

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

**UNIVERSITY OF BRIGHTON STUDENTS' UNION**

**ANNUAL REPORT**

**31 JULY 2018**

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****TRUSTEES' ANNUAL REPORT  
for the year ended 31 July 2018**

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The trustees present their report and the financial statements of the University of Brighton Students' Union (which is also known as "UBSU" or "the Union", and which also operates under the name "Brighton SU") for the year ended 31 July 2018.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014, which is known as the Charities SORP 2015.

**OBJECTIVES AND ACTIVITIES****Charitable objectives**

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

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

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

**Charitable activities**

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

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

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 July 2018

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

Our Mission is to ***Make Student Life Better.***

**The use of volunteers and donated services**

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

**ACHIEVEMENTS AND PERFORMANCE**

2017/18 was a very exciting time for UBSU. We set ourselves four key strategic targets:

- Develop a new senior management team.
- Conduct a large-scale consultation with our membership.
- Complete a full governance review.
- Create a new strategic plan.

Alongside these major strategic targets, we set ourselves several operational targets which would ensure we continue to focus our efforts on delivering the highest possible student experience to our members on a daily basis.

- **Student Voice:** Increase collaboration with and utilization of students through face to face meetings (Officer Chit Chat), monthly Student Forums and increase levels of recruitment and training of Course Representatives.
- **Students' Union Support Services:** Continue to develop a support package that is proactive, dynamic, relevant and effective. Particular emphasis being placed on housing and mental wellbeing.
- **Societies and Student Groups:** Establish and manage an accreditation scheme to stimulate sustainable society growth.
- **Events:** Deliver Freshers' Fortnight to a very high standard with increased focus on non-commercial events to ensure a rounded program of activities is delivered across our sites.
- **Commercial services:** constantly review our commercial services to ensure they are responsive to student demand.
- **Support Infrastructure:** Review our infrastructure to ensure it is cost effective.

**Student Union Support and Health Services**

The volume and complexity of the support required by students in need continues to increase and the Union directly supported 1,094 (16/17 – 939) students throughout 2017/18. In response to the broad and complex student requirements, the program of wellbeing support has changed from very specific focus areas such as STI testing to a more holistic approach of improving the overall wellbeing of students.

New external support partnerships have been formed to enable students to access expert help and support from a wide range of services, with a proven track record, which have previously been unavailable on campus

The 'Don't Drop Out, Drop In' campaign continued throughout the year with additional times and locations added to the program. The program was also rebranded 'Drop In, Don't Drop Out'.

**Democracy and Academic Quality (The Student Voice)**

We recruited 1,018 Course Reps and 221 attended one of the 23 Course Rep Training sessions we ran. Of those that attended training 93% scored us "Good" or "Excellent" through the end of training feedback form.

We ran 10 Course Rep forums across the year covering all 5 campuses which were attended by 85 Course Reps.

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 July 2018**

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These fora were an opportunity for the Union to present issues to reps and gain their feedback on our work as well as an opportunity for Course Reps to raise any issues they may have in their role.

117 Course Reps completed the end of year Course Rep Survey. 91% of Course Reps felt their meetings with staff were effective in raising student issues.

We held 1,045 individual face to face conversations with students. We discussed a wide range of topics including; timetabling, housing and Fairtrade. These conversations were written up into reports and used by officers in meetings to create change within the institution. In the case of Fairtrade we also helped to secure the University & Students' Union Fairtrade accreditation.

We introduced a new reward scheme for our Volunteer Officers to incentivise more activity across campus. Officers were rewarded based on their levels of activity.

We had 2,682 individual voters in our main elections (3,270 16/17). We have reviewed the reasons for the decrease and in 18/19 will be reintroducing physical ballot boxes across campuses and running a hybrid system where people can either vote in person or online. We hope this will increase the visibility of the elections on campus and result in more people taking part.

**Societies and Groups**

The Society Accreditation scheme was launched and 3 Societies achieved the 'Outstanding' rating. The scheme has encouraged students to proactively manage their societies to achieve accreditation ratings. 200 students attended the Societies' AGM (50% more than 16/17). 100 societies sought and received approval prior to the start of the academic year (100% more than 16/17). 150 Society Committee members also sought and received training prior to the start of the academic year (100% more than 16/17). This proactive activity prior to the academic year has enabled the Societies to 'hit the ground running' with 50 societies organising their welcome events throughout the summer.

Additional 'Welfare Training' was also introduced to ensure societies provide events that are inclusive to all students.

**Strategic Research**

Over 2017/18 we carried out a significant piece of membership engagement work to inform our next strategic plan. This included speaking to over 1,000 students and various stakeholders to gain feedback on what students want us to deliver over the next 3 years. Together with feedback from NSS and BSS, this invaluable research has directly informed our future plans.

**Partner Colleges**

We continue to work in partnership with local colleges to provide Students' Union services to Higher Education members. We believe we lead the sector in the innovative provision of this service by extending the principles of collectivism, student leadership and representation in education to those that would not otherwise benefit.

There is a significant level of synergy between the partnerships program and the Union's core University activity and both parties benefit from shared services, knowledge and experience.

