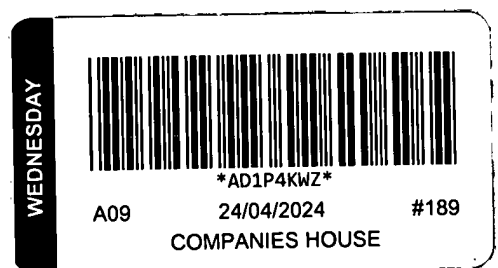


Company Number: 09628909
Charity Number (England & Wales): 1164033

UNIVERSITY OF BRIGHTON STUDENTS' UNION
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 JULY 2023



TRUSTEES' ANNUAL REPORT

for the year ended

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 2023. 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 2019.

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 19,000 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 and societies to increase their sense of belonging, aid continuation, and improve outcomes
- Building communities and facilitating engagement between students
- Working with students to run entertainments and events that improve the overall student experience; and
- Providing employment opportunities and training for students across departments.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2023

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: *Making 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

We were delighted to increase our annual National Student Survey satisfaction score by 20% this year, which is a testament to the continued hard work and dedication of the Union's staff and volunteers. Our annual results from our own survey had a 93.1% average for the question "BSU Makes student life better" which is extremely pleasing.

After six months of stakeholder research, in January 2023 we launched our new 3 year strategic vision – The Big Plan, which has defined Key Performance Indicators.

The Five Strategic Themes

Amplify the Student Voice: Student voices are the most powerful tool in creating positive change and celebrating success. The single voice is as important as the collective, and we need as many as possible.

This year we extended the 700+ Course Representative system to create two 'Super Reps' per academic school. We meet with them monthly to get more focused feedback to and from the University. We also facilitated meetings between students and the University senior managers to discuss the implications of ongoing industrial action and redundancies.

We launched a monthly pulse survey which asked the same questions to different students each month. This allows us to track any immediate changes required to Union operations, and also highlight where we need to lobby the University for improvements. The survey also allows us to track our key performance indicators to ensure we remain inline with our Big Plan.

Following two referendums and a Trustee Board meeting, BSU has decided to disaffiliate from the National Union of Students UK. This will officially take place in December 2024 due to NUS rules and was due to the lack of value from the annual affiliation fee, and disagreement with central policies that felt misaligned from our own student member priorities.

Defend Academic Quality: Students are paying significant money for their education, and we will work hard to ensure that they receive value for money and the highest quality of education possible.

2022/23 saw significant disruption due to ongoing industrial action, including a marking and assessment boycott. We met regularly with the University to ensure that the impact was limited wherever possible. Where this has not been possible, we actively sought compensation and changes to academic regulations to ensure that all students could progress from one year of study to another.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2023

Our Support Team have increasingly complex student cases, demonstrating the various challenges that impact students as students. The University introduced new academic processes for students who were not able to reach their potential in assessments. This required additional BSU resource to ensure we could appropriately respond and advocate for all the students who needed us.

In our monthly Pulse survey, the annual average for "BSU effectively represent my academic interests" was 81.9%

Promote Positive Wellbeing: Students are facing significant issues that challenge positive wellbeing. Individual students will also have unique challenges, and we will be by their side to support, advise and guide them.

Cost of living increases continue to hit students, and we launched the BSU Pantry which provides free essentials to any students that wants them. We also received a £10K grant from the Uni to provide free sanitary products and emergency food vouchers. WE continue to lobby the University to support the students in any way possible.

Build Belonging and Community: There is a clear correlation between students that feel like they belong at University, and those that achieve their potential. We will bring students together to create strong connections and communities.

We invested in more sophisticated systems to track student engagement with many of our activities, which has allowed further analysis of our impact on the attendees. This showed that we have above Uni Average participation for Black, Asian and mixed heritage students, Students from the lowest income areas, Students with a declared disability. This shows our activities are targeting the students who statistically require the additional support.

There continued to be a positive correlation between engagement in BSU activities and student progression (80% BSU, 69% Uni control group) and Continuation (95% BSU, 93% control group). Our own pulse survey had an annual average score of 92.56% for society members sense of belonging.

"Give It A Go" activities saw over 1,000 students participating in activities across all sites and societies are slowly returning to pre pandemic levels.

