



CONSOLIDATED FINANCIAL STATEMENTS

For the year ended

31 July 2022

University of Birmingham Guild of Students

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University of Birmingham Guild of Students

REFERENCE AND ADMINISTRATION DETAILS

Charity Name: University of Birmingham Guild of Students

Charity Registration No: 1137548 (Registered in England & Wales)

Company Registration No: 06638759 (Registered in England & Wales)

Registered Office: Guild of Students, University of Birmingham
Edgbaston Park Road
Birmingham, B15 2TU

Trustee Board - as at 31 October 2022

		Appointed	Resigned
Mr Robert Smeath	Chair	23 rd Oct 17	-
Mr Michael Brown	Vice Chair – President	19 th Jul 21	15 th Jul 22
Mr Wei-Lun Chen	International Officer (Officer across two financial years)	20 th Jul 20	15 th Jul 22
Mr George Christian	Sports Officer	19 th Jul 21	15 th Jul 22
Miss Josephine Conway	Activities & Employability Officer	19 th Jul 21	15 th Jul 22
Miss Danielle Murinas	Postgraduate Officer	19 th Jul 21	15 th Jul 22
Miss Aaliyah Simms	Welfare & Community Officer	19 th Jul 21	15 th Jul 22
Mr Jules Singh	Education Officer (Officer across two financial years)	20 th Jul 20	15 th Jul 22
Miss Sarah Aray		11 th Jan 21	14 th Mar 22
Miss Henrietta Brealey		10 th Sep 19	6 th Sep 22
Ms Erica Conway		3 rd Jul 18	-
Mr Johnny Davis		13 th May 19	-
Mr Thomas Goodman		13 th Jan 20	15 th Jul 22
Mr Stanley Melau		18 th Jul 22	-
Mr Akram Nazir		18 th Jul 22	-
Miss Serabi Opiyo		19 th Jul 21	-
Mr Ian Pain		7 th Sep 20	-
Mr Jake Poulton		19 th Jul 21	15 th Jul 22
Dr Emma Wedge		11 th May 20	-
Miss Alicia Wickert		18 th Jul 22	-
Mr Lyndon Williams		11 th Jan 16	12 th Jan 22
Mr Yinbo Yu		12 th Jan 22	-
2022/23 (New)			
Ms Acacia Matthews	Vice Chair – President	18 th Jul 22	-
Miss Vanessa Chigariro	Education Officer	18 th Jul 22	-
Miss Florence Craddock	Sports Officer	18 th Jul 22	-
Miss Reeve Isaacs Smith	Welfare Officer	18 th Jul 22	-
Ms Isobel Lawson	Activities & Employability Officer	18 th Jul 22	-
Ms Tianjie Liu	International Officer	18 th Jul 22	-
Mr Benjamin Lockley	Postgraduate Officer	18 th Jul 22	-

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Senior Management Team

Mrs Joanne Thomas	Chief Executive and Company Secretary
Miss Emily Badger	Director of Operations
Mr Adam Sheridan	Director of Engagement
Mrs Sarah Wright	Director of Support & Representation (Left employment April 2022)
Mr Nicholas Bailey	Head of Finance

Auditors

Dains Audit Limited
15 Colmore Row, Birmingham, B3 2BH

Bankers

HSBC Bank Plc
130 New Street, Birmingham, B2 4JU

Solicitors

Governance, Charity Law & General
Bates, Wells & Braithwaite London LLP
10 Queen Street Place, London, EC4R 1BE

HR

DFA Law LLP
2 Waterside Way, Northampton, NN4 7XD

VAT Consultancy

RSM UK Tax and Accounting Limited
10th Floor, 103 Colmore Row, Birmingham, B3 3AG

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REPORT OF THE TRUSTEE BOARD

The Trustee Board presents their Annual Report for the year ended 31 July 2022 which includes the administrative information set out on pages 1-2, together with the audited accounts for the year.

Structure, Governance and Management

The University of Birmingham Guild of Students (the Guild) is constituted under the Education Act 1994 as a Charity with internal regulations and rules approved by University Council, the governing body of the University of Birmingham.

The Guild's charitable objectives under the Act, to further and enhance the University's educational purposes by providing representation, support and promotion of social intercourse for the students of the University, are supplemented by the further object of supporting members to develop their own charitable activities as active participants in civil society.

The Guild of Students became incorporated into a Company Limited by Guarantee (CLG) in July 2008 and registered as a Charity in August 2010.

The Guild is administered by its Trustee Board of eighteen members comprising of seven Sabbatical Trustees; four Student Trustees; six external Trustees and a University Trustee, who are regarded as the Charity Trustees of the Guild for the purposes of the Charities Act.

The Full-Time Officers group, together with the part-time, non-sabbatical officers (referred to as Guild Officer Group), are elected annually by a cross-campus secret ballot of the Guild's membership. The seven posts consist of; President, Activities and Employability, Education, International, Postgraduate, Sport, and Welfare and Community Officers. Officers are full time posts remunerated as authorised by the Education Act and cannot exceed two years duration for each holder.

The Guild operates on democratic principles, working for and with our members, the students of the University of Birmingham. The voice of students is represented by the 'Members Democratic Process' through its 'Ideas Submission Process', the 'All Student Meeting' and 'Scrutiny Panel' bodies.

The 'Scrutiny Panel', a body of appointed independent students, holds the Guild Officer Group to account, and the 'All Student Meeting' proposes and debates ideas that set policy and can mandate the Guild and Guild Officers to undertake certain projects. Ideas are submitted online via the Guild's website, and then either allocated to the All Student Meeting, or one of the Guild's democratic 'decision making committees' to review, depending on the topic of the submission. The Guild is planning a review of its existing democratic structures, to be completed during the 2022/23 academic year.

The Trustee Board, assisted by sub-committees where appropriate has delegated the day-to-day running of the Guild to the Chief Executive. As Charity Trustees, all Trustees receive a comprehensive training programme into their legal and administrative responsibilities at the start of their term of office, with ongoing guidance as and when required for issues arising during their term.

The Trustee Board meets at least six times per year to receive reports from sub-committees, Officers, Senior Management and the Chief Executive, and to review the Guild's performance and administration. In 2021/22, the Trustee Board met seven times, including two away days taking place in January and July 2022.

The Guild of Students also employs a number of core staff to provide continuity, consistency and expertise in the management of its many activities. The staff team are accountable to the Chief Executive for the performance of their duties.

The Guild of Students incurred costs of £5,152 (2021: also £5,152) within the year relating to Professional Indemnity insurance cover of £5m (2021: also £5m). This policy included cover for the Trustees, Directors, Officers, Employees, Student Group committee members as well as other volunteers associated with Guild activities.

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Relationship with the University of Birmingham

The relationship between the University and the Guild is established in the Charter, Statutes, Ordinances and Regulations of the University and detailed in the Memorandum of Understanding, which is approved by both organisations.

The Guild receives a block grant from the University, and occupies a building owned by the University which is leased to the Guild of Students at an agreed rent.

There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body. The University plays an important role within the Guild, having representatives on the Trustee Board and sub-committees.

Risk Management

The Trustee Board has examined the main strategic business and operational risks faced by the Guild. A risk management policy and risk register are in place where appropriate systems or procedures have been established to mitigate the risks the Guild faces. The risk register is updated on a regular basis.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and participants across all activities organised for the Guild. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Guild. The key risk areas identified are:

Risk	Mitigating/Control Measures
Financial SUSS Pension deficit payment, significant increases in future years	<ul style="list-style-type: none"> Estimated increases planned into long term financial forecast Cash-flow planning to take advantage of advance discount offers as they fall due, where financially viable Discussions with University of Birmingham regarding possible funding options in the future
Financial A significant reduction in trading income	<ul style="list-style-type: none"> Diversifying income streams to reduce reliance on one source of funding Reduced sales/contributions incorporated into five year forecast for next two financial years, following Covid-19 lockdown. Annual price comparison check is completed
Financial HMRC challenge regarding grant funding	<ul style="list-style-type: none"> Appointment of external VAT consultants and Counsel to defend the Guild's position on a technical basis Include contingencies in financial planning and identification of savings required
Operational Loss of any aspect of Guild services due to disaster	<ul style="list-style-type: none"> Guild and departmental contingency plans in place Continuation of Guild Emergency Planning Group in place and risk assessment completed. Business Continuity Insurance in place
Reputational/Operational Guild is no longer perceived as relevant to members and does not respond to changes in students lifestyle and needs	<ul style="list-style-type: none"> Timely and relevant research is conducted on a regular basis to inform strategic and operational decisions Regular reports are reviewed by trustees, including members' satisfaction and performance against key strategic targets
Reputational Student led groups/Officer Team	<ul style="list-style-type: none"> Regular training provided to key stakeholders regarding responsibilities, press and PR and organisational processes

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acting in such a way that it harms the reputation of the Guild and/or University	<ul style="list-style-type: none"> • Proactive support provided by staff team in dealing with media issues and other problems that arise. • Professional external advice sought as required.
Operational Health & safety matters across a broad range of activities and failure to follow approved processes such as risk assessments	<ul style="list-style-type: none"> • Training and support is provided for high risk areas by the Guild team • High risk areas are scrutinised more thoroughly by the Guild with effective support from University colleagues. • Robust Event Manual and Risk Assessment Process for activities • Analytical review of existing safety policies and processes to be conducted during 2022/23.
Cost of Living Responding to challenges arising from the current economic conditions	<ul style="list-style-type: none"> • A detailed 'Pay Review' is scheduled to be completed during 2022/23. • Regular monitoring of Guild overheads including utilities and maintenance costs. • Long term forecast takes account of cost increases in key areas • Five year Block Grant funding secured to 2026/27 • A wider Value for Money review is being conducted during 2022/23 to identify possible efficiencies.

