



**THE SU
UNIVERSITY
OF BATH**

**UNIVERSITY OF BATH STUDENTS' UNION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

UNIVERSITY OF BATH STUDENTS' UNION

TRUSTEES AND UNION INFORMATION

REFERENCE AND ADMINISTRATIVE DETAILS

Overview of Charities Key Details	
Charity name:	The University of Bath Students' Union
Other names:	The SU
Charity number:	1143154
Charity address:	The SU Bath, University of Bath, Claverton Down, Bath BA2 7AY
Governing document:	Articles of Association
Constitution:	Unincorporated association
Details of Charity's Professional Services	
Bank name:	National Westminster Bank Plc
Bank address:	39 Milsom Street, Bath BA1 1DS
Auditor name:	Crowe U.K. LLP
Auditor address:	Aquis House, 49-51 Blagrove Street, Reading, RG1 1PL
Senior SU Management	
Chief Executive (until 31/12/22)	Nicky Passmore
Acting Chief Executive (31/01/22 – 31/10/22)	Mandy Wilson-Garner
Interim Chief Executive (01/11/22 – 23/07/23)	Mandy Wilson-Garner
Chief Executive (from 24/07/23)	Ryan Bird
Deputy Chief Executive (24/07/23 - present)	Mandy Wilson-Garner
Interim Deputy Chief Executive (01/11/22 – 23/07/23)	Caroline Slack
Secretary to the Board	Rebekah Self

Board of Trustees

Trustee name	Office	Start date	End date	Appointment
Jimena Alamo	President (Chair)	24/06/2023	23/06/2024	Elected by members
Alexander Robinson	President (Chair)	27/06/2022	23/06/2023	Elected by members
Amber Snary	Education Officer	24/06/2023	23/06/2024	Elected by members
Julia Kildyushova	Education Officer	27/06/2022	23/06/2023	Elected by members
Jura Neverauskaite	Postgraduate Officer	27/06/2022	23/06/2024	Elected by members
David Lam	Activities Officer	24/06/2023	23/06/2024	Elected by members
Viktor Toshev	Activities Officer	27/06/2022	23/06/2023	Elected by members
Hanna Hazjer	Community Officer	24/06/2023	23/06/2024	Elected by members
Blake Walker	Community Officer	27/06/2022	23/06/2023	Elected by members
Elizabeth Stacey	Sport Officer	28/06/2021	23/06/2023	Elected by members
Abbie Watkin	Sport Officer	24/06/2023	23/06/2024	Elected by members
Jordan Kenny	Independent Trustee	19/12/2019	19/12/2025	Appointed by the Board
Valerie Copenhagen	Independent Trustee	19/12/2019	08/09/2022	Appointed by the Board
Marian McNeir	Independent Trustee	20/06/2017	28/06/2023	Appointed by the Board
Barry Hughes	Independent Trustee	12/10/2021	19/12/2024	Appointed by the Board
Kate Aldridge	Independent Trustee	19/12/2019	19/12/2022	Appointed by the Board
Rebecca Board	Independent Trustee	22/03/2023	22/02/2026	Appointed by the Board
Bernard Morley	Independent Trustee	22/03/2023	22/02/2026	Appointed by the Board
Matthew Houghton	Independent Trustee	27/06/2022	26/06/2025	Appointed by the Board
Anand Aggarwal	Independent Trustee	27/06/2022	26/06/2024	Appointed by the Board

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

CHARITY INTRODUCTION

Charitable Status

On the 29 July 2011 the University of Bath Students' Union (The SU) successfully registered as a charity with the Charity Commission (charity number 1143154). The charity is governed by a constitution adopted on 1 July 2009 and amended on 12 March 2019.

Trustees' Report

The Board of Trustees present their Annual Report together with the financial statements for the year ended 31 July 2023. The report has been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice: 'Accounting and Reporting by Charities' SORP (FRS102). The trustees have had regard to the Charity Commission guidance on public benefit entities.

Relationship with the University of Bath

Under the Education Act 1994, the University of Bath has a statutory duty to take such steps as are reasonably practicable to ensure that The SU operates in a fair and democratic manner and is held to proper account for its finances. The SU therefore works alongside the University of Bath in ensuring that the affairs of the Union are properly conducted and that the educational and welfare needs of The SU's members are met.

OBJECTIVES AND ACTIVITIES

Charitable Purpose

The objects of The SU are the advancement of education of students at the University of Bath for the public benefit by:

- promoting the interests and welfare of students at the University of Bath during their course of study and representing, supporting and advising members;
- being the recognised representative channel between students and the University of Bath and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussion and debate for the personal development of its members.

Our Cause

We believe that students can and want to shape the community they are part of for the better. We create opportunities for students to come together to do just that, and support them as active citizens who contribute to the communities they are part of.

Our Strategy and Activity

This year was our third full year of our 2020-23 strategy, focused on four key areas of focus:

- **Citizen-shift:** to facilitate opportunities for students to come together and encourage everyday participation in our cause;
- **Culture-shift:** to strengthen our distinctive culture and working practices and create a culture that helps deliver our cause;
- **Content-shift:** to shift our communications, activities and spaces to better reflect and celebrate our cause;
- **Climate-shift:** to prioritise how we together respond to the climate emergency.

Recognising that our Student Leaders are elected annually, we also create annual plans for each Sabbatical Officer based on their election manifestos; an annual 'Top 10' list of key issues of importance to the student community against which Officers lobby the University; and operational plans for areas of service provision.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Operational activities that support achievement of our objectives are:

- Voice (representing students, elections, campaigns, and research)
- Support & Advice (personal, housing, or academic information and support, peer-to-peer schemes)
- Development (jobs, skills training, volunteering)
- Student Activities (Sports, Clubs and Societies, Arts, Diversity Groups)
- Commercial operations, including a bar and nightclub, which support student social and recreational activity and generate income to support our other operations.

ACHIEVEMENTS AND PERFORMANCE

Statement of regular activities undertaken by the Charity

This year, we have had considerable leadership and operational challenges to face, with staff capacity being greatly reduced across the organisation.

At a senior level, after the Chief Executive left the organisation, we appointed an Interim Chief Executive (current DCE) and the current Head of Student Voice & Engagement acted up as the Deputy Chief Executive, with two managers in Voice, acting up into the Head of Student Voice & Engagement role. This enabled us to start work on identifying areas of focus for when the new permanent Chief Executive was recruited and to lay the groundwork for the development of a new organisational strategy.

At other levels, along with many areas of the university, we had around 20% of staff leave for new posts. Shortage of HR staff during the summer in the University meant a delay in recruitment and therefore, many posts were not filled until December 2022. This meant that other managers were focussing on filling the gaps in work and working on inductions as new staff were recruited. This, in turn, had an impact on the support offered to the Officer Team, although overall, they had a successful year.

Despite our capacity issue, we had a positive year. We ran another very successful Fresher's and Re-Freshers week along with our flagship Freshers' Fair. The Summer Ball, Varsity and other large events were a success, with good feedback from students. Varsity, this year, was away at Cardiff Metropolitan University. We sent 1,000 students, including 300 athletes. This resulted in a large win to Bath, the 6th consecutive win over 24 sports. This event will return to campus in 2024.

Commercially, we launched and developed the hairdressers, with a particular emphasis on black hairdressing. We had a busy May with the Summer Drinks offers, and the summer School trade recovered from previous years. We also introduced new games machines, which have been successful, and further developed our weekly programme by introducing new events. Security were trained in areas such as NeverOK and Diversity. Overall, the footfall in the SU Bar and in participating in events has increased. Unfortunately, Club nights have once again been our significant challenge this year. After a good start, teaming up with official events, attendance dropped in semester 2, leading to a drop in ticket and wet sales. This is under review, and we are working on a new approach for 2023-2024.

The introduction of a Digital & Social Media Co-ordinator in Marketing has meant our statistics on our social media have had a considerable increase, with more creative content. Students are engaging more across all channels. We have also been able to celebrate the successes of student groups through written blogs. These have had great views and have really empowered groups, so they feel really valued and supported. Marketing also reached their target for sales income for the Academic Year and, in some cases, exceeded it.

The University was successful in securing a one-year extension to the lease on Dartmouth Avenue. However, it'll be important to review its use in 2023-24, with particular attention to the combat and cue sports that currently have no other space in the university. Also, the Student Community Partnership (SCP), a partnership between the University of Bath, Bath Spa University, the City of Bath College, along with their three students' unions, B&NES Council and Norland College will continue to need a space within the local community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Collectively, our community came together to deliver some great recognition events this year. The SU Awards, the Blues Awards and the Education Awards were held in person, with representatives from the university attending, including the Vice Chancellor and senior staff. It was truly inspiring to see what students have achieved in this post-pandemic period and how much they supported each other.

Officer elections were successful this year. Our candidate numbers were up by 13 compared to the 2022 elections and 11 since the 2021 elections, likewise, our turnout also increased to 23%, a similar level to 2019. All positions had candidates following nominations closing therefore, no extension period was required in 2022. The election process continued its return to an in-person process. New branding for the elections was created and used by the Marketing team successfully. The SU allowed Student Groups to endorse candidates, if they wished, for the first time this year. This led to a perceived increase in engagement from students within the Groups in the election process. We will seek further feedback from the groups to evaluate this rule for the year ahead. In lieu of being able to offer sustainability-linked incentives for the number of votes received (funding for this was a one-off and not available for 2023), the SU offered a daily prize draw of voters, with three £50 gift card prizes awarded to students. Steps were taken to safeguard candidate welfare, including daily 1:1s with staff mentors and drop-ins, plus an additional offer of a session with the University wellbeing service in the week after the elections for all candidates. In light of the increases in cost of living, the maximum amount to be reimbursed to each candidate for their campaign expenses was increased from £10 to £20. Overall, the elections again had a positive tone, evidenced by a low number of grievances, and supported anecdotally.

We welcome the new Officer Team for 2023-4.

Supporting and developing our students

- **Casework** - Between Oct 22 and June 23 our Advisors opened 682 new cases, empowering students to remain engaged with their studies at some of the toughest times in their student experience (e.g. an investigation into alleged sexual assault or Fitness to Study). This is in line with the average since 2018 ($n=670\pm20$ cases). Cases are becoming more complex. New data shows the average case in 2022/23 (72 days, range 1 day-4 years, $n=798$ cases) lasted almost four times longer than in 2018/19 (26 days, range 1 day-1 year, $n=506$ cases). Advice have also started to assess the risk students present with. By applying the criteria used by the University Student Support team, we know around 3% of cases are 'red' rating (high level of risk from severe depression, anxiety, trauma or active suicidal ideation) 25% are amber (some evidence of risk from low mood, anxiety or significant life events) and 72% are green (low risk from mild low mood, anxiety or difficulties with transitions). Figures based on cases open in March 2023.
- **Perfectionism** - Student Minds pitched a new idea to the Deputy Director of Student Support and Safeguarding, for a peer-led support programme tackling perfectionism. Using evidence from their peers and wider research, the student leaders proposed a range of flexible interventions to help support students experiencing the negative impact of perfectionism in their academic and sporting experience, planned to start in 2023/24.
- **Nightline** analysed and presented data showing trends in the 600 calls and messages received in 2022/23. The Deputy Director of Student Services, Wellbeing Service Manager and three of the incoming Officers were part of the audience and were impressed by the quality and insights into the service. The Committee met staff again in June to discuss support around suicidal calls in more detail.
- **Great feedback** – includes: Undergraduate student, March 2023: *"The SU Advice Centre has been an essential part of my university experience. I wouldn't have stayed at the university without their support. Before their support, I wouldn't say I liked the university and felt alienated by the experience. After their help, I thought it would not be that bad if people like them worked here. It opened me up to engaging with their recommendations and having a positive university experience. Not that everything was always positive, but in a way that when there was an issue, I knew exactly what to say and do to get it sorted on my terms. University felt less like something that happened to me and more like something I was participating in."*

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TRUSTEES' REPORT (CONTINUED)
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- **Guides** - Personal Tutors and Directors of Study welcomed our new, easy-to-follow guides to IMCs, academic appeals and assessment offences. After writing about how our service can help staff, we experienced an 25% increase in the number of students seeking academic advice in April and May (n=108 cf. 87 since 2018).

The majority of **peer support** activities are now in person, and there was some great work with departments of the universities on new initiatives.

- PAL went from strength-to-strength post-COVID, with the average number of sessions attended per person increasing to 4.18 (up by 0.9 on the previous record). This shows that retention at PAL sessions was higher, with students valuing the sessions.
- We launched a pilot for a PGT buddying scheme, pairing up new PGT students to support each other at the start of their course. The pilot was overwhelmingly successful, with 57 students in computer science signing up. We've expanded to 7 departments for this year.
- We launched the latest suite of online training for groups, including the new Finance module, bringing the total number of modules up to 9. An events module has also been developed and will launch in September.
- Alongside the online training, we have developed a compulsory training completion tracking process, which allows us to see who has and hasn't completed the training they need. This has allowed us to increase completion to 95% of chairs and treasurers.
- 395 students attended groups conference this year, which was amended to take place over two evenings. Twice as many students attended this year's conference compared with the previous year.

Representing our students

Our Student Voice team and Student Officers worked hard this year, ensuring student views were represented across the University. Significant achievements from their collective representation efforts include:

- **University/SU Student Voice activities** – The new Associate Pro-Vice-Chancellor Student Voice (Prof. Thalia Gjersoe) started in role and has started to develop a strategic plan looking at priority areas of work and associated activities. She is working closely with the Head of Student Voice to develop priority areas and oversight activities to steer this work.
- **UCU Marking and Assessment Boycott announced** – The boycott was and continues to be a major piece of work for both officers and staff in the voice team. Following the referendum outcome in February, The SU continued to not support industrial action. Officers have been in regular contact with UCU and have weekly meetings with university stakeholders for updates and to provide student feedback. Work in this area was on understanding how other students' unions responded to the boycott, as well as liaising with external stakeholders such as the OIA to understand what greater support is in place to support all students. Regular statements from the Officers have been created and promoted to students.
- **SUMmit** – All four meetings of SUMmit took place with 3 Standpoints passed in total. Several changes were also made to the ToR after multiple feedback sessions and a lengthy discussion in the April SUMmit meeting.
- **Access and Participation Plan (APP) student submission** - The team discussed and worked on a student response to the University's APP.
- **University committee membership** – Work has been undertaken to review the number of University meetings attended by SU Officers (and staff), with the view to streamlining to create more capacity for other activities. It is hoped that many of these changes will be in place for the start of the academic year 2023/24.
- **PGT student experience** – The University have prioritised the PGT student experience as an area for development, given consistently poor Postgraduate Taught Experience Survey results. The SU participated in a workshop to identify priorities for the University, both short-term and longer-term. The SU will continue to be a key stakeholders in this piece of work.
- **International and PG community** – Planning took place to provide a range of activities across The SU for international and postgraduate students remaining in Bath for the summer vacation.

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- **Data and insight** – The Postgraduate Student Experience Research Project focus groups were concluded and work took place on the reports. SU participation data was analysed to give areas insight into membership, election engagement and core event attendance.

The Student Officer team are invaluable as the face of The SU, representing the views of thousands of students both locally and nationally. Some achievements for the team this year include:

- **Inclusivity Award - 14 groups** engaged, with some examples of their work [highlighted on the website](#).
- **Campus Pride** took place in April and saw a much **higher level of student engagement** than in previous years, and the University has been nominated as 'University of the Year' in the Queer Student Awards 2023.
- The **SU Awareness Days Committee** has been formed, and planning is underway to make our offer more student-led.
- **Local Community** - The SU President and the Community Officer attended the **Local Council AGM**, where the President addressed the newly formed Council about **students as residents**, highlighting **good practice of collaboration** elsewhere in the country/sector. Our presence was well received, leading to good **relationship building** with some local councillors and our attendance being reported across **local press**.
- **Mental Health** – work took place on the Mental Health Charter this year with the University.
- **Transport** – work took place on the issues with buses, timings and, in some cases, a possible withdrawal of services.
- **Harm reduction** - secured the University's commitment to a 'Harm reduction' approach towards student drug use, with accompanying investment and resources.
- **Student Spaces** – secured **additional study space and student-friendly spaces on campus**
- **Drink Spiking** - lobbied local venues, improved internal practice, and highlighted the support available to students.
- **Ukraine Vigil** - organised important events such as a Vigil in support of Ukraine.
- **Accessibility Survey** - The SU conducted an Accessibility Survey with Student Services to gather feedback on accessibility and inclusivity of campus for disabled students and attended meetings of the university's Disability Steering Group, which will address the results of the Accessibility Survey and accessibility audit of campus.
- **Cost of Living** – work took place as part of the university Cost of Living Group and within The SU.

Providing Student Activities: Sports, Societies, Volunteering and Community

- **Summer activities** – The volunteer area provided summer opportunities to Doctoral and International students.
- **Study Well Week** – community delivered activities that were inclusive to all students from Inflatables on the Green, Petting Zoo and Bubbles on the Green
- The **MUN (Models United Nations) Society** celebrated some great achievements after attending the London International Model United Nations conference in London. They received 5 individual awards- three for 'most improved delegate' and two for 'honourable mentions', and also won the award of best small delegation.
- The **Dance Society** celebrated after attending the Loughborough Dance Competition, the largest dance competition in the UK. Some of the highlights include the Ballet team, who came first in their categories. Another big accomplishment of the day was the 'Wildcard' Team, who got an almost perfect score of 99.
- **Arts groups** delivered 21 productions, and 42 performances.
- **Women's only swim sessions** – organised through using one of the lesser used triathlon sessions, opening a women's only swim session bi-weekly.

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- **Sulis Club Development:** New plans were submitted for changing rooms and climbing facility to University Senior Management.
- **Introduction of the SU Sport Instagram:** This has been a fantastic tool, particularly for feedback from students, but also showcasing the events and activities that have been hosted.
- **BUCS:** Bath had one of its best years ever within BUCS this year with seven teams attending BUCS Big Wednesday, lots of teams to Conference Cup Finals, 14 teams unbeaten in leagues, medals
- **SU Group Awards** were held in April- Had over 550 nominations over the 11 categories.

Sustainability

Having declared a climate emergency, along with the University, The SU is particularly proud of the amount of work our student leaders have been undertaking this year in this area. SU staff and officers have been active members of the joint SU/University climate action team. The SU successfully achieved The Green Impact Award, a national award developed for Students' Unions.

Looking Forward

Our new Chief Executive, Ryan Bird, started at the end of July 2023 and will be working with trustees, staff, students and stakeholders over the coming year to develop a new strategy for the organisation. Developing this strategy will provide an important moment for the SU to consider its role and purpose following what has been a challenging time. Organisational delivery continues to be impacted by the changes in the post-pandemic landscape and the ongoing cost of living situation, therefore, consideration will also need to be given to our long-term funding model.

Alongside an ambitious strategy timeline, the Board has also agreed on a number of enabling streams of work, which will be key in ensuring the organisation is well-placed to deliver its longer-term objectives.

Thank You

The achievements outlined in this annual report are the result of a dedicated and passionate team who come together to make a real difference to students. The organisation is extremely grateful for all the work of its staff, student leaders, volunteers and trustees.

Thanks also go to the University of Bath, our main funder, who continues to work with us to ensure the experience at Bath is an exceptional one.

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Financial Review

The overall deficit for the year on unrestricted funds was £20,576 (2022: *Surplus of £195,642*). The budget for the year was for £1.6k surplus therefore a negative variance of £22k budget is reported. The prior year surplus was due to exceptional items.

Bars and entertainments remained the principal focus for The SU's commercial activity during 2022/23. Following a downturn in the area in the latter part of 2021/22 efforts were made to renew the offer and several changes implemented. However, with the ongoing cost of living impacts, strong competition from city venues and changing trends in student behaviour the area continued to struggle financially despite remaining a successful space for students to relax and socialise, with good footfall. Commercial performance was disappointing, ending the year with a significant shortfall of £100k against expected income.