The program has taken a number of initiatives developed within the University program and rolled them out at colleges, including Freshers' and society Refreshers' events.

We have continued pet therapy sessions across all colleges, and increased our wellbeing campaigns such as drink awareness and sexual health. The pet therapy sessions have been particularly popular and very effective. We also added Lead Student rep roles to all our colleges and this has improved the student voice within their college.

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**TRUSTEES' ANNUAL REPORT (Continued)**  
**for the year ended 31 July 2018**


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**Freshers' events and entertainments**

We once again welcomed over 7,000 students, new and returning, through our Freshers' fairs. The Freshers' program continues to provide both a great welcome to university life as well as providing revenue to the Union. This, along with the ongoing entertainments program contributed significantly to BSU's overall financial position.

**Trading**

Sales in our eight outlets decreased by £81,195 (5%) during 2017/18, however, expenditure also decreased by £66,908 (4%). The net position therefore worsened by £14,287. The decrease in sales is a reflection of increasing competition within higher education for students, the increasing range of social activities for students while at University, and the increasing cost of education. The decrease in expenditure is a reflection of a reduction in costs of sales. BSU also negotiated several improved contracts during the year which reduced overhead costs.

**FINANCIAL REVIEW****Financial results of activities and events**

Total income for the year was £3,519,290 (16/17 – £3,665,609) which is a decrease of £146,319 (4%). Income from cafes and shops decreased by £81,195 (4.8%) which reflects the increasing competition within higher education for students, the increasing range of social activities for students while at University, and the increasing cost of education. Income from Commercial marketing sponsorship decreased by £87,500 due to a change in accounting treatment of commission. The Union continues to benefit from the financial support of the University of Brighton through the block grant, which increased by £70,000 (6.5%) in 2017/18, to £1,145,000. The increase suggested the University recognised the importance of the Union's role within the life of the University and its students.

Total expenditure for the year was £3,601,872 (16/17 – £3,898,567) which is a decrease of £296,695 (7.6%). £73,419 was set aside in 2016/17 as a long term provision for future pension deficit payments. The provision decreased in 2017/18 by £16,050, reflecting the payments in 2017/18 towards reducing the deficit. Expenditure on raising funds decreased by £96,299 (70%) due to a change in accounting treatment of commission related activity. Expenditure at cafes and shops decreased by £66,908 (4%) in direct correlation to the decrease in income. Other Student Activities expenditure decreased by £48,389 (4.7%). £65,000 was provided for in 16/17 as an adjustment to the level of reclaimable VAT in previous years. This was not repeated in 17/18.

Funds decreased by £82,582 during the year. £40,730 relates to the depreciation of fixed assets that were funded through restricted grants. £18,480 relates to the planned utilization of the Development Fund in activities that will support the cost effectiveness of the Union in future years. £12,204 of the contingency reserve was utilized as BSU adapts to a more competitive trading environment. Despite the decrease in reserves, BSU had an unrestricted reserves balance at the end of 2017/18 of £134,376 (excluding the long term pension provision) (2016/17 – £192,278), which is in line with the Union's Reserves Policy.

Fixed assets decreased by £68,009 (59%). Depreciation was similar to previous years with only a small investment in new assets. Cash decreased by £71,855 (25.7%), which approximately reflects the movement in funds for the year.

**Reserves policy**

Although the charitable company had no free reserves at 31 July 2018, excluding the pension deficit liability of £959,770 (16/17 – £975,820), free reserves would have been £134,376 (16/17 – £192,278).

The Trustees reviewed the UBSU Reserves Policy in 2017/18. The policy follows Charity Commission guidelines and considers the risks associated with its activity and the financial impact of these risks on income and expenditure. The review concluded an appropriate minimum reserve level remains at no less than £80,000 and no greater than £100,000, as per the 2016/17 review. At the end of 2017/18 UBSU had a minimum reserve of £87,796 (16/17 – £100,000) and a Development reserve of £0 (16/17 – £18,480). Development reserves are primarily held to support one-off strategic projects in line with the strategic plan.

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****TRUSTEES' ANNUAL REPORT (Continued)  
for the year ended 31 July 2018**

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

**Investments policy**

The trustees, having regard to the liquidity requirements of UBSU, have kept available funds in an interest bearing deposit account bearing an interest rate of 0.05%.

**Going concern**

As at 31 July 2018, the balance sheet showed net liabilities of £807,020 after recognising the SUSS pension deficit liability of £959,770.

In considering the going concern basis of preparation of the financial statements, the trustees have reviewed the three year finance plan. The plan aims to achieve at least a breakeven position in 2018/19 and beyond.

The Union's main income streams are the University of Brighton in the form of subvention, and commercial trading activity from its outlets (bar, cafes, and shops) and student events. The University of Brighton has confirmed its support in the form of a Block Grant for the year ended 31 July 2019 totaling £1,125,000 (2017/18: £1,145,000). The Union's commercial activity provides a diversified and robust source of income. The Union plans to increase the percentage of University students using these services, to counteract the overall decrease in students.