Aims, Objectives and Activities

The Guild has clear objects which are stated in its Articles of Association, which are:

The furtherance and the enhancement of the educational purposes of the University of Birmingham including but not limited to;

- (i) The promotion of social intercourse between students of the University of Birmingham and the furtherance of the common interests of such students; and;
- (ii) The support of such societies that shall from time to time be recognised by the Guild.

In pursuit of these objectives, the Guild ensures the diversity of its membership is recognised, valued and supported and as such has established student support and development departments and quality services for use by its members, to support its work with the University and other organisations on behalf of students. These include Community Welfare; Student Groups; Voice & Representation and Venues.

The Guild continues to represent students on relevant local, national and international issues. Through the 'Ideas Submission Process', students are able to mandate the Guild to lobby and campaign in areas important to its members. The Guild also supports the work of the National Union of Students (NUS) via various national bodies and conferences, and participates in national campaigning and lobbying activity by the national student movement.

On a local level, Guild Officers continue to attend many University committees and working groups to enhance the student experience at Birmingham and ensure that the student voice is heard and responded to at all levels of the University. Through the Student Representation Scheme and the Guild Officer Group, student representatives sit on and contribute to over 100 University committees and academic programme forums. Guild Officers also regularly meet with the local Authority, local residents, the Police and other providers of public services used by students in Birmingham.

To further enhance the student experience, the Guild attracts a diverse membership to get involved in the Guild, the University and the local community by actively promoting the benefits of volunteering in student-led activities. When reviewing our objectives and planning our activities, the Guild gives due

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consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Achievements and Performance

In light of COVID-19 restrictions during 2019/20 and 2020/21, generation of the organisation's next strategic plan (2022-2027) was delayed for one year but was recently published in August 2022. During this interim period, objectives and aims from the 2017-21 strategic plan were extended for one year to include 2021/22. The table below provides an update on projects and activities completed in 2021/22 towards the delivery of the Guild's 2017-2021 Strategic plan.

Objectives/Commitments	Outcomes/Achievements in 2021/22:
Theme 1	Engagement and Participation
Individual students voting in Officer elections maintained at circa 8,000.	Guild Elections voter turnout in March 2022 was 6,003, largely replicating levels from 2021, despite three days of industrial action on campus during the voting period.
Individual group members maintained at circa 11,000	12,381 members joined student groups during 2021/22, a positive movement from 9,568 in 2020/21, a strong return following the easing of COVID-19 restrictions. There were 603 Student Group Committee active volunteers.
Number of student groups maintained at circa 300	353 student groups affiliated to the Guild in 2021/22, continuing to increase, from 305 groups in 2020/21 and 284 groups and 2019/20. The 'Save a Society' initiative supported groups during this period.
Full delivery of online processes for joining, supporting and administering Student Groups	Comprehensive online committee elections, inductions and training was provided to society committee members including digital processing of events paperwork and financial documentation.
80% satisfaction of events & activities	70% of students reported being satisfied with activities on offer at the Guild, despite significant disruption due to COVID-19.. Throughout the pandemic, the Guild adapted quickly to hold social events and support services online. 990 local residents engaged in community events and safety awareness campaigns in the local area.
Develop a programme of outreach activity which takes the Guild to students	773 student households were visited and information shared about managing their waste while living in the Selly Oak area. Over 11,500 attendees to the Guild's events for 'UoBE Festival' week in January 2022. 381 attendees to 'House Mate Finder' events, held across campus, helping 1 st year students find other to share accommodation with in the local area. Over 200 attendees to 'Dog Café' pet therapy events during the summer exam period, helping to reduce student's anxiety about upcoming academic assessments.

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Theme 2	Communication and Branding
<p>Communication & digital strategies implemented</p> <p>Deliver engaging and impactful communications that clearly focus on what the Guild is, who we are and what we do</p>	<p>Strong performance across new and established social media platforms, as well as fast growth on Tik Tok, with 52,000 views for one video.</p> <p>Steady growth for both central social media accounts and Officer team reach on comms channels.</p> <p>A significant increase in video content produced, with informative updates, Officer interviews and events announcements via the refreshed Guild YouTube channel.</p> <p>37% open rate for Guild email communications to students, significantly higher than the University's statistics.</p> <p>Over 435,000 unique visits to the Guild's website, up on 267,000 visits in 2020/21, viewing more than 4m website pages, up from 2.7m pages in 2020/21.</p> <p>In-person Welcome fairs returning to campus, with over 8,700 attendees in September 2021.</p>
Theme 3	Academic and Learning Experience
<p>Continue to ensure expertise in academic policy & lobby the University effectively to implement key changes in response to student feedback</p> <p>Improve the academic experience of students studying at Birmingham</p>	<p>The 'Student Voice Report', collating student feedback and aspirations for their courses and academic experience was shared with the University. Recommendations were adopted by the Guild's Student Reps and lobbied for across the course of the year. A number of recommendations have been adopted by the University, both at local and campus-wide levels.</p> <p>A strong performance in the University's NSS scores, rising between 2% - 9% across the question set. An improvement of 4% in Question 26, which assesses the role of the Guild in representing the academic interests of students at the University.</p> <p>949 Student Reps were part of the Guild's Student Rep System (SRS)</p>
Theme 4	Representing the Student Voice
<p>Support Officers to deliver 3 Priority Campaigns</p> <p>2,500 students annually engaging with democratic process</p> <p>Review and refocus representative and democratic mechanisms to ensure any</p>	<p>Two officer priority campaigns were delivered in 2021/22 (Black Voices & Change in Mind).</p> <p>The Spring Elections generated 6,003 voters for 88 candidates in March 2022, up from 60 candidates in 2021.</p> <p>14 'ideas' submitted during the year to the Member's Democratic Process.</p> <p>The second year of the new decision-making committees and All Student Meeting has been delivered successfully, with a further review of the Guild's democratic structures planned for the</p>

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<p>student can get involved</p> <p>Deliver focused campaigning activity which identifies and delivers priority campaigns based on students' feedback.</p>	<p>2022/23 academic year</p> <p>The Black Voices Priority Campaign delivered a strong programme of events and lobbying activity with a plan in place to transition to the third year, with a dedicated support member of staff leading the project, now embedded into the organisation.</p> <p>The 'Change in Mind' campaign led by the Officer Team, collected information of student's lived experience during the COVID-19 pandemic and the impact on their mental health. More than 250 'conversations' were held with students, and the resultant information shared with University colleagues.</p>
<p>Theme 5</p>	<p>Support (Mental Health and Financial Assistance)</p>
<p>80% of Students who say the Guild is a place I can get useful advice</p> <p>Support students in University accommodation with wellbeing and housing</p> <p>Have an intrinsic culture of support that ensures the Guild is the first point of contact for students needing help and advice.</p>	<p>80% of Student users are satisfied with the range of services offered by the Guild of Students.</p> <p>Over 900 bags of donated items were collected for the 'Junk-Busters' project, raising over £13,000 for the British Heart Foundation, in collaboration with the University's Sustainability team.</p> <p>Over 1,000kg of litter was collected by volunteer litter pickers at accommodation sites, around campus and in the local area.</p> <p>The Guild Hardship Fund was significantly increased providing grants to students in urgent need of financial assistance due to disruptions to housing and study from COVID-19 and the cost of living crisis.</p> <p>Circa 4,500 student trips on the 'Selly Express' free night-time bus from September 2021 – June 2022.</p>
<p>Other Key Achievements (2021/22 Academic Year)</p>	
<ul style="list-style-type: none"> • A significant return to 'as normal' activity across all departments following the removal of remaining COVID-19 restrictions in February 2022, including the return of Graduation Ball, Vale-Fest, UoBE Festival and Guild Awards events, the first of their kind since 2019. • A Welcome Week 2021 Programme was delivered, returning to in-person activities after the pandemic with over 8,700 attendees to welcome fair events and over 50,000 individual student engagements with Guild events throughout the week. • Transition to a new 'Staff Savvy' HR System has continued to be developed and expanded for student staff recruitment and integration with payroll. • Staff engagement and satisfaction remains high; when surveyed, 91% of staff felt proud to work for the organisation, and 92% say they feel positive towards their workplace. • An increase of BAME (Black, Asian & Minority Ethnic) applicants to core staff roles, up to 45%, from 39.5% in 2020/21. • Successful 'Grad Ball' and 'Vale-Fest' events, with a combined attendance of over 5,500 students, run for the first time since 2019. • A minimal 4.4% gender pay gap including 'all staff' within the organisation, and a negative gender pay gap of -15.5% within the permanent staff team only. 	

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Future Plans

The Guild has recently launched our new five-year strategy for 2022 – 2027 encompassing three main themes; Engagement and Participation, Representation, and Community and Support. The strategy aims to increase student engagement, participation and diversity within our activities, provide a culture of support that enables students to thrive, and ensure the Guild can effectively represent Birmingham students on the issues that matter the most. The strategy is supported by six critical enablers; namely Supportive Partnerships & Relationships, a Sound Financial Footing, People & Culture, Communications & Branding, Facilities and Investment in Infrastructure.