Coffee and food sales fell short of income targets early in the year, recovering with good sales during the summer exam periods. Wet sales and ticket revenue both exceeded budget throughout, however the cost of sales and associated expenditure significantly increased providing lower returns.

In other commercial areas, including stall hire and fayre income, expectations were exceeded with surpluses against budgeted income of £9k. Freshers Fayre and bookings for other future events and look positive. Graduation photo commission and bank interest both provided higher returns than expected.

Salary vacancies were high again this year giving savings which helped to offset the extra recruitment costs incurred in the search for a new Chief Executive. Other non-pay activity across the SU remained in line with budget or underspent, with the most significant in the Voice and Peer Support areas, whose activity was affected by staff vacancies. These cost savings, together with the other commercial income, have offset most of the income shortfall reported by the bar.

The majority of SU restricted funds relate to our student groups who have enjoyed high turnover as membership and activity significantly increased. The year end funds balance is slightly reduced to £387k, and designated funds also reduced as expenditure caught up with the activity.

Restricted funds have increased slightly during the year as some activity took longer to re-establish itself after covid.

The Balance Sheet continues to reflect a robust financial position for the Union with net current assets of £844,665 (2022: *£858,066*).

Reserves

The SU has a Reserves Policy, agreed by the Trustees. The purpose of the free reserves for The SU is to help ensure the long-term ability of the organisation to meet its mission. The SU will maintain free reserves to achieve the following objectives:

- to designate to specific projects to enable these to be undertaken at short notice;
- to protect The SU against adverse economic conditions within commercial operations; and
- to provide a fund for capital replacement or refurbishment.

The free reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

The total reserves held by the reporting entity at 31st July 2023 was £926,485 (2022: *£958,846*), of which £539,450 (2022: *£560,026*) are regarded as unrestricted funds and £387,035 (2022: *£398,820*) are regarded as restricted funds.

The balance held as unrestricted general funds, excluding designated funds, at 31st July 2023 was £528,495 (2022: *£549,628*), of which £469,710 (2022: *£479,973*) are regarded as free reserves, after allowing for funds tied up in tangible fixed assets.

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Risk Management

The Board of Trustees reviews the major strategic, business and operational risks faced by the Students' Union on an annual basis as a minimum. The 2022/23 risk register identifies high level risks:

1. Poor health & safety leads to accident resulting in serious injury or death.
2. Management override of journal processing could lead to fraud
3. High staff turnover or loss of key staff impacts on team's ability to deliver service.

These risks have been mitigated through a number of improvement actions, controls and processes, reducing all identified risks to 'medium'. The risks will be re-assessed for the production of The SU Risk Register 2023/24.

Future Developments

Strategic Plan & Capacity Review

An important piece of work over the next academic year will be the strategic plan & capacity review. This will also link into work on a three- year funding agreement with the University.

Commercial & Marketing

In the aftermath of the pandemic, we have been subject to decreasing profit margins in our bar operations and have lost other commercial income streams in central sponsorship deals and NUS student card commission in recent years. We commissioned a consultant to review the Bars & Marketing areas. We are already working on some areas identified in the report and look forward, as part of the strategic plan & capacity review to implement other changes, as appropriate.

Spaces

Regarding the building in Dartmouth Avenue, next year will be the final year of the University's three-year contract with B&NES. The SU will continue to maximise its potential and has already been lobbying the University for either an extension of the lease or similar space in the heart of the student community within the city. This will be important to provide space for some key activity groups to operate, as well as the SCP. Work on ensuring the spaces in The Edge are welcoming for students, especially the ground floor, will continue.

Rise in the cost of living

Students will be one of the groups that will struggle with the rise in the cost of living. We are keen to work hard to support students within the University and when living in the local community.

Funds Held As Custodian Trustee On Behalf Of Others

Raise & Give (RAG) is a student led society with the aim of fundraising for a variety of local and national charitable causes whilst providing students with a number of development opportunities. This includes fundraising itself as well as organisational and leadership roles.

The financial transactions of RAG are kept separate from those of The SU through the use of unique coding and custody of the assets falls within the general security arrangements of the wider University.

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Structure, Governance and Management

Method of appointment of Trustees

The governance and management of the Union is the responsibility of the Trustees who are elected or appointed under the terms of the Articles. The Board of Trustees comprises 6 elected Student Officers, and up to 7 Independent Trustees, at least one of whom must be a student member.

Student Officers are elected annually by our student members for a one-year term, and able to serve a second term if re-elected. They provide invaluable insight from their own experiences as a student and enable us to create a truly student led organisation

Independent Trustees apply and are appointed by the Board for a term of up to three years and can serve a maximum of two terms. Our Independent Trustees provide wider skillsets and experience from outside The SU and we are enormously grateful for their skills and support.

Upon appointment all Trustees are briefed on their legal obligations and other Trustee responsibilities. All Trustees receive an induction information pack which includes their role responsibilities, their legal responsibilities, historical and current information about The SU, information on its Strategic Plan and how to deal with potential conflicts of interest.

The Trustee Board is responsible for overseeing the management and administration of The SU. They have ultimate responsibility for the governance, budget and employment issues, and the strategic direction of the Union, much of which is delegated to officers and staff. The Trustee Board also delegates relevant decisions to relevant subcommittees.

The Board of Trustees has the following committees:

Finance and Audit Committee	
Responsibility: <ul style="list-style-type: none"> Monitoring, reporting and making recommendations on the budget to the Board Approving unbudgeted expenditures that will exceed £10,000 Approving budgeted expenditures that will exceed £50,000 Reviewing financial policies Monitoring and reporting on audit recommendations to the Board Keeping under review a register of assets 	
2021/22 Membership Elizabeth Stacey Kate Aldridge Barry Hughes Jordan Kenny Valerie Copenhagen Annie Willingham	2022/23 Membership Elizabeth Stacey Barry Hughes Jordan Kenny Alexander Robinson
Appointment: <ul style="list-style-type: none"> All trustees are appointed by the Board 	
Number of meetings: <ul style="list-style-type: none"> This committee meets a minimum of 4 times a year with additional meetings as and when necessary 	

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Complaints and Disciplinary Committee	
Responsibility: <ul style="list-style-type: none"> Hearing appeals for complaints and student member disciplinary 	
2021/22 Membership Marian McNeir Alexander Robinson Zoe Paumelle Kate Aldridge (Reserve) Meg Crossman (Reserve)	2022/23 Membership Marian McNeir Alexander Robinson Blake Walker (reserve)
Appointment: <ul style="list-style-type: none"> All trustees are appointed by the Board 	
Number of meetings: <ul style="list-style-type: none"> This committee meets as and when necessary For 2022/23 this committee met 0 times 	

Leadership Committee	
Responsibility: <ul style="list-style-type: none"> Monitoring, reporting and making recommendations on the strategic plan to the Board Approving and overseeing campaigns and projects Identifying and monitoring reputational risks 	
2021/22 Membership Annie Willingham Elizabeth Stacey Siddharth Singh Jacob Withington Meg Crossman Zoe Paumelle	2022/23 Membership Alexander Robinson Elizabeth Stacey Blake Walker Julia Kildyashova Jura Neverauskaite Viktor Toshev
Appointment: <ul style="list-style-type: none"> All trustees are appointed by the Board 	
Number of meetings: This committee normally meets monthly	

Statement as to disclosure of information to the auditor.

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

Crowe UK LLP were appointed in March 2021 commencing a four-year agreement.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

The Trustees' Report was approved by the Trustees on 12 December 2023 and signed on their behalf by:


Chief Executive
Ryan Bird


Students' Union President
Jimena Alamo

Date: 12/12/2023

Date: 12/12/2023

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Union and of the incoming resources and application of resources of the Union for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Union will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing the aims and objectives of the charitable group and in planning its future activities they the Trustees refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

Incorporation

The Trustees intend to incorporate The SU in 2024. Careful consideration has been given to all the options available, and moving from an unincorporated body to an incorporated charity and company limited by guarantee is the preferred option. This will enable a more efficient and effective running of the charity and reduce the risk for individual trustees. Once The SU is in corporate form, it will be recognised as a legal person, which means it will be able to hold the organisation's assets and will be able to enter contracts itself. The trustees will still owe duties to the corporate charity but will not (other than in certain limited circumstances) be personally liable to third parties.

As part of the incorporation process, consent will be sought from the University of Bath as required by the Education Act 1994. The governance arrangements will operate broadly the same as they currently do. The Trustees plan to approve new Articles of Association in late 2023, with a view to incorporating (subject to Charity Commission approval) in early 2024.

BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Union and of the incoming resources and application of resources of the Union for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Union will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing the aims and objectives of the charitable group and in planning its future activities they the Trustees refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BATH STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2023

Opinion

We have audited the financial statements of the University of Bath Students' Union for the year ended 31 July 2023 which comprise the statement of financial activities, balance sheet, cash flow 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 charity's affairs as at 31 July 2023 and of its incoming resources and application of resources, 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 Charities Act 2011

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

Emphasis of matter – financial statements not prepared on a going concern basis

We draw attention to the disclosures made in note 1 to the financial statements concerning the charity's ability to continue as a going concern which explains that the Trustees intend to transfer the assets and liabilities of the University of Bath Students' Union into a new incorporated charity. It is the view of the Trustees that it will be possible to close down the current charity during the year ended 31 July 2024 and accordingly the financial statements have not been prepared on a going concern basis.

There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in this respect.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY OF UNIVERSITY OF BATH STUDENTS' UNION (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY OF UNIVERSITY OF BATH STUDENTS' UNION (CONTINUED)

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were Charity Commission regulations and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

Reading

Date: 12 December 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BATH STUDENTS' UNION
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM:					
Donations and grants	3	2,894,751	115,000	3,009,751	2,915,995
Charitable activities					
Bars and entertainment		1,102,302	-	1,102,302	965,993
Clubs and societies		16,716	220,286	237,002	189,751
Sports associations		151,760	715,735	867,495	778,141
Events		438,756	-	438,756	511,460
Other trading activities		143,523	166,799	310,322	193,323
Investments	4	<u>11,945</u>	<u>-</u>	<u>11,945</u>	<u>527</u>
Total		<u>4,759,753</u>	<u>1,217,820</u>	<u>5,977,573</u>	<u>5,555,190</u>
EXPENDITURE ON:					
Raising funds	5	(127,554)	-	(127,554)	(76,603)
Charitable activities	5	(4,618,117)	(1,229,605)	(5,847,722)	(5,222,023)
Other	5	<u>(34,658)</u>	<u>-</u>	<u>(34,658)</u>	<u>(17,500)</u>
Total		<u>(4,780,329)</u>	<u>(1,229,605)</u>	<u>(6,009,934)</u>	<u>(5,316,126)</u>
NET INCOME/(EXPENDITURE)	7	<u>(20,576)</u>	<u>(11,875)</u>	<u>(32,361)</u>	<u>239,064</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>(20,576)</u>	<u>(11,875)</u>	<u>(32,361)</u>	<u>239,064</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>560,026</u>	<u>398,820</u>	<u>958,846</u>	<u>719,782</u>
TOTAL FUNDS CARRIED FORWARD		<u>539,450</u>	<u>387,035</u>	<u>926,485</u>	<u>958,846</u>

All income and expenses relate to continuing operations.

The notes on pages 20 to 34 form part of the financial statements.

BATH STUDENTS' UNION
BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	81,881	100,780
CURRENT ASSETS			
Stocks		5,955	20,285
Debtors	11	234,012	300,100
Cash at bank and in hand		<u>665,067</u>	<u>894,291</u>
		905,034	1,214,676
CREDITORS: Amounts falling due within one year	12	<u>(60,430)</u>	<u>(356,610)</u>
NET CURRENT ASSETS		<u>844,604</u>	<u>858,066</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>926,485</u>	<u>958,846</u>
RESERVES			
Unrestricted funds – general	14	528,495	549,628
Unrestricted funds – designated	14	10,955	10,398
Restricted funds:			
SCP	15	42,341	37,804
Alumni	15	39,577	43,275
Student development	15	39,321	51,704
Sports and Societies funding	15	242,701	234,912
Club asset reserve	15	<u>23,095</u>	<u>31,125</u>
	16	<u>926,485</u>	<u>958,846</u>

The notes on pages 22 to 34 form part of the financial statements.

These financial statements were approved and authorised for issue by the Trustees on 12 December 2023 and signed on their behalf by:


Students' Union President

Jimena Alamo

BATH STUDENTS' UNION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
CASH FLOW FROM OPERATING ACTIVITIES:			
Cash (used) /generated by operations	22	<u>(214,694)</u>	<u>229,566</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Income and proceeds from investments		11,945	527
Purchase of tangible assets		<u>(26,475)</u>	<u>(39,469)</u>
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		<u>(14,530)</u>	<u>(38,942)</u>
MOVEMENT IN CASH		<u>(229,224)</u>	<u>190,624</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		<u>894,291</u>	<u>703,667</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		<u>665,067</u>	<u>894,291</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:			
Cash at bank and in hand	23	<u>665,067</u>	<u>894,291</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES

Basics of Accounting

The University of Bath Students' Union is a registered charity with the Charity Commission. The registered office is The University of Bath Students' Union, Norwood House, Claverton Down, Bath, BA2 7AY. The Union is a charitable unincorporated organisation.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011. The accounting policies as disclosed have been applied consistently throughout the current and preceding year.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The University of Bath Students' Union meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees report found on page 2 of these accounts.

Going Concern

The Trustees require the Union to prepare a budget each year, demonstrating that reserves will be maintained at or above agreed levels. The Union then updates actual results each month and Trustees and the Union closely monitor performance at both Board and Finance & Audit Committee meetings at least once a quarter to ensure reserves are going to be maintained as agreed. The Trustees note that the majority of The SU income is received in the form of a block grant from the University, which has been received at a materially consistent level for some years. The trustees further note that the grant for the coming year has been committed by the University.

It is the intention of the Trustees of the University of Bath Students' Union to transfer the assets and liabilities of the current Union to a newly incorporated charity (Company Limited by Guarantee) within the next 12 months. It is the view of the Trustees of the University of Bath Students' Union that the transfer will proceed and that the Union's business will transfer into the new Company Limited by Guarantee in early 2024. As a consequence of the expected transfer the trustees expect to close down the residual unincorporated charity without liability or gain during year ended 31 July 2024. On this basis, this unincorporated charity is not a going concern but no adjustments are required to the figures due to the transfer.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

Income

The annual grant from the University of Bath is intended to meet recurrent costs and is credited directly to the SoFA. Commercial activities represent income such as advertising income and commission from photographs and hire, this income is recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. Other income is included in the SoFA account on a cash received basis or on a receivables basis where there is reasonable probability of receipt.

Expenditure

Expenditure includes irrecoverable VAT. Charitable expenditure comprises the direct and indirect costs of delivering public benefit. Indirect staff costs are apportioned to charitable activities by headcount in particular areas. Indirect overhead costs are apportioned to charitable activities pro rata to the total costs of particular activities undertaken. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit.

Intangible Fixed Assets

Intangible assets acquired are recognised as a cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software	-	3 years straight line
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Fixed Assets

Fixed asset purchases in excess of £2,500 are capitalised at cost and subsequently measured at cost less accumulated depreciation, or where applicable amortisation, and impairment.

Depreciation or amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	-	2-5 years straight line
Motor vehicles	-	4 years straight line
Leasehold Improvements	-	8 years straight line

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

Fund Accounting

the Union administers and/or accounts for a number of charitable funds, as follows:

- i. **Unrestricted Funds** representing unspent income which may be used for any activity / purpose within the charitable objects at the Executive Committee's own discretion;
- ii. **Designated Funds** set aside by the Executive Committee to be spent on some specific purpose at its own discretion;
- iii. **Restricted Funds** raised and administered by the Union for specific purposes as determined by students, such as Club and Societies Accounts, as well as revenue received for purposes specified by the donor and also (if not material enough to require a separate column in the SoFA) any small capital grants received from the University; and
- iv. **Custodian Funds** entrusted to the Union for safekeeping, but not under its management control, e.g. the annual RAG. Such custodian activities are disclosed in the Annual Report, but as the funds are not managed by the Union they are not included in the accounts.

Expenditure on refurbishments and repairs of assets where the Union does not have the risks or rewards of ownership is expensed in the year. This includes all refurbishment to the Union building which is leased from the University on a yearly basis under an informal agreement. As the maximum term of the lease is a period of one year then all refurbishments and repairs of the Union building is expensed.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to disposal.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial Instruments

As the charity only has basic financial instruments it has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity period.

Taxation

No corporation tax has been provided in the financial statements of the charity as the income of the charity is covered by the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

Pensions

The two principal pension schemes in which the Union participates are the Universities Superannuation Scheme and the Bath & North East Somerset Local Government Pension Scheme, both of which are defined benefit schemes, externally funded and contracted out of the State Earnings-Related Pension Scheme. Both funds are externally valued, normally every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuaries based on the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the estimated period during which the Union benefits from the employees' services.

The University of Bath Students' Union does not directly employ staff. All staff are employed by the University of Bath who then recharge the Union for the use of these staff. Details relating to both of these schemes are included in the accounts of the University. The Universities Superannuation Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share in the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 102 section 28, in these circumstances contributions are accounted for as if the schemes were defined contribution schemes based on actual contributions paid through the year.

Staff on grades 2 to 5 who joined the University before 1st June 2021 are eligible to join the Avon Pension Fund Local Government Pension Scheme (LGPS). This scheme operates as a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined. The University (the employer) has accounted for the scheme under FRS 102 section 28 as a defined contribution scheme. As the Union does not directly employ staff it does not recognise any of the liability.

Staff on grades 2 to 5 who joined the University on or after 1st June 2021 are eligible to join the University of Bath Group Pension Plan (UoBGPP) administered by Aviva. This scheme operates as a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined. The University (the employer) has accounted for the scheme under FRS 102 section 28 as a defined contribution scheme. As the Union does not directly employ staff it does not recognise any of the liability.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

2 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the charity's and group'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 associated 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees consider that there are no material judgements or estimate which gives rise to a significant risk of a material misstatement in the financial statements.

3. DONATIONS AND GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Grant income	<u>2,894,751</u>	<u>115,000</u>	<u>3,009,751</u>	<u>2,785,145</u>	<u>130,850</u>	<u>2,915,995</u>

4. INVESTMENT INCOME

	2023 £	2022 £
Unrestricted bank interest receivable	<u>11,945</u>	<u>527</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

5. EXPENDITURE

	Staff 2022 £	Direct 2022 £	Support 2022 £	Total 2022 £	Total 2021 £
Costs of raising funds:					
Commercial activities	-	<u>127,554</u>	-	<u>127,554</u>	<u>76,603</u>
Charitable Activities:					
Bars & Entertainment	411,998	444,858	216,074	1,072,930	1,146,132
Clubs & Societies	61,234	291,704	118,796	471,734	451,888
Sports Associations	-	997,716	544,073	1,541,789	903,019
Events	137,390	90,964	405,356	633,710	1,153,287
Student Activities & Advice	1,690,089	114,409	6,494	1,810,992	1,116,740
Volunteering	<u>315,076</u>	-	<u>1,491</u>	<u>316,567</u>	<u>450,957</u>
	<u>2,615,787</u>	<u>1,939,651</u>	<u>1,292,284</u>	<u>5,847,722</u>	<u>5,222,023</u>
Governance	-	-	<u>34,658</u>	<u>34,658</u>	<u>17,500</u>
Total Expenditure	<u>2,615,787</u>	<u>2,067,205</u>	<u>1,326,942</u>	<u>6,009,934</u>	<u>5,316,126</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

6 ANALYSIS OF SUPPORT COSTS

	Bars & Entertainment 2023 £	Clubs & Societies 2023 £	Sports Associations 2023 £	Events 2023 £	Student Activities & Advice 2023 £	Volunteering 2023 £	Total 2023 £	Total 2022 £
SU Officer accommodation	-	17,221	56,688	7,513	-	-	81,422	68,049
Facilities	168,384	48,895	242,420	202,190	-	-	661,889	669,478
Admin and maintenance	47,690	52,660	244,965	195,653	6,494	1,491	548,973	419,033
	<u>216,074</u>	<u>118,796</u>	<u>544,073</u>	<u>405,356</u>	<u>6,494</u>	<u>1,491</u>	<u>1,292,284</u>	<u>1,156,560</u>

Support costs are apportioned based on the total proportion of staff and direct costs in each activity. Events are excluded from this calculation. Approximately one third of the rent is allocated to bars and post office and the rest of the rent cost is apportioned to the other activities with the remaining support costs.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

7. NET INCOME/(EXPENDITURE)

Net income for the year is stated after charging:

	2023	2022
	£	£
Auditor's remuneration – as auditor	12,830	11,350
Auditor's remuneration – other	18,826	4,000
Depreciation	45,374	53,455
Operating lease charges	<u>7,296</u>	<u>4,380</u>

8. STAFF COSTS

The Union does not directly employ staff, all wages and salaries included within these accounts are recharged from the University of Bath. The recharged staff costs in the year were:

	2023	2022
	£	£
Wages and salaries	1,849,159	1,783,305
Social security costs	141,632	117,795
Other pension costs	286,476	256,324
Other staff costs*	<u>338,520</u>	<u>80,136</u>
	<u>2,615,787</u>	<u>2,237,560</u>

*Increase in other staff costs relate to the element of irrecoverable VAT on staff costs invoiced from the University totaling £237,016 (2022: £nil) now incurred in the Union.