The Union held £208,231 (16/17 - £280,086) in cash and bank deposits at the end of 2017/18 and had net current assets of £105,472 (16/17 - £136,095). Free reserves are maintained in low risk, high liquidity deposit accounts ensuring cash will be readily available to support operating activity. The profile of the Union's income, expenditure, and cashflow is closely correlated, ensuring there are no periods of significant net cash outflow.

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

**Risk management**

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

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

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for the year ended 31 July 2018

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**PLANS FOR FUTURE YEARS**

We have created a Strategic Plan for 2018-2021, including the development of a new vision, mission and values;

**Vision:** All our students have the best experience imaginable

**Mission:** Making student life better

**Values:** Supportive, Transparent, Approachable, Dynamic, Inclusive

Our membership research clearly led us to the following 5 Strategic Themes. The particular focus of activity for 18/19 is listed under each theme.

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

- Redesign of Course Rep system to provide more transparency, reward and communication
- Increase Course Rep engagement throughout the year
- Ensure information to committees is well evidenced
- Close the feedback loop with course reps

**EMPLOYABILITY:** Help our students stand out.

- Implement a reward system for part time officers and course reps
- Assist students to identify the transferable skills they learn whilst volunteering or working for the BSU

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

- Create a welcome package for students that does not involve drinking activities
- Lobby the university to provide social learning spaces
- Increase recording of attendance at events to allow diversity evaluation

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

- More focus on mental wellbeing campaigns
- Increase the 'drop-in' provision and online access to support

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

- Update Visual branding across all sites and services
- Clear plan for central communication with members
- Simplification of social media channels

We have also listed the following Foundations to support our work:

**Our People**

- Create a people plan to ensure staff are well supported
- Update staff handbook
- Introduce online staff system for student staff to improve efficiency, accountability and transparency

**Responsible Union**

- Review the governance arrangements to ensure they are fit for purpose
- Ensure commercial outlets provide value for money operations
- Carry out an internal Health and Safety audit

**Relationship with the University**

- Continue to strength University partnership through open and honest dialogue

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****TRUSTEES' ANNUAL REPORT (Continued)  
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**STRUCTURE, GOVERNANCE AND MANAGEMENT****Status and history**

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

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

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

**Organisational structure**

UBSU is administered by its Board of Trustees consisting of up to four Lay Persons, up to four Students and five Sabbatical Trustees (students elected annually by cross-campus secret ballot of the UBSU membership). The five sabbatical posts of President, VP Academic Experience, VP Activities and Participation, VP Campus Development and VP Welfare and Campaigns.

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

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

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

**Relationships with related parties and co-operation with other organisations**

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

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



**UNIVERSITY OF BRIGHTON STUDENTS' UNION****TRUSTEES' ANNUAL REPORT (Continued)  
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**Arrangements for setting remuneration of key management personnel**

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

**Trustees' responsibilities in the preparation of financial statements**

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**TRUSTEES' ANNUAL REPORT** (Continued)  
**for the year ended 31 July 2018**


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**Auditor**

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

**Statement as to disclosure of information to the auditor**

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

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

Ebun Azeez	(resigned 31/08/2018)
Cathrine Bach	(resigned 15/04/2018)
Frank Dankwa	(resigned 30/06/2018)
Joshua Dawson	
Henrietta Olushileola Gbelee	(appointed 05/04/2018)
Amarbeer Singh Gill	
Oluwatomisin Ibukun	(appointed 25/06/2018)
Sarah Jackson	(appointed 05/04/2018)
Amy Jaiteh	
Emma Kay	(resigned 06/06/2018)
Calum McNally	(resigned 06/07/2018)
Parker Robinson	(appointed 18/06/2018)
Sam Shew	(appointed 02/07/2018)
John Wilson	

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

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

The charity has made the following professional appointments:

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

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****TRUSTEES' ANNUAL REPORT (Continued)  
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The following staff are responsible for the day-to-day management of the charity:

Chief Executive	Laura Greenwood-Pearsons (from 6 November 2017)
Enterprise Development Manager	Jackie Rana (to 4 October 2017)
Finance Manager	Richard Burgess-Gamble (from 19 October 2017)
Human Resources Manager	Jaci Baker (from 15 March 2018)
Retail and Catering Development Manager	Justin Brentnall
Student Experience Manager	Anthony Lewis (to 11 December 2017)

**EXEMPTIONS FROM DISCLOSURE**

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

**FUNDS HELD AS CUSTODIAN**

The charitable company acts as custodian for the funds raised by the students' many clubs and societies. In addition, the charitable company is custodian of the annual Raising and Giving (RAG) proceeds arising from the various fundraising events organised by the students each year and then distributed to the nominated charities involved. Funds of £91,406 were held on behalf of clubs and societies as at 31 July 2018 – see note 15.