In the delivery of the strategy we will continue to strive to give students an excellent student experience at Birmingham, with a greater focus on how we support postgraduate and international students, as well as improving the quality of the undergraduate experience and services offered.

Financial Review

Income and Expenditure

For 2021/22, the Guild reports Net Income of £1.371m compared to Net Income of £421.6k in 2020/21. However, this result is significantly impacted by the annual adjustment to the estimated SUSS pension deficit which contributes £614.4k towards Net Income reported. For the 2022 year-end, the discount factor used to calculate the net present value of planned repayments to the pension scheme was revised from 1.24% used in July 2021 to 3.41%, generating a non-cash positive adjustment in the year. Net Income would have been £756.8k without the pension adjustment which is still a very favourable result.

Total Income increased by £2.336m (53%) from £4.404m in 2020/21 to £6.74m in 2021/22, with the previous year 2020/21 significantly impacted by COVID19 restrictions, affecting both trading and student groups' activities. However, the £6.74m total income achieved in 2021/22 is still greater than that achieved prior to COVID19, with 2017/18 and 2018/19 reporting total income of £6.066m and £6.419m respectively.

Grant income (donations) funding increased by £249.1k (8%) to £3.368m due to the stepped increase to block grant funding that has now been consolidated for future years, with growth also approved from 2022/23 onwards.

Income generated from charitable trading and subsidiary activities totalled £2.16m, representing a 420% increase compared to 2020/21 although the figure for 2021/22 is similar to that achieved in both 2017/18 and 2018/19. Income generated from 'Student Development & Employability' activities also follows a similar pattern with £825.1k achieved in 2021/22 compared to only £178.1k in 2020/21, a difference of £647.0k or 363%. Income achieved in this area for 2017/18 and 2018/19 was £705.1k and £793.3k respectively.

Total expenditure & charges increased by £1.386m (34.8%) from £3.983m in 2020/21 to £5.369m in 2021/22. However, this increase would have been higher if the credit of £614.4k annual SUSS pension adjustment had not reduced reported expenditure for 2021/22.

Similarly to the movement in Total Income between the two financial years, Total Expenditure reported for 2020/21 was much lower than normal due to the impact of COVID19 restrictions in place at that time. Gross Expenditure for 2021/22 demonstrates a return to expected levels of activity and operations.

As highlighted in note (8), Gross Expenditure reported for 'Student Development and Employability' activities increased by £905.1k (69.9%) to £2.2m, mainly driven by student groups' activities whilst Gross Expenditure reported for Charitable Trading increased by £901.4k (80.0%) to £2.028m, as trading was fully operational for the whole year in 2021/22. To a lesser extent, Gross Expenditure for

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'Student Advice, Support & Community' increased by £94.4k (16.8%) to £656.7k whilst 'Student Representation' costs increased by £64.3k (9.5%) to £742.8k.

The expenditure highlighted above take account of support cost allocations totalling £2.127m, as reported in note (9). This represents a £372.3k (21.2%) increase compared to £1.754m reported for 2020/21. The direct costs of all support areas increased compared to the previous year although the most notable change is for Facilities (buildings) that increased by £185.2k (32.8%) to £749.8k

Credits, charges and transfers to both the unrestricted, restricted and designated reserves are reported in greater detail below in the Reserves Policy section and also in notes (22), (23) and (24).

Fixed Assets

As highlighted in note (14), the net book value of 'Total Fixed Assets' decreased by £47.4k to £213.7k. Capital investment was limited during the financial year with new purchases totalling £64.5k (2021: £19.6k) whilst depreciation charges amounted to £111.9k (2021: £139.7k). Sundry central building works totalling £18.0k were incurred in 2021/22 (2021: Nil) whilst equipment purchases totalled £46.5k compared to £19.6k in 2020/21. Equipment purchases comprised of General IT hardware, security body cameras and audio equipment.

Net Current Assets & Cash-Flow

Total Net Current Assets increased by £508.1k from £2.124m brought forward to £2.632m for 2021/22. This movement consisted of an increase to current assets by £840.8k and an increase to creditors due within one year by £332.7k.

As reported within the Statement of Cash Flows on page 21, total cash balances increased by £1.389m across the year to £3.282m held at year-end, whilst debtor and stock balances decreased by net £547.9k. The Guild reported a significant 'accrued income' balance at the previous 2020/21 year-end, and the majority of this was cleared during the early part of 2021/22.

Within the cash balances of £3.282m held at year-end, it is important to highlight that £567.4k (2021: £501.3k) consisted of student group balances, including £374.0k Guild societies and sports clubs, £139.7k Medsoc funds and £53.7k University sports club custodian funds. The latter custodian funds are reported as creditors to the Guild whilst the Guild's student groups are reported as designated funds (see note (24)).

Creditors due within one year have increased by £332.7k to £1.157m at 31 July 2022 compared to the previous year. This mainly consists of an increase to 'trade creditors' by £137.4k and an increase to accruals by £130.9k, reporting a combined increase of £268.3k. All other shorter term creditor balances increased by a combined £64.4k.

Further detail regarding movements to stock, debtor and creditor balances is reported in notes (16), (17) and (19).

Provision for Liabilities and Net Liabilities

Since 2015/16 (and restated for 2014/15), the Guild has been required to adopt Financial Reporting Standard 102 (FRS102). Under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a liability discounted to net present value.

As highlighted in note (21), during the year the total liability provision is estimated to have decreased by £892.1k from £5.047m recorded as at 31 July 2021 to £4.155m calculated as at 31 July 2022. The £4.155m liability is split between creditors falling due within one year (£296.1k) and the longer term provision (£3.859m).

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The £892.1k estimated decrease arises from repayments within the year totalling £277.7k and a £614.4k credit adjustment arising from a significant improvement to the discount factor assumption used to calculate the net present value of the liability. For 2020/21, the Guild applied a discount factor of 1.24% and this has been increased to 3.41% for 2021/22. The revised discount factor better reflects current market conditions forecast for investments over the next thirteen year period.

Custodian Funds

University of Birmingham Sports Clubs who hold a 'social' account with the Guild are classified as Custodian Funds held on behalf of University of Birmingham and are treated as Creditors. At year-end, the closing balance of funds held on behalf of AU Sports Clubs was £50.9k compared to a closing balance of £57.2k held at the end of 2020/21, a decrease of £6.3k.

Guild Services Ltd

As highlighted in note (15), Guild Services Ltd is a wholly owned trading subsidiary of the parent charity, University of Birmingham Guild of Students. Guild Services Ltd engages in trading activities not directly associated with the charitable objects of the parent charity for the purposes of generating income that is donated back to the parent charity to fund charitable activities. During the year, Guild Services Ltd engaged in marketing and sponsorship activities including activities linked to the Birmingham 2022 Commonwealth Games.

For 2021/22, Guild Services Ltd generated income of £125.7k (2021: £60.5k) and incurred costs of £88.6k (2021: £62.4k). At 31 July 2022, a gift-aid payment of £37.1k (2021: Nil) is due to be made from Guild Services Ltd to University of Birmingham Guild of Students.

Future Finances

The budget for 2022/23 financial year was approved by the Guild's Trustee Board in February 2022. This reports Net Income of £409.3k for the year. After allocating budgeted expenditure and charges to both restricted and designated reserves of £14.0k, and accounting for pension deficit repayments of £296.1k, free unrestricted reserves are budgeted to increase by £127.2k.

During 2021/22 the Guild successfully agreed a longer term funding position with University of Birmingham securing improved grant funding for the five year period 2022/23 to 2026/27. This agreement consolidated the temporary increases awarded during 2020/21 and 2021/22, with a further increase of £549.1k in 2022/23 compared to 2021/22. The annual block grant for 2022/23 will be £3.54m and this will also be supplemented by estimated additional funding of £896.7k to fund Student Mentors, Community Wardens and Hall Reps activities. Further growth is incorporated into the block grant to 2026/27.

The 2022/23 budget assumes a relatively prudent trading position although 2021/22 did exceed expectations. This position will be reviewed midway through the first semester and reforecast accordingly. In addition, the budget assumes an increase to core staff levels in line with increased funding to ensure the Guild's new key performance targets are achieved to deliver the new strategic plan.

The Guild has budgeted for capital expenditure purchases of £180.0k and a marginal net increase to cash balances of £132.0k.

During the financial review finalised in 2021/22, the Guild updated its financial five year plan/forecast and this will be further reviewed during 2022/23, following the positive performance in 2021/22 but more importantly cost of living and energy price increases/pressures currently experienced globally.

Work during 2022/23 will also consider the outcome of the next SUSS actuarial revaluation which is currently being prepared with a valuation date as at June 2022 that will most likely be communicated to member Students' Unions in early 2023. As part of this work, the Guild aim to engage in

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discussions with University with regard to the longer term estimated pension liability to find the most economical solution to discharging the liability.

Investment Policy

In accordance with the Guild's Investment Policy, the primary objective is to continue to invest surplus cash to best advantage with minimum risk, although it is anticipated that the Guild will be able to generate greater returns in future years through implementation of the policy. During the year, the Guild has taken a prudent stance, with funds being deposited with high street banks. Investment returns in the year reflect the stated policy.

Remuneration Policy

In 2017/18, the pay-scale was reviewed and recalibrated reducing pay-points from five points to four points for each grade on the scale. The lower-end of the scale was also corrected to take account of erosion of the Guild pay-scale arising from national statutory increases to minimum wage increasing at a faster rate than annual cost of living/inflationary increases applied by the Guild. The pay-scale was introduced from the start of 2018/19 and has been adjusted annually by approved cost of living increases for the four years 2019/20 to 2022/23.