The Trustees of the Union include the Union Officers. They receive remuneration for their services as provided for within the Constitution. The amount payable under such contracts in the year was:

	2023	2022
	£	£
A Willingham	-	16,733
M K Crossman	-	16,879
Z Paumelle	-	16,879
S Singh	-	17,848
E Stacey	20,008	18,762
J Withington	-	16,937
B Walker	20,156	2,597
V Toshev	20,156	2,671
A J Robinson	20,155	2,671
J Neverauskaite	22,367	2,597
J Kildyushova	20,156	2,597
J Alamo	3,079	-
H Hajzer	2,906	-
D Lam	2,971	-
A Snary	2,971	-
A Watkin	2,971	-

The key management personnel are considered to be the Chief Executive, the Deputy Chief Executive and the Trustees. Their total remuneration in the year (including employers NI and employers pension contribution) was £257,353 (2022: £262,422). These are paid by the University and recharged accordingly.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

8. STAFF COSTS (continued)

During the year, one (2022: nil) trustee reclaimed expenses totalling £349 in relation to travel purposes.

The number of employees whose employee benefits exceeded £60,000 was:

	2023 £	2022 £
£60,001 - £70,000	<u>1</u>	<u>2</u>

The average staffing was as follows:

	2023 £	2022 £
Full time staff	56	58
Casual staff (Part time)	<u>265</u>	<u>258</u>

9. INTANGIBLE FIXED ASSETS

	Software £
COST	
At 1 August 2022	<u>18,387</u>
At 31 July 2023	<u>18,387</u>
AMORTISATION	
At 1 August 2022	<u>18,387</u>
At 31 July 2023	<u>18,387</u>
NET BOOK VALUE	
At 31 July 2023	<u>-</u>
At 31 July 2022	<u>-</u>

Intangible fixed assets relate to purchased software assets and any associated amortisation features in support costs within charitable activities.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

10. TANGIBLE FIXED ASSETS

	Equipment £	Leasehold Improvements £	Motor Vehicles £	Total £
COST				
At 1 August 2022	456,994	62,194	1,796	520,984
Additions	26,475	-	-	26,475
Disposals	<u>(7,128)</u>	<u>-</u>	<u>-</u>	<u>(7,128)</u>
At 31 July 2023	<u>476,341</u>	<u>62,194</u>	<u>1,796</u>	<u>540,331</u>
DEPRECIATION				
At 1 August 2022	379,763	38,645	1,796	420,204
Charge for year	35,465	9,909	-	45,374
Eliminated on disposal	<u>(7,128)</u>	<u>-</u>	<u>-</u>	<u>(7,128)</u>
At 31 July 2023	<u>408,100</u>	<u>48,554</u>	<u>1,796</u>	<u>458,450</u>
NET BOOK VALUE				
At 31 July 2023	<u>68,241</u>	<u>13,640</u>	<u>-</u>	<u>81,881</u>
At 31 July 2022	<u>77,231</u>	<u>23,549</u>	<u>-</u>	<u>100,780</u>

Depreciation is recognised in the statement of financial activities in charitable activities.

11. DEBTORS

	2023 £	2022 £
Trade debtors	7,756	25,388
Other debtors	135,587	166,823
Prepayments and accrued income	<u>90,669</u>	<u>107,889</u>
	<u>234,012</u>	<u>300,100</u>

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	16,528	68,618
University of Bath	-	192,701
Accruals and deferred income	39,667	90,458
Other creditors	<u>4,235</u>	<u>4,833</u>
	<u>60,430</u>	<u>356,610</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

DEFERRED INCOME

	2023 £	2022 £
Deferred income as at 1 August	-	20,000
Income deferred in the year	-	-
Income released in the year	<u>-</u>	<u>(20,000)</u>
Deferred income as at 31 July	<u>-</u>	<u>-</u>

Deferred income related to funding for a student volunteer role for FY21/22 of £20,000, there were no deferred amounts relating to FY22/23.

13. PENSIONS

The University of Bath Students' Union does not directly employ staff. All Union staff are employed by the University of Bath and are eligible to join either the Avon Pension Fund or the Universities Superannuation Scheme.

14. UNRESTRICTED RESERVES

	General Fund £	Designated Club & Societies £	Total £
Balance at 1 August 2021	355,193	9,191	364,384
Retained (deficit)/surplus for the financial year	194,435	1,207	195,642
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 July 2022	<u>549,628</u>	<u>10,398</u>	<u>560,026</u>
Balance at 1 August 2022	549,628	10,398	560,026
Retained (deficit)/surplus for the financial year	-	-	-
Transfers	<u>(21,133)</u>	<u>557</u>	<u>(20,576)</u>
Balance at 31 July 2023	<u>528,495</u>	<u>10,955</u>	<u>539,450</u>

The designated funds relate to clubs and societies. It is expected that these will be expensed during the next academic year.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

15. RESTRICTED RESERVES

	SCP	Alumni	Student Development	Sports and Societies Funding	Club Asset Reserve	Total
	£	£	£	£	£	£
Balance at 1 August 2021	33,028	53,256	39,253	190,873	38,988	355,398
Income	89,000	20,000	21,850	912,731	13,571	1,057,152
Expenditure	(84,224)	(29,981)	(9,399)	(868,692)	(21,434)	(1,013,730)
Transfers	-	-	-	-	-	-
Balance at 31 July 2022	<u>37,804</u>	<u>43,275</u>	<u>51,704</u>	<u>234,912</u>	<u>31,125</u>	<u>398,820</u>
Balance at 1 August 2022	37,804	43,275	51,704	234,912	31,125	398,820
Income	90,000	20,000	-	1,102,570	5,250	1,217,820
Expenditure	(85,463)	(23,698)	(12,383)	(1,094,781)	(13,280)	(1,229,605)
Transfers	-	-	-	-	-	-
Balance at 31 July 2023	<u>42,341</u>	<u>39,577</u>	<u>39,321</u>	<u>242,701</u>	<u>23,095</u>	<u>387,035</u>

SCP (Student Community Partnership) is a joint venture between University of Bath, Bath & North East Somerset Council and Bath Spa University to promote positive community relationships between the Universities and local residents.

Alumni Funds are transferred from the University of Bath Alumni Fund to the Union to be used to help enhance and enrich the student experience. Any Student Group registered as part of the Union can apply for a proportion of the grant to help fund their own project.

The Student Development fund is monies granted specifically for student supported learning and awareness activities including funding for management of the Lloyd Scholars programme.

Sports and Societies Funding is funding received by the Union for the purpose of specific sports and society activity.

Club Asset Reserve represents the net book value of capital assets purchased by Sports Clubs with restricted funds.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Fund balances at 31 July 2023 are represented by:				
Tangible assets	58,785	-	23,096	81,881
Current assets	530,140	10,955	363,939	905,034
Current liabilities	<u>(60,430)</u>	<u>-</u>	<u>-</u>	<u>(60,430)</u>
Total net assets	<u>528,495</u>	<u>10,955</u>	<u>387,035</u>	<u>926,485</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

17. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2023 the Union had annual commitments under non-cancellable operating leases as set out below:

	2023 £	2022 £
Operating leases which expire:		
In less than 1 year	22,618	17,828
Within 2 to 5 years	<u>16,752</u>	<u>19,656</u>
	<u><u>39,370</u></u>	<u><u>37,484</u></u>

18. CAPITAL COMMITMENTS

The Union ordered six sailing boats totaling £59,976 in FY22/23 of which a deposit of £12,000 was paid in the year and the remainder invoiced post year end along with the delivery. There were no capital commitments in FY21/22.

19. FUNDS HELD ON BEHALF OF THIRD PARTIES

During the year the Union acted as a custodian of the annual Raising and Giving (RAG) proceeds from fundraising events organised by students. Funds raised by this year's RAG not distributed to charities amounted to £2,232 (2022: £2,064) which were held by the Union as agreed.

Amounts received and expended during the year and the liability at the year-end in relation to this fund are detailed below:

	At 1 August 2022 £	Amounts received £	Amounts expended £	At 31 July 2023 £
RAG	<u>2,064</u>	<u>34,362</u>	<u>(34,194)</u>	<u>2,232</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

20. RELATED PARTY TRANSACTIONS

The Union became a registered charity on 29 July 2011 but previously derived charitable status from its governing parent body, the University of Bath. the Union is in receipt of a recurrent grant from the parent body of £2,247,600 (2022: £1,978,500). the Union also received additional grant funding of £5,946 (2022: £74,864) within the year.

The Union occupies a University building under an informal licence. the Union is notionally charged by the University a contribution to the costs of maintaining the building. The amount included within expenditure in the Statement of Financial Activities for the year was £502,860 (2022: £492,991) for which equivalent income is shown within 'Donations and grants'.

Included in creditors falling due within one year is £40 (2022: £192,701) owed to the University of Bath which has no securities or interest attached. There is also £2,916 (2022: £2,075) included in trade debtors and £33,000 (2022: £63,500) within other debtors in relation to balances with the university. This year there is £15,466 (2022: £73,958) within accruals relating to costs due to the university.

The University also pays all wages and salaries on behalf of the Union and recharges them accordingly. Staff costs are disclosed in note 8.

21. CONTROLLING PARTY

The Union is controlled by the Board of Trustees comprising the Union Officers, who are subject to democratic election by the voting membership of the Union, and non-executive Trustees who are appointed by a simple majority of the Board of Trustees. The ultimate control of the Union is vested under the Articles of Governance in the Board of Trustees. As such no single person or entity controls the Union as defined by FRS 102 section 9.

22. CASH GENERATED FROM OPERATIONS

	2023 £	2022 £
Net (expenditure)/income	(32,361)	239,064
Adjustments for:		
Investment income received	(11,945)	(527)
Depreciation	<u>45,374</u>	<u>53,455</u>
	1,068	291,992
Decrease/(increase) in stock	14,330	(12,159)
Decrease/(increase) in debtors	66,088	(172,710)
(Decrease)/increase in creditors	<u>(296,180)</u>	<u>122,443</u>
Net cash (used)/provided by operating activities	<u>(214,694)</u>	<u>229,566</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

23. NET FUND ANALYSIS

	At 1 August 2022 £	Cashflows £	At 31 July 2023 £
Cash at bank and in hand	<u>894,291</u>	<u>(229,224)</u>	<u>665,067</u>

24. COMPARATIVE 2022 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
INCOME FROM:				
Donations and grants	3	2,785,145	130,850	2,915,995
Charitable activities				
Bars and entertainment		965,993	-	965,993
Clubs and societies		18,850	170,901	189,751
Sports associations		134,734	643,407	778,141
Events		511,460	-	511,460
Other trading activities		81,329	111,994	193,323
Investments	4	<u>527</u>	<u>-</u>	<u>527</u>
Total		<u>4,498,038</u>	<u>1,057,152</u>	<u>5,555,190</u>
EXPENDITURE ON:				
Raising funds	5	(76,603)	-	(76,603)
Charitable activities	5	(4,208,293)	(1,013,730)	(5,222,023)
Other	5	<u>(17,500)</u>	<u>-</u>	<u>(17,500)</u>
Total		<u>(4,302,396)</u>	<u>(1,013,730)</u>	<u>(5,316,126)</u>
NET INCOME	7	<u>195,642</u>	<u>43,422</u>	<u>239,064</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>195,642</u>	<u>43,422</u>	<u>239,064</u>
RECONCILIATION OF FUNDS				
Total funds brought forward 1 August 2021		<u>364,384</u>	<u>355,398</u>	<u>719,782</u>
TOTAL FUNDS CARRIED FORWARD 2022		<u>560,026</u>	<u>398,820</u>	<u>958,846</u>



**THE SU
UNIVERSITY
OF BATH**

**UNIVERSITY OF BATH STUDENTS' UNION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

UNIVERSITY OF BATH STUDENTS' UNION

TRUSTEES AND UNION INFORMATION

REFERENCE AND ADMINISTRATIVE DETAILS

Overview of Charities Key Details	
Charity name:	The University of Bath Students' Union
Other names:	The SU
Charity number:	1143154
Charity address:	The SU Bath, University of Bath, Claverton Down, Bath BA2 7AY
Governing document:	Articles of Association
Constitution:	Unincorporated association
Details of Charity's Professional Services	
Bank name:	National Westminster Bank Plc
Bank address:	39 Milsom Street, Bath BA1 1DS
Auditor name:	Crowe U.K. LLP
Auditor address:	Aquis House, 49-51 Blagrove Street, Reading, RG1 1PL
Senior SU Management	
Chief Executive (until 31/12/22)	Nicky Passmore
Acting Chief Executive (31/01/22 – 31/10/22)	Mandy Wilson-Garner
Interim Chief Executive (01/11/22 – 23/07/23)	Mandy Wilson-Garner
Chief Executive (from 24/07/23)	Ryan Bird
Deputy Chief Executive (24/07/23 - present)	Mandy Wilson-Garner
Interim Deputy Chief Executive (01/11/22 – 23/07/23)	Caroline Slack
Secretary to the Board	Rebekah Self

Board of Trustees

Trustee name	Office	Start date	End date	Appointment
Jimena Alamo	President (Chair)	24/06/2023	23/06/2024	Elected by members
Alexander Robinson	President (Chair)	27/06/2022	23/06/2023	Elected by members
Amber Snary	Education Officer	24/06/2023	23/06/2024	Elected by members
Julia Kildyushova	Education Officer	27/06/2022	23/06/2023	Elected by members
Jura Neverauskaite	Postgraduate Officer	27/06/2022	23/06/2024	Elected by members
David Lam	Activities Officer	24/06/2023	23/06/2024	Elected by members
Viktor Toshev	Activities Officer	27/06/2022	23/06/2023	Elected by members
Hanna Hazjer	Community Officer	24/06/2023	23/06/2024	Elected by members
Blake Walker	Community Officer	27/06/2022	23/06/2023	Elected by members
Elizabeth Stacey	Sport Officer	28/06/2021	23/06/2023	Elected by members
Abbie Watkin	Sport Officer	24/06/2023	23/06/2024	Elected by members
Jordan Kenny	Independent Trustee	19/12/2019	19/12/2025	Appointed by the Board
Valerie Copenhagen	Independent Trustee	19/12/2019	08/09/2022	Appointed by the Board
Marian McNeir	Independent Trustee	20/06/2017	28/06/2023	Appointed by the Board
Barry Hughes	Independent Trustee	12/10/2021	19/12/2024	Appointed by the Board
Kate Aldridge	Independent Trustee	19/12/2019	19/12/2022	Appointed by the Board
Rebecca Board	Independent Trustee	22/03/2023	22/02/2026	Appointed by the Board
Bernard Morley	Independent Trustee	22/03/2023	22/02/2026	Appointed by the Board
Matthew Houghton	Independent Trustee	27/06/2022	26/06/2025	Appointed by the Board
Anand Aggarwal	Independent Trustee	27/06/2022	26/06/2024	Appointed by the Board

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

CHARITY INTRODUCTION

Charitable Status

On the 29 July 2011 the University of Bath Students' Union (The SU) successfully registered as a charity with the Charity Commission (charity number 1143154). The charity is governed by a constitution adopted on 1 July 2009 and amended on 12 March 2019.

Trustees' Report

The Board of Trustees present their Annual Report together with the financial statements for the year ended 31 July 2023. The report has been prepared in accordance with the Charities Act 2011 and the Statement of Recommended Practice: 'Accounting and Reporting by Charities' SORP (FRS102). The trustees have had regard to the Charity Commission guidance on public benefit entities.

Relationship with the University of Bath

Under the Education Act 1994, the University of Bath has a statutory duty to take such steps as are reasonably practicable to ensure that The SU operates in a fair and democratic manner and is held to proper account for its finances. The SU therefore works alongside the University of Bath in ensuring that the affairs of the Union are properly conducted and that the educational and welfare needs of The SU's members are met.

OBJECTIVES AND ACTIVITIES

Charitable Purpose

The objects of The SU are the advancement of education of students at the University of Bath for the public benefit by:

- promoting the interests and welfare of students at the University of Bath during their course of study and representing, supporting and advising members;
- being the recognised representative channel between students and the University of Bath and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussion and debate for the personal development of its members.

Our Cause

We believe that students can and want to shape the community they are part of for the better. We create opportunities for students to come together to do just that, and support them as active citizens who contribute to the communities they are part of.

Our Strategy and Activity

This year was our third full year of our 2020-23 strategy, focused on four key areas of focus:

- **Citizen-shift:** to facilitate opportunities for students to come together and encourage everyday participation in our cause;
- **Culture-shift:** to strengthen our distinctive culture and working practices and create a culture that helps deliver our cause;
- **Content-shift:** to shift our communications, activities and spaces to better reflect and celebrate our cause;
- **Climate-shift:** to prioritise how we together respond to the climate emergency.

Recognising that our Student Leaders are elected annually, we also create annual plans for each Sabbatical Officer based on their election manifestos; an annual 'Top 10' list of key issues of importance to the student community against which Officers lobby the University; and operational plans for areas of service provision.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Operational activities that support achievement of our objectives are:

- Voice (representing students, elections, campaigns, and research)
- Support & Advice (personal, housing, or academic information and support, peer-to-peer schemes)
- Development (jobs, skills training, volunteering)
- Student Activities (Sports, Clubs and Societies, Arts, Diversity Groups)
- Commercial operations, including a bar and nightclub, which support student social and recreational activity and generate income to support our other operations.

ACHIEVEMENTS AND PERFORMANCE

Statement of regular activities undertaken by the Charity

This year, we have had considerable leadership and operational challenges to face, with staff capacity being greatly reduced across the organisation.

At a senior level, after the Chief Executive left the organisation, we appointed an Interim Chief Executive (current DCE) and the current Head of Student Voice & Engagement acted up as the Deputy Chief Executive, with two managers in Voice, acting up into the Head of Student Voice & Engagement role. This enabled us to start work on identifying areas of focus for when the new permanent Chief Executive was recruited and to lay the groundwork for the development of a new organisational strategy.

At other levels, along with many areas of the university, we had around 20% of staff leave for new posts. Shortage of HR staff during the summer in the University meant a delay in recruitment and therefore, many posts were not filled until December 2022. This meant that other managers were focussing on filling the gaps in work and working on inductions as new staff were recruited. This, in turn, had an impact on the support offered to the Officer Team, although overall, they had a successful year.

Despite our capacity issue, we had a positive year. We ran another very successful Fresher's and Re-Freshers week along with our flagship Freshers' Fair. The Summer Ball, Varsity and other large events were a success, with good feedback from students. Varsity, this year, was away at Cardiff Metropolitan University. We sent 1,000 students, including 300 athletes. This resulted in a large win to Bath, the 6th consecutive win over 24 sports. This event will return to campus in 2024.