Boost Employability: We recognise that students choose University for many different reasons and have different desired outcomes. We will help our students to realise and achieve their own potential.

We developed a Skills programme to run alongside Give It A Go which were free careers and employability sessions to help students translate their skills and experiences into compelling CVs.

There continued to be a positive correlation between engagement in BSU activities and 'Good' Degree Outcome (90% BSU, 85% control group).

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2023**FINANCIAL REVIEW****Financial results of activities and events**

Total income for the year was £2,732,904 (21/22 – £2,255,493) which is an increase of £477,411 (21.2%). Income from cafes and shops increased by £390,060 (74%) which reflects the trend to return to normal after the pandemic. Income from entertainment and events increased by £30,850 (33%), which includes income generated by societies of £5,800. UBSU continues to benefit from the financial support of the University of Brighton through the block grant, which remained the same at £1,122,000. Donations and Grants from other funders decreased by £61,899 (42%).

The revaluation of the provision for pension deficit payments resulted in income of £99,074 (21/22 – £18,196 expense) reflecting the increase in the interest rate used to discount future cash payments. This in addition to the recovery plan cash payments of £89,702 during the year resulted in a total provision decrease of £188,776.

Total expenditure for the year was £2,626,415 (21/22 – £2,213,496) which is an increase of £412,919 (18.7%). Café and shop expenditure increased by £390,300 (66%) in line with increased sales. Academic experience, campus and community, and other student activities expenditure increased by a combined total of £54,753 (4.4%) all which reflects the trend to return to normal activities after the pandemic.

Funds increased by £106,488 during the year. These funds will be used to support the continued pursuit of our strategic priorities during 2023-24. The Minimum Reserve has been maintained at £100,000, in line with the Reserves Policy.

Cash decreased by £112,889, which mainly reflects the SOFA surplus for the year (£106,488), add back the increase in the SUSS Pension provision (£188,776), plus the decrease in debtors as sales and marketing activity gains momentum before the start of 22/23 (£52,267) less decrease in creditors (£55,970) and increase in stock (£4,529) and add back depreciation charge (£25,600).

Reserves policy

Although the charitable company had no free reserves at 31 July 2023, excluding the pension deficit liability of £1,277,146 (21/22 – £1,465,922) free reserves would have been £335,005 (21/22 – £417,292).

The Trustees reviewed the UBSU Reserves Policy in 22/23. 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 2022/23 UBSU had a minimum reserve of £100,000 (21/22 – £100,000) and a Development reserve of £164,374 (21/22 – £269,032). Development reserves are primarily held to support one-off strategic projects in line with the strategic plan and society activity throughout the year.

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

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%.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2023

Going concern

As at 31 July 2023, the balance sheet showed net liabilities of £942,141 after recognising the SUSS pension deficit liability of £1,277,146.

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 2024 totaling £1,150,000 (2022/23: £1,122,000). 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 £256,265 (2021/22 - £369,154) in cash and bank deposits at the end of 2022/23 and had net current assets of £264,374 (2021/22 - £369,031). 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 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 reductions in activity post pandemic resulted in a net loss of £16,407 (2021/22 - net loss £60,490). Sales revenue was £1,084,132 (2021/22 - £711,537) and expenditure was £1,100,539 (2021/22 - £772,027). It is anticipated BSU Enterprise Limited will return to profit in 23/24 after making some significant changes to the trading outlets.

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 2023

PLANS FOR FUTURE YEARS

We will continue to follow our new strategic priorities:

Amplify the Student Voice

Student voices are the most powerful tool in creating positive change and celebrating success. The single voice is as important as the collective, and we need as many as possible.

We will;

- Improve the representative structures to receive louder and clearer student voices from across the University
- Ensure students feel that their voices are valued and acted upon
- Improve the feedback to all levels of the University.

Defend Academic Quality

Students are paying significant money for their education, and we will work hard to ensure that they receive value for money and the highest quality of education possible.

We will;

- Continue to lobby for clearer and more student centred academic regulations
- Ensure key University policies are consistently delivered
- Ensure support is in place for students moving campuses.

Promote Positive Wellbeing

Students are facing significant issues that challenge positive wellbeing. Individual students will also have unique challenges, and we will be by their side to support, advise and guide them.

