

**Registered Company Number: 12592489 (England and Wales)**  
**Charity Registration Number: 1189548**

**Report of the Trustees and  
Financial Statements for the Period Ended 31 July 2021  
for  
The Students' Union at BU Limited**

**TC Group**

10 Bridge Street  
Christchurch  
Dorset  
BH23 1EF

**The Students' Union at BU Limited**  
**Financial Statements**  
**Period ended 31 July 2021**

	<b>Pages</b>
Trustees' annual report	<b>1 to 7</b>
Independent auditor's report to the members	<b>8 to 11</b>
Consolidated statement of financial activities	<b>12</b>
Statement of financial position	<b>13</b>
Statement of cash flows	<b>14</b>
Notes to the financial statements	<b>15 to 29</b>

DRAFT

# The Students' Union at BU Limited

## Trustees' Annual Report

Period ended 31 July 2021

The Trustees present their report and the financial statements of the charity for the period ended 31 July 2021. The charity incorporated 07 May 2020, registered at the Charity Commission 19 May 2020 and commenced trade 29 August 2020.

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 2019).

### Reference and administrative details

<b>Registered charity and company name</b>	The Students' Union at BU Limited
<b>Registered company number</b>	12592489 (England and Wales)
<b>Registered charity number</b>	1189548
<b>Principal address</b>	Talbot Campus, Fern Barrow, Poole, Dorset BH12 5BB

### The Trustees

The Trustees who served the charity during the year were as follows:

#### External

Catriona Cannon	Tenure commenced 07.05.20	
Jennifer Leach	Tenure commenced 07.05.20	Concluded 31.01.21
Martin James	Tenure commenced 07.05.20	
Olu Baptist	Tenure commenced 07.05.20	
Seun Omoha	Tenure commenced 10.09.20	

#### Sabbatical

Ann-Marie Kankam	Tenure commenced 07.05.20	Concluded 31.07.21
Nana Umoh	Tenure commenced 07.05.20	Concluded 31.07.21
Omuwa Ayomoto	Tenure commenced 06.07.21	
Naomie Lebe	Tenure commenced 07.05.20	
Chiko Angel Bwalya	Tenure commenced 07.05.20	
Deborah Toluwa Atilade	Tenure commenced 07.05.20	
Ugochukwu George Andy-Eke	Tenure commenced 07.05.20	Concluded 30.06.21

#### Student

Mark Stephenson	Tenure commenced 07.05.20	Concluded 30.04.21
Louise Facer	Tenure commenced 07.05.20	Concluded 31.07.21
Grace Forester	Tenure commenced 24.11.21	
Keely Khan	Tenure commenced 24.11.21	

#### Senior Management

Samantha Leahy-Harland	Chief Executive Officer	Appointment date	09.09.19
------------------------	-------------------------	------------------	----------

#### Auditor

TC Group  
10 Bridge Street  
Christchurch  
Dorset  
BH23 1EF

# The Students' Union at BU Limited

## Trustees' Annual Report *(continued)*

Period ended 31 July 2021

### OBJECTIVES AND ACTIVITIES

The objects of the charity are the advancement of education of students at Bournemouth University for the public benefit by:

- Promoting the interests and welfare of students at Bournemouth University during their course of study and representing, supporting and advising students;
- Being the recognised representative channel between students and Bournemouth University and any other external bodies; and
- Providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students.

Whilst pursuing our aims and objectives and providing various activities for our members SUBU seeks at all times to be a leading Student Union that helps our students to create the best university experience for themselves, their community, and their future. We aim to do this through:

- Facilitating high quality opportunities to develop and evidence transferable life skills that will empower students to succeed.
- Providing students a wide variety of visible and inclusive opportunities to support them in their studies, to make friends, create lifelong networks and have fun.
- Being fully informed and student-led, working with students to ensure they are supported, their voice is heard, and together we will make a positive impact – locally, nationally, and globally.

To support these aims SUBU provides a variety of services and activities for students including:

- Advice Service: to provide free, independent advice and information for BU students on a wide range of academic and non-academic issues.
- Student Voice and Insight: ensuring student feedback through Student Reps and sector insight drives SUBU's work and ensures the BU student experience is the best it can be.
- Student Opportunities: providing a wealth of extracurricular opportunities for students including clubs and societies, volunteering (locally, nationally and over-seas), community involvement and sustainability.
- Democracy and Campaigns: providing students with the opportunity to have a direct say over the activities of the Union through student-led democracy. Also supporting Liberation Campaigns and student communities to create opportunities for marginalised student communities.
- Commercial Services: including an entertainment venue, bar and kitchen, café and convenience store, as well as fundraising and sponsorship activities throughout the year.
- Lansdowne: responsible for supporting the interests of Lansdowne campus students.

In addition to these student facing departments, SUBU as a whole is supported by a range of staff responsible for Finance, Communications, HR and Health and Safety, and Corporate Governance.