Commercially, we launched and developed the hairdressers, with a particular emphasis on black hairdressing. We had a busy May with the Summer Drinks offers, and the summer School trade recovered from previous years. We also introduced new games machines, which have been successful, and further developed our weekly programme by introducing new events. Security were trained in areas such as NeverOK and Diversity. Overall, the footfall in the SU Bar and in participating in events has increased. Unfortunately, Club nights have once again been our significant challenge this year. After a good start, teaming up with official events, attendance dropped in semester 2, leading to a drop in ticket and wet sales. This is under review, and we are working on a new approach for 2023-2024.

The introduction of a Digital & Social Media Co-ordinator in Marketing has meant our statistics on our social media have had a considerable increase, with more creative content. Students are engaging more across all channels. We have also been able to celebrate the successes of student groups through written blogs. These have had great views and have really empowered groups, so they feel really valued and supported. Marketing also reached their target for sales income for the Academic Year and, in some cases, exceeded it.

The University was successful in securing a one-year extension to the lease on Dartmouth Avenue. However, it'll be important to review its use in 2023-24, with particular attention to the combat and cue sports that currently have no other space in the university. Also, the Student Community Partnership (SCP), a partnership between the University of Bath, Bath Spa University, the City of Bath College, along with their three students' unions, B&NES Council and Norland College will continue to need a space within the local community.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Collectively, our community came together to deliver some great recognition events this year. The SU Awards, the Blues Awards and the Education Awards were held in person, with representatives from the university attending, including the Vice Chancellor and senior staff. It was truly inspiring to see what students have achieved in this post-pandemic period and how much they supported each other.

Officer elections were successful this year. Our candidate numbers were up by 13 compared to the 2022 elections and 11 since the 2021 elections, likewise, our turnout also increased to 23%, a similar level to 2019. All positions had candidates following nominations closing therefore, no extension period was required in 2022. The election process continued its return to an in-person process. New branding for the elections was created and used by the Marketing team successfully. The SU allowed Student Groups to endorse candidates, if they wished, for the first time this year. This led to a perceived increase in engagement from students within the Groups in the election process. We will seek further feedback from the groups to evaluate this rule for the year ahead. In lieu of being able to offer sustainability-linked incentives for the number of votes received (funding for this was a one-off and not available for 2023), the SU offered a daily prize draw of voters, with three £50 gift card prizes awarded to students. Steps were taken to safeguard candidate welfare, including daily 1:1s with staff mentors and drop-ins, plus an additional offer of a session with the University wellbeing service in the week after the elections for all candidates. In light of the increases in cost of living, the maximum amount to be reimbursed to each candidate for their campaign expenses was increased from £10 to £20. Overall, the elections again had a positive tone, evidenced by a low number of grievances, and supported anecdotally.

We welcome the new Officer Team for 2023-4.

Supporting and developing our students

- **Casework** - Between Oct 22 and June 23 our Advisors opened 682 new cases, empowering students to remain engaged with their studies at some of the toughest times in their student experience (e.g. an investigation into alleged sexual assault or Fitness to Study). This is in line with the average since 2018 ($n=670\pm20$ cases). Cases are becoming more complex. New data shows the average case in 2022/23 (72 days, range 1 day-4 years, $n=798$ cases) lasted almost four times longer than in 2018/19 (26 days, range 1 day-1 year, $n=506$ cases). Advice have also started to assess the risk students present with. By applying the criteria used by the University Student Support team, we know around 3% of cases are 'red' rating (high level of risk from severe depression, anxiety, trauma or active suicidal ideation) 25% are amber (some evidence of risk from low mood, anxiety or significant life events) and 72% are green (low risk from mild low mood, anxiety or difficulties with transitions). Figures based on cases open in March 2023.
- **Perfectionism** - Student Minds pitched a new idea to the Deputy Director of Student Support and Safeguarding, for a peer-led support programme tackling perfectionism. Using evidence from their peers and wider research, the student leaders proposed a range of flexible interventions to help support students experiencing the negative impact of perfectionism in their academic and sporting experience, planned to start in 2023/24.
- **Nightline** analysed and presented data showing trends in the 600 calls and messages received in 2022/23. The Deputy Director of Student Services, Wellbeing Service Manager and three of the incoming Officers were part of the audience and were impressed by the quality and insights into the service. The Committee met staff again in June to discuss support around suicidal calls in more detail.
- **Great feedback** – includes: Undergraduate student, March 2023: *"The SU Advice Centre has been an essential part of my university experience. I wouldn't have stayed at the university without their support. Before their support, I wouldn't say I liked the university and felt alienated by the experience. After their help, I thought it would not be that bad if people like them worked here. It opened me up to engaging with their recommendations and having a positive university experience. Not that everything was always positive, but in a way that when there was an issue, I knew exactly what to say and do to get it sorted on my terms. University felt less like something that happened to me and more like something I was participating in."*

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

- **Guides** - Personal Tutors and Directors of Study welcomed our new, easy-to-follow guides to IMCs, academic appeals and assessment offences. After writing about how our service can help staff, we experienced an 25% increase in the number of students seeking academic advice in April and May (n=108 cf. 87 since 2018).

The majority of **peer support** activities are now in person, and there was some great work with departments of the universities on new initiatives.

- PAL went from strength-to-strength post-COVID, with the average number of sessions attended per person increasing to 4.18 (up by 0.9 on the previous record). This shows that retention at PAL sessions was higher, with students valuing the sessions.
- We launched a pilot for a PGT buddying scheme, pairing up new PGT students to support each other at the start of their course. The pilot was overwhelmingly successful, with 57 students in computer science signing up. We've expanded to 7 departments for this year.
- We launched the latest suite of online training for groups, including the new Finance module, bringing the total number of modules up to 9. An events module has also been developed and will launch in September.
- Alongside the online training, we have developed a compulsory training completion tracking process, which allows us to see who has and hasn't completed the training they need. This has allowed us to increase completion to 95% of chairs and treasurers.
- 395 students attended groups conference this year, which was amended to take place over two evenings. Twice as many students attended this year's conference compared with the previous year.

Representing our students

Our Student Voice team and Student Officers worked hard this year, ensuring student views were represented across the University. Significant achievements from their collective representation efforts include:

- **University/SU Student Voice activities** – The new Associate Pro-Vice-Chancellor Student Voice (Prof. Thalia Gjersoe) started in role and has started to develop a strategic plan looking at priority areas of work and associated activities. She is working closely with the Head of Student Voice to develop priority areas and oversight activities to steer this work.
- **UCU Marking and Assessment Boycott announced** – The boycott was and continues to be a major piece of work for both officers and staff in the voice team. Following the referendum outcome in February, The SU continued to not support industrial action. Officers have been in regular contact with UCU and have weekly meetings with university stakeholders for updates and to provide student feedback. Work in this area was on understanding how other students' unions responded to the boycott, as well as liaising with external stakeholders such as the OIA to understand what greater support is in place to support all students. Regular statements from the Officers have been created and promoted to students.
- **SUMmit** – All four meetings of SUMmit took place with 3 Standpoints passed in total. Several changes were also made to the ToR after multiple feedback sessions and a lengthy discussion in the April SUMmit meeting.
- **Access and Participation Plan (APP) student submission** - The team discussed and worked on a student response to the University's APP.
- **University committee membership** – Work has been undertaken to review the number of University meetings attended by SU Officers (and staff), with the view to streamlining to create more capacity for other activities. It is hoped that many of these changes will be in place for the start of the academic year 2023/24.
- **PGT student experience** – The University have prioritised the PGT student experience as an area for development, given consistently poor Postgraduate Taught Experience Survey results. The SU participated in a workshop to identify priorities for the University, both short-term and longer-term. The SU will continue to be a key stakeholders in this piece of work.
- **International and PG community** – Planning took place to provide a range of activities across The SU for international and postgraduate students remaining in Bath for the summer vacation.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

- **Data and insight** – The Postgraduate Student Experience Research Project focus groups were concluded and work took place on the reports. SU participation data was analysed to give areas insight into membership, election engagement and core event attendance.

The Student Officer team are invaluable as the face of The SU, representing the views of thousands of students both locally and nationally. Some achievements for the team this year include:

- **Inclusivity Award - 14 groups** engaged, with some examples of their work [highlighted on the website](#).
- **Campus Pride** took place in April and saw a much **higher level of student engagement** than in previous years, and the University has been nominated as 'University of the Year' in the Queer Student Awards 2023.
- The **SU Awareness Days Committee** has been formed, and planning is underway to make our offer more student-led.
- **Local Community** - The SU President and the Community Officer attended the **Local Council AGM**, where the President addressed the newly formed Council about **students as residents**, highlighting **good practice of collaboration** elsewhere in the country/sector. Our presence was well received, leading to good **relationship building** with some local councillors and our attendance being reported across **local press**.
- **Mental Health** – work took place on the Mental Health Charter this year with the University.
- **Transport** – work took place on the issues with buses, timings and, in some cases, a possible withdrawal of services.
- **Harm reduction** - secured the University's commitment to a 'Harm reduction' approach towards student drug use, with accompanying investment and resources.
- **Student Spaces** – secured **additional study space and student-friendly spaces on campus**
- **Drink Spiking** - lobbied local venues, improved internal practice, and highlighted the support available to students.
- **Ukraine Vigil** - organised important events such as a Vigil in support of Ukraine.
- **Accessibility Survey** - The SU conducted an Accessibility Survey with Student Services to gather feedback on accessibility and inclusivity of campus for disabled students and attended meetings of the university's Disability Steering Group, which will address the results of the Accessibility Survey and accessibility audit of campus.
- **Cost of Living** – work took place as part of the university Cost of Living Group and within The SU.

Providing Student Activities: Sports, Societies, Volunteering and Community

- **Summer activities** – The volunteer area provided summer opportunities to Doctoral and International students.
- **Study Well Week** – community delivered activities that were inclusive to all students from Inflatables on the Green, Petting Zoo and Bubbles on the Green
- The **MUN (Models United Nations) Society** celebrated some great achievements after attending the London International Model United Nations conference in London. They received 5 individual awards- three for 'most improved delegate' and two for 'honourable mentions', and also won the award of best small delegation.
- The **Dance Society** celebrated after attending the Loughborough Dance Competition, the largest dance competition in the UK. Some of the highlights include the Ballet team, who came first in their categories. Another big accomplishment of the day was the 'Wildcard' Team, who got an almost perfect score of 99.
- **Arts groups** delivered 21 productions, and 42 performances.
- **Women's only swim sessions** – organised through using one of the lesser used triathlon sessions, opening a women's only swim session bi-weekly.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

- **Sulis Club Development:** New plans were submitted for changing rooms and climbing facility to University Senior Management.
- **Introduction of the SU Sport Instagram:** This has been a fantastic tool, particularly for feedback from students, but also showcasing the events and activities that have been hosted.
- **BUCS:** Bath had one of its best years ever within BUCS this year with seven teams attending BUCS Big Wednesday, lots of teams to Conference Cup Finals, 14 teams unbeaten in leagues, medals
- **SU Group Awards** were held in April- Had over 550 nominations over the 11 categories.

Sustainability

Having declared a climate emergency, along with the University, The SU is particularly proud of the amount of work our student leaders have been undertaking this year in this area. SU staff and officers have been active members of the joint SU/University climate action team. The SU successfully achieved The Green Impact Award, a national award developed for Students' Unions.

Looking Forward

Our new Chief Executive, Ryan Bird, started at the end of July 2023 and will be working with trustees, staff, students and stakeholders over the coming year to develop a new strategy for the organisation. Developing this strategy will provide an important moment for the SU to consider its role and purpose following what has been a challenging time. Organisational delivery continues to be impacted by the changes in the post-pandemic landscape and the ongoing cost of living situation, therefore, consideration will also need to be given to our long-term funding model.

Alongside an ambitious strategy timeline, the Board has also agreed on a number of enabling streams of work, which will be key in ensuring the organisation is well-placed to deliver its longer-term objectives.

Thank You

The achievements outlined in this annual report are the result of a dedicated and passionate team who come together to make a real difference to students. The organisation is extremely grateful for all the work of its staff, student leaders, volunteers and trustees.

Thanks also go to the University of Bath, our main funder, who continues to work with us to ensure the experience at Bath is an exceptional one.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Financial Review

The overall deficit for the year on unrestricted funds was £20,576 (2022: *Surplus of £195,642*). The budget for the year was for £1.6k surplus therefore a negative variance of £22k budget is reported. The prior year surplus was due to exceptional items.

Bars and entertainments remained the principal focus for The SU's commercial activity during 2022/23. Following a downturn in the area in the latter part of 2021/22 efforts were made to renew the offer and several changes implemented. However, with the ongoing cost of living impacts, strong competition from city venues and changing trends in student behaviour the area continued to struggle financially despite remaining a successful space for students to relax and socialise, with good footfall. Commercial performance was disappointing, ending the year with a significant shortfall of £100k against expected income.

Coffee and food sales fell short of income targets early in the year, recovering with good sales during the summer exam periods. Wet sales and ticket revenue both exceeded budget throughout, however the cost of sales and associated expenditure significantly increased providing lower returns.

In other commercial areas, including stall hire and fayre income, expectations were exceeded with surpluses against budgeted income of £9k. Freshers Fayre and bookings for other future events and look positive. Graduation photo commission and bank interest both provided higher returns than expected.

Salary vacancies were high again this year giving savings which helped to offset the extra recruitment costs incurred in the search for a new Chief Executive. Other non-pay activity across the SU remained in line with budget or underspent, with the most significant in the Voice and Peer Support areas, whose activity was affected by staff vacancies. These cost savings, together with the other commercial income, have offset most of the income shortfall reported by the bar.

The majority of SU restricted funds relate to our student groups who have enjoyed high turnover as membership and activity significantly increased. The year end funds balance is slightly reduced to £387k, and designated funds also reduced as expenditure caught up with the activity.

Restricted funds have increased slightly during the year as some activity took longer to re-establish itself after covid.

The Balance Sheet continues to reflect a robust financial position for the Union with net current assets of £844,665 (2022: *£858,066*).

Reserves

The SU has a Reserves Policy, agreed by the Trustees. The purpose of the free reserves for The SU is to help ensure the long-term ability of the organisation to meet its mission. The SU will maintain free reserves to achieve the following objectives:

- to designate to specific projects to enable these to be undertaken at short notice;
- to protect The SU against adverse economic conditions within commercial operations; and
- to provide a fund for capital replacement or refurbishment.

The free reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

The total reserves held by the reporting entity at 31st July 2023 was £926,485 (2022: *£958,846*), of which £539,450 (2022: *£560,026*) are regarded as unrestricted funds and £387,035 (2022: *£398,820*) are regarded as restricted funds.

The balance held as unrestricted general funds, excluding designated funds, at 31st July 2023 was £528,495 (2022: *£549,628*), of which £469,710 (2022: *£479,973*) are regarded as free reserves, after allowing for funds tied up in tangible fixed assets.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Risk Management

The Board of Trustees reviews the major strategic, business and operational risks faced by the Students' Union on an annual basis as a minimum. The 2022/23 risk register identifies high level risks:

1. Poor health & safety leads to accident resulting in serious injury or death.
2. Management override of journal processing could lead to fraud
3. High staff turnover or loss of key staff impacts on team's ability to deliver service.

These risks have been mitigated through a number of improvement actions, controls and processes, reducing all identified risks to 'medium'. The risks will be re-assessed for the production of The SU Risk Register 2023/24.

Future Developments

Strategic Plan & Capacity Review

An important piece of work over the next academic year will be the strategic plan & capacity review. This will also link into work on a three- year funding agreement with the University.

Commercial & Marketing

In the aftermath of the pandemic, we have been subject to decreasing profit margins in our bar operations and have lost other commercial income streams in central sponsorship deals and NUS student card commission in recent years. We commissioned a consultant to review the Bars & Marketing areas. We are already working on some areas identified in the report and look forward, as part of the strategic plan & capacity review to implement other changes, as appropriate.

Spaces

Regarding the building in Dartmouth Avenue, next year will be the final year of the University's three-year contract with B&NES. The SU will continue to maximise its potential and has already been lobbying the University for either an extension of the lease or similar space in the heart of the student community within the city. This will be important to provide space for some key activity groups to operate, as well as the SCP. Work on ensuring the spaces in The Edge are welcoming for students, especially the ground floor, will continue.

Rise in the cost of living

Students will be one of the groups that will struggle with the rise in the cost of living. We are keen to work hard to support students within the University and when living in the local community.

Funds Held As Custodian Trustee On Behalf Of Others

Raise & Give (RAG) is a student led society with the aim of fundraising for a variety of local and national charitable causes whilst providing students with a number of development opportunities. This includes fundraising itself as well as organisational and leadership roles.

The financial transactions of RAG are kept separate from those of The SU through the use of unique coding and custody of the assets falls within the general security arrangements of the wider University.

UNIVERSITY OF BATH STUDENTS' UNION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Structure, Governance and Management

Method of appointment of Trustees

The governance and management of the Union is the responsibility of the Trustees who are elected or appointed under the terms of the Articles. The Board of Trustees comprises 6 elected Student Officers, and up to 7 Independent Trustees, at least one of whom must be a student member.

Student Officers are elected annually by our student members for a one-year term, and able to serve a second term if re-elected. They provide invaluable insight from their own experiences as a student and enable us to create a truly student led organisation

Independent Trustees apply and are appointed by the Board for a term of up to three years and can serve a maximum of two terms. Our Independent Trustees provide wider skillsets and experience from outside The SU and we are enormously grateful for their skills and support.

Upon appointment all Trustees are briefed on their legal obligations and other Trustee responsibilities. All Trustees receive an induction information pack which includes their role responsibilities, their legal responsibilities, historical and current information about The SU, information on its Strategic Plan and how to deal with potential conflicts of interest.

The Trustee Board is responsible for overseeing the management and administration of The SU. They have ultimate responsibility for the governance, budget and employment issues, and the strategic direction of the Union, much of which is delegated to officers and staff. The Trustee Board also delegates relevant decisions to relevant subcommittees.

The Board of Trustees has the following committees:

Finance and Audit Committee	
Responsibility: <ul style="list-style-type: none"> Monitoring, reporting and making recommendations on the budget to the Board Approving unbudgeted expenditures that will exceed £10,000 Approving budgeted expenditures that will exceed £50,000 Reviewing financial policies Monitoring and reporting on audit recommendations to the Board Keeping under review a register of assets 	
2021/22 Membership Elizabeth Stacey Kate Aldridge Barry Hughes Jordan Kenny Valerie Copenhagen Annie Willingham	2022/23 Membership Elizabeth Stacey Barry Hughes Jordan Kenny Alexander Robinson
Appointment: <ul style="list-style-type: none"> All trustees are appointed by the Board 	
Number of meetings: <ul style="list-style-type: none"> This committee meets a minimum of 4 times a year with additional meetings as and when necessary 	

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Complaints and Disciplinary Committee	
Responsibility: <ul style="list-style-type: none"> Hearing appeals for complaints and student member disciplinary 	
2021/22 Membership Marian McNeir Alexander Robinson Zoe Paumelle Kate Aldridge (Reserve) Meg Crossman (Reserve)	2022/23 Membership Marian McNeir Alexander Robinson Blake Walker (reserve)
Appointment: <ul style="list-style-type: none"> All trustees are appointed by the Board 	
Number of meetings: <ul style="list-style-type: none"> This committee meets as and when necessary For 2022/23 this committee met 0 times 	

Leadership Committee	
Responsibility: <ul style="list-style-type: none"> Monitoring, reporting and making recommendations on the strategic plan to the Board Approving and overseeing campaigns and projects Identifying and monitoring reputational risks 	
2021/22 Membership Annie Willingham Elizabeth Stacey Siddharth Singh Jacob Withington Meg Crossman Zoe Paumelle	2022/23 Membership Alexander Robinson Elizabeth Stacey Blake Walker Julia Kildyashova Jura Neverauskaite Viktor Toshev
Appointment: <ul style="list-style-type: none"> All trustees are appointed by the Board 	
Number of meetings: This committee normally meets monthly	

Statement as to disclosure of information to the auditor.