We will;

- Champion positive mental wellbeing and support throughout the Union and University
- Provide proactive and reactive accommodation support
- Ensure BSU and University support services are meeting the current needs of our students.

Build Belonging and Community

There is a clear correlation between students that feel like they belong at University, and those that achieve their potential. We will bring students together to create strong connections and communities.

We will;

- Provide safe, inclusive spaces and activities to bring people together and help create connections
- Champion equity for all students throughout the Union and University
- Provide opportunities for students to build their social and cultural capital

Boost Employability

We recognise that students choose University for many different reasons, and have different desired outcomes. We will help our students to realise and achieve their own potential.

We will;

- Create more employment and volunteering opportunities for students across our organisation
- Increase awareness and articulation of skills learnt participating in BSU activities
- Lobby the University to increase employability opportunities and experiences for students

To support these aims, we have the following foundations:

Marketing

- Improve our marketing for the whole Union, our services and activities
- Ensure our virtual presence allows students to access information they need, when they need it
- Secure improved physical locations for our services

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2023

People

- Ensure that all our staff have the skills and support needed to succeed in their roles
- Encourage opportunities for innovation and change in order to deliver our aims
- Review our staff benefits to enable us to attract and retain a talented team

Responsible and Sustainable Union

- Secure financial sustainability to successfully deliver our strategic aims
- We will ensure that our IT systems and skill levels meet the needs of our operations
- Make ethical and sustainable decisions regarding partners, suppliers and our services

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 meets 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.

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2023

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 £291,380. 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.

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 2023**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:

Sufia Begum (Chair)	(resigned 30 June 2023)
Alistair Welham	
John Wilson	
Jonathan Tindall	
Lauren Harrison	
Anuraj Karmacharya	(resigned 30 June 2023)
Anna McElhinney	(resigned 30 June 2023)
Ilia Mirsky Katz (Chair)	(appointed Chair 01 July 2023)
Doris Ugochi Uche	
Elizabeth Quigg	
Osasu Atomon	(appointed 01 July 2023)
Favour Emmanuel	(appointed 01 July 2023)

The principal address of the charity and the registered office of the company is Cockcroft Building, Lewis Road, Brighton, BN2 4GN.

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	NatWest Bank, 8-11 Pavillion Buildings, Castle Square, Brighton, East Sussex BN1 1DP

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

Chief Executive	Laura Greenwood-Pearsons
Director of Commercial Services	Justin Brentnall
Director of Membership Services	Tom Foy

UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)
for the year ended 31 July 2023

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 £8,584 were held on behalf of these clubs and groups as at 31 July 2023 – see note 15.

This report was approved by the board of trustees on 4/12/2023 2023, and was signed for and on behalf of the board by


Ilia Mirsky Katz

6/12 2023

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

Opinion

We have audited the financial statements of University of Brighton Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2023 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 2023, 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.

(continued)

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
(Continued)**

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
(Continued)

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.

Knill James LLP

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

Date: *6 December 2023*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Consolidated Income and Expenditure Account)
for the year ended 31 July 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,423,630	75,000	1,498,630	1,543,347
Charitable activities - working with students	4	1,041,220	-	1,041,220	620,310
Other trading activities	5	93,975	-	93,975	91,756
Revaluation of pension deficit payments	16	99,074	-	99,074	-
Investments	6	5	-	5	81
TOTAL		2,657,904	75,000	2,732,904	2,255,494
EXPENDITURE ON:					
Raising funds	7	108,275	-	108,275	80,268
Charitable activities:					
Working with students	8	2,443,140	75,000	2,518,140	2,115,032
Provision for pension deficit payments	8			-	18,196
TOTAL		2,551,415	75,000	2,626,415	2,213,496
NET INCOME FOR THE PERIOD & NET MOVEMENT IN FUNDS	10	106,489	-	106,489	41,998
RECONCILIATION OF FUNDS					
Total funds brought forward at 01 August 2022		(1,048,630)	-	(1,048,630)	(1,090,628)
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2023	17	(942,141)	-	(942,141)	(1,048,630)

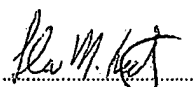
BALANCE SHEETS
for the year ended 31 July 2023