Annual cost of living/inflationary increases are applied to the scale after taking account of general economic conditions, funding, affordability and benchmarking against similar organisations. The Guild applied increases ranging from 1.75% to 2.16% for 2021/22 and has applied increases ranging from 3.0% to 6.0% for next financial year 2022/23. The adjustments for 2022/23 have been increased due to the well-publicised 'cost of living crisis' currently experienced within the UK.

The Guild operates the Local Authority Employers Job Evaluation scheme. All new posts are evaluated prior to recruitment and all current job roles are also evaluated periodically either as they become vacant or when variations to responsibility levels are made to roles. The Board commissioned an external consultant to undertake a benchmark review using Job Evaluation of the CEO's remuneration during 2017/18 and the report was subsequently approved by HR Committee.

In addition, staff are able to increment within a pay-scale grade on an annual basis in line with standard organisational policies and subject to outcomes measured in an employee's annual Development & Performance Review. The full-time Officer Team elected annually are paid against a specific pay-scale grade/point.

With reference to student staff positions, the basic hourly rate of pay currently tracks against National Minimum Wage (21 – 22 year old rate) for all student staff under 23 years old. Student staff aged 23 and older are paid the National Living Wage. The Guild also pays an enhanced hourly rate for senior assistants. Student staff hourly rates of pay are adjusted in April each year in line with government announcements whilst core staff pay-scales are linked to the financial year.

In April 2022, the National Minimum Wage (21-22 age rate) increased by 9.74% and an equivalent increase was also applied to the Guild's enhanced senior assistant rate. The National Living Wage increased by 6.65%.

During 2022/23, the Guild will be conducting a full review of pay for both student staff and permanent staff including non-pay benefits to ensure the Guild can remain competitive as an employer.

Going Concern

The trustees believe the charity and group remain in a position to continue operating and have the capacity to meet all liabilities as they fall due. The Balance Sheet reports Net Liabilities of £1.014m as at 31st July 2022 although this is due to a pension deficit liability, payable over a thirteen year period to 31st August 2035. The Guild benefits from significant annual grant funding from University of Birmingham and this funding is reviewed regularly, with a recent five year funding agreement in place for

University of Birmingham Guild of Students

REPORT OF THE TRUSTEE BOARD

the period 2022/23 – 2026/27. A more detailed statement regarding the Guild's Going Concern status is reported within the Accounting Policies section on page 22.

Reserves Policy

At 31 July 2022, the Guild's free reserves (being general funds excluding that represented by fixed assets and the longer term SUSS pension deficit) stood at £1.237m (2021: £889.3k). After taking account of general funds including fixed assets, but excluding the longer term SUSS pension deficit, total unrestricted reserves stood at £1.444m (2021: £1.137m) (as shown in note (25)). This is in line with the minimum £1m unrestricted funds target reported within the Guild's current Reserves Policy.

For 2021/22, the Guild has designated £91.7k to the IT Strategy Fund to support future revenue costs that will arise as the Guild's IT infrastructure and support is fully transitioned to University IT Services. In addition, University of Birmingham has set aside a capital budget of £1.7m to deliver the transition.

Historical designated reserves held to fund the IT Strategy implementation costs are eroded as assets are depreciated. By 31 July 2022, the Guild had completed implementation of the original IT Strategy with assets continuing to depreciate, whilst further investment is planned from the reserve during 2021/22.

The designated reserve for the next significant building project (£550k) remains unchanged for 2021/22. It is anticipated that a future project will not commence until at least 2023 whilst the Guild and University work in partnership to upgrade the IT infrastructure.

As a result of recognition of the Guild's SUSS pension deficit arising from FRS102 implementation in 2015/16, a negative unrestricted pension fund balance of £4.155m is recognised as at 31 July 22. Refer to the accounting policies section and note (21).

Auditors

Dains Audit Limited has indicated its willingness to continue in office and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Statement as to Disclosure of Information to Auditors

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

Small Company Provisions

The report of the Trustee Board has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by Part 15 and Section 414B(b) of the Companies Act 2006.

On behalf of the Trustee Board



Robert Smeath
Chair of Trustee Board

Date: 31st October 2022

University of Birmingham Guild of Students

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of University of Birmingham Guild of Students for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 (October 2018), '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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that 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 the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also 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 legislation in other jurisdictions.

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

Opinion

We have audited the financial statements of University of Birmingham Guild of Students (the 'Parent Charity') and its subsidiary (the 'Group') for the year ended 31 July 2022, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Charity's affairs as at 31 July 2022 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

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.

Opinion 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 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 Group and the Parent Charity 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 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, 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 director's 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, 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 and Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and Parent Charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and Parent Charity, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and Parent Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Group and Parent Charity's legal advisors.

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

University of Birmingham Guild of Students

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF BIRMINGHAM GUILD OF STUDENTS

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

Other matters

The financial statements of the Group and Parent Charity for the year ended 31 July 2021 were audited by Mazars LLP who expressed an unmodified opinion on these financial statements on 15 November 2021.

Use of our report

This report is made solely to the Group and Parent Charity'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 charity'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 charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Gurney FCCA (Senior Statutory Auditor)

For and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

Date: 31 October 2022

University of Birmingham Guild of Students

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

For the year ended 31 July 2022

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME						
Donations	2	3,009,734	-	358,102	3,367,836	3,118,713
Income from charitable activities	3	2,041,481	810,541	390,780	3,242,802	861,417
Income from other trading activities	4	125,678	-	-	125,678	60,483
Investment income	5	3,851	-	-	3,851	5,901
Other Income	6	-	-	-	-	357,753
TOTAL INCOME		5,180,744	810,541	748,882	6,740,167	4,404,267
EXPENDITURE						
Expenditure on raising funds	7	194,923	-	487	195,410	175,429
Expenditure on charitable activities	8	4,296,910	766,957	724,121	5,787,988	3,818,402
Pension Deficit credit	21	(614,354)	-	-	(614,354)	(11,159)
TOTAL EXPENDITURE		3,877,479	766,957	724,608	5,369,044	3,982,672
NET INCOME/ (EXPENDITURE)		1,303,265	43,584	24,274	1,371,123	421,595
Transfers between funds	22-24	(85,876)	85,876	-	-	-
NET MOVEMENT IN FUNDS		1,217,389	129,460	24,274	1,371,123	421,595
Reconciliation of Funds						
Funds bought forward as originally stated		(3,632,817)	1,108,147	139,854	(2,384,816)	(2,581,663)
Prior Year Adjustment		-	-	-	-	(224,748)
Adjusted funds bought forward		(3,632,817)	1,108,147	139,854	(2,384,816)	(2,806,411)
TOTAL FUNDS CARRIED FORWARD		(2,415,428)	1,237,607	164,128	(1,013,693)	(2,384,816)

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

The Consolidated Statement of Financial Activities (including income and expenditure account) for the year ended 31 July 2021 is reported in note (1).

The accounting policies and notes on pages 22 to 46 form an integral part of these financial statements.

University of Birmingham Guild of Students

CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 31 July 2022

Company registration number: 06638759

		Group		Guild	
	Note	2022 £	2021 £	2022 £	2021 £
FIXED ASSETS					
Tangible assets	14	213,664	261,071	213,664	261,071
Investments	15	-	-	25,000	25,000
		<u>213,664</u>	<u>261,071</u>	<u>238,664</u>	<u>286,071</u>
CURRENT ASSETS					
Stocks	16	38,517	16,680	38,517	16,680
Debtors	17	468,328	1,038,053	525,396	1,064,887
Investments	18	928,872	928,251	928,872	928,251
Cash at bank and in hand		2,353,020	964,958	2,213,960	860,819
		<u>3,788,737</u>	<u>2,947,942</u>	<u>3,706,745</u>	<u>2,870,637</u>
CREDITORS: Amounts falling due within one year	19	<u>(1,157,075)</u>	<u>(824,396)</u>	<u>(1,149,228)</u>	<u>(821,336)</u>
NET CURRENT ASSETS		<u>2,631,662</u>	<u>2,123,546</u>	<u>2,557,517</u>	<u>2,123,401</u>
Provisions for Liabilities: SUSS Pension Deficit	21	(3,859,019)	(4,769,433)	(3,859,019)	(4,769,433)
NET LIABILITIES	25	<u>(1,013,693)</u>	<u>(2,384,816)</u>	<u>(1,062,838)</u>	<u>(2,433,961)</u>
FUNDS					
Restricted funds	23	164,128	139,854	164,128	139,854
- Unrestricted - General	22	1,739,651	1,414,340	1,690,506	1,365,195
- Unrestricted - Pension	21/22	(4,155,079)	(5,047,157)	(4,155,079)	(5,047,157)
- Designated	24	1,237,607	1,108,147	1,237,607	1,108,147
		<u>(1,013,693)</u>	<u>(2,384,816)</u>	<u>(1,062,838)</u>	<u>(2,433,961)</u>

The financial statements were approved by the Trustee Board and authorised for issue on 31st October 2022 and signed on their behalf by:

These accounts are prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. Net Income for the parent company for the year 2021/22 is £1,371,123 (2020/21: £421,595).



Robert Smeath
Chair of Trustee Board

The accounting policies and notes on pages 22 to 46 form an integral part of these financial statements.