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

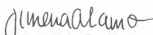
Auditor

Crowe UK LLP were appointed in March 2021 commencing a four-year agreement.

UNIVERSITY OF BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

The Trustees' Report was approved by the Trustees on 12 December 2023 and signed on their behalf by:


Chief Executive
Ryan Bird


Students' Union President
Jimena Alamo

Date: 12/12/2023

Date: 12/12/2023

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Union and of the incoming resources and application of resources of the Union for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Union will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing the aims and objectives of the charitable group and in planning its future activities they the Trustees refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

Incorporation

The Trustees intend to incorporate The SU in 2024. Careful consideration has been given to all the options available, and moving from an unincorporated body to an incorporated charity and company limited by guarantee is the preferred option. This will enable a more efficient and effective running of the charity and reduce the risk for individual trustees. Once The SU is in corporate form, it will be recognised as a legal person, which means it will be able to hold the organisation's assets and will be able to enter contracts itself. The trustees will still owe duties to the corporate charity but will not (other than in certain limited circumstances) be personally liable to third parties.

As part of the incorporation process, consent will be sought from the University of Bath as required by the Education Act 1994. The governance arrangements will operate broadly the same as they currently do. The Trustees plan to approve new Articles of Association in late 2023, with a view to incorporating (subject to Charity Commission approval) in early 2024.

BATH STUDENTS' UNION
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Union and of the incoming resources and application of resources of the Union for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Union will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Union and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing the aims and objectives of the charitable group and in planning its future activities they the Trustees refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BATH STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2023

Opinion

We have audited the financial statements of the University of Bath Students' Union for the year ended 31 July 2023 which comprise the statement of financial activities, balance sheet, cash flow 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 charity's affairs as at 31 July 2023 and of its incoming resources and application of resources, 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 Charities Act 2011

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

Emphasis of matter – financial statements not prepared on a going concern basis

We draw attention to the disclosures made in note 1 to the financial statements concerning the charity's ability to continue as a going concern which explains that the Trustees intend to transfer the assets and liabilities of the University of Bath Students' Union into a new incorporated charity. It is the view of the Trustees that it will be possible to close down the current charity during the year ended 31 July 2024 and accordingly the financial statements have not been prepared on a going concern basis.

There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in this respect.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY OF UNIVERSITY OF BATH STUDENTS' UNION (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY OF UNIVERSITY OF BATH STUDENTS' UNION (CONTINUED)

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were Charity Commission regulations and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

Reading

Date: 12 December 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BATH STUDENTS' UNION
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM:					
Donations and grants	3	2,894,751	115,000	3,009,751	2,915,995
Charitable activities					
Bars and entertainment		1,102,302	-	1,102,302	965,993
Clubs and societies		16,716	220,286	237,002	189,751
Sports associations		151,760	715,735	867,495	778,141
Events		438,756	-	438,756	511,460
Other trading activities		143,523	166,799	310,322	193,323
Investments	4	<u>11,945</u>	<u>-</u>	<u>11,945</u>	<u>527</u>
Total		<u>4,759,753</u>	<u>1,217,820</u>	<u>5,977,573</u>	<u>5,555,190</u>
EXPENDITURE ON:					
Raising funds	5	(127,554)	-	(127,554)	(76,603)
Charitable activities	5	(4,618,117)	(1,229,605)	(5,847,722)	(5,222,023)
Other	5	<u>(34,658)</u>	<u>-</u>	<u>(34,658)</u>	<u>(17,500)</u>
Total		<u>(4,780,329)</u>	<u>(1,229,605)</u>	<u>(6,009,934)</u>	<u>(5,316,126)</u>
NET INCOME/(EXPENDITURE)	7	<u>(20,576)</u>	<u>(11,875)</u>	<u>(32,361)</u>	<u>239,064</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>(20,576)</u>	<u>(11,875)</u>	<u>(32,361)</u>	<u>239,064</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>560,026</u>	<u>398,820</u>	<u>958,846</u>	<u>719,782</u>
TOTAL FUNDS CARRIED FORWARD		<u>539,450</u>	<u>387,035</u>	<u>926,485</u>	<u>958,846</u>

All income and expenses relate to continuing operations.

The notes on pages 20 to 34 form part of the financial statements.

BATH STUDENTS' UNION
BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	81,881	100,780
CURRENT ASSETS			
Stocks		5,955	20,285
Debtors	11	234,012	300,100
Cash at bank and in hand		<u>665,067</u>	<u>894,291</u>
		905,034	1,214,676
CREDITORS: Amounts falling due within one year	12	<u>(60,430)</u>	<u>(356,610)</u>
NET CURRENT ASSETS		<u>844,604</u>	<u>858,066</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>926,485</u>	<u>958,846</u>
RESERVES			
Unrestricted funds – general	14	528,495	549,628
Unrestricted funds – designated	14	10,955	10,398
Restricted funds:			
SCP	15	42,341	37,804
Alumni	15	39,577	43,275
Student development	15	39,321	51,704
Sports and Societies funding	15	242,701	234,912
Club asset reserve	15	<u>23,095</u>	<u>31,125</u>
	16	<u>926,485</u>	<u>958,846</u>

The notes on pages 22 to 34 form part of the financial statements.

These financial statements were approved and authorised for issue by the Trustees on 12 December 2023 and signed on their behalf by:


Students' Union President

Jimena Alamo

BATH STUDENTS' UNION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
CASH FLOW FROM OPERATING ACTIVITIES:			
Cash (used) /generated by operations	22	<u>(214,694)</u>	<u>229,566</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Income and proceeds from investments		11,945	527
Purchase of tangible assets		<u>(26,475)</u>	<u>(39,469)</u>
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		<u>(14,530)</u>	<u>(38,942)</u>
MOVEMENT IN CASH		<u>(229,224)</u>	<u>190,624</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		<u>894,291</u>	<u>703,667</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		<u>665,067</u>	<u>894,291</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS:			
Cash at bank and in hand	23	<u>665,067</u>	<u>894,291</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES

Basics of Accounting

The University of Bath Students' Union is a registered charity with the Charity Commission. The registered office is The University of Bath Students' Union, Norwood House, Claverton Down, Bath, BA2 7AY. The Union is a charitable unincorporated organisation.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011. The accounting policies as disclosed have been applied consistently throughout the current and preceding year.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The University of Bath Students' Union meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees report found on page 2 of these accounts.

Going Concern

The Trustees require the Union to prepare a budget each year, demonstrating that reserves will be maintained at or above agreed levels. The Union then updates actual results each month and Trustees and the Union closely monitor performance at both Board and Finance & Audit Committee meetings at least once a quarter to ensure reserves are going to be maintained as agreed. The Trustees note that the majority of The SU income is received in the form of a block grant from the University, which has been received at a materially consistent level for some years. The trustees further note that the grant for the coming year has been committed by the University.

It is the intention of the Trustees of the University of Bath Students' Union to transfer the assets and liabilities of the current Union to a newly incorporated charity (Company Limited by Guarantee) within the next 12 months. It is the view of the Trustees of the University of Bath Students' Union that the transfer will proceed and that the Union's business will transfer into the new Company Limited by Guarantee in early 2024. As a consequence of the expected transfer the trustees expect to close down the residual unincorporated charity without liability or gain during year ended 31 July 2024. On this basis, this unincorporated charity is not a going concern but no adjustments are required to the figures due to the transfer.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

Income

The annual grant from the University of Bath is intended to meet recurrent costs and is credited directly to the SoFA. Commercial activities represent income such as advertising income and commission from photographs and hire, this income is recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. Other income is included in the SoFA account on a cash received basis or on a receivables basis where there is reasonable probability of receipt.

Expenditure

Expenditure includes irrecoverable VAT. Charitable expenditure comprises the direct and indirect costs of delivering public benefit. Indirect staff costs are apportioned to charitable activities by headcount in particular areas. Indirect overhead costs are apportioned to charitable activities pro rata to the total costs of particular activities undertaken. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit.

Intangible Fixed Assets

Intangible assets acquired are recognised as a cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Software	-	3 years straight line
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Fixed Assets

Fixed asset purchases in excess of £2,500 are capitalised at cost and subsequently measured at cost less accumulated depreciation, or where applicable amortisation, and impairment.

Depreciation or amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	-	2-5 years straight line
Motor vehicles	-	4 years straight line
Leasehold Improvements	-	8 years straight line

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

Fund Accounting

the Union administers and/or accounts for a number of charitable funds, as follows:

- i. **Unrestricted Funds** representing unspent income which may be used for any activity / purpose within the charitable objects at the Executive Committee's own discretion;
- ii. **Designated Funds** set aside by the Executive Committee to be spent on some specific purpose at its own discretion;
- iii. **Restricted Funds** raised and administered by the Union for specific purposes as determined by students, such as Club and Societies Accounts, as well as revenue received for purposes specified by the donor and also (if not material enough to require a separate column in the SoFA) any small capital grants received from the University; and
- iv. **Custodian Funds** entrusted to the Union for safekeeping, but not under its management control, e.g. the annual RAG. Such custodian activities are disclosed in the Annual Report, but as the funds are not managed by the Union they are not included in the accounts.

Expenditure on refurbishments and repairs of assets where the Union does not have the risks or rewards of ownership is expensed in the year. This includes all refurbishment to the Union building which is leased from the University on a yearly basis under an informal agreement. As the maximum term of the lease is a period of one year then all refurbishments and repairs of the Union building is expensed.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to disposal.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial Instruments

As the charity only has basic financial instruments it has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

1 ACCOUNTING POLICIES (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity period.

Taxation

No corporation tax has been provided in the financial statements of the charity as the income of the charity is covered by the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

Pensions

The two principal pension schemes in which the Union participates are the Universities Superannuation Scheme and the Bath & North East Somerset Local Government Pension Scheme, both of which are defined benefit schemes, externally funded and contracted out of the State Earnings-Related Pension Scheme. Both funds are externally valued, normally every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuaries based on the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the estimated period during which the Union benefits from the employees' services.

The University of Bath Students' Union does not directly employ staff. All staff are employed by the University of Bath who then recharge the Union for the use of these staff. Details relating to both of these schemes are included in the accounts of the University. The Universities Superannuation Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share in the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 102 section 28, in these circumstances contributions are accounted for as if the schemes were defined contribution schemes based on actual contributions paid through the year.

Staff on grades 2 to 5 who joined the University before 1st June 2021 are eligible to join the Avon Pension Fund Local Government Pension Scheme (LGPS). This scheme operates as a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined. The University (the employer) has accounted for the scheme under FRS 102 section 28 as a defined contribution scheme. As the Union does not directly employ staff it does not recognise any of the liability.

Staff on grades 2 to 5 who joined the University on or after 1st June 2021 are eligible to join the University of Bath Group Pension Plan (UoBGPP) administered by Aviva. This scheme operates as a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined. The University (the employer) has accounted for the scheme under FRS 102 section 28 as a defined contribution scheme. As the Union does not directly employ staff it does not recognise any of the liability.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

2 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the charity's and group'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 associated 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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees consider that there are no material judgements or estimate which gives rise to a significant risk of a material misstatement in the financial statements.

3. DONATIONS AND GRANTS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Grant income	<u>2,894,751</u>	<u>115,000</u>	<u>3,009,751</u>	<u>2,785,145</u>	<u>130,850</u>	<u>2,915,995</u>

4. INVESTMENT INCOME

	2023 £	2022 £
Unrestricted bank interest receivable	<u>11,945</u>	<u>527</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

5. EXPENDITURE

	Staff 2022 £	Direct 2022 £	Support 2022 £	Total 2022 £	Total 2021 £
Costs of raising funds:					
Commercial activities	-	<u>127,554</u>	-	<u>127,554</u>	<u>76,603</u>
Charitable Activities:					
Bars & Entertainment	411,998	444,858	216,074	1,072,930	1,146,132
Clubs & Societies	61,234	291,704	118,796	471,734	451,888
Sports Associations	-	997,716	544,073	1,541,789	903,019
Events	137,390	90,964	405,356	633,710	1,153,287
Student Activities & Advice	1,690,089	114,409	6,494	1,810,992	1,116,740
Volunteering	<u>315,076</u>	-	<u>1,491</u>	<u>316,567</u>	<u>450,957</u>
	<u>2,615,787</u>	<u>1,939,651</u>	<u>1,292,284</u>	<u>5,847,722</u>	<u>5,222,023</u>
Governance	-	-	<u>34,658</u>	<u>34,658</u>	<u>17,500</u>
Total Expenditure	<u>2,615,787</u>	<u>2,067,205</u>	<u>1,326,942</u>	<u>6,009,934</u>	<u>5,316,126</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

6 ANALYSIS OF SUPPORT COSTS

	Bars & Entertainment 2023 £	Clubs & Societies 2023 £	Sports Associations 2023 £	Events 2023 £	Student Activities & Advice 2023 £	Volunteering 2023 £	Total 2023 £	Total 2022 £
SU Officer accommodation	-	17,221	56,688	7,513	-	-	81,422	68,049
Facilities	168,384	48,895	242,420	202,190	-	-	661,889	669,478
Admin and maintenance	47,690	52,660	244,965	195,653	6,494	1,491	548,973	419,033
	<u>216,074</u>	<u>118,796</u>	<u>544,073</u>	<u>405,356</u>	<u>6,494</u>	<u>1,491</u>	<u>1,292,284</u>	<u>1,156,560</u>

Support costs are apportioned based on the total proportion of staff and direct costs in each activity. Events are excluded from this calculation. Approximately one third of the rent is allocated to bars and post office and the rest of the rent cost is apportioned to the other activities with the remaining support costs.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

7. NET INCOME/(EXPENDITURE)

Net income for the year is stated after charging:

	2023	2022
	£	£
Auditor's remuneration – as auditor	12,830	11,350
Auditor's remuneration – other	18,826	4,000
Depreciation	45,374	53,455
Operating lease charges	<u>7,296</u>	<u>4,380</u>

8. STAFF COSTS

The Union does not directly employ staff, all wages and salaries included within these accounts are recharged from the University of Bath. The recharged staff costs in the year were:

	2023	2022
	£	£
Wages and salaries	1,849,159	1,783,305
Social security costs	141,632	117,795
Other pension costs	286,476	256,324
Other staff costs*	<u>338,520</u>	<u>80,136</u>
	<u>2,615,787</u>	<u>2,237,560</u>

*Increase in other staff costs relate to the element of irrecoverable VAT on staff costs invoiced from the University totaling £237,016 (2022: £nil) now incurred in the Union.

The Trustees of the Union include the Union Officers. They receive remuneration for their services as provided for within the Constitution. The amount payable under such contracts in the year was:

	2023	2022
	£	£
A Willingham	-	16,733
M K Crossman	-	16,879
Z Paumelle	-	16,879
S Singh	-	17,848
E Stacey	20,008	18,762
J Withington	-	16,937
B Walker	20,156	2,597
V Toshev	20,156	2,671
A J Robinson	20,155	2,671
J Neverauskaite	22,367	2,597
J Kildyushova	20,156	2,597
J Alamo	3,079	-
H Hajzer	2,906	-
D Lam	2,971	-
A Snary	2,971	-
A Watkin	2,971	-

The key management personnel are considered to be the Chief Executive, the Deputy Chief Executive and the Trustees. Their total remuneration in the year (including employers NI and employers pension contribution) was £257,353 (2022: £262,422). These are paid by the University and recharged accordingly.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

8. STAFF COSTS (continued)

During the year, one (2022: nil) trustee reclaimed expenses totalling £349 in relation to travel purposes.

The number of employees whose employee benefits exceeded £60,000 was:

	2023 £	2022 £
£60,001 - £70,000	<u>1</u>	<u>2</u>

The average staffing was as follows:

	2023 £	2022 £
Full time staff	56	58
Casual staff (Part time)	<u>265</u>	<u>258</u>

9. INTANGIBLE FIXED ASSETS

	Software £
COST	
At 1 August 2022	<u>18,387</u>
At 31 July 2023	<u>18,387</u>
AMORTISATION	
At 1 August 2022	<u>18,387</u>
At 31 July 2023	<u>18,387</u>
NET BOOK VALUE	
At 31 July 2023	<u>-</u>
At 31 July 2022	<u>-</u>

Intangible fixed assets relate to purchased software assets and any associated amortisation features in support costs within charitable activities.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

10. TANGIBLE FIXED ASSETS

	Equipment £	Leasehold Improvements £	Motor Vehicles £	Total £
COST				
At 1 August 2022	456,994	62,194	1,796	520,984
Additions	26,475	-	-	26,475
Disposals	<u>(7,128)</u>	<u>-</u>	<u>-</u>	<u>(7,128)</u>
At 31 July 2023	<u>476,341</u>	<u>62,194</u>	<u>1,796</u>	<u>540,331</u>
DEPRECIATION				
At 1 August 2022	379,763	38,645	1,796	420,204
Charge for year	35,465	9,909	-	45,374
Eliminated on disposal	<u>(7,128)</u>	<u>-</u>	<u>-</u>	<u>(7,128)</u>
At 31 July 2023	<u>408,100</u>	<u>48,554</u>	<u>1,796</u>	<u>458,450</u>
NET BOOK VALUE				
At 31 July 2023	<u>68,241</u>	<u>13,640</u>	<u>-</u>	<u>81,881</u>
At 31 July 2022	<u>77,231</u>	<u>23,549</u>	<u>-</u>	<u>100,780</u>

Depreciation is recognised in the statement of financial activities in charitable activities.

11. DEBTORS

	2023 £	2022 £
Trade debtors	7,756	25,388
Other debtors	135,587	166,823
Prepayments and accrued income	<u>90,669</u>	<u>107,889</u>
	<u>234,012</u>	<u>300,100</u>

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	16,528	68,618
University of Bath	-	192,701
Accruals and deferred income	39,667	90,458
Other creditors	<u>4,235</u>	<u>4,833</u>
	<u>60,430</u>	<u>356,610</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

DEFERRED INCOME

	2023 £	2022 £
Deferred income as at 1 August	-	20,000
Income deferred in the year	-	-
Income released in the year	<u>-</u>	<u>(20,000)</u>
Deferred income as at 31 July	<u>-</u>	<u>-</u>

Deferred income related to funding for a student volunteer role for FY21/22 of £20,000, there were no deferred amounts relating to FY22/23.

13. PENSIONS

The University of Bath Students' Union does not directly employ staff. All Union staff are employed by the University of Bath and are eligible to join either the Avon Pension Fund or the Universities Superannuation Scheme.

14. UNRESTRICTED RESERVES

	General Fund £	Designated Club & Societies £	Total £
Balance at 1 August 2021	355,193	9,191	364,384
Retained (deficit)/surplus for the financial year	194,435	1,207	195,642
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 July 2022	<u>549,628</u>	<u>10,398</u>	<u>560,026</u>
Balance at 1 August 2022	549,628	10,398	560,026
Retained (deficit)/surplus for the financial year	-	-	-
Transfers	<u>(21,133)</u>	<u>557</u>	<u>(20,576)</u>
Balance at 31 July 2023	<u>528,495</u>	<u>10,955</u>	<u>539,450</u>

The designated funds relate to clubs and societies. It is expected that these will be expensed during the next academic year.