### ACHIEVEMENTS AND PERFORMANCE

Department	Successes – 2020/21
Democracy and Campaigns	<ul style="list-style-type: none"> <li>- Launched a new democratic structure, which saw over 254 individual students attend across four SUBU Summits, including 243 Student Reps with a combined representative voice of 4,860. This new structure also saw a 275% increased engagement from the previously underrepresented Faculty of Health and Social Sciences within SUBU's democratic meeting structure.</li> <li>- SUBU's Full-Time Officer elections took place with 8.99% of SUBU members, or 7.12% of the overall student population voting in the election. There was a total of 27 candidates contesting the four roles, up from 20 in the previous academic year.</li> <li>- SUBU celebrated and ran programmes of events alongside the Liberation Officers for Black History Month, Disability History Month, LGBT+ History Month, International Women's Day, Ramadan, and Eid.</li> </ul>

## The Students' Union at BU Limited

### Trustees' Annual Report *(continued)*

Period ended 31 July 2021

#### ACHIEVEMENTS AND PERFORMANCE *(continued)*

Department	Successes – 2020/21
Student Opportunities	<ul style="list-style-type: none"> <li>- During this period of time, the Student Opportunities team increased the virtual volunteering opportunities available to students during the pandemic and took on board 34 new charity providers in which 256 students registered to volunteer with.</li> <li>- There were 1,541 students who were members of a total of 71 SUBU clubs and societies during this period of time, benefitting from being part of a network and a community to support each other. The category with the most active members was Academic societies with 552 individual student members.</li> <li>- From September 2020, SUBU were able to recruit 4 Community Wardens patrolled the streets closest to the Talbot campus, for approximately 8 weeks, however, by the end of Term 1, there was another national lockdown due to the pandemic, and warden patrols ceased. Between January and April 2021, there were limited Warden activities, with only 2 of the 4 Wardens engaging in the role however 2 wardens, were able to assist BU with welcoming International students.</li> </ul>
Student Voice and Insight	<ul style="list-style-type: none"> <li>- A total of 543 Student Reps were elected and trained, and collected 6,585 comments from students in their cohorts via the online Student Rep feedback tool SimOn.</li> <li>- Speak Week in March gathered over 6,800 comments from students</li> <li>- SUBU's annual survey, How's SUBU for You, gathered feedback from 443 students to help gauge the impact of SUBU's offer to students in line with our developing strategic aims</li> </ul>
Student Advice	<ul style="list-style-type: none"> <li>- A Lansdowne-specific induction video was produced by the team and used by BU for all new students based at that campus, in order to tailor SUBU information to the specific student groups</li> <li>- The team worked hard to establish a space for SUBU and SUBU Advice in Bournemouth University's new flagship Bournemouth Gateway building at the Lansdowne campus, in order to best engage students in the location most accessible to them</li> <li>- 400 students were supported through their mandatory final year inter-professional academic unit, by delivering training and providing ongoing support for group work</li> <li>- Provided a placement opportunity to six MSc Nutrition students, who created a total of five, varied 7-day menu plans, designed for a budget of £20. These were created into a resource for all students.</li> <li>- Fielded over 1,100 case enquiries, supporting students with academic, housing, finance and other issues</li> </ul>
Full-Time Officer Team	<ul style="list-style-type: none"> <li>- Created a 'Student Action' webpage resource for students, showing the wider actions students can take themselves to represent student experience issues, beyond what individual students' unions or institutions can implement themselves</li> <li>- Worked with BU Wellbeing staff and mental health charities to explore potential projects to support students, leading to the development of a pilot programme to enhance student wellbeing</li> <li>- Worked with BU's Library and Learning Service to help students obtain earlier access to reading lists for their course</li> <li>- Launched a new grant for clubs and societies members, to help remove financial barriers to engagement and improve accessibility for all students</li> </ul>

# The Students' Union at BU Limited

## Trustees' Annual Report *(continued)*

Period ended 31 July 2021

### FINANCIAL REVIEW AND RESERVES

The principle funding sources are the income from the trading subsidiary, income from the kitchen/bar, café, campus shop and the Block Grant provided by Bournemouth University.

The Block grant is predetermined annually by the University and contributes to the resources used in achieving our charitable objectives.

The Block grant from Bournemouth University of £1,071m in 2020/21 and is provided to supplement SUBU's various activities and occupies buildings owned by the University.

As at 31 July 2021, the Union had a consolidated reserves deficit of £542,032. The Union's policy is to maintain sufficient unrestricted free reserves to cover committed salary costs for a period of three months, by means of judicious management of our assets. The value of reserves relating to tangible fixed assets that would be required to be sold to release the reserves is £35,251. Included within reserves is our element of the SUSS multi-employer pension scheme deficit, as set out in Note 23, and the result of this is to decrease our overall reserves by the deficit in this fund of £1,109,238. There is a Recovery Plan in place for full repayment by 2032. These repayments are included in our expense calculations and as such are not considered to affect our reserves policy level. The overall deficit position on the reserves has only occurred by recognising the pension scheme liability which is subsequently being met under the agreed payment plan. On this basis, we continue to present the financial statements on a going concern basis.

The overall financial position at the balance sheet date reflects what will be a continuing reliance of the Union on the support of Bournemouth University as well as the income from our commercial services. BU confirmed its willingness to continue its support for the Union, through grant funding for the year 2021/22 reinstating this to £1.19m.

### Reserves

The reserves policy has been developed, and will be reviewed as necessary, by the Union's Trustees, taking into account:

- the Charity Commission's guidance in Charity Reserves - building resilience;
- the Union's Strategic Plan;
- the Combined Risk Register of both the Union and Feelprime Limited with specific reference to financial risks, as revised from time to time;
- the latest reports and accounts for both the Union on a consolidated basis and Feelprime
- current annual budgets for both the Union and Feelprime Limited;
- current year management accounts prepared at minimum on a quarterly basis.

