve fund	100,000	-	-	-	100,000
Development reserve fund	176,606	-	-	172,847	349,453
SUSS pension deficit fund	(961,218)	-	-	(628,940)	(1,590,158)
	(658,811)	2,904,067	(3,358,718)	-	(1,113,462)
	(658,811)	2,979,067	(3,433,718)	-	(1,113,462)

UNIVERSITY OF BRIGHTON STUDENTS' UNION**FINANCIAL STATEMENTS
for the year ended 31 July 2021**

17. THE FUNDS OF THE GROUP AND THE CHARITY (Continued)

The capital grants fund was set up to recognise the funding received from the University of Brighton to be used to purchase fixed assets. Depreciation is charged to this fund such that the closing balance on the fund represents the net book value of the fixed assets involved.

The Sustainability grant fund was set up to recognise funding provided by the University of Brighton in order to support a program of activities, events and projects aimed at engaging students in sustainability and promoting environmentally conscious living (including Cooperatives, 'Green' volunteering and employment opportunities).

The Capital reserve fund was set up to separately identify the charitable company's fixed assets that have been purchased from the charitable company's own unrestricted funds. Transfers are made to or from this fund to cover movements on unrestricted fixed assets such as additions, disposals and depreciation so that the closing balance on the fund represents the net book value to the unrestricted fixed assets involved.

The Contingency reserve fund was set up to set aside an amount to cover unforeseen or emergency expenditure. The amount carried forward in this fund is reviewed annually by the trustees.

The balance of the general fund that is not used for any other purposes is transferred to the Development reserve fund to be carried forward and used to further develop the charitable activities of the charitable company.

The SUSS pension deficit fund was set up to separately identify the reserves deficit arising from the need to account for a provision in respect of additional SUSS employer pension contributions required to be paid in future years by the charitable company that are intended to eliminate the ongoing and persistent deficit in the overall funding of the SUSS multi-employer defined benefit pension scheme.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2021
18 ANALYSIS OF NET ASSETS
BETWEEN FUNDS

	Fixed assets	Current assets	Current liabilities	Provisions for liabilities	Total 2021
Group	£	£	£	£	£
Restricted income funds:	-	-	-	-	-
Unrestricted income funds:					
General fund	-	-	-	-	-
Designated funds:					
Capital reserve fund	18,138	-	-	-	18,138
Contingency reserve fund	-	100,000	-	-	100,000
Development reserve fund	-	500,585	(177,659)	-	322,926
SUSS pension deficit fund	-	-	-	(1,531,692)	(1,531,692)
NET LIABILITIES	18,138	600,585	(177,659)	(1,531,692)	(1,090,628)

	Fixed assets	Current assets	Current liabilities	Provisions for liabilities	Total 2021
Charity	£	£	£	£	£
Restricted income funds:	-	-	-	-	-
Unrestricted income funds:					
General fund	2	-	-	-	2
Designated funds:					
Capital reserve fund	18,138	-	-	-	18,138
Contingency reserve fund	-	100,000	-	-	100,000
Development reserve fund	-	500,583	(177,659)	-	322,924
SUSS pension deficit fund	-	-	-	(1,531,692)	(1,531,692)
NET LIABILITIES	18,140	600,583	(177,659)	(1,531,692)	(1,090,628)

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 202118 ANALYSIS OF NET
ASSETS BETWEEN FUNDS
(continued)

	Fixed assets	Current assets	Current liabilities	Provisions for liabilities	Total 2020
Group	£	£	£	£	£
Restricted income funds:					
Capital grants fund	-	-	-	-	-
Sustainability grant fund	-	-	-	-	-
Unrestricted income funds:					
General fund	-	-	-	-	-
Designated funds:					
Capital reserve fund	27,243	-	-	-	27,243
Contingency reserve fund	-	100,000	-	-	100,000
Development reserve fund	-	524,722	(175,269)	-	349,453
SUSS pension deficit fund	-	-	-	(1,590,158)	(1,590,158)
NET LIABILITIES	27,243	624,722	(175,269)	(1,590,158)	(1,113,462)