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

15. RESTRICTED RESERVES

	SCP	Alumni	Student Development	Sports and Societies Funding	Club Asset Reserve	Total
	£	£	£	£	£	£
Balance at 1 August 2021	33,028	53,256	39,253	190,873	38,988	355,398
Income	89,000	20,000	21,850	912,731	13,571	1,057,152
Expenditure	(84,224)	(29,981)	(9,399)	(868,692)	(21,434)	(1,013,730)
Transfers	-	-	-	-	-	-
Balance at 31 July 2022	<u>37,804</u>	<u>43,275</u>	<u>51,704</u>	<u>234,912</u>	<u>31,125</u>	<u>398,820</u>
Balance at 1 August 2022	37,804	43,275	51,704	234,912	31,125	398,820
Income	90,000	20,000	-	1,102,570	5,250	1,217,820
Expenditure	(85,463)	(23,698)	(12,383)	(1,094,781)	(13,280)	(1,229,605)
Transfers	-	-	-	-	-	-
Balance at 31 July 2023	<u>42,341</u>	<u>39,577</u>	<u>39,321</u>	<u>242,701</u>	<u>23,095</u>	<u>387,035</u>

SCP (Student Community Partnership) is a joint venture between University of Bath, Bath & North East Somerset Council and Bath Spa University to promote positive community relationships between the Universities and local residents.

Alumni Funds are transferred from the University of Bath Alumni Fund to the Union to be used to help enhance and enrich the student experience. Any Student Group registered as part of the Union can apply for a proportion of the grant to help fund their own project.

The Student Development fund is monies granted specifically for student supported learning and awareness activities including funding for management of the Lloyd Scholars programme.

Sports and Societies Funding is funding received by the Union for the purpose of specific sports and society activity.

Club Asset Reserve represents the net book value of capital assets purchased by Sports Clubs with restricted funds.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Designated	Restricted	Total
	£	£	£	£
Fund balances at 31 July 2023 are represented by:				
Tangible assets	58,785	-	23,096	81,881
Current assets	530,140	10,955	363,939	905,034
Current liabilities	<u>(60,430)</u>	<u>-</u>	<u>-</u>	<u>(60,430)</u>
Total net assets	<u>528,495</u>	<u>10,955</u>	<u>387,035</u>	<u>926,485</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

17. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2023 the Union had annual commitments under non-cancellable operating leases as set out below:

	2023 £	2022 £
Operating leases which expire:		
In less than 1 year	22,618	17,828
Within 2 to 5 years	<u>16,752</u>	<u>19,656</u>
	<u><u>39,370</u></u>	<u><u>37,484</u></u>

18. CAPITAL COMMITMENTS

The Union ordered six sailing boats totaling £59,976 in FY22/23 of which a deposit of £12,000 was paid in the year and the remainder invoiced post year end along with the delivery. There were no capital commitments in FY21/22.

19. FUNDS HELD ON BEHALF OF THIRD PARTIES

During the year the Union acted as a custodian of the annual Raising and Giving (RAG) proceeds from fundraising events organised by students. Funds raised by this year's RAG not distributed to charities amounted to £2,232 (2022: £2,064) which were held by the Union as agreed.

Amounts received and expended during the year and the liability at the year-end in relation to this fund are detailed below:

	At 1 August 2022 £	Amounts received £	Amounts expended £	At 31 July 2023 £
RAG	<u>2,064</u>	<u>34,362</u>	<u>(34,194)</u>	<u>2,232</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

20. RELATED PARTY TRANSACTIONS

The Union became a registered charity on 29 July 2011 but previously derived charitable status from its governing parent body, the University of Bath. the Union is in receipt of a recurrent grant from the parent body of £2,247,600 (2022: £1,978,500). the Union also received additional grant funding of £5,946 (2022: £74,864) within the year.

The Union occupies a University building under an informal licence. the Union is notionally charged by the University a contribution to the costs of maintaining the building. The amount included within expenditure in the Statement of Financial Activities for the year was £502,860 (2022: £492,991) for which equivalent income is shown within 'Donations and grants'.

Included in creditors falling due within one year is £40 (2022: £192,701) owed to the University of Bath which has no securities or interest attached. There is also £2,916 (2022: £2,075) included in trade debtors and £33,000 (2022: £63,500) within other debtors in relation to balances with the university. This year there is £15,466 (2022: £73,958) within accruals relating to costs due to the university.

The University also pays all wages and salaries on behalf of the Union and recharges them accordingly. Staff costs are disclosed in note 8.

21. CONTROLLING PARTY

The Union is controlled by the Board of Trustees comprising the Union Officers, who are subject to democratic election by the voting membership of the Union, and non-executive Trustees who are appointed by a simple majority of the Board of Trustees. The ultimate control of the Union is vested under the Articles of Governance in the Board of Trustees. As such no single person or entity controls the Union as defined by FRS 102 section 9.

22. CASH GENERATED FROM OPERATIONS

	2023 £	2022 £
Net (expenditure)/income	(32,361)	239,064
Adjustments for:		
Investment income received	(11,945)	(527)
Depreciation	<u>45,374</u>	<u>53,455</u>
	1,068	291,992
Decrease/(increase) in stock	14,330	(12,159)
Decrease/(increase) in debtors	66,088	(172,710)
(Decrease)/increase in creditors	<u>(296,180)</u>	<u>122,443</u>
Net cash (used)/provided by operating activities	<u>(214,694)</u>	<u>229,566</u>

BATH STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

23. NET FUND ANALYSIS

	At 1 August 2022 £	Cashflows £	At 31 July 2023 £
Cash at bank and in hand	<u>894,291</u>	<u>(229,224)</u>	<u>665,067</u>

24. COMPARATIVE 2022 STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
INCOME FROM:				
Donations and grants	3	2,785,145	130,850	2,915,995
Charitable activities				
Bars and entertainment		965,993	-	965,993
Clubs and societies		18,850	170,901	189,751
Sports associations		134,734	643,407	778,141
Events		511,460	-	511,460
Other trading activities		81,329	111,994	193,323
Investments	4	<u>527</u>	<u>-</u>	<u>527</u>
Total		<u>4,498,038</u>	<u>1,057,152</u>	<u>5,555,190</u>
EXPENDITURE ON:				
Raising funds	5	(76,603)	-	(76,603)
Charitable activities	5	(4,208,293)	(1,013,730)	(5,222,023)
Other	5	<u>(17,500)</u>	<u>-</u>	<u>(17,500)</u>
Total		<u>(4,302,396)</u>	<u>(1,013,730)</u>	<u>(5,316,126)</u>
NET INCOME	7	<u>195,642</u>	<u>43,422</u>	<u>239,064</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>195,642</u>	<u>43,422</u>	<u>239,064</u>
RECONCILIATION OF FUNDS				
Total funds brought forward 1 August 2021		<u>364,384</u>	<u>355,398</u>	<u>719,782</u>
TOTAL FUNDS CARRIED FORWARD 2022		<u>560,026</u>	<u>398,820</u>	<u>958,846</u>

University of Bath Students' Union

Report to the Trustees

Year ended 31 July 2023

Strictly Private and Confidential

The Trustees
University of Bath Students' Union
Claverton Down
Bath
BA2 7AY

Dear Trustees

I have pleasure in submitting our audit findings report for the year ended 31 July 2023. The primary purpose of this report is to communicate to the Trustees and the Trustees the significant findings arising from our audit that we believe are relevant to those charged with governance.

I look forward to discussing our report with you, as well as any further matters you may wish to raise with us, and I shall be attending the Finance Committee meeting on 23 November 2023.

I would like to take this opportunity to express our appreciation for the assistance provided to us by the finance team and the other staff at the charity during this year's audit.

Yours sincerely

Janette Joyce
Partner

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1. Executive summary

Our report to you

We are pleased to present our Audit Findings Report to the Trustees and we welcome the opportunity to discuss our findings with you at your meeting on 12 October 2023.

The primary purpose of this report is to communicate to the Finance committee and the Trustees the significant findings arising from our audit that we believe are relevant to those charged with governance.

In accordance with International Standards on Auditing (UK) the matters in this report include

- the results of our work on areas of significant audit risk
- our views about significant qualitative aspects of the charity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures
- significant difficulties, if any, encountered during the audit
- any significant matters arising during the audit and written representations we are requesting
- unadjusted misstatement identified during the audit
- circumstances that affect the form and content of our auditor's report, if any
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process

We have included comments in relation to the above where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention.

Conclusions in relation to the areas of significant audit risk

As explained in our Audit Planning Report, in line with ISA (UK) 315 (Revised), we have considered the inherent risks, including the likelihood and magnitude of a potential misstatement, as shown in the chart below.



In line with our audit plan we focussed our work on the significant audit risks identified:

- Management override of controls

See further in this report our conclusion on this area.

Other audit findings

[Section 3](#) sets out various comments on other important matters which we have identified from our audit.

Fraud and irregularities

[Section 4](#) sets out the Trustees and our responsibilities in respect of fraud and irregularities.

Audit materiality

The audit materiality for the financial statements set as part of our audit planning took account of the level of activity of University of Bath Students' Union and was set at 2% of income. We have reviewed this level of materiality based on the draft financial statements for the year ended 31 July 2023 and are satisfied that it continues to be appropriate with 2% of income.

Unadjusted misstatements

We report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be 5% of our audit materiality.

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit.

Audit completion and our Audit Report

We have substantially completed our audit in accordance with our Audit Planning Report which was sent to you and the senior management team in August 2023, subject to the matters below.

- Completion of the going concern and post-Balance Sheet events reviews.
- Review of the final financial statements.
- Receipt of the signed letter of representation.

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise from progressing these outstanding matters.

On the satisfactory completion of these matters, we anticipate issuing an unmodified audit opinion on the truth and fairness of the 2023 financial statements.

Responsibilities and ethical standards

We have prepared this report taking account of the responsibilities of the Trustees and ourselves set out in [Appendix 4](#) of this report.

The matters included in this report have been discussed with the charity's management during our audit and at our closing meeting on 12 October 2023. Helen McHenry and Emily Burstow have seen a draft of this report and we have incorporated their comments and/or proposed actions where relevant.

2. Significant audit risks

As reported in our Audit Planning Report, ISA (UK) 315 (Revised) was applicable this year, and required us to consider a spectrum of inherent risk, considering both the likelihood and magnitude of a possible misstatement, with risks close to the upper end of the spectrum of inherent risk considered to be 'significant risks'.

Risk is considered in the context of how, and the degree to which, inherent and control risk factors affect the likelihood and magnitude of a misstatement occurring. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors.

In addition, the auditing standards also set out a number of areas considered to always be a significant risk. Our audit response in respect of risks not identified as significant is set out in [Section 3](#).

We have commented below on the results of our work in these areas as well as on any additional significant risks, judgements, or other matters in relation to the financial statements of University of Bath Students' Union identified during our audit.

2.1 Management override of controls

Auditing standards require us to consider as a significant audit risk areas of potential or actual management override of controls. In completing our audit we have therefore considered the following matters.

Significant accounting estimates and judgements

ISA (UK) 540 (Revised) Auditing Accounting Estimates and Related Disclosures requires additional audit focus over management's estimates, including undertaking separate risk assessments for both inherent and control risks. In respect of the former, consideration is given to the estimation uncertainty, the subjectivity and the complexity of the estimate. We are also required to consider whether the disclosures made in the financial statements are reasonable.

Management have made a number of necessary significant accounting estimates and judgements which impact the financial statements. We identified the following for specific audit review:

- the assessment of the remaining useful life of assets;
- the assumptions relating to income recognition and cut-off

Estimates and judgements that are not considered to be significant risks. It is important that you are satisfied that the assumptions used by management

are appropriate and we will ask you to provide a written representation to us to confirm this.

Controls around journal entries and the financial reporting process

We reviewed and carried out sample testing on the charity's controls around the processing of journal adjustments (how journals are initiated, authorised and processed) and the preparation of the annual financial statements. We also considered the risk of potential manipulation by journal entry to mask fraud.

We did not identify any instances of management override of controls or other issues from our review of University of Bath Students' Union journals. All journals are completed at year end as part of the year end accounts preparation process and therefore easy to review. We note that journal processing can be an area of potential risk and it is good practice to include consideration of this within the overall University of Bath Students' Union risk assessment.

Significant transactions outside the normal course of business

We are required to consider the impact on the financial statements if there are any significant transactions occurring outside of the normal course of the charity's business.

No such transactions were notified to us by management, nor did any such transactions come to our attention during the course of our work.

3. Other audit findings

In addition to matters relating to the significant audit risks as reported in Section 2, we have also noted the following matters from our audit work which we should bring to your attention.

3.1 Going concern

Key related judgements

In preparing the financial statements to comply with Financial Reporting Standard 102 the Trustees are required to make an assessment of the charity's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, the Trustees and management are required to consider all available information about the future of the charity in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue.

The trustees' going concern assessment is a key area of emphasis and importance for our audit and, in accordance with the requirements of ISAs (UK), our audit report includes a specific reference to going concern.

Crowe response

Our work on going concern included the following:

- reviewing the period used by Trustees to assess the ability of University of Bath Students' Union to continue as a going concern,
- examining budgets and forecasts prepared by management covering the period of the going concern assessment to ensure that these appropriately support the trustees' conclusion,
- reviewing any other information or documentation which the Trustees have used in their going concern assessment such as future years grant confirmation.

Our conclusions and other comments

As at 31 July 2023 University of Bath Students' Union is reporting unrestricted funds totalling £539,450 (2022: £560,026). University of Bath Students'

Union's unrestricted deficit for the year is £20,576 (2022: £195,642 surplus). The cash balance at year end is £665,067 (2022: £894,291).

We understand future grant funding is secured for the 2023/24 year of £2.26m and the Students' Union has good controls over its costs. It has budgeted a small deficit post year end to October 2024 of £25.8k.

We will be seeking representations that the Board has considered the forecasts and is satisfied that the going concern basis is appropriate.

3.2 VAT on staff costs (Information only)

Following the outcome of the University applying VAT on staff cost invoices going forward, the Student Union has incurred additional costs in the period based on the irrecoverable portion of VAT. Additional costs within staff costs in expenditure amount to £237k. To ensure the Union does not suffer due to the additional expense the University have provided an additional grant of £17k per month and a final one-off top up agreed at the year end of £33k.

We understand that the University have agreed to continue with this additional funding until January 2024.

3.3 Creditor with University of Bath (Information only)

The creditors balance at the year end with the University of Bath was £40 which is significantly lower than the previous year at £192,701. This is due to a payment made at the year end of £169,898 to clear most of the ledger. The payment cleared the Students' Union's bank on 2 August 2023.

3.4 Report and Financial Statements

As noted in the Statement of Trustees' Responsibilities, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

4. Fraud and irregularities and our audit reporting

Audit reporting on detecting irregularities, including fraud

In line with ISA (UK) 700 our audit report includes an additional comment to explain to what extent the audit was considered capable of detecting irregularities, including fraud.

Irregularities are acts of omission or commission which are contrary to the prevailing laws or regulations. Fraud includes both fraudulent financial reporting and misstatements resulting from misappropriation of assets.

Our responsibility is to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The additional reporting requirements this year placed increased emphasis on our understanding of the risks to University of Bath Students' Union from fraud and irregularities. Our audit included discussions with management and those charged with governance to obtain their assessment of the risk that fraud may cause a significant account balance to be materially misstated as well as other procedures to obtain sufficient appropriate audit evidence.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included testing on the posting of journals, reviewing accounting estimates for biases, reviewing

regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK). No internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

We have also included in [Appendix 5](#) some fraud risks that Trustees and management should be aware of.

Trustee responsibilities

The primary responsibility for safeguarding the charity's assets and for the prevention and detection of both irregularities and fraud rests with the trustees and management of the organisation. It is important that management, with oversight of those charged with governance, place a strong emphasis on fraud prevention and fraud deterrence. This involves a commitment to creating a culture of honest and ethical behaviours which can be reinforced by an active oversight by those charged with governance.

As in past years, the following statements will be included in the letter of representation which we require from the trustees when the financial statements are approved.

- The trustees acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and errors, and the trustees believe they have fulfilled those responsibilities.

- The trustees have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.
- The trustees are not aware of any fraud or suspected fraud affecting the charity involving management, those charged with governance or employees who have a significant role in internal control or who could have a material effect on the financial statements.

- The trustees are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, affecting the charity's financial statements.

We draw your attention to bullet point 2 above which presupposes that an assessment has been made. We have not been made aware of any actual or potential frauds which could affect the 2023 financial statements, or in the period since the previous year end.

Appendix 1 - Reporting audit adjustments

Unadjusted misstatements

International Standards on Auditing (UK) require that we report to you all misstatements which we identified as a result of the audit process but which were not adjusted by management, unless those matters are clearly trivial in size or nature.

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit

Adjustments

The following adjustments are only the regular audit adjustments expected to be made in the Financial Statements. No further adjustments to the financial statements are required for these items and this information is provided to assist you in understanding the financial statements completion process and to fulfil your governance responsibilities.

Adjustment description	Debit/credit net income £	Debit/(credit) net assets £	Debit/(credit) opening reserves £
Net results per day 1 of the audit	(32,193)		
Gross up rent in kind	503,000 (503,000)	- -	- -
Gross up salary costs	55,801 (55,801)	- -	- -
Gross up student accommodation	81,422 (81,422)	- -	- -
Movement in RAG	(168)	(2,233)	2,064
Total adjustments	(168)	(2,233)	2,064
Revised results per the Financial Statements	(32,361)		

Appendix 2 - Systems and controls

We have set out below certain potential improvements to the charity's processes and controls which we noted during our audit work and which we believe merit being reported to you.

Our evaluation of the systems of control at University of Bath Students' Union was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of your business processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

In order to provide you with a clearer picture of the significance of issues raised, we have graded the issues raised by significance/priority before any corrective actions are taken: We have also included below a brief update on the matters we raised last year.

High	These findings are significant and require urgent action.	(0 comments in this category)
Medium	These findings are of a less urgent nature, but still require reasonably prompt action.	(0 comments in this category)
Low	These findings merit attention within an agreed timescale.	(1 comment in this category)

Audit finding and recommendation	Priority	Management response
<p>1. Signed contracts (casual workers)</p> <p>It was noted during the audit that some e-contracts for casual workers are not signed. Due to the nature of these workers being short term, the record of signed contracts is not standard practice. We understand this is outside the remit of the Student Union given the contracts are under the entity of the University but in light of the potential changes in employee status next year, we recommend best practice at the Students' Union.</p> <p>We recommend that employee contracts are signed to ensure the employee has acknowledged the terms of the contract and a record of this is maintained.</p>		<p>We welcome this advice regarding this University HR procedure. The SU will seek independent legal advice for this and all aspects of the changes to employee contracts before agreeing terms with the University.</p>

We have set out below the systems and control issues on which we reported after our audit last year together with an update on how the points raised have been addressed including information on the progress made at the time of the audit of the 2023 financial statements.

Status		Priority
Recommendation fully implemented or no longer relevant		These findings merit attention within an agreed timescale.
Recommendation partially implemented		These findings are of a less urgent nature, but still require reasonably prompt action.
These findings merit attention within an agreed timescale.		These findings are significant and require urgent action.

Observations and recommendations in prior periods	Priority	Status	Update 2023
<p>1. Clarification of restricted and unrestricted funds</p> <p>Restrictions placed on university grant income is not clearly stated by the University. When queried with the University, which of the donations should be classed as restricted or unrestricted, they did not provide an opinion other than it was suggested the core block grant would be unrestricted and all others restricted. Without clear intention from the University this could be subject to interpretation by the Union on how the funds are spent.</p> <p>Per the accounts the main block grant £1,978,500 is considered unrestricted as well as about £74k of 'other' smaller grants of £20k or less.</p> <p>We would recommend the SU confirm how the balances are received going forward should be treated to ensure correct treatment in the Financial Statements.</p> <p>Management response The SU will request information in writing for every item of income received from the University and will seek clarification from them at the time of receipt if its intended purpose is not clear. The SU is satisfied that the income received to date has been classified correctly.</p>			<p>Whilst the grant received from the University is broken down to a higher level of detail, we understand that the underlying block grant is for the general running of the Union and not for specific restricted projects that would warrant disclosure in a restricted fund.</p> <p>Matter now considered closed.</p>

Appendix 3 - Materiality

Materiality and identified misstatements

As we explained in our Audit Planning Report, we do not seek to certify that the financial statements are 100% correct; rather we use the concept of “materiality” to plan our sample sizes and also to decide whether any errors or misstatements discovered during the audit (by you or us) require adjustment. The assessment of materiality is a matter of professional judgement but overall a matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements.