University of Birmingham Guild of Students
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 July 2022

	2022 £	2021 £
Net cash generated from/(used in) operating activities	1,449,373	(621,684)
Cash flows from investing activities		
Interest received	3,851	5,901
Purchase of tangible fixed assets	(64,541)	(19,602)
Net cash used in investing activities	(60,690)	(13,701)
Net Increase/(decrease) in cash & cash equivalents in the year	1,388,683	(635,385)
Cash & cash equivalent at the beginning of the year	1,893,209	2,528,594
Total cash & cash equivalents at the end of the year	3,281,892	1,893,209

Reconciliation of net movement in funds (operating surplus) to net cash generated from/(used in) operating activities	2022 £	2021 £
Operating Surplus	1,371,123	421,595
Depreciation	111,948	139,682
Interest received	(3,851)	(5,901)
(Increase)/Decrease in stocks	(21,837)	22,389
Decrease/(Increase) in debtors	569,725	(606,483)
(Decrease) in creditors & pension liability provision	(577,735)	(592,966)
Net cash generated from/(used in) operating activities	1,449,373	(621,684)

Analysis of changes in net funds	At 1 August 2021 £	Cash flow £	At 31 July 2022 £
Short term investment	928,251	621	928,872
Cash in hand and at bank	964,958	1,388,062	2,353,020
	<u>1,893,209</u>	<u>1,388,683</u>	<u>3,281,892</u>

The cash balance of £3.282m includes £567.4k (2021: £501.3k) cash relating to student groups consisting of £374.0k Guild societies and sports clubs, £139.7k Medsoc funds and £53.7k University sports club custodian funds (see notes (19), (23) and (24)).

University of Birmingham Guild of Students

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

University of Birmingham Guild of Students meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

JUDGEMENTS AND ESTIMATIONS

Management has not made any significant judgements and estimations in the process of applying the accounting policies except for the revised estimation of the SUSS pension liability as detailed below within accounting policies (pensions) and within note (21).

Pension deficit estimations included within the 2021/22 financial statements are based upon the latest information available following the actuarial revaluation conducted as at 30 June 2019 and communicated to the Guild in May 2020. SUSS Trustees are currently in the process of completing the next actuarial revaluation as at 30 June 2022 and this will likely be communicated to the Guild of Students in early 2023.

FINANCIAL INSTRUMENTS

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

GOING CONCERN

Since 2015/16 (and restated for 2014/15), the Guild has been required to report estimated future repayments into the SUSS pension deficit discounted to a net present value. This resulted in the Guild reporting a net liability position within the Balance Sheet of £2.385m brought forward as at 1 August 2021. For 2021/22, the Guild reports Net Income of £1.371m reducing the Balance Sheet net liability position to £1.014m as at 31 July 2022.

However, the SUSS pension liability is repayable on an incremental basis over a thirteen year period to 31 August 2035 and there is no reason to believe the Guild cannot meet its annual commitments to repay the liability. Actuarial revaluations will take place every three years and the pension deficit will decrease as the Guild makes payments up to August 2035.

The trustees have prepared detailed budgetary and cash flow information for the financial year 2022/23 and robust financial & cash flow forecasts are also prepared for the five year period to 31 July 2027. This enables trustees to plan effectively for financial issues and capital investments during the planning period and this is reviewed, updated and extended by one year annually. In addition, the Guild regularly reviews actual financial performance against budgeted performance and makes decisions regularly to manage the position.

The Guild benefits from significant annual grant funding from University of Birmingham and this funding is reviewed regularly by both Guild and University representatives. During the financial year, the Guild and University approved a five year funding agreement for the period 2022/23 – 2026/27 following a detailed review process conducted during 2019/20 and 2020/21. This has resulted in an increase to block grant funding over the next five year period to 2026/27.

The block grant for 2022/23 is budgeted to be £3.54m, representing an increase of £549.1k compared to 2021/22 and this will also grow incrementally each year to 2026/27. This excludes additional funding

University of Birmingham Guild of Students

ACCOUNTING POLICIES

receivable to deliver core services such as the Student Mentor Scheme, Wardens Scheme and Hall Reps. The trustees have no reason to believe that at least equivalent level of funding will not continue in future years.

Furthermore, the Guild currently benefits from significant cash resources of £3.282m contributing to total current assets of £3.789m as at 31 July 2022 and much lower short term creditors of £1.157m. This enables the Guild to report net current assets of £2.632m as at 31 July 2022.

The Guild is actively trying to manage the economic difficulties arising from the current 'cost of living' crisis to minimise the negative financial impact as best possible. The Guild will continue to monitor value for money and review opportunities to make efficiency savings, as well as a commitment to undertake a pay review during 2022/23. The Guild has also factored in a reduction to trading contributions for 2022/23 into financial forecasts.

On the basis of this information, the trustees believe the charity and group remain in a position to continue operating and have the capacity to meet all liabilities as they fall due.

BASIS OF CONSOLIDATION

The financial statements consolidate the results, assets and liabilities of the University of Birmingham Guild of Students and trading subsidiary, Guild Services Limited on a line by line basis. The University of Birmingham Guild of Students is the sole Corporate Director of Guild Services Limited and all shares are owned by the Company Limited by Guarantee. In accordance with FRS102 – Consolidated and separate financial statements – Guild Services Limited is considered to be under the control of the Guild. In addition, advantage has been taken of the FRS102 exemption from disclosure of certain intra group transactions.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and the SORP.

FIXED ASSETS and DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing below £500 are not capitalised.

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:-

Central and building services	- over 2 to 10 years
Equipment	- over 2 to 5 years

'Central/building services' capital investment and depreciation only relates to refurbishments works undertaken within the building, and do not include the physical building which is owned by University of Birmingham and leased to the Guild.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow moving items. Stock is recognised on a first in, first out basis.

INCOME

The Guild receives donations in the form of a block grant from the University and this is credited to the financial statements in respect of the period to which each grant relates.

University of Birmingham Guild of Students

ACCOUNTING POLICIES

Donations including grants receivable and other voluntary income are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from the sale of goods is recognised within income from charitable activities when all of the following conditions are satisfied:

- the Guild has transferred the significant risks and rewards of ownership to the buyer;
- the Guild retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Guild will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions or relates to primary purpose charitable trading. Such income is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from other trading activities relates to the sale of marketing services and franchise agreements and is recognised in the period the activities relate to on a receivable basis.

Investment income is recognised on a receivable basis.

All income arose within the United Kingdom.

EXPENDITURE

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Expenditure on raising funds are those costs incurred in attracting donations, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with student representation, student advice, support and community, student development and employability and charitable trading and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources (see note (8) for further details).

LEASED ASSETS

All leases are operating leases and the annual rentals are charged to expenditure on a straight line basis over the lease term.

PENSION COSTS

The Guild participates in the Students' Union Superannuation Scheme (SUSS), 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.

Whilst the scheme operates as a pooled arrangement, under FRS102, a contractual agreement under a multi-employer defined benefit pension scheme to fund a past deficit should be accrued for as a

University of Birmingham Guild of Students

ACCOUNTING POLICIES

liability discounted to net present value. As at 31 July 2022, the liability to the Guild was calculated as amounting to £4,155,079 (2021: £5,047,157).

The Guild also participates in both the National Union of Students Pension Scheme (NUSPS) and government NEST scheme. Both NUSPS and NEST are defined contribution schemes and are accounted for under the terms of FRS102 based upon actual contributions paid during the year.

INVESTMENTS

Investments are stated at the original investment value. The Trustee Board value the 100% shareholding in the trading subsidiary, at its original investment value. Short term investments relate to money market investments.

FUNDS STRUCTURE

The Guild has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The Trustees intend to use part of the unrestricted funds to finance building refurbishment plans and have set up a designated fund to reflect this.

TAXATION

The University of Birmingham Guild of Students is a registered charity and is exempt from incurring taxation on its charitable activities.

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

1 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDING 31 JULY 2021

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2021 £
INCOME					
Donations	2	2,880,491	-	238,222	3,118,713
Income from charitable activities	3	356,961	178,034	326,422	861,417
Income from other trading activities	4	60,483	-	-	60,483
Investment income	5	5,901	-	-	5,901
Other Income	6	357,753	-	-	357,753
TOTAL INCOME		3,661,589	178,034	564,644	4,404,267
EXPENDITURE					
Expenditure on raising funds	7	175,429	-	-	175,429
Expenditure on charitable activities	8	3,097,340	185,559	535,503	3,818,402
Pension Deficit credit		(11,159)	-	-	(11,159)
TOTAL EXPENDITURE		3,261,610	185,559	535,503	3,982,672
NET INCOME/ (EXPENDITURE)		399,979	(7,525)	29,141	421,595
Transfers between funds		(12,863)	(8,833)	21,696	-
NET MOVEMENT IN FUNDS		387,116	(16,358)	50,837	421,595