The current financial position going into 2021/22 remains uncertain due to the pandemic and our reliance on commercial operations to supplement the University Block Grant. Careful budgeting remains therefore a priority to ensure the longer-term financial sustainability of the Union.

The split between fixed asset reserves and general reserves can be found in the notes to the accounts.

# The Students' Union at BU Limited

## Trustees' Annual Report *(continued)*

Period ended 31 July 2021

### STRUCTURE, GOVERNANCE, AND MANAGEMENT

#### Governing Document

The Union operates as a charitable company, with Articles of Association (the Articles) as its governing document, together with bye-laws made under the Articles. The Articles of Association governs what the Union can do and how it will be administered by a Trustee Board on behalf of its student members.

#### Recruitment of Trustees and Administration

Trustees are appointed in accordance with the Articles and relevant bye-laws. The Articles provide for the appointment of up to 6 officer Trustees to be elected by secret ballot in accordance with Union bye-laws, and for the appointment of up to 6 student Trustees, and 6 external Trustees by an Appointments Committee.

Officer Trustees and Student Trustees receive an induction in the role, responsibilities and duties of Trustees. Officer Trustees also receive an induction and extensive specialist training on their roles as full-time officers, delivered both internally and by external organisations. External Trustees receive inductions and briefings as required.

#### Powers of the Trustees

Under the Articles, the Board of Trustees is responsible for the management and administration of the Union, including its governance, budget and strategy. The Board has power to overrule any decision or policy of the members made in general meeting, in referenda or at Student Members meeting, where it is considered there are financial implications, a breach of legal requirements, a contravention of the Union's aims and objects or the carrying out of the Board's responsibilities as above are affected. In the reporting year, the Board of Trustees had five meetings (excluding Committee meetings).

The Trustees have power to delegate their functions to committees or individuals. There are 2 standing committees, as provided for in the Articles, which are responsible for the functions set out in the relevant Union bye-laws or terms of reference. These are the Human Resources Committee and the Audit and Risk Committee. In the reporting year, the Human Resources Committee met two times and the Audit and Risk Committee had three meetings. An Appointments Committee, as provided for in the Articles, responsible for the appointment of external and student Trustees, met once.

Day to day management of the operation and administration of the Union is delegated by the Trustees to the Chief Executive Officer. The Chief Executive Officer reports to Trustees at each Board of Trustees' meeting, and as necessary between meetings and to Committees of the Board.

#### Risk Management and Control

The Trustees are responsible for the management of the risks faced by the Union; the strategic risk register of SUBU receives regular updates which are considered by the Audit and Risk Committee at each meeting with a review also by the Board. Operational risks are managed at a team level with mitigations controlled through operational planning. The key risks faced by the charity revolve around its reputation with both Bournemouth University and our student members. The University is a significant funder of the charity and we work in partnership with the University to deliver ever improving services for the students. The relationship is maintained by developing close working relationships with senior members of the University team by our trustees, particularly the Full Time Officers, and by the Senior Leadership Team.

During the year of this report, the Covid-19 pandemic continued to impact SUBU with social distancing measures and lockdowns reducing income from our commercial outlets and reducing student numbers on the university campus. The longer-term impacts of Covid-19 on changing behaviours, mental health and ways of working are also factors that SUBU will continue to face.

# The Students' Union at BU Limited

## Trustees' Annual Report *(continued)*

### Period ended 31 July 2021

#### **Custodian Activities: Clubs & Societies and RAG Funds**

SUBU acts as custodian for funds raised by the students' many Clubs and Societies themselves, amounting to £85,760 at the period-end, in addition to the funds it disburses to them as shown in the financial statements.

SUBU is also the custodian of the RAG funds generated from activities and events throughout the year. The balance on the 31 July 2021 was £2,087.

These funds are included in the Union's Statement of Financial Position under Money in Bank and Funds Held for Third Parties (note 19) and are carefully managed, on the instruction of those entities, by the Union.

The activities of these funds are not reflected in the Union's Statement of Financial Activities. Both the Clubs and Societies and the RAG have aims and objectives considered to be in line with those of the Union.

#### **PLANS FOR THE FUTURE**

The period of this report has been the most challenging in SUBU's history. The combination of a reduction in the University Block Grant as well as the significant fall in income from our commercial services led to SUBU facing significant financial difficulties during 2020/21. This necessitated a restructure and redundancy programme in January 2021. Combined with cost cutting across all departments and budget lines, alongside leveraging of government grants, SUBU managed to close the year in a reasonable position. All of these reductions – both in people resource and operating budgets has however had an impact on our ability to deliver services in the same way and to the same extent as before the pandemic.

In the summer of 2021, SUBU launched a new three-year Strategic Plan, which sets out our vision to be an excellent Students' Union that helps students create the best university experience for themselves, their community, and their future. A key priority for the Trustees is to ensure that we have the appropriate resources in place to deliver on this vision. To support the longer-term financial sustainability of the Union and in line with our risk management approach, the Trustees will also review the reserves policy, to ensure that SUBU is able to withstand future financial risks.

# The Students' Union at BU Limited

## Trustees' Annual Report *(continued)*

Period ended 31 July 2021

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees and directors of The Students' Union at BU Ltd are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Signed by order of the Trustees

.....  
Naomie Lebe  
President

Approved by the Trustees on .....