	Notes	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
FIXED ASSETS					
Tangible assets	11	70,631	70,631	48,261	48,261
Investments	12	-	2	-	2
		70,631	70,633	48,261	48,263
CURRENT ASSETS					
Stocks	13	81,974	81,974	77,445	77,445
Debtors	14	66,122	203,617	118,389	239,476
Cash at bank and in hand		256,265	256,265	369,154	369,154
		404,361	541,856	564,988	686,075
LIABILITIES					
Creditors: Amounts falling due within one year	15	(139,987)	(139,987)	(195,957)	(195,957)
NET CURRENT ASSETS		264,374	401,869	369,031	490,118
TOTAL ASSETS LESS CURRENT LIABILITIES		335,005	472,501	417,292	538,381
Provisions for liabilities	16	(1,277,146)	(1,277,146)	(1,465,922)	(1,465,922)
NET LIABILITIES		(942,141)	(804,645)	(1,048,630)	(927,541)
THE FUNDS OF THE GROUP AND CHARITY					
Restricted income funds	17	-	-	-	-
Unrestricted income funds	17	(942,141)	(804,645)	(1,048,630)	(927,541)
TOTAL GROUP AND CHARITY FUNDS	18	(942,141)	(804,645)	(1,048,630)	(927,541)

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 2023 was £122,899 (2021/22 - £102,448).

The financial statements on pages 15 to 35 were approved by the trustees and authorised for issue on

9/12 2023, and are signed on their behalf by



Ilia Mirsky Katz

UNIVERSITY OF BRIGHTON STUDENTS' UNION

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2023

		Group 2023	Charity 2023	Group 2022	Charity 2022
	Notes	£	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash (outflow)/inflow from operating activities	19	(64,923)	(64,923)	(35,402)	(28,212)
		(64,923)	(64,923)	(35,402)	(28,212)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Dividends, interest and rents from Investments		5	5	81	81
Purchase of property, plant and equipment		(47,971)	(47,971)	(45,326)	(45,326)
Net cash used in Investing activities		(47,966)	(47,966)	(45,245)	(45,245)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING YEAR					
		(112,889)	(112,889)	(80,647)	(73,457)
Cash and cash equivalents at the beginning of the reporting year		369,154	369,154	449,801	442,610
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING YEAR					
	20	256,265	256,265	369,154	369,154

UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2023

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 2019 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 2019.

Going concern

As at 31 July 2023, the balance sheet showed net liabilities of £942,141 after recognising the SUSS pension deficit liability of £1,277,146.

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 2024 totaling £1,150,000 (2022/23: £1,122,000). 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 £256,265 (2021/22 - £369,154) in cash and bank deposits at the end of 2022/23 and had net current assets of £264,374 (2021/22 - £369,031). 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.

BSU Enterprise Limited is a trading subsidiary company wholly owned by UBSU. The trading subsidiary normally generates a net profit, however reductions in activity post pandemic resulted in a net loss of £16,407 (2021/22 - net loss £60,490). Sales revenue was £1,084,132 (2021/22 - £711,537) and expenditure was £1,100,539 (2021/22 - £772,027). It is anticipated BSU Enterprise Limited will return to profit in 23/24 after making some significant changes to the trading outlets.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. BSU Enterprise Limited has also agreed a short-term loan from The University of Brighton Students' Union to cover short-term losses until the company has a distributable reserve. The directors continue to adopt the going concern basis of accounting in preparing the financial statements given this assessment.

Basis of consolidation

The statement of financial activities and the balance sheet consolidate the results of the activities of both the 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 2023

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 2023

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 2023

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 2023

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 2023

3. DONATIONS AND LEGACIES	Unrestricted	Restricted	Total	Total
	funds	funds	2023	2022
	£	£	£	£
Block grant from the University of Brighton	1,122,000		1,122,000	1,122,087
Donations from other funders	10,250	75,000	85,250	147,149
Grant of serviced accommodation	291,380		291,380	274,111
	<u>1,423,630</u>	<u>75,000</u>	<u>1,498,630</u>	<u>1,543,347</u>

4. INCOME FROM WORKING WITH STUDENTS	Unrestricted	Unrestricted
	Total 2023	Total 2022
	£	£
Cafes and shops	916,951	526,891
Entertainments and events	124,269	93,419
	<u>1,041,220</u>	<u>620,310</u>