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

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

2 DONATIONS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Grants receivable					
University					
- Block grant	2,727,004	-	-	2,727,004	2,571,814
- Other	282,730	-	-	282,730	312,349
- Hall Reps	-	-	358,102	358,102	234,550
	<u>3,009,734</u>	<u>-</u>	<u>358,102</u>	<u>3,367,836</u>	<u>3,118,713</u>
	<u><u>3,009,734</u></u>	<u><u>-</u></u>	<u><u>358,102</u></u>	<u><u>3,367,836</u></u>	<u><u>3,118,713</u></u>
3 INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Student Representation	938	-	-	938	2,228
Student Advice, Support & Community	-	-	382,430	382,430	326,422
Student Development & Employability (Incl. Student Groups)	6,238	810,541	8,350	825,129	178,084
Charitable Trading	2,034,305	-	-	2,034,305	354,683
	<u>2,041,481</u>	<u>810,541</u>	<u>390,780</u>	<u>3,242,802</u>	<u>861,417</u>
	<u><u>2,041,481</u></u>	<u><u>810,541</u></u>	<u><u>390,780</u></u>	<u><u>3,242,802</u></u>	<u><u>861,417</u></u>
4 INCOME FROM OTHER TRADING ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
External trading income	125,678	-	-	125,678	60,483
	<u>125,678</u>	<u>-</u>	<u>-</u>	<u>125,678</u>	<u>60,483</u>
	<u><u>125,678</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>125,678</u></u>	<u><u>60,483</u></u>

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

5 INVESTMENT INCOME	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Bank interest receivable	3,851	-	-	3,851	5,901
	<u>3,851</u>	<u>-</u>	<u>-</u>	<u>3,851</u>	<u>5,901</u>
6 OTHER INCOME	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
CJRS Government Grant	-	-	-	-	307,753
Insurance Claim	-	-	-	-	50,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,753</u>
7 EXPENDITURE ON RAISING FUNDS	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
External trading costs	25,398	-	-	25,398	48,315
	<u>25,398</u>	<u>-</u>	<u>-</u>	<u>25,398</u>	<u>48,315</u>
Support Costs (Note 9)	169,525	-	487	170,012	127,114
	<u>194,923</u>	<u>-</u>	<u>487</u>	<u>195,410</u>	<u>175,429</u>

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

8 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Student Representation:					
Direct costs					
Officer Team	227,150	-	-	227,150	214,400
Student Voice	210,160	-	-	210,160	179,246
Support costs (note 9)	305,103	-	340	305,443	284,790
	<u>742,413</u>	<u>-</u>	<u>340</u>	<u>742,753</u>	<u>678,436</u>
Student Advice, Support & Community:					
Direct costs					
Advice	96,770	-	-	96,770	88,672
Not On Ambassadors	11,032	-	-	11,032	5,107
Mentor Scheme	-	-	228,624	228,624	170,696
Community Wardens	-	-	89,542	89,542	81,976
Vale Fireworks	-	-	-	-	-
Support costs (note 9)	178,033	-	52,696	230,729	215,863
	<u>285,835</u>	<u>-</u>	<u>370,862</u>	<u>656,697</u>	<u>562,314</u>
Student Development & Employability:					
Direct costs					
Student Groups Dept, Hall Reps & Student Groups Job, Skills & Volunteering & Medsoc Support	351,245	766,957	294,501	1,412,703	624,667
	-	-	-	-	28,319
Support costs (note 9)	729,356	-	57,749	787,105	641,679
	<u>1,080,601</u>	<u>766,957</u>	<u>352,250</u>	<u>2,199,808</u>	<u>1,294,665</u>
Charitable trading:					
Direct costs	1,531,446	-	-	1,531,446	773,869
Support costs (note 9)	495,750	-	663	496,413	352,594
	<u>2,027,196</u>	<u>-</u>	<u>663</u>	<u>2,027,859</u>	<u>1,126,463</u>

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

8 EXPENDITURE ON CHARITABLE ACTIVITIES – RESTATED (CONTINUED)	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Governance Costs					
Audit Fees	10,000	-	-	10,000	10,650
Legal/Professional Fees	5,122	-	-	5,122	5,929
Other direct costs	8,872	-	-	8,872	7,675
Support costs (note 9)	136,871	-	6	136,877	132,270
	<u>160,865</u>	<u>-</u>	<u>6</u>	<u>160,871</u>	<u>156,524</u>
Total Expenditure on Charitable Activities	<u>4,296,910</u>	<u>766,957</u>	<u>724,121</u>	<u>5,787,988</u>	<u>3,818,402</u>

University of Birmingham Guild of Students
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2022

9	SUPPORT COSTS	EXPENDITURE ON CHARITABLE ACTIVITIES									
		EXPENDITURE ON RAISING FUNDS		Fundraising Trading	Student Representation	Student Advice, Support & Community	Student Development & Employability	Charitable Trading	Governance	Total 2022	Total 2021
		£	£	£	£	£	£	£	£	£	£
	HR, Administration & Reception	120	2,520	42,468	47,496	88,794	57,077	32,791	271,266	214,565	
	Finance Department	-	5,230	11,399	21,027	77,924	92,745	28,514	236,839	167,396	
	Professional/Legal costs	-	3,863	13,054	27,343	71,009	68,495	2,518	186,282	172,670	
	Communications, Marketing, IT	-	1,409	78,894	79,246	148,983	47,900	14,088	370,520	328,678	
	Facilities/Buildings costs	123,684	8,185	92,078	27,097	317,055	179,844	1,847	749,790	564,588	
	Senior Management costs	6,319	18,682	67,550	28,520	83,340	50,352	57,119	311,882	306,413	
		130,123	39,889	305,443	230,729	787,105	496,413	136,877	2,126,579	1,754,310	

Support costs are allocated on the following bases:

- HR, Administration and Reception – based upon number of employees associated with each activity.
- Finance Department – based on total transaction values for each activity.
- Professional/Legal costs – based on total transaction values for each activity.
- Communications, Marketing & IT – based on number of items of equipment requiring support and number of promotional campaigns conducted.
- Facilities/Building costs – based on space occupied.
- Senior Management Costs – based on proportion of time spent.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

10 REMUNERATION OF SABBATICAL OFFICERS

Gross salary payments and employer pension contributions made during the year to Sabbatical Officers totalled £161.2k in 2021/22 compared to £156.7k in 2020/21. The breakdown is as follows:

	2022 £	2021 £
Sabbatical Officers - Trustee status		
Gross salary payments	158,716	153,959
Employers pension costs	2,524	2,716
	<u>161,240</u>	<u>156,675</u>
Total Sabbatical Officer Remuneration	161,240	156,675
Other Trustee Remuneration (Student Staff)	2,413	-
	<u>163,653</u>	<u>156,675</u>
Total Trustee Remuneration	163,653	156,675

The trustee status of the Sabbatical Officer teams has varied in recent years as follows:

	Trustee	Non-Trustee
2017/18 Sabbatical Officer Team	7	1
2018/19 Sabbatical Officer Team	6	1
2019/20 Sabbatical Officer Team	7	-
2020/21 Sabbatical Officer Team	7	-
2021/22 Sabbatical Officer Team	7	-
2022/23 Sabbatical Officer Team	7	-

During the financial year, the 2021/22 Sabbatical Officer Team were in post for the period 1 August 2021 – 15 July 2022. The 2022/23 Sabbatical Officer Team started their induction on 27 June 2022 and formally took office from 18 July 2022.

In 2021/22 financial year, the following trustees received remuneration:

2021/22 Team – M Brown, WL Chen, G Christian, J Conway, D Murinas, A Simms & J Singh.
2022/23 Team – A Matthews, V Chigariro, F Craddock, R Isaacs Smith, I Lawson, T Liu & B Lockley.

In 2020/21 financial year, the following trustees received remuneration:

2020/21 Team – T Adeyemi, WL Chen, R Cutler, R Hegarty, C Minter, A Raphael & J Singh.
2021/22 Team – M Brown, WL Chen, G Christian, J Conway, D Murinas, A Simms & J Singh.

For 2021/22, one Student Trustee (Miss Serabi Opiyo) also worked part-time as a member of the Guild's student staff team. This cost is also reflected above.

No remuneration was paid to any other trustees.

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

11 TRUSTEE BOARD AND SABBATICAL OFFICER TEAM PERSONAL EXPENSES

One external member of the Guild's Trustee Board was reimbursed for travel, totalling £465 within the year (2021 – Nil claims). For 2021/22, this expenditure is reported within Governance Costs, shown in note (8).

In addition, the 2021/22 Sabbatical Officer Team were reimbursed a total of £1,267 (2021: £314) in respect of personal travel and subsistence expenses, in accordance with their role as elected Sabbatical Officers.

Similarly, six 2022/23 Sabbatical Officer trustees were reimbursed £292 (2021: £78 – 3 Officers) as part of the election process and during office towards the end of the financial year. These costs are included within the total costs of Student Representation and are recorded within the costs of charitable activities in note (8).

For 2021/22, a number of external trustees did not claim travel expenses to attend board meetings and personally chose to waive their expenses. The value of these expenses are unknown. During 2021/22, all sub-committee meetings were conducted online. For 2020/21, all board and sub-committee meetings were conducted online due to the pandemic.

The Guild of Students also incurred costs of £5,152 (2021: also £5,152) within the year relating to Professional Indemnity insurance cover of £5m (2021: also £5m). This policy included cover for the trustees, directors, officers, employees, student group committee members as well as other volunteers associated with Guild activities. A proportion of this cost has been allocated as a Governance Cost, reported in note (8).