**The Students' Union at BU Limited**  
**Independent Auditor's Report to the Members of**  
**The Students' Union at BU Limited**  
**Period ended 31 July 2021**

**Opinion**

We have audited the financial statements of The Students' Union at BU Limited (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 31 July 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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.

**Conclusions relating to going concern**

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

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

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

**The Students' Union at BU Limited**  
**Independent Auditor's Report to the Members of**  
**The Students' Union at BU Limited**  
**Period ended 31 July 2021**

**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 our audit:

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

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement, 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 group's and 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.

**The Students' Union at BU Limited**  
**Independent Auditor's Report to the Members of**  
**The Students' Union at BU Limited**  
**Period ended 31 July 2021**

**Our responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the legal and regulatory principles in the Charity SORP
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. These include Health and Safety, employment law, building insurance, public liability insurance, food/alcohol licencing and data protection. The Trustees use an external firms for consultancy for Health and Safety and employment law, as they believe this will ensure up to date knowledge and systems are used. Up to date licences were seen as part of the audit.
- We considered and reviewed the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. These include the review of authorisation limits for bank transactions, authorisation for BACS payment and the authorisation of overtime payments.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

**The Students' Union at BU Limited**  
**Independent Auditor's Report to the Members of**  
**The Students' Union at BU Limited**  
**Period ended 31 July 2021**

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. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance>. This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

Christopher Ratcliffe  
TC Group  
10 Bridge Street  
Christchurch  
Dorset  
BH23 1EF

Date .....

**The Students' Union at BU Limited**  
**Consolidated Statement of Financial Activities**  
**Period ended 31 July 2021**

		Unrestricted funds £	Restricted funds £	2021 Total funds £
<b>Income and endowments</b>	<b>Note</b>			
Donations and legacies	3	2,013,848	-	2,013,848
Charitable activities	4	135,351	-	135,351
Other trading activities	5	207,058	129,979	337,037
Investment income	6	1,989	-	1,989
<b>Total income</b>		<u>2,358,246</u>	<u>129,979</u>	<u>2,488,225</u>
<b>Expenditure</b>				
Expenditure on raising funds:				
Expenditure of trading subsidiary	7	338,291	129,979	468,270
Expenditure on charitable activities	8,9	1,936,179	-	1,936,179
<b>Total expenditure</b>		<u>2,274,470</u>	<u>129,979</u>	<u>2,404,449</u>
<b>Transfer from unincorporated entity</b>	<b>25</b>	<u>(625,808)</u>	<u>-</u>	<u>(625,808)</u>
<b>Net income and net movement in funds</b>		<u>(542,032)</u>	<u>-</u>	<u>(542,032)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		-	-	-
<b>Total funds carried forward</b>		<u>(542,032)</u>	<u>-</u>	<u>(542,032)</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

# The Students' Union at BU Limited

## Statement of Financial Position

31 July 2021

		Group 2021 £	Charity 2021 £
<b>Fixed assets</b>			
Intangible assets	14	-	-
Tangible assets	15	35,251	35,251
Investments	16	-	1
		<u>35,251</u>	<u>35,252</u>
<b>Current assets</b>			
Stocks	17	80,517	46,123
Debtors	18	118,671	258,871
Cash at bank and in hand		642,365	375,116
		<u>841,553</u>	<u>680,110</u>
<b>Creditors: Amounts falling due within one year</b>	19	<u>(267,585)</u>	<u>(161,343)</u>
<b>Creditors: Amounts falling due over one year</b>	20	<u>(42,013)</u>	-
<b>Net current assets</b>		<u>573,968</u>	<u>518,767</u>
<b>Total assets less current liabilities</b>		<u>609,219</u>	<u>554,019</u>
<b>Net assets excluding pension liability</b>		<u>567,206</u>	<u>554,019</u>
<b>Defined benefit pension liability</b>	21	<u>(1,109,238)</u>	<u>(1,109,238)</u>
<b>Net assets</b>		<u>(542,032)</u>	<u>(555,219)</u>
<b>Funds</b>			
Restricted	21	-	-
Pension reserve	21	<u>(1,109,238)</u>	<u>(1,109,238)</u>
		<u>(1,109,238)</u>	<u>(1,109,238)</u>
Unrestricted	21	<u>567,206</u>	<u>554,019</u>
<b>Total charity funds</b>		<u>(542,032)</u>	<u>(555,219)</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

These financial statements were approved by the Board of Trustees and authorised for issue on ....., and are signed on behalf of the board by:

.....  
Samantha Leahy-Harland  
Chief Executive Officer

The notes on pages 15 to 29 form part of these financial statements.

# The Students' Union at BU Limited

## Statement of Cash Flows

Period ended 31 July 2021

	2021 £
<b>Cash flows from operating activities</b>	
Net income	(542,033)
<i>Adjustments for:</i>	
Depreciation of tangible fixed assets	43,428
Amortisation of goodwill	(14,998)
Other interest receivable and similar income	(1,989)
Gain on disposal of fixed asset	(1,950)
<i>Changes in:</i>	
Stocks	(80,517)
Trade and other debtors	(118,671)
Trade and other creditors	259,596
Cash generated from operations	(457,134)
Interest received	1,989
Net cash from operating activities	<u>(455,145)</u>
<b>Cash flows from investing activities</b>	
Purchase of tangible assets	(3,628)
Proceeds from sale of tangible assets	1,950
Net assets acquired with subsidiary	(165,062)
Cash acquired with subsidiary	105,012
Defined benefit pension liability inherited from unincorporated charity	1,109,238
Net cash from investing activities	<u>1,047,510</u>
<b>Cash flows from financing activities</b>	
Bank loan	50,000
Net cash from investing activities	<u>50,000</u>
<b>Net increase in cash and cash equivalents</b>	642,365
<b>Cash and cash equivalents at beginning of year</b>	-
<b>Cash and cash equivalents at end of year</b>	<u>642,365</u>

# The Students' Union at BU Limited

## Notes to the Financial Statements *(continued)*

### Period ended 31 July 2021

#### 1. General information

The charity is a private company limited by guarantee, registered in England and Wales. The company and charity registration number and registered office address can be found on the Reference and Administrative details page.