5. OTHER TRADING ACTIVITIES	Unrestricted	Unrestricted
	Total 2023	Total 2022
	£	£
Commercial marketing sponsorship	<u>93,975</u>	<u>91,756</u>

6. INVESTMENTS	Unrestricted	Unrestricted
	Total 2023	Total 2022
	£	£
Bank interest	<u>5</u>	<u>81</u>

7. RAISING FUNDS	Unrestricted	Unrestricted
	Total 2023	Total 2022
	£	£
Commercial activities:		
Direct costs	11,394	15,654
Direct staff costs	4,431	6,088
Support staff costs	15,342	15,231
Rent	500	500
Other support costs	76,608	42,795
	<u>108,275</u>	<u>80,268</u>

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2023

8. COSTS OF WORKING WITH STUDENTS	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Analysed by activity:				
Cafes and shops	981,920		981,920	591,620
Entertainments and events	118,484		118,484	180,407
Academic experience, advice and wellbeing	358,703		358,703	287,326
Campus and community	-	75,000	75,000	90,744
Other student activities	854,528		854,528	855,408
Loss on revaluation of pension deficit	-		-	18,196
Governance costs	129,505		129,505	109,526
	2,443,140	75,000	2,518,140	2,133,227

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Analysed by type of costs:				
Direct costs	783,612		783,612	349,384
Direct staff costs	198,308		198,308	242,237
Support staff costs	820,942	75,000	895,942	826,138
(Profit)/loss on revaluation of pension deficit	-		-	18,196
Rent	291,380		291,380	274,111
Other support costs	219,392		219,392	313,635
Governance costs	129,505		129,505	109,526
	2,443,140	75,000	2,518,140	2,133,227

Governance costs are made up as follows:

	Total 2023 £	Total 2022 £
Sabbatical Officer salaries	109,300	90,108
Sabbatical Officer training	3,767	4,528
Auditors' remuneration - external audit	15,125	13,750
Auditors' remuneration - corporate tax compliance	688	1,140
Under accrual in respect of prior years	625	
	129,505	109,526

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2023

9. STAFF COSTS	2023	2022
	No.	No.
The average monthly number of persons working with the charitable company (excluding trustees) during the year was:		
Cafes and shops	7	6
Entertainments and events	1	1
Academic experience, advice and wellbeing	4	11
Campus and community	6	3
Office and management	12	8
Sabbatical Officers	4	4
Raising funds	1	1
	<u>35</u>	<u>34</u>
Staff costs for the above persons:	£	£
Wages and salaries	991,601	930,080
Social security costs	94,823	88,557
Pension costs - regular annual contributions	40,327	38,125
Pension costs - provision for pension deficit payments	-	18,196
Termination payments	10,780	-
Other costs	18,592	26,711
	<u>1,156,123</u>	<u>1,101,669</u>

The total amount of employee benefits received by key management personnel for their services to the charitable company during the year amounted to £228,352 (21/22 - £209,649) and the charitable company incurred employers' national insurance contribution costs of a further £25,787 (21/22 - £24,525) in relation to the employment of these same members of staff. One member of staff received a salary plus employer contributions towards national insurance during the year of between £80,000 and £90,000.

The Sabbatical Trustees, who are also all employees, 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
	£	£
Sufia Begum	23,048	922
Anuraj Karmacharya	22,216	-
Doris Uche	24,190	594
Ilia Mirsky Katz	24,190	968
Osasu Atomon	2,430	-
Favour Emmanuel	2,430	-

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2023

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 £3,767 (21/22 - £4,528).

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	2023	2022
	£	£
Net income for the year is stated after charging:		
Depreciation	25,600	15,203
11 TANGIBLE ASSETS		
Group	Equipment	Total
	£	£
Cost:		
01 August 2022	221,177	221,178
Additions	47,971	47,971
31 July 2023	269,148	269,149
Depreciation:		
01 August 2022	172,917	172,917
Charge for the year	25,600	25,600
31 July 2023	198,517	198,517
Net book value:		
31 July 2023	70,632	70,632
31 July 2022	48,261	48,261

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2023

12 INVESTMENTS

Charity	Union funds	BSU Enterprise Ltd	Total 2023	Total 2022
	£	£	£	£
Cost:				
01 August	-	2	2	2
Change	-	-	-	-
31 July	-	2	2	2

BSU Enterprise Limited is a trading subsidiary company wholly owned by UBSU. The trading subsidiary normally generates a net profit, however reductions in activity post pandemic resulted in a net loss of £16,407 (2021/22 – net loss £60,490). Sales revenue was £1,084,132 (2021/22 – £711,537) and expenditure was £1,100,539 (2021/22 – £772,027). It is anticipated BSU Enterprise Limited will return to profit in 23/24 after making some significant changes to the trading outlets.