This report was approved by the board of trustees on 24/ Oct / 2018, and was signed for and on behalf of the board by



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Oluwatomisin Ibukun

05 / Nov / 2018

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

### Opinion

We have audited the financial statements of Brighton Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2018, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

### **Other information**

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

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the [Companies Act 2006 requires us to report to you if, in our opinion:

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

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

### Responsibilities of trustees


As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



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

Date: 20 November 2014

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Consolidated Income and Expenditure Account)**  
**for the year ended 31 July 2018**


		Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£
	Notes				
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	3	1,510,634	69,893	1,580,527	1,524,925
Charitable activities					
Working with students	4	1,838,915	-	1,838,915	1,980,018
Other trading activities	5	99,224	-	99,224	160,536
Investments	6	624	-	624	130
<b>TOTAL</b>		<b>3,449,397</b>	<b>69,893</b>	<b>3,519,290</b>	<b>3,665,609</b>
<b>EXPENDITURE ON:</b>					
Raising funds	7	40,870	-	40,870	137,169
Charitable activities:					
Working with students	8	3,466,429	110,623	3,577,052	3,687,979
Provision for pension deficit payments	8	(16,050)	-	(16,050)	73,419
<b>TOTAL</b>		<b>3,491,249</b>	<b>110,623</b>	<b>3,601,872</b>	<b>3,898,567</b>
<b>NET INCOME FOR THE YEAR &amp; NET MOVEMENT IN FUNDS</b>					
	10	(41,852)	(40,730)	(82,582)	(232,958)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward at 1 August 2017		(783,542)	59,104	(724,438)	(491,480)
<b>TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2018</b>	<b>17</b>	<b>(825,394)</b>	<b>18,374</b>	<b>(807,020)</b>	<b>(724,438)</b>

**BALANCE SHEETS**  
for the year ended 31 July 2018

	Notes	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
<b>FIXED ASSETS</b>					
Tangible assets	11	47,278	47,278	115,227	115,227
Investments	12	-	2	60	62
		47,278	47,280	115,287	115,289
<b>CURRENT ASSETS</b>					
Stocks	13	109,780	109,780	119,762	119,762
Debtors	14	96,377	96,505	84,520	84,648
Cash at bank and in hand		208,231	208,101	280,086	279,956
		414,388	414,386	484,368	484,366
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	15	(308,916)	(308,916)	(348,273)	(348,273)
<b>NET CURRENT ASSETS</b>		105,472	105,470	136,095	136,093
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		152,750	152,750	251,382	251,382
Provisions for liabilities	16	(959,770)	(959,770)	(975,820)	(975,820)
<b>NET LIABILITIES</b>		(807,020)	(807,020)	(724,438)	(724,438)
<b>THE FUNDS OF THE GROUP AND CHARITY</b>					
Restricted income funds	17	18,374	18,374	59,104	59,104
Unrestricted income funds	17	(825,394)	(825,394)	(783,542)	(783,542)
<b>TOTAL GROUP AND CHARITY FUNDS</b>	18	(807,020)	(807,020)	(724,438)	(724,438)

As permitted by S408 Companies Act 2006, the charity has not prepared its own profit and loss account and related notes as it prepares group accounts. The charity's deficit for the year ended 31 July was £82,582 (16/17 - £232,958 deficit).

The financial statements on pages 15 to 36 were approved by the trustees and authorised for issue on 24 / Oct / 2018, and are signed on their behalf by

  
.....  
Oluwatomisin Ibukun

05 / Nov / 2018



## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the year ended 31 July 2018**

	Notes	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Net cash(outflow)/inflow from operating activities	19	(66,002)	(66,002)	70,777	81,020
		(66,002)	(66,002)	70,777	81,020
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Dividends, interest and rents from investments		624	624	130	130
Purchase of property, plant and equipment		(6,477)	(6,477)	(15,507)	(15,507)
Net cash used in investing activities		(5,853)	(5,853)	(15,377)	(15,377)
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING YEAR</b>					
		(71,855)	(71,855)	55,400	65,643
Cash and cash equivalents at the beginning of the reporting year		280,086	279,956	224,686	214,313
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING YEAR</b>					
	20	208,231	208,101	280,086	279,956

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2018**

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**1. ACCOUNTING POLICIES****Basis of accounting**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the requirements of the Companies Act 2006 and under the historical cost convention. Within the definitions of FRS 102, the charitable company is a public benefit entity. The financial statements have also been prepared in accordance with the accounting policies set out in more detail below, to comply with the charitable company's governing document, the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (the FRS 102 Charities SORP 2015). The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

**Going concern**

As at 31 July 2018, the balance sheet showed net liabilities of £807,020 after recognising the SUSS pension deficit liability of £959,770.

In considering the going concern basis of preparation of the financial statements, the trustees have reviewed the three year finance plan. The plan aims to achieve at least a breakeven position in 2018/19 and beyond.

The Union's main income streams are the University of Brighton in the form of subvention, and commercial trading activity from its outlets (bar, cafes, and shops) and student events. The University of Brighton has confirmed its support in the form of a Block Grant for the year ended 31 July 2019 totaling £1,125,000 (2017/18: £1,145,000). The Union's commercial activity provides a diversified and robust source of income. The Union plans to increase the percentage of University students using these services, to counteract the overall decrease in students.

The Union held £208,231 (16/17 - £280,086) in cash and bank deposits at the end of 2017/18 and had net current assets of £105,472 (16/17 - £136,095). Free reserves are maintained in low risk, high liquidity deposit accounts ensuring cash will be readily available to support operating activity. The profile of the Union's income, expenditure, and cashflow is closely correlated, ensuring there are no periods of significant net cash outflow.