#### 2. Accounting policies

##### **Basis of preparing the financial statements**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Going concern**

Due to the recognition of the multi-employer pension-scheme deficit as a result of FRS102 requirements, the charity presents a negative statement of financial position. The pension deficit liability is being met by way of an agreed recovery repayment plan, established under the previous unincorporated charity and this has been in successful operation for several years. The annual repayment requirement is currently being met within the working capital of the charity. The pension scheme underwent an actuarial revaluation in 2019 following which an amended recovery plan was announced. See note 23 for further details. While it is anticipated the deficit and thus the repayments will potentially rise subject to the impact of Covid-19, the increase in any such repayments are not expected to be announced until the next valuation report in 2023.

During the year, the charity was impacted by the Covid-19 outbreak, resulting in the safeguarding of stakeholders via the closure of the university campus and The Old Fire Station - which generates additional income through the Feelprime Limited trading subsidiary. In accordance with Government requirements, these sites have been closed and therefore significantly restricted commercial contributions. Forecasting and monitoring of current official guidance by the Trustees and advisors have shown that although the charity has been adversely impacted by Covid-19, it is in a stable position financially and is re-opening the campus and commercial sites in line with Government recommendation. With continued support from Bournemouth University being agreed, and the breadth of information currently available to the Trustees, it is considered appropriate to prepare the financial statements on the going concern basis.

##### **Group financial statements**

These financial statements consolidate the results of The Students' Union at BU Limited and its wholly owned subsidiary, Feelprime Limited, on a line by line basis. A separate statement of financial activities for the charity itself is not presented.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular future project or commitment.

# The Students' Union at BU Limited

## Notes to the Financial Statements *(continued)*

### Period ended 31 July 2021

#### 2. Accounting policies (continued)

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Investment income is allocated to the appropriate fund.

#### Limited by guarantee

The company is limited by guarantee and therefore has no share capital. The liability of the members is limited to £1.

#### Incoming resources

All incoming resources are included in the Consolidated Statement of Financial Activities (SoFA), net of Value Added Tax as applicable, when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations and grants are recognised when there is evidence of entitlement to the gift, receipt is probable and its value can be measured reliably. The Bournemouth University donation of serviced accommodation is accounted for as income and expenditure of the year at an estimated value to SUBU by reference to the market value of this donation.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

#### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds includes the operating costs of its subsidiary trading company; Expenditure on charitable activities includes Students' Union, shop, bar and rent costs; and Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Raising funds costs include those costs attributable to the charity's wholly owned trading subsidiary and fund raising balls.

Charitable activity costs comprise those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Other support costs include those costs associated with Governance, meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.

# The Students' Union at BU Limited

## Notes to the Financial Statements *(continued)*

Period ended 31 July 2021

### 2. Accounting policies (continued)

The value of the donated serviced accommodation is apportioned on an estimated floor space occupied. Other central overhead costs are apportioned to charitable and other projects on a usage basis, pro-rata to the total cost of each project or activity undertaken.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Statement of Financial Position at cost and depreciated over their expected useful economic life. Where there are specific restrictions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	25% straight line

#### Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

#### Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Investments in subsidiaries are measured at cost less impairment.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

#### Financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### Provisions

Provisions are recognised when the charity has an obligation at the accounting date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

# The Students' Union at BU Limited

## Notes to the Financial Statements *(continued)*

Period ended 31 July 2021

### 2. Accounting policies *(continued)*

#### Tax

The charity is exempt from corporation tax on its charitable activities.

#### Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

#### Defined benefit plans

##### SUSS

The Union participates in the Student Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the Trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 102 in these circumstances, contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year. This scheme was frozen to new contributions in September 2011. The scheme was inherited as part of the transfer from the previous unincorporated charity The Students' Union at Bournemouth University.

##### AEGON

The Union also participates in AEGON. This is a defined contribution scheme and as such only the amounts recorded as paid during the year are shown. No further liability is attributable with this type of scheme.

##### NEST

As required by the Government's auto enrolment policy, the Union participates in a NEST defined contribution scheme and as such only the amounts recorded as charged during the year are shown.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

# The Students' Union at BU Limited

## Notes to the Financial Statements *(continued)*

### Period ended 31 July 2021

#### 2. Accounting policies *(continued)*

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are described below.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The fixed asset depreciation charge is derived from the estimated useful economic life and residual value of the asset. These are reviewed annually alongside any impairment indicators.

The closing debtor balances are assessed for recoverability and those not considered probable of recovery are provided for in full. For the current year, the debtors have been assessed no provision is considered to be required.

Accruals for goods or services not yet invoiced are estimated based on historic activity with the supplier or quotations received ahead of invoicing.