13. STOCKS

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Café supplies	20,527	20,527	11,999	11,999
Shop supplies	61,447	61,447	65,446	65,446
	81,974	81,974	77,445	77,445

14. DEBTORS

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	27,414	27,414	64,281	64,281
Amounts due to group undertakings	-	137,494	-	121,087
Other debtors	1,425	1,425	2,952	2,952
Prepayments and accrued income	37,283	37,283	51,156	51,156
	66,122	203,617	118,389	239,476

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2023

15. CREDITORS	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Amounts falling due within one year:				
Trade creditors	(33,685)	(33,685)	(58,361)	(58,361)
Other taxes and social security costs	(38,071)	(38,071)	(25,716)	(25,716)
Clubs and societies funds	(8,584)	(8,584)	(57,526)	(57,526)
Accruals	(34,472)	(34,472)	(27,588)	(27,588)
Deferred income	(25,175)	(25,175)	(26,766)	(26,766)
	<u>(139,987)</u>	<u>(139,987)</u>	<u>(195,957)</u>	<u>(195,957)</u>
Deferred income:				
Deferred income brought forward	26,766	26,766	20,499	20,499
Deferred income released to the statement of financial activities	(26,766)	(26,766)	(20,499)	(20,499)
Income received in advance during the period	25,175	25,175	26,766	26,766
Deferred income carried forward:	<u>25,175</u>	<u>25,175</u>	<u>26,766</u>	<u>26,766</u>

Deferred income includes those funds received in advance for services to be delivered by the charitable company in the 2023/2024 financial year, and primarily comprises booking fee income received in advance for the 2023 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 PROVISION FOR LIABILITIES	2023	2022
	SUSS pension deficit provision	SUSS pension deficit provision
	£	£
Balance at 1 August	1,465,922	1,531,692
Contributions towards the deficit	(89,702)	(83,966)
Revaluation of pension deficit	<u>(99,074)</u>	<u>18,196</u>
Balance at 31 July	<u>1,277,146</u>	<u>1,465,922</u>

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2023

17. THE FUNDS OF THE GROUP

AND THE CHARITY	01 August 2022	Income	Expenditure	Transfers between funds	31 July 2023
Group	£	£	£	£	£
Restricted income funds:					
Retention fund	-	75,000	(75,000)	-	-
	-	75,000	(75,000)	-	-
Unrestricted Income funds:					
General fund		2,657,907	(2,525,815)	(132,091)	-
Designated funds:					
Capital reserve fund	48,260		(25,600)	47,971	70,631
Contingency reserve fund	100,000				100,000
Development reserve fund	269,032			(104,656)	164,374
SUSS pension deficit fund	(1,465,922)			188,776	(1,277,146)
	(1,048,630)	2,657,907	(2,551,415)	-	(942,141)
	(1,048,630)	2,732,907	(2,626,415)	-	(942,141)

THE FUNDS OF THE GROUP

AND THE CHARITY	01 August 2021	Income	Expenditure	Transfers between funds	31 July 2022
Group	£	£	£	£	£
Restricted income funds:					
Retention fund	-	75,000	(75,000)	-	-
	-	75,000	(75,000)	-	-
Unrestricted Income funds:					
General fund		2,180,494	(2,123,292)	(57,202)	-
Designated funds:					
Capital reserve fund	18,138		(15,204)	45,326	48,260
Contingency reserve fund	100,000				100,000
Development reserve fund	322,926			(53,894)	269,032
SUSS pension deficit fund	(1,531,692)			65,770	(1,465,922)
	(1,090,628)	2,180,494	(2,138,496)	-	(1,048,630)
	(1,090,628)	2,255,494	(2,213,496)	-	(1,048,630)

UNIVERSITY OF BRIGHTON STUDENTS' UNION

FINANCIAL STATEMENTS
for the year ended 31 July 2023
17. THE FUNDS OF THE GROUP AND THE CHARITY (Continued)

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.