12 STAFF COSTS

	2022 Number	2021 Number
The average weekly number of persons employed, excluding the Officer Team and Trustee Board shown in notes (9) and (10), during the year was as follows:		
Permanent Staff (average / full time equivalent)	72 / 67	69 / 65
Student Staff (average / full time equivalent)	273 / 40	182 / 22
	<u>345 / 107</u>	<u>251 / 87</u>

	2022 £	2021 £
The aggregate payroll costs of these persons were as follows:		
Wages & Salaries	2,559,170	2,077,704
Social security costs	180,152	161,429
Pension costs – contributions within year	70,776	66,243
Pension deficit - credit	(614,354)	(11,159)
	<u>2,195,744</u>	<u>2,294,217</u>

University of Birmingham Guild of Students
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2022

The following number of employees received remuneration above £60,000 within the year:	2022 Number	2021 Number
£60,000 - £69,999	-	-
£70,000 - £79,999	-	-
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
	<hr/>	<hr/>
	1	1
	<hr/> <hr/>	<hr/> <hr/>

Key management personnel are considered to be the Guild's Senior Management Team reported on page 2. This consists of the Chief Executive, three Director positions and Head of Finance. Gross salary costs including employer pension contributions totalled £327.2k for 2021/22, compared to £322.4k for 2020/21.

During 2021/22, the Guild accounted for a termination payment totalling £14,856 to one employee (2021 – nil/no employees). Statutory payments totalled £14,856 (2021 - nil) whilst non-statutory payments were nil for both 2021/22 and 2020/21.

13	NET MOVEMENT IN FUNDS	2022 £	2021 £
	Is stated after charging:		
	Auditors remuneration:		
	- audit services	10,000	10,650
	- other services	2,950	3,080
		<hr/>	<hr/>
		12,950	13,730
		<hr/> <hr/>	<hr/> <hr/>
	Depreciation:		
	- owned assets	111,948	139,682
		<hr/> <hr/>	<hr/> <hr/>
	Operating lease rentals:		
	- plant and machinery	10,900	5,071
	- land and buildings	133,446	133,445
		<hr/>	<hr/>
		144,346	138,516
		<hr/> <hr/>	<hr/> <hr/>

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

14 TANGIBLE FIXED ASSETS	Central Building Refurbs £	Equipment £	Total £
GROUP & GUILD			
Cost:			
At 1 August 2021	2,628,698	1,676,672	4,305,370
Additions	18,061	46,480	64,541
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2022	2,646,759	1,723,152	4,369,911
Depreciation:			
At 1 August 2021	2,442,806	1,601,493	4,044,299
Charge for the year	70,275	41,673	111,948
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 July 2022	2,513,081	1,643,166	4,156,247
Net book value:			
At 31 July 2022	133,678	79,986	213,664
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 July 2021	185,892	75,179	261,071
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

15	INVESTMENTS	Group £	Guild £
	Cost:		
	At 1 August 2021	-	25,000
		-----	-----
	At 31 July 2022	-	25,000
		=====	=====
	Net book value:		
	At 1 August 2021	-	25,000
		-----	-----
	At 31 July 2022	-	25,000
		=====	=====

An analysis of the above investments is set out below. At 31 July 2022 the Guild held investments in the following companies which are incorporated in the United Kingdom:

Name of Company	Main Trading Activity	Equity Held
Guild Services Limited	Provision of external marketing services	100%

The registered address of Guild Services Ltd is C/O Guild of Students, Edgbaston Park Road, Birmingham, B15 2TU.

UNLISTED INVESTMENTS	Unlisted investments £	Investment in subsidiary £	Total £
Cost			
At 1 August 2021	-	25,000	25,000
	-----	-----	-----
At 31 July 2022	-	25,000	25,000
	=====	=====	=====
Net book value			
At 1 August 2021	-	25,000	25,000
	-----	-----	-----
At 31 July 2022	-	25,000	25,000
	=====	=====	=====

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

15 **INVESTMENTS (continued)**

The results and assets of Guild Services Limited are as follows:

	2022 £	2021 £
Turnover	125,678	60,483
Operating (loss)/profit	37,128	(1,888)
Interest receivable	-	-
Taxation	-	-
Donation under Gift aid distribution	(37,128)	-
Profit/(Loss) for the year	-	(1,888)
Net current assets and shareholders' funds	74,145	74,145

Guild Services Limited is a registered company in England and Wales under number 2080761.

For the year ended 31 July 2022, Guild Services Limited was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with Section 476.

16 **STOCKS**

	Group		Guild	
	2022 £	2021 £	2022 £	2021 £
Bars	37,104	15,485	37,104	15,485
Catering – combined outlets	1,413	1,195	1,413	1,195
	38,517	16,680	38,517	16,680

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

17	Group		Guild	
	2022 £	2021 £	2022 £	2021 £
DEBTORS: Amounts falling due after more than one year				
Prepayments (General)	6,739	20,827	6,739	20,287
	<u>6,739</u>	<u>20,287</u>	<u>6,739</u>	<u>20,287</u>

	Group		Guild	
	2022 £	2021 £	2022 £	2021 £
DEBTORS: Amounts falling due within one year				
Trade debtors	34,277	305,786	20,871	284,416
Other debtors	6,646	48,963	6,646	48,963
Owed by subsid. undertakings	-	-	104,611	48,204
Prepayments (General)	199,445	206,112	199,445	206,112
Accrued Income	221,221	456,365	187,084	456,365
	<u>461,589</u>	<u>1,017,226</u>	<u>518,657</u>	<u>1,044,060</u>
	<u>468,328</u>	<u>1,038,053</u>	<u>525,396</u>	<u>1,064,887</u>

18	SHORT TERM INVESTMENTS	Group		Guild	
		2022 £	2021 £	2022 £	2021 £
	Money Market/Deposit Investments	928,872	928,251	928,872	928,251
		<u>928,872</u>	<u>928,251</u>	<u>928,872</u>	<u>928,251</u>

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

19	CREDITORS: Amounts falling due within one year	Group		Guild	
		2022 £	2021 £	2022 £	2021 £
	Trade creditors	362,932	225,524	362,792	225,384
	Other taxation & social security	43,969	39,961	43,969	39,961
	Custodian Funds held on behalf of AU/University Sports Groups	50,875	57,216	50,875	57,216
	Other Creditors	58,799	21,121	58,799	21,121
	Accruals	321,950	191,041	318,993	188,021
	Deferred Income	22,490	11,809	17,740	11,809
	SUSS Pension Deficit	296,060	277,724	296,060	277,724
		<u>1,157,075</u>	<u>824,396</u>	<u>1,149,228</u>	<u>821,236</u>

20	DEFERRED INCOME	Group		Guild	
		2022 £	2021 £	2022 £	2021 £
	At 1 August 2021	11,809	11,816	11,809	1,216
	Additions	22,490	11,809	17,740	11,809
	Released	(11,809)	(11,816)	(11,809)	(1,216)
		<u>22,490</u>	<u>11,809</u>	<u>17,740</u>	<u>11,809</u>

Deferred income for 2021/22 primarily relates to both grant and event income received for activities/events taking place during 2022/23, similar to balances held as at the 2020/21 year-end.

University of Birmingham Guild of Students
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2022

21	PROVISION FOR LIABILITIES: SUSS PENSION DEFICIT	2022 £	2021 £
	Balance bought forward	5,047,157	5,301,614
	Deficit contributions paid	(277,724)	(243,298)
	Unwinding of discount factor/interest (based upon prior year rate)	61,590	55,947
	Adjustment arising from actuarial revaluation in year	-	-
	(Surplus)/Deficit adjustment arising from change to discount factor assumption	(675,944)	(67,106)
	Total Balance carried forward	<u>4,155,079</u>	<u>5,047,157</u>
	Creditors – Amounts falling due within one year (see note 19)	296,060	277,724
	Provisions for liabilities	3,859,019	4,769,433
		<u>4,155,079</u>	<u>5,047,157</u>

The SUSS pension liability after five years is estimated to be £3,150,536 (2021: £3,771,466).

22	UNRESTRICTED FUNDS (For Guild only)	1 August 2021 £	Income £	Expenditure £	Transfers £	31 July 2022 £
	General Reserve	1,365,195	5,152,172	(4,463,261)	(363,600)	1,690,506
	Pension Reserve	(5,047,157)	-	614,354	277,724	(4,155,079)
		<u>(3,681,962)</u>	<u>5,152,172</u>	<u>(3,848,907)</u>	<u>(85,876)</u>	<u>(2,464,573)</u>

University of Birmingham Guild of Students
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 For the year ended 31 July 2022

23	RESTRICTED FUNDS (For Group & Guild)	Restated 1 August 2021 £	Income £	Expenditure £	Transfers £	31 July 2022 £
	Mentor Scheme	10,978	265,923	(265,923)	-	10,978
	Warden Scheme	83,860	116,507	(104,077)	-	96,290
	Hall Reps	8,484	363,100	(348,832)	-	22,752
	Capital Grants	6,467	3,352	(3,012)	-	6,807
	Global Buddies Scheme	11,461	-	-	-	11,461
	University Maintenance SLA	18,604	-	(2,764)	-	15,840
		<u>139,854</u>	<u>748,882</u>	<u>(724,608)</u>	<u>-</u>	<u>164,128</u>

All of the above restricted reserves represent funds received specifically for the identified activity and are either supported by service level agreements or one-off grant applications.

24	DESIGNATED FUNDS (For Group & Guild)	1 August 2021 £	Income £	Expenditure £	Transfers £	31 July 2022 £
	IT Infrastructure	111,017	-	-	85,876	196,893
	Building Refurbishment 2	550,000	-	-	-	550,000
	Student Groups (Societies, Guild Sports Clubs & Medsoc)	447,130	810,541	(766,957)	-	490,714
		<u>1,108,147</u>	<u>810,541</u>	<u>(766,957)</u>	<u>85,876</u>	<u>1,237,607</u>

IT depreciation charges of £5.8k have been allocated against the IT Infrastructure Fund within the year, compared to £8.8k charged in 2020/21. This allocation specifically relates to assets purchased to support the Guild's previous IT strategy that is currently under review. In addition, the Guild has designated £91.7k to the IT Infrastructure Reserve to fund revenues costs associated with the transition of Guild IT to University IT Services. This expenditure will be incurred during 2022/23 and 2024/25.