Our overall audit materiality for the financial statements as a whole took account of the level of activity by University of Bath Students' Union and was set at approximately 2% of income.

We reassessed materiality based on the draft financial statements, and the following is a summary of the overall materiality levels we applied to the separate entities within the group.

Appendix 4 - Responsibilities and ethical standards

Audit purpose and approach

Our audit work has been undertaken for the purposes of forming our audit opinion on the financial statements of University of Bath Students' Union prepared by management with the oversight of the trustees and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

Financial statements

The trustees of University of Bath Students' Union are responsible for the preparation of the financial statements on a going concern basis (unless this basis is inappropriate). The trustees are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

Legal and regulatory disclosure requirements

In undertaking our audit work we considered compliance with the following legal and regulatory disclosure requirements, where relevant.

- Companies Act 2006
- Charities Act 2011
- The Charities (Accounts and Reports) Regulations 2008 (or updated Regulations if enacted before completion of the financial statements)
- Financial Reporting Standard 102 (FRS 102)
- The Charities SORP (FRS 102)

Ethical Standard

We are required by the Ethical Standard for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

As explained in our audit planning report, in our professional judgement there are no relationships between Crowe U.K. LLP and University of Bath Students' Union or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

Independence

International Standards on Auditing (UK) require that we keep you informed of our assessment of our independence.

We confirm that we have carried non-audit services as detailed below. We have not identified any other issues with regards to integrity, objectivity and independence and, accordingly, we remain independent for audit purposes.

The matters in this report are as understood by us as at 5 October 2023. We will advise you of any changes in our understanding, if any, during our meeting prior to the financial statements being approved.

Non-audit services

We have considered the non-audit services we have provided in the period and have concluded that there are no facts or matters that bear upon the integrity, objectivity and independence of our firm or of the audit partner and audit staff related to the provision of such services which we should bring to your attention. Our fees for non-audit services in the year have been as follows.

Accounts preparation - included in audit fee

VAT advice - £14,200

Use of this report

This report has been provided to the Trustees to consider and ratify on behalf of the Board of Trustees, in line with your governance structure. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

Appendix 5 - Fraud risks

As part of our audit procedures we make enquiries of management to obtain their assessment of the risk that fraud may cause a significant account balance to contain a material misstatement. However, we emphasise that the responsibility to make and consider your own assessment rests with yourselves and that the Trustees and management should ensure that these matters are considered and reviewed on a regular basis.

Usually fraud in the charity sector is not carried out by falsifying the financial statements. Falsifying statutory financial statements usually provides little financial benefit, as compared to say a plc where showing a higher profit could lead to artificial share prices or unearned bonuses. However, falsifying financial statements can be used to permit a fraud or to avoid detection. As a generality, charities represented by its management and its trustees do not actively try to falsify financial statements as there are not the same incentives to do so. In the charity world fraud is usually carried out through misappropriation or theft.

The trustees should be aware that the Charity Commission provides guidance (updated in September 2022) on how to protect your charity from fraud including information about fraud, how to spot it and what you can do to protect against it.

The Charity Commission's first guiding principle recognises that fraud will always happen. It is therefore important that, as part of setting their overall risk appetite, the trustees consider fraud within their tolerance for the risks associated with the management of the organisation's (and group's) funds. The development and continued assurance of a robust counter fraud control framework should then contribute to the organisation matching the risk appetite and tolerance agreed by the trustees.

A copy of our guidance and a framework on conducting fraud risk assessments can be obtained from our website here: <https://www.crowe.com/uk/insights/fraud-risk-assessment-non-profit>.

A fraud risk assessment is an objective review of the fraud risks facing an organisation to ensure they are fully identified and understood. This includes ensuring:

- fit for purpose counter fraud controls are in place to prevent and deter fraud and minimise opportunity, and

- action plans are in place to deliver an effective and proportionate response when suspected fraud occurs including the recovery of losses and lessons learnt.

Good practice suggests that to be most effective the risk assessment should be undertaken at a number of levels within the organisation:

- Organisational – to assess the key policy, awareness raising and behavioural (including leadership commitment) requirements that need to be in place to build organisational resilience to counter fraud.
- Operational – a detailed analysis of the fraud risk and counter fraud control framework at the operational level – by function (activity) or individual business unit (including programmes and projects).

Any fraud risk assessment should not be seen as a standalone exercise but rather an ongoing process that is refreshed on a regular basis. Carrying out the fraud risk assessment may reveal instances of actual or suspected fraud. Should this happen next steps will be determined on circumstances, the existing control framework (including any response plan(s)), and in consultation with the key members of the organisation's management team.

Considering risks of fraud

There is evidence that during times of economic instability there is an increased risk of fraud. This may be because resource constraints can reduce internal controls and oversight and also because individuals facing hardship may be more likely to consider fraudulent practices.

The following provides further information on the three kinds of fraud that charities such as University of Bath Students' Union should consider.

a) Frauds of extraction

This is where funds or assets in possession of the charity are misappropriated. Such frauds can involve own staff, intermediaries or partner organisations since they require assets that are already in the possession of the entity being extracted fraudulently. This could be by false invoices, overcharging or making unauthorised grant payments.

Essentially such frauds are carried out due to weaknesses in physical controls over assets and system weaknesses in the purchases, creditors and payments cycle. The cycle can be evaluated by considering questions such as who authorises incurring a liability and making a payment. On what evidence? Who records liabilities and payments? Who pays them and who checks them?

The close monitoring of management accounts, ledger entries and strict budgetary controls are also generally seen as an effective way of detecting and deterring frauds in this area.

Staff should be made aware of the increasing use of mandate fraud. This is where when the fraudster gets the organisation to change a direct debit, standing order or bank transfer mandate by purporting to be a supplier or organisation to which the charity makes regular payments.

Insufficient due diligence around requests to amend supplier or payroll details has led to payments to unauthorised individuals so sufficient checks in these areas is of increasing importance. All employees should exercise real scepticism and not make any payments which are not properly supported and / or outside the normal payment mechanisms.

The Fraud Advisory Panel latest research shows the following as the fraud risks on the horizon:

- *Staff fraud. As people feel the effects of the cost-of-living crisis on their finances.*
- *Ransomware, particularly targeting network-attached storage. There has been a recent increase in these types of attack.*
- *E-commerce / online shopping fraud. In the lead-up to Black Friday (25 November), Cyber Monday (28 November), and the busy Christmas shopping period.*

- *Supply chain fraud. As some businesses and individuals find themselves in financial difficulty. To boost resilience, government is looking to create standard templates for supply chain contracts.*

A new survey has found that 12% of charities had experienced cybercrime in the previous 12 months, prompting the Charity Commission to highlighting this issue to charities recently and warning them against the risk of online fraud. Furthermore, the survey also pointed to a potential lack of awareness of the risks facing charities online and note that just over 24% have a formal policy in place to manage the risk and only around 55% of charities reported that cyber security was a fairly or very high priority in their organisation. The Commission's discussion of this can be found here:

<https://www.gov.uk/government/news/charities-at-risk-of-underestimating-online-fraud-as-one-in-eight-experienced-cybercrime-last-year>

b) Backhanders and inducements

There is also an inherent risk that individuals who are able to authorise expenditure or influence the selection of suppliers can receive inducements to select one supplier over the other. This risk can be mitigated by robust supplier selection and tendering procedures.

c) Frauds of diversion

This is where income or other assets due to University of Bath Students' Union are diverted before they are entered into the accounting records or control data. Essentially, it is easy to check what is there but very difficult to establish that it is all there. Therefore, ensuring the completeness of income provided to a charity becomes difficult.

It is important to consider the different income streams and when and how they are received. So income received directly into the charity's bank account will be a lower risk than income being received by home based fundraisers.

Appendix 6 - External developments

We have summarised below some of the developments and changes in the charity sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below.

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold webinars and therefore encourage you to visit our website (<https://www.crowe.com/uk/croweuk/industries/webinars>) or register to our mailing list (nonprofits@crowe.co.uk) to stay updated on these. Any webinars which you have missed remain available on demand on our website.

Governance

The Charities Act 2022: Implementation

The Charities Act 2022 (the Act) received Assent on 24 February 2022 and brings into force a number of key changes to the Charities Act 2011, aimed at simplifying a number of processes.

The Charity Commission are currently working through implementing the various changes brought about by the legislation, and have set out an indicative timetable here: <https://www.gov.uk/guidance/charities-act-2022-implementation-plan>

Other provisions of the Act in force from 31 October 2022

- Section 5: Orders under section 73 of the Charities Act 2011
- Section 8: Power of the court and the Commission to make schemes
- Section 32: Trustee of charitable trust: status as trust corporation
- Section 36: Costs incurred in relation to Tribunal proceedings etc
- Part of Section 37: Public notice as regards Commission orders etc.
- Part of Section 40 and Schedule 2: Minor and consequential amendments

Provisions of the Act expected to come into force Spring 2023

- Sections 9-14 and 35a: Permanent endowment
- Sections 17-23: Charity land

- Section 24 and Schedule 1: Amendments of the Universities and College Estates Act 1925
- Sections 25-28: Charity names
- Section 38 and 39: Connected persons
- Part of Section 40 and Schedule 2: Minor and consequential amendments

Provisions of the Act expected to come into force Autumn 2023

- Section 1-3: Charity constitutions
- Section 29: Powers relating to appointments of trustees
- Section 31: Remuneration etc of charity trustees etc
- Sections 33-35: Charity mergers
- Section 37: For remaining purposes
- Section 40 and Schedule 2: For remaining purposes

The key provisions of the Act that have been implemented to date are set out below, and further information can be found here:

<https://www.gov.uk/guidance/charities-act-2022-guidance-for-charities>

Failed appeals

The Act introduces new rules granting the power for trustees to apply cy-près, allowing charities more flexibility in response to a charity appeal that has failed, allowing *donations* to be applied for another charitable purposes rather than having to be returned to donors under certain conditions:

- i) The donation is a single gift of £120 or less; and the Trustees reasonably believe that during the financial year the total amount received from the donor for the specific charitable purpose is £120 or less (unless the donor states in writing that the gift must be returned if the charitable purposes fail); or
- ii) The donor, after all agreed actions have been taken, cannot be identified or found; or
- iii) The donor cannot be identified (for example cash collections)

The Charity Commission published guidance in relation to failed appeals on 31 October 2022, which can be found here:

<https://www.gov.uk/government/publications/charity-fundraising-appeals-for-specific-purposes>

The Charity Commission has also updated its guidance [CC20 'Charity fundraising: a guide to trustee duties'](#) to reflect these changes.

The Fundraising Regulator has also published guidance, further details of which are provided below.

Payments to Trustees for providing goods to the charity

The Charities Act 2011 provided a statutory power for charities, in certain circumstances, to pay trustees for providing a service to a charity beyond usual trustee duties.

The Act extends this power to allow, in certain circumstances for payments to trustees for providing goods to the charity.

Updated guidance can be found here:

<https://www.gov.uk/guidance/payments-to-charity-trustees-what-the-rules-are>

The Charity Commission has also updated its guidance [CC29 'Conflicts of interest: a guide for charity trustees'](#) and [CC11 'Trustee expenses and payments'](#) to reflect these changes.

Power to amend Royal Charters

Royal Charter charities are able to use a new statutory power to change sections in their Royal Charter which they cannot currently change, if that change is approved by the Privy Council.

Updated guidance can be found here: <https://www.gov.uk/guidance/royal-charter-charities>

Responsible investments guidance

The Charity Commission ran a public consultation in April 2021 in respect of updated guidance for responsible investments. Previous Charity Commission guidance was based on the outdated Bishop of Oxford case in 1992.

The outcome of this case recognised that there were times when a charity may wish to pursue an ethical approach to its investments, but that this was a secondary consideration to maximising investment income. The results of the Charity Commission consultation were published on 18 August 2021.

During the consultation two charities were granted permission to bring a case relating to responsible investment to the High Court, The Ashden Trust and the Mark Leonard Trust.

Their investment policies, approved by the High Court, were based on scientific evidence of climate change and excluded, as far as practically possible, investments not aligned with the goals of the Paris Agreement. The charities were seeking clarification of the law. Previous case law in the 1992 Bishop of Oxford case established the principle that charity trustees should maximise return on their investments and ought not to take into account ethical or moral considerations that could cause financial detriment to the charity. There were exceptions to these where an investment directly conflicted with the charity's purposes or indirectly conflicts with its work.

The new High Court ruling charities are able to exclude specific investments from their portfolio should they not align with their charitable purpose, as long as it can be demonstrated that appropriate decision-making processes have been followed. The below extract of paragraph 78 of the judgement clarifies the relevant law that should be referred to when considering responsible investment policies:

1. "Trustees' powers of investment derive from the trust deeds or governing instruments (if any) and the Trustee Act 2000.
2. Charity trustees' primary and overarching duty is to further the purposes of the trust. The power to invest must therefore be exercised to further the charitable purposes.
3. That is normally achieved by maximising the financial returns on the investments that are made; the standard investment criteria set out in s.4 of the Trustee Act 2000 requires trustees to consider the suitability of the investment and the need for diversification; applying those

criteria and taking appropriate advice is so as to produce the best financial return at an appropriate level of risk for the benefit of the charity and its purposes.

4. *Social investments or impact or programme-related investments are made using separate powers than the pure power of investment.*
5. *Where specific investments are prohibited from being made by the trustees under the trust deed or governing instrument, they cannot be made.*
6. *But where trustees are of the reasonable view that particular investments or classes of investments potentially conflict with the charitable purposes, the trustees have a discretion as to whether to exclude such investments and they should exercise that discretion by reasonably balancing all relevant factors including, in particular, the likelihood and seriousness of the potential conflict and the likelihood and seriousness of any potential financial effect from the exclusion of such investments.*
7. *In considering the financial effect of making or excluding certain investments, the trustees can take into account the risk of losing support from donors and damage to the reputation of the charity generally and in particular among its beneficiaries.*
8. *However, trustees need to be careful in relation to making decisions as to investments on purely moral grounds, recognising that among the charity's supporters and beneficiaries there may be differing legitimate moral views on certain issues.*
9. *Essentially, trustees are required to act honestly, reasonably (with all due care and skill) and responsibly in formulating an appropriate investment policy for the charity that is in the best interests of the charity and its purposes. Where there are difficult decisions to be made involving potential conflicts or reputational damage, the trustees need to exercise good judgment by balancing all relevant factors in particular the extent of the potential conflict against the risk of financial detriment.*
10. *If that balancing exercise is properly done and a reasonable and proportionate investment policy is thereby adopted, the trustees have complied with their legal duties in such respect and cannot be*

criticised, even if the court or other trustees might have come to a different conclusion."

A full copy of the judgement can be found here:

<https://www.bailii.org/ew/cases/EWHC/Ch/2022/974.html>

The Charity Commission has indicated that it will publish updated CC14 guidance in Summer 2023.

Guidance on hybrid working launch by ACAS

ACAS recently published guidance for employers on hybrid working, following the extended period of remote working as a result of the coronavirus pandemic.

The guidance is broken down into the following five sections:

- Considering hybrid working for your organisation
- Consulting and preparing to introduce hybrid working
- Creating a hybrid working policy
- Treating staff fairly in hybrid working; and
- Supporting and managing staff in hybrid working

The guidance also considers other legal matters that employers should consider, including data and privacy issues, health and safety issues and working time requirements.

The guidance can be found [here](#).

Charity Commission: Consultation on Charity Use of Social Media

On 17 January 2023 the Charity Commission published a consultation on draft guidance for charities on their use of social media.

The aim of the guidance is to help trustees improve their understanding in this area, and to encourage charities to adopt a policy on social media as a way to set their charity's approach. The guidance does not introduce new trustee duties but seeks to make clear how existing duties are relevant to a charity's use of social media.

The guidance sets out that social media use can raise issues and risks for charities, relating to problematic content:

- posted or shared by the charity on its own social media channels
- posted by the public or third parties on a charity's social media channel
- posted on a personal social media account that can be reasonably associated with the charity

It is important that charities have their say and engage with the consultation, to ensure that the relevant considerations can impact decision making.

The consultation closed on 14 March 2023, and the Charity Commission are now considering the responses received. An analysis of the responses and the final guidance is expected in the Summer. The consultation can be found here: <https://www.gov.uk/government/consultations/draft-guidance-charities-use-of-social-media>

Charity Commission: Manage financial difficulties in your charity arising from cost of living pressures

In December 2022 the Charity Commission published additional guidance "Manage financial difficulties in your charity arising from cost of living pressures", recognising that many charities are facing difficult circumstances as a result of rapidly increasing costs. At the same time, some charities are also experiencing an increase in demand, in particular those charities providing services to people in need, further compounded by donors also suffering from the similar issues thereby leading to reduced income for some charities.

The guidance reminds trustees of their responsibilities in providing effective financial stewardship and ensuring that any decisions made are in the best interest of the charity. Key is the evaluation of the charity's financial position, and robust and regular reviews of the cashflow forecasts, to ensure the charity is able to continue to carry out its charitable activities, identifying any potential shortfalls and enabling actions to be taken in a timely manner.

The guidance can be obtained here: <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-arising-from-cost-of-living-pressure>

Charity Commission: Internal financial controls for charities (CC8)

In April 2023 the Charity Commission published updated guidance "Internal financial controls for charities (CC8)"

The guidance has been updated to reflect changes in legislation and practise across the sector, including new areas such as mobile payment systems (e.g. Apple Pay) and donations of cryptoassets. Existing guidance has also been refreshed in areas such as payments to related parties and operating internationally.

An updated checklist is also included in the guidance to allow charities to assess themselves against the new guidance.

The guidance can be obtained here:

<https://www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8/internal-financial-controls-for-charities>

Updated guidance on Campaigning and political activity

In November 2022, the Charity Commission published updated guidance on campaigning and political activity for charities (CC9) following the passing of the Elections Act 2022.

Although the basic legal position regarding charity campaigning has not changed, this guidance focuses first on the freedoms and possibilities for charities to campaign, and then on the restrictions and risks that trustees must bear in mind.

As with previous guidance, it also includes guidance on areas of good practice.

The updated guidance can be found here:

<https://www.gov.uk/government/publications/speaking-out-guidance-on-campaigning-and-political-activity-by-charities-cc9>

Charities and terrorism

The Charity Commission guidance on 'Charities and Terrorism', first published in December 2012, has been updated in November 2022.

The guidance forms Chapter 1 of the Charity Commissions compliance toolkit, which provides advice and information on key aspects of the UK's counter-terrorism legislation, highlights how particular provisions are likely to affect charities and their work, explains the various 'terrorism lists' that exist and advises trustees what to do if they discover their charity may be working with or connected to people or organisations on terrorism lists.

The updated toolkit signposts to new guidance from the Crown Prosecution Service on proscription offences and terrorist financing offences and cases involving humanitarian, development and peacebuilding work overseas.

The updated toolkit can be found here:

<https://www.gov.uk/government/publications/charities-and-terrorism>

Fundraising Regulator: Annual complaints report

In October 2022 the Fundraising Regulator has published its latest Annual Complaints Report which covers the period 1 April 2021 to 31 March 2022. The report analyses complaints received by the Fundraising Regulator and complaints reported to 56 of the UK's largest fundraising charities.

The number of complaints to the sample charities rose proportionally for most methods in line with increased fundraising activity – with 13 of the 23 fundraising methods having increased complaint numbers in 2021/22 compared to 2020/21. However, the overall number of complaints had decreased since 2019/20 which is reflective of changes in fundraising activity and public mood during the pandemic, as well as demonstrating the sector's commitment to high standards of fundraising.

Over the same period, complaints about fundraising methods including charity bags (77), digital (74), collections and addressed mail (both 48) accounted for the majority of the 381 complaints within the Fundraising Regulator's scope. Vulnerability was also a theme threaded into many of the complaints we received. We encourage charities to develop policies to guide how fundraisers interact with people in vulnerable circumstances and keep up to date records about donors who may be vulnerable.

You can see the full report [here](#).