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

**Basis of consolidation**

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

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 July 2018**

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

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

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

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

**Expenditure**

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

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

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

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

**Taxation**

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

**Termination Payments**

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

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 July 2018**

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

All tangible assets purchased at a cost of £500 or more and that have an expected useful economic life that exceeds one year are capitalised and classified as tangible fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Equipment                                - over five years

**Investments**

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

**Stocks**

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

**Liabilities**

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

**Leased assets and obligations**

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

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 July 2018**

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

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

**Financial assets and liabilities**

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

**Provisions for liabilities**

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

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

**Pension contributions**

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

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

**UNIVERSITY OF BRIGHTON STUDENTS' UNION****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 July 2018**

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

The charitable company acts as custodian for the funds raised by the students' many clubs and societies. In addition, the charitable company is custodian of the annual Raising and Giving (RAG) proceeds arising from the various fundraising events organised by the students each year and then distributed to the nominated charities involved. The cash balances in respect of these custodian activities are held in the charitable company's bank accounts together with a corresponding liability for the amounts involved.

**Fund accounting**

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

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

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

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

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

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

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 July 2018

3. DONATIONS AND LEGACIES	Unrestricted funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Block grant from the University of Brighton	1,145,000	-	1,145,000	1,075,308
Donations from other funders	91,523	69,893	161,416	175,506
Grant of serviced accommodation	274,111	-	274,111	274,111
	<u>1,510,634</u>	<u>69,893</u>	<u>1,580,527</u>	<u>1,524,925</u>

Of the total donations and legacies income for the year ended 31 July 2017 £77,923 is attributable to restricted funds and £1,447,002 to unrestricted funds.

4 INCOME FROM WORKING WITH STUDENTS	Unrestricted Total 2018	Unrestricted Total 2017
	£	£
Cafes and shops	1,601,028	1,682,223
Entertainments and events	237,887	297,795
	<u>1,807,949</u>	<u>1,980,018</u>

5 OTHER TRADING ACTIVITIES	Unrestricted Total 2018	Unrestricted Total 2017
	£	£
Commercial marketing sponsorship	28,013	115,513
Income generated by BSU Enterprise Limited	71,211	45,023
	<u>99,224</u>	<u>160,536</u>

6 INVESTMENTS	Unrestricted Total 2018	Unrestricted Total 2017
	£	£
Bank interest receivable on short term cash deposits	<u>624</u>	<u>130</u>

7 RAISING FUNDS	Unrestricted Total 2018	Unrestricted Total 2017
	£	£
Commercial activities:		
Direct costs	13,358	103,170
Direct staff costs	5,192	7,998
Support staff costs	10,892	16,009
Rent	500	500
Other support costs	10,928	9,492
	<u>40,870</u>	<u>137,169</u>

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 July 2018

8 COSTS OF WORKING WITH STUDENTS	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Analysed by activity:				
Cafes and shops	1,631,648	40,730	1,672,378	1,739,286
Entertainments and events	270,101	-	270,101	250,177
Academic experience, advice and wellbeing	326,502	-	326,502	307,207
Campus and community	133,588	69,893	203,481	236,942
Other student activities	970,606	-	970,606	1,018,995
Provision for pension deficit payments	(16,050)	-	(16,050)	73,419
Governance costs	133,984	-	133,984	135,372
	<u>3,450,379</u>	<u>110,623</u>	<u>3,561,002</u>	<u>3,761,398</u>
	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Analysed by type of cost:				
Direct costs	1,419,802	40,730	1,460,532	1,549,930
Direct staff costs	1,000,589	69,893	1,070,482	1,048,682
Support staff costs	436,169	-	436,169	494,733
Provision for pension deficit payments	(16,050)	-	(16,050)	73,419
Rent	273,611	-	273,611	273,611
Other support costs	202,274	-	202,274	185,651
Governance costs	133,984	-	133,984	135,372
	<u>3,450,379</u>	<u>110,623</u>	<u>3,561,002</u>	<u>3,761,398</u>
Governance costs are made up as follows:			Total 2018	Total 2017
			£	£
Sabbatical Officer salaries			108,957	103,348
Sabbatical Officer training			8,909	9,694
Trustees' expenses			789	380
Auditors' remuneration:				
External audit services			13,100	17,500
Corporate tax compliance services			1,000	1,350
Under accrual in respect of prior years			1,229	3,100
			<u>133,984</u>	<u>135,372</u>

Of the total costs of working with students for the period to 31 July 2017 £135,373 is attributable to restricted funds and £3,626,025 is attributable to unrestricted funds.



## UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 July 2018

9 STAFF COSTS	2018 No.	2017 No.
The average monthly number of persons working with the charitable company (excluding trustees) during the year was:		
Cafes and shops	10	12
Entertainments and events	2	4
Academic experience, advice and wellbeing	11	10
Campus and community	9	7
Office and management	9	8
Sabbatical Officers	5	5
Raising funds	1	1
	<u>47</u>	<u>47</u>
	£	£
Staff costs for the above persons:		
Wages and salaries	1,387,187	1,487,594
Social security costs	93,767	102,082
Pension costs - regular annual contributions	40,023	84,997
Pension costs - provision for pension deficit payments	58,484	73,419
Termination payments	72,928	30,000
Other costs	24,504	22,385
	<u>1,676,893</u>	<u>1,800,477</u>

There were no employees whose annual remuneration was £60,000 or more.