**18. ANALYSIS OF NET ASSETS
BETWEEN FUNDS**

Group	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2023 £
Restricted income funds:					
Unrestricted income funds:					
Designated funds:					
Capital reserve fund	70,631				70,631
Contingency reserve fund		100,000			100,000
Development reserve fund		304,361	(139,987)		164,374
SUSS pension deficit fund				(1,277,146)	(1,277,146)
NET LIABILITIES	70,631	404,361	(139,987)	(1,277,146)	(942,141)

Charity	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2023 £
Restricted income funds:					
Unrestricted income funds:					
Designated funds:					
Capital reserve fund	70,631				70,631
Contingency reserve fund		100,000			100,000
Development reserve fund		441,858	(139,987)		301,871
SUSS pension deficit fund				(1,277,146)	(1,277,146)
NET LIABILITIES	70,631	541,858	(139,987)	(1,277,146)	(804,645)

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ANALYSIS OF NET ASSETS

BETWEEN FUNDS

(continued)

Group	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2022 £
Restricted income funds:					
Unrestricted income funds:					
Designated funds:					
Capital reserve fund	48,260				48,260
Contingency reserve fund		100,000			100,000
Development reserve fund		464,989	(195,957)		269,032
SUSS pension deficit fund				(1,465,922)	(1,465,922)
NET LIABILITIES	48,260	564,989	(195,957)	(1,465,922)	(1,048,630)

Charity	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2022 £
Restricted income funds:					
General fund	2				2
Unrestricted income funds:					
Designated funds:					
Capital reserve fund	48,260				48,260
Contingency reserve fund		100,000			100,000
Development reserve fund		586,076	(195,957)		390,119
SUSS pension deficit fund				(1,465,922)	(1,465,922)
NET LIABILITIES	48,262	686,076	(195,957)	(1,465,922)	(927,541)

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19. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Net income for the reporting period	106,488	106,488	41,998	102,488
Adjustments for:				
Dividends, interest and rents from investments	(5)	(5)	(81)	(81)
Depreciation charges	25,600	25,600	15,204	15,204
Increase in stock	(4,529)	(4,529)	5,778	5,775
Decrease in debtors	52,267	52,267	(50,828)	(104,125)
Decrease in creditors	(55,970)	(55,970)	18,297	18,297
Increase in provisions	(188,776)	(188,776)	(65,770)	(65,770)
Net cash used in operating activities	<u>(64,923)</u>	<u>(64,923)</u>	<u>(35,402)</u>	<u>(28,212)</u>
20. ANALYSIS OF CASH AND CASH EQUIVALENTS				
	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Cash at bank and in hand	<u>256,265</u>	<u>256,265</u>	<u>369,154</u>	<u>369,154</u>
21. FINANCIAL INSTRUMENTS				
	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Carrying amount of financial assets:				
Equity Instruments measured at fair value				
Debt Instruments measured at amortised cost	<u>27,414</u>	<u>27,414</u>	<u>64,281</u>	<u>64,281</u>
Carrying amount of financial liabilities:				
Measured at amortised cost	<u>139,987</u>	<u>139,987</u>	<u>110,843</u>	<u>110,843</u>
22. OPERATING LEASE COMMITMENTS				
	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Plant and machinery	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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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). 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, £137,494 was owed by BSU Enterprise Limited. This will be repaid during 23/24 when it is anticipated the trading subsidiary will generate 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 Scheme is currently undergoing an actuarial valuation as at 30 June 2022 and shows that the market value of the Scheme's assets was £106.7m with these assets representing 44% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £136.6m.

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

The 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 were increased by 5% from 1 October 2023. Contributions will increase by a further 5% each year thereafter until the end of the deficit recovery period, which is expected to be in May 2037.

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 £89,702 for the year ended 31 July 2023 (2022: £83,966). The statement of financial position as at 31 July 2023 includes a liability of £1,277,146 (2021: £1,465,922) which represents the net present value of all future contributions towards eliminating this shortfall.