Fundraising Regulator: 'Failed appeals' guidance

Following the changes introduced by the Charities Act 2022 ('the Act'), the Fundraising Regulator has also published guidance 'What to do if you raise more donations than you need, don't raise enough, or cannot achieve your purpose'

The guidance includes practical measures that can be taken to avoid triggering the legal requirements of the Act, such as the inclusion of a secondary purpose in appeals literature.

The guidance should be read in conjunction with the guidance issued by the

Charity Commission noted above.

The guidance is available here: <https://www.fundraisingregulator.org.uk/more-from-us/news/what-do-if-you-raise-more-donations-you-need-dont-raise-enough-or-cannot-achieve>

Gender pay reporting

Any employer with 250 or more employees on a specific date each year (the 'snapshot date') must report their gender pay gap data. For most entities the snapshot date is the 5 April of each year.

You must report and publish your gender pay gap information within a year of your snapshot date. You must do this for every year that you have 250 or more employees on your snapshot date.

Guidance on what and how to report can be found here:

<https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers>

Financial and other reporting

FRS Consultation: Amendments to FRS 102

On 15 December 2022 the Financial Reporting Council issued FRED 82 "Draft amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and other FRSs – Periodic Review".

FRED 82 proposes a number of changes resulting from the second periodic review of FRS 102 and other Financial Reporting Standards. The proposals include: a new model of revenue recognition in FRS 102 and FRS 105 based on the IFRS 15 five-step model for revenue recognition with appropriate simplifications; a new model of lease accounting in FRS 102 based on IFRS 16 on-balance sheet model (again with appropriate simplifications); and various other incremental improvements and clarifications.

The FRED is accompanied by a consultation stage impact assessment, and the anticipated implementation date will be periods commencing on or after 1 January 2025.

The consultation closed on 30 April 2023, and the FRC will now proceed to review the responses received. The consultation documents can be obtained here: <https://www.frc.org.uk/consultation-list/2022/fred-82>

Charity Commission: Changes to the Annual Return

In June 2022, the Charity Commission began consulting on a range of changes to its Annual Return, through which it hopes to gather more data about charities. There have not been major changes to the Annual Return since 2018, and the Commission has stated its desire to be more data driven and the Annual Return feeds many of the Commissions analyses.

The consultation closed on 1 September 2022, and the Charity Commission published its consultation response on 21 December 2022.

The updated Annual Return includes 17 new questions, a number of which are aimed at gathering more in-depth information on charity income streams and the extent of any overseas activities.

New questions in the updated Annual Return include:

- What was the value of your charity's single highest value donation received from a corporate donor during the financial period of this return?
- What was the value of your charity's single highest value donation received from an individual during the financial period of this return?
- What was the value of your charity's single highest value donation received from a related party during the financial period of this return?
- How was income from outside of the United Kingdom received by your charity in the financial period of this return?
- Does your charity have formal written agreements in place with any partners delivering charitable activities on its behalf outside of the United Kingdom?

Annex 8 contains a full list of the revised Annual Return questions that are set out in the Charities (Annual Return) Regulations 2022 that came into force on 1 January 2023.

Guidance will be published by the Charity Commission in early 2023 to provide additional details on the information being requested and the reason why.

For some charities, the additional questions will require a significant amount of data collection, and we recommend charities obtain the list of questions and begin collating the information required as soon as possible.

The Annual Return needs to be completed by all charities with an annual income of £10,000 plus, within 10 months of the end of their financial year.

Full details of the outcome of the consultation, along with guidance on completing the annual return can be found here:

<https://www.gov.uk/government/consultations/charity-commission-revisions-to-the-annual-return-2023-25>

NCSC publishes "Cyber Threat Report: UK Charity Sector"

The National Cyber Security Centre has published a report outlining the cyber threats currently facing charities of all sizes.

The 2022 DCMS Cyber Security Breaches Survey, which measures the policies and processes organisations have for cyber security, as well as the impact of breaches and attacks, highlighted 30% of UK charities had identified a cyber-attack in the last 12 months, with 38% of these having an impact on the service.

The report notes that the charity sector is particularly vulnerable as they can hold significant amounts of sensitive or valuable data, making them attractive targets, alongside a perception that charities have fewer resources to commit to cyber security.

The report provides details of the commonly perpetrated cyber-attacks, as well as a number of recommendations and links to guidance to assist charities strengthen their defences.

A copy of the report can be obtained here:

https://www.ncsc.gov.uk/files/Cyber_threat_report-UK-charity-sector.pdf

In addition, the Charity Commission has updated its guidance 'Protect your charity from fraud and cybercrime'. The updated guidance includes a number of links to organisations and resources helping to protect against fraud and cybercrime.

FRC publishes "What makes a good Annual Report and Accounts" report

In December 2022, the FRC published its latest report on the attributes of a good Annual Report and Accounts ('ARA') from their perspective as an improvement regulator. It draws on previous FRC publications alongside their day to day work.

The report states that 'A *high-quality ARA*:

- *complies with relevant accounting standards, laws and regulations, and codes;*
- *is responsive to the needs of stakeholders in an accessible way; and*
- *demonstrates the corporate reporting principles and effective communication characteristics outlined in this publication.'*

Whilst the report is focused on corporate reporting, there are a number of quick tips and pointers, along with examples, which might be of interest when preparing your Trustees' Annual Report.

The full report can be found here:

<https://www.frc.org.uk/getattachment/d3e86b16-22b6-4aa7-a6fe-1dc83657335f/What-Makes-a-Good-Annual-Report-and-Accounts.pdf>

Sustainability Reporting and the Charity SORP

Sustainability and environmental issues continue to be high priority for all sectors. The Charity SORP Committee produced a briefing note reflecting on the current approach to sustainability reporting.

The Committee sought to identify whether elements of sustainability reporting should be introduced into the trustees' annual report, and discuss preferred options should this be the case.

The current SORP ask charities to identify the difference their work has made to society as a whole.

The Committee noted that additional support would likely be required to enable charities to comply with additional reporting requirements, and the need to address the scope of the sector. The current requirements are different for large charities, this would need to remain consistent in order to avoid burdening smaller charities.

The full briefing can be found [here](#).

Our guidance on climate change can be accessed [here](#).

We have recently published a review of annual reports, all including a relevant disclosure, which identified a wide variety in the level of detail provided and the format used. A copy of our report, which includes examples of best practice and areas of improvement can be obtained [here](#).

Guidance on Fundraising Reporting Requirements

The Fundraising Regulator has published new research and updated guidance to support compliance with the fundraising reporting requirements in the Charities (Protection and Social Investment) Act 2016).

The Fundraising Regulator has reviewed the annual reports of almost 200 charities with income over £1m to provide a benchmark for the sector and highlight good practice and identify areas for improvement.

The research had noted that an increasing number of charities reported on their fundraising approaches and complains compared to previous years, however only a low proportion of the reports reviewed included a statement on how fundraising carried out on their behalf is monitored or a statement of how they protect the public and vulnerable donors.

The results of the review can be found here:

<https://www.fundraisingregulator.org.uk/more-from-us/resources/charities-act-2016-analysis-july-2022>

and the updated guidance can be found here:

<https://www.fundraisingregulator.org.uk/more-from-us/resources/charities-act-2016-fundraising-reporting-requirements-guidance>

VAT: Changes to Penalty Regime

For VAT accounting periods starting on or after 1 January 2023 there are new penalties for VAT returns that are submitted late and VAT which is paid late, in addition the way interest is charged has also changed. The changes are aimed at simplifying and separating penalties and interest.

The system has changed to a penalty points system, where for each return submitted late, a penalty point is issued. The penalty point threshold is determined by the accounting period, with a higher threshold for more frequently submissions. When the threshold is reached, a penalty of £200 will be issued, with a further £200 penalty for each further late submission.

Penalty points will have a lifetime of 2 years, after which they will expire. The period is calculated from the month after the month in which the failure occurred, e.g. submission due January 2024, so the penalty point will expire in February 2026.

Once a taxpayer reaches the threshold, all points accrued will be reset to zero when the following conditions are met:

- A period of compliance; and
- The taxpayer has submitted all submission in the previous 2 years (even if late).

The new late payment penalty will apply in instances where the return is submitted on time but the payment is not. This penalty considers the length of the delay in making payment and the penalty increases over time.

As part of the new penalty regime, HMRC has also updated its Late Payment Interest ('LPI') rules to bring these in line with other tax regimes.

Full details of the updated regime can be found here:

<https://www.gov.uk/guidance/penalty-points-and-penalties-if-you-submit-your-vat-return-late>

Appendix 7 - Understanding the changes to ISA (UK) 315

ISA (UK) 315 (Revised) comes into effect for periods starting in December 2021 and later (i.e. years ending 31 December 2022). The changes to the standard are fairly fundamental, and are intended to change the way that audit firms approach the identification of risks of material misstatement¹, and by extension, how they respond to these risks. We have set out in the table below the key changes to ISA (UK) 315 and the potential impact on the audit of University of Bath Students' Union.

Key change	Potential impact on the audit
A more robust risk identification and assessment process, with a separate assessment required of inherent risk and control risk	<p>Additional requests for information to enhance understanding of the systems, processes and controls, including but not limited to:</p> <ul style="list-style-type: none"> - More information regarding the entity's risk assessment process and monitoring of internal controls - Policies and procedure manuals, flowcharts and other supporting information to support our understanding of the information systems relevant to the preparation of the financial statements
Enhanced procedures relating to exercising professional scepticism, and additional documentation requirements	Additional requests for information to clarify areas where evidence obtained appears to contradict information already considered in the audit.
Increased focus on information technology	<p>Additional requests for information to enhance understanding of the IT environment, including:</p> <ul style="list-style-type: none"> - Information on the IT applications used by University of Bath Students' Union, including the extent of any automated procedures - Information on the supporting IT infrastructure (i.e. network, operating systems and related hardware and software) and any third party hosting or outsourcing of IT

¹ Risk of material misstatement: The risk that the financial statements are materially misstated prior to audit. This consists of two components, described as follows at the assertion level:

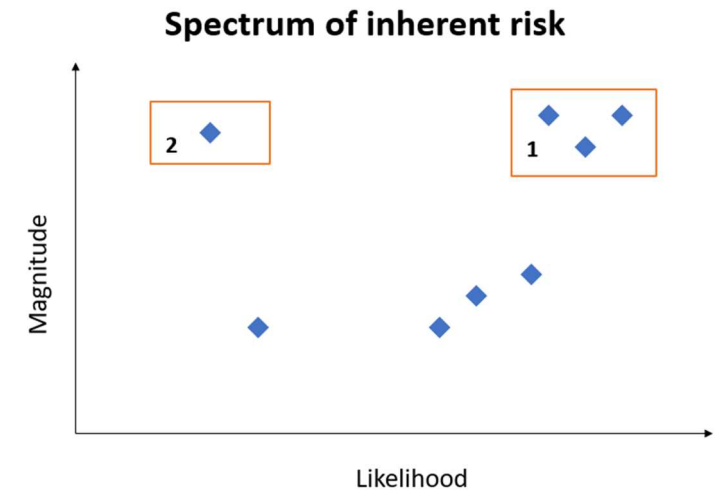
(a) Inherent risk – The susceptibility of an assertion about a class of transaction, account balance or disclosure to a misstatement that could be material, either individually or when aggregated with other misstatements, before consideration of any related controls.

(b) Control risk – The risk that a misstatement that could occur in an assertion about a class of transactions, account balance or disclosure and that could be material, either individually or when aggregated with other misstatements, will not be prevented, or detected and corrected, on a timely basis by the entity's controls.

Key change	Potential impact on the audit
	<ul style="list-style-type: none"> - information on the access controls in place over the use of IT applications, including the setting up and removal of user accounts
<p>Inclusion of specific controls where auditors are required to identify and perform design and implementation thereon.</p>	<p>Additional requests for information in respect of the systems, processes and controls in respect of:</p> <ul style="list-style-type: none"> - Non-standard journal entries - where the journal entries are automated or manual and are used to record non-recurring, unusual transactions or adjustments - Standard journal entries - where the journal entries are automated or manual and are susceptible to unauthorized or inappropriate intervention or manipulation - Other controls identified based on auditor judgement, including but not limited to: <ul style="list-style-type: none"> o Controls that address risks that are assessed as higher on the spectrum of inherent risk (not determined to be a significant risk); o Controls related to reconciling detailed records to the general ledger; or o Complementary user entry controls, if using a service organisation.
<p>A new stand-back requirement when an audit is nearing completion, to evaluate classes of transactions, account balances and disclosures that are material (either quantitatively or qualitatively) but have not been identified as significant and confirm the previous assessed remains appropriate.</p>	<p>Additional audit work may be required where the assessed risk of material classes of transactions, account balances and disclosures are re-evaluated as higher than at the completion of the audit planning.</p>

ISA (UK) 315 (Revised) also introduces the concept of a '*spectrum of inherent risk*'. Risk is considered in the context of how, and the degree to which, inherent risk factors affect the likelihood and magnitude of a misstatement occurring. Such factors may be qualitative or quantitative, and include complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors.

The assessment of an inherent risk close to the upper end of the spectrum is indicative of a significant risk (Box 1), however the combination of likelihood and magnitude means that a significant risk could potentially have a low likelihood but the magnitude could be very high if it occurred (Box 2).



We have set out below further details on the inherent risk factors, along with examples of each within a non-profit context.

Inherent Risk Factor	Description per ISA (UK) 315	Examples in a non-profit context
Complexity	Arises either from the nature of the information or in the way that the required information is prepared, including when such preparation processes are more inherently difficult to apply.	<ul style="list-style-type: none"> - A complex group structure, with multiple subsidiaries, branches, in disparate locations and/or joint ventures, which may also include overseas operations - A complex IT environment, such as fundraising information held in a CRM system that is not integrated with the accounting system - The calculation of the actuarial valuation of defined benefit pension schemes
Subjectivity	<p>Arises from inherent limitations in the ability to prepare required information in an objective manner, due to limitations in the availability of knowledge or information, such that management may need to make an election or subjective judgment about the appropriate approach to take and about the resulting information to include in the financial statements.</p> <p>Because of different approaches to preparing the required information, different outcomes could result from appropriately applying the requirements of the applicable financial reporting framework.</p> <p>As limitations in knowledge or data increase, the subjectivity in the judgments that could be made by reasonably knowledgeable and independent individuals, and the diversity in possible outcomes of those judgments, will also increase.</p>	<ul style="list-style-type: none"> - The assessment of whether a grant is performance related, and the associated impact on income recognition - The selection of the accounting policy adopted in respect of legacy income - Selection of assumptions used in preparing the actuarial valuation of defined benefit pension schemes - Determination of the useful economic life and residual value of fixed assets - Determination of any provisions for bad and/or doubtful debts - The assessment of any provisions for dilapidations
Change	Results from events or conditions that, over time, affect the entity's business or the economic, accounting, regulatory, industry or other aspects of the environment in which it operates, when the effects of those events or conditions are reflected in the required information.	<ul style="list-style-type: none"> - Loss of a major funder and the corresponding impact on going concern - Development of a new income stream or activity - Expansion into new locations, such as the opening of an overseas branch - A change in legislation and any impact on operations, for example changes to health and safety legislation

Inherent Risk Factor	Description per ISA (UK) 315	Examples in a non-profit context
Uncertainty	<p>Arises when the required information cannot be prepared based only on sufficiently precise and comprehensive data that is verifiable through direct observation.</p> <p>In these circumstances, an approach may need to be taken that applies the available knowledge to prepare the information using sufficiently precise and comprehensive observable data, to the extent available, and reasonable assumptions supported by the most appropriate available data, when it is not.</p> <p>Constraints on the availability of knowledge or data, which are not within the control of management (subject to cost constraints where applicable) are sources of uncertainty and their effect on the preparation of the required information cannot be eliminated.</p>	<ul style="list-style-type: none"> - The outcome of a pending litigation or claim, and the determination of any potential liability or contingent liability disclosure - The assessment of any provisions for dilapidations - The assumptions and judgements applied in the preparation of budgets and forecasts to support going concern
Susceptibility to misstatement due to management bias or other fraud risk factors insofar as they affect inherent risk	<p>Results from conditions that create susceptibility to intentional or unintentional failure by management to maintain neutrality in preparing the information.</p> <p>Management bias is often associated with certain conditions that have the potential to give rise to management not maintaining neutrality in exercising judgment (indicators of potential management bias), which could lead to a material misstatement of the information that would be fraudulent if intentional.</p> <p>Such indicators include incentives or pressures insofar as they affect inherent risk (for example, as a result of motivation to achieve a desired result, such as a desired profit target or capital ratio), and opportunity, not to maintain neutrality.</p>	<ul style="list-style-type: none"> - Compliance with funding conditions, including the allocation of expenditure and the assessment of any provision in respect of clawbacks - Loan covenants at risk of being breached - Significant transactions with related parties - Significant amount of non-routine or non-systematic transactions including intercompany transactions and journal entries at the reporting date.

Inherent Risk Factor	Description per ISA (UK) 315	Examples in a non-profit context
Other inherent risk factors	<p>Other inherent risk factors, that affect susceptibility to misstatement of an assertion about a class of transactions, account balance or disclosure may include:</p> <ul style="list-style-type: none"> The quantitative or qualitative significance of the class of transactions, account balance or disclosure; or The volume or a lack of uniformity in the composition of the items to be processed through the class of transactions or account balance, or to be reflected in the disclosure. 	<ul style="list-style-type: none"> Lack of personnel with appropriate accounting and financial reporting skills. Control deficiencies – particularly in the control environment, risk assessment process and process for monitoring, and especially those not addressed by management. Past misstatements, history of errors or a significant amount of adjustments at period end.

ISA (UK) 315 requires auditors to consider that the risk of material misstatement may occur at two levels – the overall financial statement level, and at the assertion level for classes of transactions, balances and disclosures.

Assertions are defined in ISA (UK) 315 as *‘Representations, explicit or otherwise, with respect to the recognition, measurement, presentation and disclosure of information in the financial statements which are inherent in management representing that the financial statements are prepared in accordance with the applicable financial reporting framework. Assertions are used by the auditor to consider the different types of potential misstatements that may occur when identifying, assessing and responding to the risks of material misstatement.’*

We have set out below the assertions and a short description of how they pertain to classes of transactions, balances and disclosures.

Assertions about classes of transactions and events, and related disclosures, for the period under audit	Assertions about account balances, and related disclosures, at the period end
(i) Occurrence—transactions and events that have been recorded or disclosed have occurred, and such transactions and events pertain to the entity.	(i) Existence—assets, liabilities and equity interests exist.
(ii) Completeness—all transactions and events that should have been recorded have been recorded, and all related disclosures that should have been included in the financial statements have been included.	(ii) Rights and obligations—the entity holds or controls the rights to assets, and liabilities are the obligations of the entity.
(iii) Accuracy—amounts and other data relating to recorded transactions and events have been recorded appropriately, and related disclosures have been appropriately measured and described.	(iii) Completeness—all assets, liabilities and equity interests that should have been recorded have been recorded, and all related disclosures that should have been included in the financial statements have been included.

Assertions about classes of transactions and events, and related disclosures, for the period under audit	Assertions about account balances, and related disclosures, at the period end
<p>(iv) Cut off—transactions and events have been recorded in the correct accounting period.</p>	<p>(iv) Accuracy, valuation and allocation—assets, liabilities and equity interests have been included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments have been appropriately recorded, and related disclosures have been appropriately measured and described.</p>
<p>(v) Classification—transactions and events have been recorded in the proper accounts.</p>	<p>(v) Classification—assets, liabilities and equity interests have been recorded in the proper accounts.</p>
<p>(vi) Presentation—transactions and events are appropriately aggregated or disaggregated and clearly described, and related disclosures are relevant and understandable in the context of the requirements of the applicable financial reporting framework.</p>	<p>(vi) Presentation—assets, liabilities and equity interests are appropriately aggregated or disaggregated and clearly described, and related disclosures are relevant and understandable in the context of the requirements of the applicable financial reporting framework.</p>

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