Prepayments are based on actual invoices received and costs allocated across the relevant accounting period on a straight line basis of the time period in which the service relates to.

Stock is held at the lower of cost and net realisable value which is based on the estimated sales value of the asset at the year end.

Feelprime Limited incurs management charges regarding indirect entertainment and venue admin costs from The Students' Union at BU Limited. This is an estimation designed to recharge an appropriate level of expenditure to manage the assets generating income within Feelprime Limited. This is reviewed each year analytically and appears reasonable considering the activity of the client.

A notional charge is entered into the accounts regarding the estimated incurred costs of allowing the offices, shops and bars to operate. Estimated market value for each of the areas is within the campus is reviewed for reasonableness and accuracy.

While the final liability of the pension deficit liability is known and disclosed by the pension provider, as the payment plan runs until 2032, the liability needs to be discounted to the current value. The discount rate is an estimate. The NUS (umbrella organisation that provide leadership and support in such areas) is in a similar position and has concluded on an appropriate discount rate for their audited purposes. After consideration, the Trustees are of the opinion that this rate is appropriate.

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

**Period ended 31 July 2021**

#### 3. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
Donated rent and overheads	737,719	-	737,719
<b>Grants</b>			
Bournemouth University (block grant)	981,750	-	981,750
Other grants (BCP)	20,208	-	20,208
Other grants (Coronavirus Job Retention Scheme)	274,171	-	274,171
	<b>2,013,848</b>	-	<b>2,013,848</b>

#### 4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bar and shop income	54,437	-	54,437
Marketing income	26,998	-	26,998
Sundry income	50,681	-	50,681
SCC income	3,235	-	3,235
	<b>135,351</b>	-	<b>135,351</b>

#### 5. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Income from trading subsidiary:			
Trading activities	168,022		168,022
Grants	39,036	129,979	169,015
	<b>207,058</b>	<b>129,979</b>	<b>337,037</b>

#### 6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bank interest receivable	1,989	-	1,989

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

**Period ended 31 July 2021**

**7. Expenditure of trading company**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bar operating costs	187,351	57,979	245,330
Donated rent and overheads	150,940	-	150,940
Rebuilding reserves	-	72,000	72,000
	<u>338,291</u>	<u>129,979</u>	<u>468,270</u>

**8. Expenditure on charitable activities by fund type**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Union	703,315	-	703,315
Shop and bar	171,963	-	171,963
Marketing	34,154	-	34,154
Support costs	1,026,747	-	1,026,747
	<u>1,936,179</u>	<u>-</u>	<u>1,936,179</u>

**9. Expenditure on charitable activities by activity type**

	Activities undertaken directly £	Support costs £	Total funds 2021 £
Union	703,315	371,459	1,074,774
Shop and bar	171,963	16,418	188,381
Marketing	34,154	-	34,154
Donated rent and overheads	-	586,779	586,779
Governance costs	-	52,091	52,091
	<u>909,432</u>	<u>1,026,747</u>	<u>1,936,179</u>

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

#### Period ended 31 July 2021

#### 10. Allocation of support costs

The breakdown of support costs included in the Charitable Expenditure costs above, and how they are allocated between different activities, is shown below. Costs are allocated on a basis consistent with the use of resources as shown below:

Cost type	Apportionment basis	Student services £	Shop and bars £	Total Allocated 2021 £
Insurance	Turnover	33,261	-	33,261
Office costs	Cost	23,144	-	23,144
Administration salaries	Time spent	271,629	16,608	288,237
Depreciation	Asset split	2,500	40,928	43,428
Repairs and maintenance	Cost	-	(191)	(191)
Rent and overheads	Area	473,738	113,041	586,779
Governance	Cost	52,091	-	52,091
		<u>856,361</u>	<u>170,386</u>	<u>1,026,749</u>

#### 11. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Auditor's remuneration - audit fees	7,580	-	7,580
Legal fees	41,990	-	41,990
Trustee expenses	2,521	-	2,521
	<u>52,091</u>	<u>-</u>	<u>52,091</u>

See note 14 for details on Trustee expenses.

#### 12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021 £
Wages and salaries	956,997
Social security costs	89,433
Employer contributions to pension plans	100,690
	<u>1,147,100</u>

Included within staff costs are redundancy payments of £104,198.

The average head count of employees during the year was 72. The average number of employees during the year is analysed as follows:

	2021 No.
Number of permanent staff	45
Number of student staff	27
	<u>72</u>

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

Period ended 31 July 2021

#### 13. Trustees and key management personnel remuneration and expenses

In accordance with SUBU's governing document, during the year the full-time Sabbatical Officer, Staff Officer and Student Trustees received remuneration for qualifying services as distinct from their Trustee responsibilities. The Sabbatical Officers received a total of £95,137, which includes employer's national insurance and pension costs, per annum (pro-rated for any change in appointment) for the representation, campaigning and support work they undertook. The total amount of employee remuneration and benefits received by key management personnel (including employer's national insurance and pension costs) was £199,687.

Trustees incurred reimbursed expenses in relation to training, travel and company secretarial work. No other Trustee remuneration was paid in the year.

No Trustee received remuneration of more than £60,000 during the current or prior year.