The 'Building Refurbishment 2' designated reserve has been allocated to help fund a potential extension to the Guild building, and this reserve has been frozen since 2018/19. The implementation of this project is currently delayed whilst additional funding is identified and further work conducted to formulate a wider building development plan.

In addition, Guild Societies, Guild Sports Clubs and Medsoc student groups are classified as designated activity of the Guild of Students. The net balances increased by £43.6k during 2021/22 compared to a decrease by £7.5k reported for the previous year, 2020/21. The net increase consists of £810.5k income (2021: £178.0k) and £766.9k expenditure (2021: £185.5k). Student group activities were significantly impacted by the pandemic during 2020/21 although recovered during 2021/22.

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25	ANALYSIS OF NET LIABILITIES (2021/22)	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
	Charity				
	Restricted funds	4,411	159,717	-	164,128
	Designated funds	2,712	1,234,895	-	1,237,607
	General funds				
	- UoB Guild of Students	231,541	1,458,965	-	1,690,506
	- UoB Guild – Pension	-	(296,060)	(3,859,019)	(4,155,079)
	For Charity	<u>238,664</u>	<u>2,557,517</u>	<u>(3,859,019)</u>	<u>(1,062,838)</u>
	Group				
	Restricted funds	4,411	159,717	-	164,128
	Designated funds	2,712	1,234,895	-	1,237,607
	General funds				
	- UoB Guild of Students	206,541	1,458,965	-	1,665,506
	- UoB Guild – Pension	-	(296,060)	(3,859,019)	(4,155,079)
	- Subsidiary undertaking(s)	-	74,145	-	74,145
	For Group	<u>213,664</u>	<u>2,631,662</u>	<u>(3,859,019)</u>	<u>(1,013,693)</u>

The comparative figures for the previous financial year are as follows:

ANALYSIS OF NET LIABILITIES (2020/21)	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
Charity				
Restricted funds	6,467	133,387	-	139,854
Designated funds	7,307	1,100,840	-	1,108,147
General funds				
- UoB Guild of Students	272,297	1,092,898	-	1,365,195
- UoB Guild – Pension	-	(277,724)	(4,769,433)	(5,047,157)
For Charity	<u>286,071</u>	<u>2,049,401</u>	<u>(4,769,433)</u>	<u>(2,433,961)</u>

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 For the year ended 31 July 2022

ANALYSIS OF NET LIABILITIES (2020/21)	Fixed assets and investments £	Net current assets £	Provision for pension liabilities £	Net liabilities £
Group				
Restricted funds	6,467	133,387	-	139,854
Designated funds	7,307	1,100,840	-	1,108,147
General funds				
- UoB Guild of Students	247,297	1,092,898	-	1,340,195
- UoB Guild – Pension	-	(277,724)	(4,769,433)	(5,047,157)
- Subsidiary undertaking(s)	-	74,145	-	74,145
For Group	261,071	2,123,546	(4,769,433)	(2,384,816)

26 **LEGAL STATUS**

The University of Birmingham Guild of Students incorporated as a company limited by guarantee on 4th July 2008, changing from its previous status as an unincorporated association.

In addition, the Guild of Students also registered as a Charity with the Charity Commission in August 2010. This was due to students' unions connected with higher education institutions being removed from the list of exempt charities within section 11(9) of the Charities Act 2006.

27 **RELATED PARTY TRANSACTIONS**

The charity has taken advantage of the exemptions allowed under FRS102 and does not detail related party transactions with its subsidiary undertaking.

Other related party disclosures consist of the following:

- **University of Birmingham**
 Ms E Conway was appointed as both the University Director of Finance and the Guild's University nominated trustee in July 2018.

During the year, the Guild received income of £3.890m (2021: £3.672m) and incurred expenditure of £588.8k (2021: £404.3k). At 31 July 22, the Guild held a creditor balance of £342.2k (2021: £169.9k) and a debtor balance of £252.2k (2021: £779.9k).

- **BAM Agency Ltd and The Crowd Agency Ltd**
 Mr I Pain who was appointed as a trustee of the charity, University of Birmingham Guild of Students in September 2020 was also a Marketing Director for BAM Agency Ltd up until October 2020. This company also trades with the Guild's wholly owned trading subsidiary, Guild Services Ltd.

During the previous 2020/21 year, Guild Services Ltd received income of £7.9k but did not incur any expenditure. At 31 July 2021, Guild Services Ltd reported an outstanding debtor balance of £3.2k. No corresponding figures are reported for 2021/22 as BAM Agency Ltd ceased to be a related party in October 2020.

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During this period, Mr I Pain also became a Marketing Director at The Crowd Agency Ltd who also transact with the wholly owned trading subsidiary, Guild Services Ltd.

During the previous 2020/21 year, Guild Services Ltd received income of £0.2k compared to £2.3k for the 2021/22 financial year. At 31 July 2022, Guild Services Ltd reported an outstanding VAT inclusive debtor balance of £2.7k compared to nil reported at 31 July 2021.

28 OPERATING LEASE COMMITMENTS

At 31 July 2022, the Guild had commitments under property leases and non-cancellable equipment operating leases (minimum lease payments) as set out below:

	2022	2021
	£	£
Land & Buildings Lease which expire:		
Within 1 year	133,445	133,445
Within 2 – 5 years	266,890	266,890
Over 5 years	-	-
	<hr/>	<hr/>
	400,335	400,335
	<hr/> <hr/>	<hr/> <hr/>

Operating leases which expire:		
Within 1 year	1,554	9,673
Within 2 – 5 years	7,345	13,436
Over 5 years	-	-
	<hr/>	<hr/>
	8,899	23,109
	<hr/> <hr/>	<hr/> <hr/>

29 CAPITAL COMMITMENTS

	2022	2021
	£	£
Contracted but not provided for	49,596	36,333
	<hr/> <hr/>	<hr/> <hr/>

University of Birmingham Guild of Students

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2022

30 SUBSCRIPTIONS AND AFFILIATIONS

The Guild of Students paid the following memberships and affiliations during the year. They are listed in accordance with the requirements of the Education Act 1994.

	2022 £	2021 £
Advice UK Limited	263	258
NUS Services Limited	380	380
National Union of Students	37,500	37,500
National Centre for Voluntary Organisations - Free	-	-
TES Global	1,344	1,120
Subscriptions & Affiliations of £175 or less	501	294
	<hr/>	<hr/>
	39,988	39,552
	<hr/> <hr/>	<hr/> <hr/>

31 PENSIONS

The University of Birmingham Guild of Students 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 after incorporating liabilities arising from a historical legal issue.

The following assumptions applied at 30 June 2019:-

- The investment return would be 4.0% per annum before retirement and 2.0% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2019 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 15 years ending 31st August 2035. This represented an extension to the repayment plan of 2 years and 2 months compared to the 2016 valuation.

The Guild's deficit contribution was increased by 15.9% from 1 October 2021 as per the approved 2019 valuation plan, followed by at least 5% per year thereafter. Deficit contributions will increase by 5% from 1 October 2022. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme.

University of Birmingham Guild of Students

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However, the rates applied above are now formally being reviewed as part of the tri-annual revaluation with an effective date of 30 June 2022. The outcome of the revaluation will be communicated to the Guild in early 2023 and any adjustments to future deficit contributions will commence from 1 October 2023. Surpluses or deficits which arise at future valuations will impact on the University of Birmingham Guild of Students's future contribution commitment.

The total deficit contributions paid into the Scheme by the Guild in respect of eligible employees for the year ended 31 July 2022 was £277,724 (2021: £243,298). The Guild will be required to make pension deficit payments into SUSS totalling £296,060 during 2022/23.

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

In addition, the Guild of Students also participates in the National Union of Students Pension Scheme (NUSPS) and the government NEST scheme to fulfil auto-enrolment obligations. NUSPS is a defined contribution scheme and the Guild contributes either 4% or 6% based upon matched funding from individual employees. Contributions into the NEST scheme are currently based upon 4.0% of qualifying earnings also matched by employee contributions, or enhanced 4% or 6% employer contributions matched by individual employees.

The total contributions paid into both NUSPS and NEST by the Guild in respect of eligible employees amounted to £70,776 (2021 - £66,243). At 31 July 2022, a balance of £10,865 was recorded as a Creditor within the Balance Sheet representing July 2022 pension contributions payable in August 2022 (2021: £10,032). The estimated employer contributions for 2022/23 financial year relating to NUSPS and NEST are £90,558.

32 **CONTINGENT LIABILITY**

There are no contingent liabilities to report.

33 **FINANCIAL PERFORMANCE OF THE CHARITY**

The charity reports Net Income of £1,371,123 for the year ended 31 July 2022 in comparison to Net Income of £421,595 reported for 2020/21.

The charity reports gross income of £6,711,596 for the year ended 31 July 2022 in comparison to gross income of £4,391,989 reported for 2020/21.

The charity has taken advantage of Section 408 of the Companies Act 2006 and the SORP and has not included a separate Statement of Financial Activities in these financial statements.

34 **EVENTS AFTER THE END OF THE REPORTING PERIOD**

No significant events have taken place since the Balance Sheet date.