The total amount of employee benefits received by key management personnel for their services to the charitable company during the year amounted to £218,841 and the charitable company incurred employers' national insurance contribution costs of a further £17,725 in relation to the employment of these same members of staff.

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

	Gross salary £	Employer pension contributions £
Ebun Azeez	20,262	-
Cathrine Bach	15,696	405
Frank Dankwa	18,586	-
Oluwatomisin Ibukun	2,090	-
Amy Jaiteh	20,262	509
Calum McNally	19,033	509
Parker Robinson	2,492	-
Samuel Shew	1,688	-

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 July 2018

## 9. STAFF COSTS (Continued)

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

The Sabbatical Officers incurred normal business expenses for travel, subsistence and training during the course of their employment as Sabbatical Officers and reclaimed them through the normal employee expenses reimbursement procedures. The total of these expenses for all the Sabbatical Officers amounted to £8,909 (16/17 - £3,634).

In addition, three of the other trustees were reimbursed for expenses incurred on behalf of the charitable company during the year relating to travel to board meetings and postage of board approved documents, amounting to £789 (16/17 - £380) is included within governance costs.

## The use of volunteers and donated services

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

10	NET INCOME FOR THE YEAR	2018	2017
		£	£
	Net income for the year is stated after charging:		
	Depreciation	74,426	94,152
	Operating lease costs - equipment	3,118	3,118
		<u>77,544</u>	<u>97,264</u>
11	TANGIBLE ASSETS		
	Group and charity	Equipment	Total
		£	£
	Cost:		
	1 August 2017	299,819	299,819
	Additions	6,477	6,477
	31 July 2018	<u>306,296</u>	<u>306,296</u>
	Depreciation:		
	1 August 2017	184,592	184,592
	Charge in the year	74,426	74,426
	31 July 2018	<u>259,018</u>	<u>259,018</u>
	Net book value:		
	31 July 2018	<u>47,278</u>	<u>47,278</u>
	31 July 2017	<u>115,227</u>	<u>115,227</u>

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 July 2018

12	INVESTMENTS	Union Funds 2018	Union Funds 2017
		£	£
	Group		
	Cost:		
	1 August	60	60
	Fair Value of assets transferred	(60)	-
	31 July	-	60

	Union Funds	BSU Enterprise Limited	Total 2018	Total 2017
Charity	£	£	£	£
Cost:				
1 August	60	2	62	-
Change	(60)	-	(60)	62
31 July	-	2	2	62

The investment in Union Funds comprised 60 'A' ordinary shares of £1 each in NUS Services Limited, a company incorporated in England and Wales, which arranges the provision of various purchasing services for student unions. BSU no longer holds the investment and the £60 has now been written off.

The charitable company owns the entire share capital of BSU Enterprise Limited, a company incorporated in England and Wales (Company registration number 09242214), through which commercial marketing sponsorship revenues are generated. For the year ended 31 July 2018, BSU Enterprise Limited had turnover of £71,211 and expenditure of £30,687 resulting in a net profit of £40,524. The whole of the net profit was distributed by way of Gift Aid to the charitable company, and therefore, at 31 July 2018, BSU Enterprise Limited had net assets and shareholders' funds of £2.

13	STOCKS	Group 2018	Charity 2018	Group 2017	Charity 2017
		£	£	£	£
	Café supplies	6,983	6,983	16,476	16,476
	Shop supplies	102,797	102,797	103,286	103,286
		109,780	109,780	119,762	119,762

The total stock purchased during the year was £955,151.

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 July 2018

14 DEBTORS	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	46,585	46,585	23,255	23,255
Amounts due from group undertakings	-	128	-	128
Other debtors	3,916	3,916	10,966	10,966
Prepayments and accrued income	45,876	45,876	50,299	50,299
	<u>96,377</u>	<u>96,505</u>	<u>84,520</u>	<u>84,648</u>

15 CREDITORS	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Amounts falling due within one year:				
Trade creditors	98,595	98,595	76,816	76,816
Other taxes and social security costs	44,697	44,697	42,540	42,540
Clubs and societies funds	91,406	91,406	94,803	94,803
Accruals	18,915	18,915	94,616	94,616
Deferred income	55,303	55,303	39,498	39,498
	<u>308,916</u>	<u>308,916</u>	<u>348,273</u>	<u>348,273</u>
Deferred income:				
Deferred income brought forward	39,498	39,498	53,047	53,047
Deferred income released to the statement of financial activities	(39,498)	(39,498)	(53,047)	(53,047)
Income received in advance during the year	55,303	55,303	39,498	39,498
Deferred income carried forward:	<u>55,303</u>	<u>55,303</u>	<u>39,498</u>	<u>39,498</u>

Deferred income includes those funds received in advance for services to be delivered by the charitable company in the 2018/2019 financial year, and primarily comprises booking fee income received in advance for the 2018 Freshers' Fair. The charitable company receives commission income relating to the sale of NUS Extra cards, which can be for periods of up to three years in advance. All such income relating to future years is deferred.