#### 14. Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 07 May 2020	-
Additions	<b>(14,998)</b>
<b>At 31 July 2021</b>	<b><u>(14,998)</u></b>
<b>Depreciation</b>	
At 07 May 2020	-
Amortisation charge for the year	<b>14,998</b>
<b>At 31 July 2021</b>	<b><u>14,998</u></b>
<b>Net book value</b>	
<b>At 31 July 2021</b>	<b><u>-</u></b>
At 07 May 2020	<b><u>-</u></b>

On 28 August 2020, The Students' Union at BU Limited acquired 100% of the issued share capital in Feelprime Limited for £1. This transaction resulted in negative goodwill of £14,998 upon consolidation. This balance was amortised through the Statement of Financial Activities.

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

#### Period ended 31 July 2021

#### 15. Tangible fixed assets

Group	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 07 May 2020	-	-	-
Transfer of assets	825,077	20,120	845,197
Additions	3,628	-	3,628
Disposal	(23,663)	(20,120)	(43,783)
<b>At 31 July 2021</b>	<b>805,042</b>	<b>-</b>	<b>805,042</b>
<b>Depreciation</b>			
At 07 May 2020	-	-	-
Transfer of assets	750,026	20,211	770,237
Charge for the year	43,428	-	43,428
Eliminated on disposal	(23,663)	(20,211)	(43,874)
<b>At 31 July 2021</b>	<b>769,791</b>	<b>-</b>	<b>769,791</b>
<b>Net book value</b>			
<b>At 31 July 2021</b>	<b>35,251</b>	<b>-</b>	<b>35,251</b>
At 07 May 2020	-	-	-

The premises occupied by the trading subsidiary is under an informal agreement with Bournemouth University, as set out in the Trustees' Annual Report.

The Trustees are of the opinion that occupancy of the premises will continue for at least the period of the expected useful lives of the assets recognised above within fixtures, fittings and equipment above.

The transfer of assets represents the total cost and accumulated depreciation transferred from the old charity, The Students' Union at Bournemouth University.

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

Period ended 31 July 2021

#### 15. Tangible fixed assets *(continued)*

##### Charity

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 07 May 2020	-	-	-
Transfer of assets	772,680	20,120	792,800
Additions	3,628	-	3,628
Disposals	(23,663)	(20,120)	(43,783)
<b>At 31 July 2021</b>	<u>752,645</u>	<u>-</u>	<u>752,645</u>
<b>Depreciation</b>			
At 07 May 2020	-	-	-
Transfer of assets	697,629	20,211	717,840
Charge for the year	43,428	-	43,428
Eliminated on disposal	(23,663)	(20,211)	(43,874)
<b>At 31 July 2021</b>	<u>717,394</u>	<u>-</u>	<u>717,394</u>
<b>Net book value</b>			
<b>At 31 July 2021</b>	<u>35,251</u>	<u>-</u>	<u>35,251</u>
At 07 May 2020	<u>-</u>	<u>-</u>	<u>-</u>

#### 16. Investments

	Group 2021 £	Charity 2021 £
<b>Cost</b>		
Addition	-	1
<b>At 31 July 2021</b>	<u>-</u>	<u>1</u>
<b>Net book value</b>		
<b>At 31 July 2021</b>	<u>-</u>	<u>1</u>

The charity's investments comprise 1 Ordinary £1 share in the charity's wholly owned trading subsidiary, Feelprime Limited (company number 04001419), which operates off campus bars and entertainment for students and the general public.

The statement of financial position of the trading subsidiary is shown below:

	2021 £	2020 £
Assets	418,009	207,351
Liabilities	(400,316)	(192,352)
Share capital	1	1
Retained profits	17,692	14,998

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

Period ended 31 July 2021

#### 16. Investments *(continued)*

The results for the year ended 31 July 2021 of the trading subsidiary are shown below:

	2021	2020
	£	£
Turnover	337,038	967,361
Direct costs and overheads	(338,850)	(891,695)
Operating charges paid to parent charity	-	(77,885)
Net (Loss)/Profit	<u>(1,812)</u>	<u>(2,219)</u>
Distribution made to parent charity	-	-
(Deficit)/Surplus retained	<u><u>(1,812)</u></u>	<u><u>(2,219)</u></u>

#### 17. Stocks

	Group 2021	Charity 2021
	£	£
Bar and food stocks	45,251	10,857
General trading stocks	35,266	35,266
	<u>80,517</u>	<u>46,123</u>

#### 18. Debtors

	Group 2021	Charity 2021
	£	£
Trade debtors	26,823	10,251
Amounts owed by group undertakings	-	228,066
Prepayments and accrued income	59,294	-
Other debtors	32,554	20,554
	<u>118,671</u>	<u>258,871</u>

#### 19. Creditors: Amounts falling due within one year

	Group 2021	Charity 2021
	£	£
Trade creditors	95,912	34,856
Taxation and social security	35,151	19,723
Other creditors and accruals	40,688	18,917
Funds held for third parties	87,847	87,847
Bank loans	7,987	-
	<u>267,585</u>	<u>161,343</u>

#### Funds held for third parties

The charity holds and administers funds on behalf of the RAG Fund and Clubs and Societies. The activities of these are referred to in the Trustees' Annual Report.