	Fixed assets	Current assets	Current liabilities	Provisions for liabilities	Total 2020
Charity	£	£	£	£	£
Restricted income funds:					
Capital grants fund	-	-	-	-	-
Sustainability grant fund	-	-	-	-	-
Unrestricted income funds:					
General fund	2	-	-	-	2
Designated funds:					
Capital reserve fund	27,243	-	-	-	27,243
Contingency reserve fund	-	100,000	-	-	100,000
Development reserve fund	-	524,720	(175,269)	-	349,451
SUSS pension deficit fund	-	-	-	(1,590,158)	(1,590,158)
NET LIABILITIES	27,245	624,720	(175,269)	(1,590,158)	(1,113,462)

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2021
19 RECONCILIATION OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Net income for the reporting year	22,833	22,833	(454,651)	(454,651)
Adjustments for:				
Dividends, interest and rents from investments	(204)	(204)	(1,825)	(1,825)
Depreciation charges	9,105	9,105	12,828	12,828
Decrease in stock	4,076	4,076	16,617	16,617
Decrease in debtors	(28,963)	(31,751)	39,336	35,032
(Decrease) in creditors	2,390	2,390	(75,445)	(75,445)
Increase in provisions	(58,466)	(58,466)	628,940	628,940
Net cash from operating activities	(49,229)	(52,017)	165,800	161,496

20 ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Cash at bank and in hand	449,799	449,799	498,826	494,424

21 FINANCIAL INSTRUMENTS

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Carrying amount of financial assets:				
Equity instruments measured at fair value	-	-	-	-
Debt instruments measured at amortised cost	17,131	17,131	18,697	18,697
Carrying amount of financial liabilities:				
Measured at amortised cost	133,635	133,635	116,480	116,480

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2021
22. OPERATING LEASE COMMITMENTS

The group and the charity have total future minimum lease payments as the lessee due under non-cancellable operating leases and relating to its photocopiers, as follows:

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Plant and machinery:				
Payable within one year	1,000	1,000	3,118	3,118
Payable in two to five years	-	-	1,000	1,000
Payable in more than five years	-	-	-	-
	<u>1,000</u>	<u>1,000</u>	<u>4,118</u>	<u>4,118</u>

23. RELATED PARTY TRANSACTIONS

During the year, the charitable company undertook various transactions on behalf of its trading subsidiary, BSU Enterprise Limited, a company incorporated in England and Wales (Company registration number 09242214). During the year, the charitable company collected income of £114,908 and incurred costs of £175,508 on behalf of BSU Enterprise Limited. The charitable company did not recognize any Gift Aid donations from BSU Enterprise Limited during the year due to the fact the trading subsidiary made a net loss. At the balance sheet date, £67,785 was owed by BSU Enterprise Limited. This will be repaid during 20/21 when it is anticipated the trading subsidiary will generated a net profit.

There were no other related party transactions during the year.

24. PENSION COMMITMENTS

UBSU participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2020 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.

Whilst the assets have performed well, rising by over 17% over the previous three years, the liabilities have increased by a similar percentage. The sustained low yield on government bonds has continued to affect the liabilities, but the increase was driven in large part by the impact of resolving a legal issue relating to changes made to the scheme between 1988 and 1993 by the scheme Trustees at the time.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (Continued)

The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions were applied at 30 June 2020:-

- 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 2020 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit. Employer contributions will increase by 5% in October 2021 and then by 15.4% from 1st October 2021. Contributions will increase by a further 5% each year thereafter until the end of the deficit recovery period, which is expected to be in August 2035. However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation.

Surpluses or deficits which arise at future valuations will also impact on UBSU's future contribution commitment. In addition to the above contributions, UBSU also pays its share of the Scheme's levy to the Pension Protection Fund.

FRS102 and Charities SORP (FRS102) require the charitable company's share of past service shortfall is reflected in the financial statements. Based on the most recent valuation, the charitable company contribution to eliminating the shortfall was £74,334 for the year ended 31 July 2021 (2020: £70,798). The statement of financial position as at 31st July 2021 includes a liability of £1,531,692 (2020: £1,590,158) which represents the net present value of all future contributions towards eliminating this shortfall.