16 PROVISIONS FOR LIABILITIES	2018	2017
	SUSS pension deficit provision	SUSS pension deficit provision
	£	£
Balance at 1 August	975,820	902,401
Amounts provided during the year - see note 24	(16,050)	73,419
Balance at 31 July 2018	<u>959,770</u>	<u>975,820</u>

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 July 201817 THE FUNDS OF THE GROUP  
AND THE CHARITY

Group	1 August 2017	Income	Expenditure	Transfers between funds	31 July 2018
	£	£	£	£	£
Restricted income funds:					
Capital grants fund	41,429	-	(40,730)	-	699
Sustainability grant fund	17,675	-	-	-	17,675
Retention fund	-	69,893	(69,893)	-	-
	59,104	69,893	(110,623)	-	18,374
Unrestricted income funds:					
General fund	-	3,449,397	(3,473,603)	24,206	-
Designated funds:					
Capital reserve fund	73,798	-	(33,696)	6,477	46,579
Contingency reserve fund	100,000	-	-	(12,203)	87,797
Development reserve fund	18,480	-	-	(18,480)	-
SUSS pension deficit fund	(975,820)	-	16,050	-	(959,770)
	(783,542)	3,449,397	(3,491,249)	-	(825,394)
	(724,438)	3,519,290	(3,601,872)	-	(807,020)

Group	1 August 2016	Income	Expenditure	Transfers between funds	31 July 2017
	£	£	£	£	£
Restricted income funds:					
Capital grants fund	93,598	-	(52,169)	-	41,429
Sustainability grant fund	22,956	-	(5,281)	-	17,675
Retention fund	-	75,000	(75,000)	-	-
Community organisers fund	-	2,923	(2,923)	-	-
	116,554	77,923	(135,373)	-	59,104
Unrestricted income funds:					
General fund	23,659	3,587,686	(3,609,502)	(1,843)	-
Designated funds:					
Capital reserve fund	100,274	-	(41,983)	15,507	73,798
Contingency reserve fund	50,000	-	-	50,000	100,000
Development reserve fund	90,257	-	-	(71,777)	18,480
Sports Federation fund	30,177	-	(38,290)	8,113	-
SUSS pension deficit fund	(902,401)	-	(73,419)	-	(975,820)
	(608,034)	3,587,686	(3,763,194)	-	(783,542)
	(491,480)	3,665,609	(3,898,567)	-	(724,438)

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 July 2018**

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

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

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

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

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

The Sports Federation fund was set up to separately identify the income and expenditure of the sports federation and therefore to separately identify the funds available for the sports federation to make use of in future years.

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

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

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**FINANCIAL STATEMENTS**  
**for the year ended 31 July 2018**
**18 ANALYSIS OF NET ASSETS  
BETWEEN FUNDS**

Group	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2018 £
Restricted income funds:					
Capital grants fund	699	-	-	-	699
Sustainability grant fund	-	17,675	-	-	17,675
Retention fund	-	-	-	-	-
Unrestricted income funds:					
General fund	-	-	-	-	-
Designated funds:					
Capital reserve fund	46,579	-	-	-	46,579
Contingency reserve fund	-	87,797	-	-	87,797
Development reserve fund	-	308,916	(308,916)	-	-
SUSS pension deficit fund	-	-	-	(959,770)	(959,770)
<b>NET LIABILITIES</b>	<b>47,278</b>	<b>414,388</b>	<b>(308,916)</b>	<b>(959,770)</b>	<b>(807,020)</b>

Charity	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2018 £
Restricted income funds:					
Capital grants fund	699	-	-	-	699
Sustainability grant fund	-	17,675	-	-	17,675
Unrestricted income funds:					
General fund	2	-	-	-	2
Designated funds:					
Capital reserve fund	46,579	-	-	-	46,579
Contingency reserve fund	-	87,795	-	-	87,795
Development reserve fund	-	308,916	(308,916)	-	-
SUSS pension deficit fund	-	-	-	(959,770)	(959,770)
<b>NET LIABILITIES</b>	<b>47,280</b>	<b>414,386</b>	<b>(308,916)</b>	<b>(959,770)</b>	<b>(807,020)</b>

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**FINANCIAL STATEMENTS**  
**for the year ended 31 July 2018**
**18 ANALYSIS OF NET**  
**ASSETS BETWEEN FUNDS**  
**(continued)**

Group	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2017 £
Restricted income funds:					
Capital grants fund	41,429	-	-	-	41,429
Sustainability grant fund	-	17,675	-	-	17,675
Unrestricted income funds:	-	-	-	-	-
General fund	60				60
Designated funds:					
Capital reserve fund	73,798	-	-	-	73,798
Contingency reserve fund	-	100,000	-	-	100,000
Development reserve fund	-	366,693	(348,273)	-	18,420
SUSS pension deficit fund	-	-	-	(975,820)	(975,820)
<b>NET LIABILITIES</b>	<b>115,287</b>	<b>484,368</b>	<b>(348,273)</b>	<b>(975,820)</b>	<b>(724,438)</b>