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

Period ended 31 July 2021

#### 20. Creditors: Amounts falling due over one year

	Group 2021 £	Charity 2021 £
Bank loans	42,013	-
	<u>42,013</u>	<u>-</u>

#### 21. Analysis of charitable funds

##### Unrestricted funds

	Acquired 28 August 2020 £	Income £	Expenditure £	At 31 July 2021 £
General funds	584,428	2,488,225	(2,505,447)	567,206
Pension	(1,210,236)	-	100,998	(1,109,238)
	<u>(625,808)</u>	<u>2,488,225</u>	<u>(2,404,450)</u>	<u>(542,032)</u>

##### Restricted funds

	At 07 May 2020 £	Income £	Expenditure £	At 31 July 2021 £
Arts Council Cultural Recovery Grant	-	129,979	(129,979)	-
	<u>-</u>	<u>129,979</u>	<u>(129,979)</u>	<u>-</u>

##### Arts Council Cultural Recovery Grant

This grant is government backed and provided grants for commercial and publicly-funded cultural organisations operating within the arts, museums, heritage and sectors, including cinemas. The grant provider set up the fund to 'tackle the crisis that has faced our most loved cultural organisations and heritage sites during the coronavirus (COVID-19) pandemic'. This grant was awarded to the subsidiary Feelprime Limited. The grant provider agreed upon the following expenditure:

Staffing costs	40,979
Rebuilding reserves	72,000
Covid-19 compliant equipment purchase	10,900
Maintenance cost	2,100
Access cost	4,000

#### 22. Analysis of net assets (between restricted and unrestricted funds)

	Tangible fixed assets £	Other net assets £	Total £
Restricted funds	-	-	-
General fund	35,251	531,955	567,206
Pension fund	-	(1,109,238)	(1,109,238)
	<u>35,251</u>	<u>(577,283)</u>	<u>(542,032)</u>

# The Students' Union at BU Limited

## Notes to the Financial Statements *(continued)*

### Period ended 31 July 2021

#### 23. Pension contributions

The Union 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 onwards accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

The most recent full valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £140.9m.

Due to the increasing deficit valuation, a revised contribution plan for all members up to 30 September 2023 was implemented. At this point the pension scheme will be subjected to revaluation and the contributions plan altered as required. Annual contributions to the scheme will increase across the 3 year period from 2019/20 at a rate of 5%, 8% and 5% respectively on the prior year contribution value.

These contributions include an allowance for the cost of the ongoing administrative and operational expenses of running the scheme.

In addition to the above contributions, the Union also pays its share of the scheme's levy to the Pension Protection Fund.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2021 amounted to £97,221, but this includes a higher proportion of contributions in respect of future accrual.

Under FRS 102, SUBU are required to recognise the Union's deficit on the SUSS pension scheme as a liability in the financial statements from the date of transition onwards, calculated using the discounted value of the additional contributions the Union is committed to paying under the Recovery Plan ending in 2035. The net present value of this liability as at 31 July 2021 is £1,109,238.

The Union also participates in defined contribution schemes with the cost recognised within the Statement of Financial Activities as they are charged.

#### 24. Related parties

The Union is in receipt of a block grant from Bournemouth University of £1,071,000 and other grants of £20,208, both of which are on an unrestricted basis. The subsidiary Feelprime Limited, is in receipt of a £129,797 grant from the Arts Council Recovery Fund. This grant is on a restricted basis. In addition, the Union occupies the University's buildings on a rent free basis under an informal arrangement, and the Trustees have valued the use of the buildings and utilities with reference to market rents and costs at £737,719.

The charity is controlled by the Trustee Board which is, in part, subject to the democratic election by voting membership of the Union.

See note 14 for Trustees and key management personnel remuneration and expenses.

## The Students' Union at BU Limited

### Notes to the Financial Statements *(continued)*

#### Period ended 31 July 2021

#### 25. Transfer from unincorporated charity

On 28 August 2020 the entity The Students' Union at Bournemouth University transferred its assets, activities, contracts, employees and liabilities on to The Students' Union at BU Limited. The Students' Union at BU Limited incorporated 7 May 2020, registered at the Charity Commission 19 May 2020 and commenced trade 29 August 2020.

The unincorporated entity (The Students' Union at Bournemouth University) have prepared cessation accounts for the period 1 August 2020 to 28 August 2020.

The net assets were calculated as follows:

	£
Total charity funds as at 31 July 2020	(573,771)
Less loss recognised in period 1 August 2020 to 28 August 2020	(52,037)
Total net asset deficit transferred as at 28 August 2020	<u>(625,808)</u>

As a result, the loss of £52,037 as seen above has been recognised in the statutory cessation accounts for The Students' Union at Bournemouth University.

The net assets as at 28 August 2020 has been transferred into The Students' Union at Bournemouth University via other comprehensive income as seen on the Consolidated Statement of Financial Activities.

#### 26. Capital commitment and contingent liability

HMRC have commenced a formal review of the VAT treatment regarding the supply of catering goods and services provided by Student Unions in universities and other higher education establishments. The initial outcome of the HMRC review has indicated this is not considered an exempt supply and that VAT is due on this concessionary activity which the Union provides. These findings are based on a sample review of Unions by HMRC and as yet no formal ruling has been released. Furthermore, SUBU has not been informed by HMRC that they are to be reviewed for their VAT treatment on such supplies. NUS are currently in disagreement with HMRC and formal ongoing discussion is being held between the two parties. As no formal ruling has been issued by HMRC, there is no present obligation regarding crystallising VAT charges from uncollected VAT. In the circumstances, this has not been recognised as a liability within the balance sheet on this basis. The application of HMRC's potential ruling has been estimated by SUBU as a total VAT charge of £100,685 over a four year assessment period.