Charity	Fixed assets £	Current assets £	Current liabilities £	Provisions for liabilities £	Total 2017 £
Restricted income funds:					
Capital grants fund	41,429	-	-	-	41,429
Sustainability grant fund	-	17,675	-	-	17,675
Unrestricted income funds:					
General fund	62	-	-	-	62
Designated funds:					
Capital reserve fund	73,798	-	-	-	73,798
Contingency reserve fund	-	100,000	-	-	100,000
Development reserve fund	-	366,691	(348,273)	-	18,418
Sports Federation fund	-	-	-	-	-
SUSS pension deficit fund	-	-	-	(975,820)	(975,820)
<b>NET LIABILITIES</b>	<b>115,289</b>	<b>484,366</b>	<b>(348,273)</b>	<b>(975,820)</b>	<b>(724,438)</b>



## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**FINANCIAL STATEMENTS**  
**for the year ended 31 July 2018**
**19 RECONCILIATION OF NET INCOME TO NET CASH  
 PROVIDED BY OPERATING ACTIVITIES**

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Net income for the reporting year	(82,582)	(82,582)	(232,958)	(232,958)
Adjustments for:				
Cash acquired on incorporation of old charity	-	-	-	-
Investment Write Off	60	60	-	-
Dividends, interest and rents from investments	(624)	(624)	(130)	(130)
Depreciation charges	74,426	74,426	94,152	94,152
Decrease/(Increase) in stock	9,982	9,982	(9,289)	(9,289)
(Increase)/Decrease in debtors	(11,857)	(11,857)	103,551	113,794
(Decrease)/Increase in creditors	(39,357)	(39,357)	42,032	42,032
(Decrease)/Increase in provisions	(16,050)	(16,050)	73,419	73,419
Net cash from operating activities	(66,002)	(66,002)	70,777	81,020

**20 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Cash at bank and in hand	208,231	208,101	280,086	279,956

**21 FINANCIAL INSTRUMENTS**

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Carrying amount of financial assets:				
Equity instruments measured at fair value	-	-	60	60
Debt instruments measured at amortised cost	46,385	46,385	38,940	38,940
Carrying amount of financial liabilities:				
Measured at amortised cost	209,147	209,147	265,781	265,781

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**FINANCIAL STATEMENTS**  
**for the year ended 31 July 2018**
**22. OPERATING LEASE COMMITMENTS**

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

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Plant and machinery:				
Payable within one year	3,118	3,118	3,118	3,118
Payable in two to five years	10,354	10,354	10,354	10,354
Payable in more than five years	-	-	-	-
	<u>13,472</u>	<u>13,472</u>	<u>13,472</u>	<u>13,472</u>

**23. RELATED PARTY TRANSACTIONS**

During the year, the charitable company undertook various transactions on behalf of its trading subsidiary, BSU Enterprise Limited, a company incorporated in England and Wales (Company registration number 09242214). During the year, the charitable company collected income of £71,211 and incurred costs of £30,687 on behalf of BSU Enterprise Limited. In addition during the year, the charitable company recognised Gift Aid donations of £40,524 from BSU Enterprise Limited. At the balance sheet date, £128 was owed by BSU Enterprise Limited.

There were no other related party transactions during the year.

**24. PENSION COMMITMENTS**

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

The most recent Valuation of the Scheme was carried out as at 30 June 2017 and showed that the market value of the Scheme's assets was £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m

## UNIVERSITY OF BRIGHTON STUDENTS' UNION

**FINANCIAL STATEMENTS**  
**for the year ended 31 July 2018**


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**24. PENSION COMMITMENTS (Continued)**

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

The following assumptions applied at 30 June 2017:-

- Pre-retirement discount rate – 4.3% pa
- Post retirement discount rate – 2.3% pa
- Retail price inflation (RPI) – 3.2% pa
- Consumer price inflation (CPI) – 2.2% pa
- Pension increase in payment for services, post 1997 (RPI min 3% and max 5%) 3.6% pa and post 2000 (RPI max 5%) – 3.1% pa

The 2017 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by 20% from 1 October 2018 and by a further 5% in each subsequent year. These rates applied with effect from 1 October 2018 and contributions due from October 2020 onwards will be reviewed following the next actuarial valuation.

Surpluses or deficits which arise at future valuations will also impact on UBSU's future contribution commitment. In addition to the above contributions, UBSU also pays its share of the Scheme's levy to the Pension Protection Fund. FRS102 and Charities SORP (FRS102) require the charitable company's share of past service shortfall is reflected in the financial statements. Based on the most recent valuation, the charitable company contribution to eliminating the shortfall was £62,143 for the year ended 31 July 2018 (2017: £51,393) and increasing by 5% pa until June 2033. Therefore at 31 July 2018, the statement of financial position includes a liability of £959,770 (2017:£975,820) which represents the net present value of all future contributions towards eliminating this shortfall.

During the year the charitable company was made aware of a possible increase in the liability for the pension deficit. The outcome of this contingent liability is not yet known and it cannot be quantified at this stage. As a result the charitable company do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2018.