

**Company registration number: 07303101**  
**Charity number: 1137811**

**UNIVERSITY OF LEICESTER STUDENTS' UNION**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**UNIVERSITY OF LEICESTER STUDENTS' UNION**  
**(A company limited by guarantee)**

**ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**Charitable Status**

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company and the group is constituted under a Memorandum of Association and is a registered charity number 1137811.

University of Leicester Students' Union also has internal regulations or Rules approved by the Board of Trustees and regulated by the governing body of the University of Leicester (the University) in accordance with 1994 Education Act and the Charity Commission.

**Registered Address**

University of Leicester Students' Union Percy Gee Building, University Road, Leicester, Leicestershire, LE1 7RH

**Board Of Trustees**

***Executive Officer Trustees***

O Obioha (resigned 30 June 2020)

M Nembhard

A Magaia

A Rahman

S Ali (resigned 30 June 2020)

C Brown (resigned 31 March 2020)

E Phipps (appointed 1 July 2020)

H Belcher (appointed 1 July 2020)

K Wagener (appointed 1 July 2020)

***Student Trustee***

E Westbrook (appointed 1 July 2020)

***External Trustees***

S Knowles

D Moore

S Murad

A Bacon

S Harris

**Independent Auditor**

RSM UK Audit LLP, Chartered Accountants, Rivermead House, 7 Lewis Court, Grove Park, Leicester, Leicestershire, LE19 1SD

**Bankers**

National Westminster Bank Plc, Granby Street, Leicester, LE1 9GT

**STATEMENT BY THE CHAIR**  
**FOR THE YEAR ENDED 31 JULY 2020**

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In an ever changing world of higher education, the critical importance of a strong and effective student movement is more critical than ever. The challenge of harnessing our members' voices and represent their views to our partners is one that has been tested more than ever in 2019-20 as a result of the coronavirus pandemic.

The aim of this report is to share our achievements in the present and our ambitions for the future. 2019-20 was the second full year of our strategic plan, with stretching goals set for the team to build on the progress made in 2018-19. Pre-March 2020, the Union made strides in delivering the organisational priorities that work towards our vision to be a more active and inclusive Union with a powerful student-led voice; delivering meaningful change for our members across their Leicester experience.

The financial period saw a number of successes against planned objectives, including the completion of long-term student visions for education, liberation and sport, a wide program of research into the mental health needs of students at university, a reshaping of student-led group empowerment and the establishment of a new student experience forum with Leicester City Council.

From March onwards, the coronavirus pandemic reached the UK and swiftly led to the closure of the University campus from late-March until the end of the financial year. This didn't deter the organisation from the execution of our vision, but did curb completion of some priorities. It also identified a number of barriers faced by the organisation in reaching beneficiaries who were faced with educational challenges that previous generations of students hadn't faced. Despite the Union being very much orientated around its' physical spaces, the shutdown of campus didn't lead to a shutdown of service delivery. Departments moved to a digital environment as best they could, whilst reprioritising activity to accommodate previously unforeseen student needs that resulted from the pandemic.

As an organisation, we continue to be aware of our responsibilities to our members and to ensure the sustainability of the Union for the years ahead; particularly in the challenging financial climate we now find ourselves in. The closure of campus posed a challenge, both in 2019-20 income streams but also in anticipating significant reductions for 2020-21. Following an emergency reforecast undertaken in April, the Union curtailed all non-essential expenditure and placed a number of staff on furlough. The effect of these savings led to a small year-end surplus before accounting for the movement in the defined pension scheme liability, to help offset the planned deficit to see us through the 2020-21 year.

The year ahead will be a challenging one - for our organisation, the students' union sector, higher education and the wider world. As Chair, I am confident that we have taken the necessary steps to address these challenges and feel confident the Students' Union will continue to deliver for its' students in the very different year that faces us.

**M Nembhard**

**TRUSTEE'S REPORT**  
**FOR THE YEAR ENDED 31 JULY 2020**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of University of Leicester Students' Union (ULSU) (the company) for the year ended 31 July 2020. The Trustees confirm that the Annual Report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice, Charities SORP (FRS 102), "Accounting and Reporting by Charities" effective 1 January 2019.

The Annual Report and Trustees' Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

**Structure, Governance & Management**

ULSU's charitable objects are:

The advancement of education of Students at the University for the Public Benefit by:

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

ULSU is administered by its Board of Trustees of up to six students elected annually by cross campus secret ballot of the ULSU membership (and are full time, or 'sabbatical', posts remunerated as authorised by the Education Acts and cannot exceed two years duration for each holder); up to five external trustees appointed for up to eight years (two terms of up to four years) by an appointments panel, and a student that is appointed by the appointments panel, and has no employment in any capacity with the Union.

The Board of Trustees meets at least four times a year to receive reports from individual Officers, sub-committees and the Chief Executive, to review the charity's performance and administration generally and to decide policy issues arising

All the charity trustees receive an induction into their legal and administrative responsibilities, with an on-going training programme as and when needed for issues arising during their term of office.

The Student Executive Officers are new to the Board every year, so they undergo a more intensive training period. The training starts during a handover period, immediately prior to them fully assuming office. This aims to ensure they are fully aware of their roles and responsibilities and can perform their duties to the best of their ability.

The Board of Trustees is assisted by three sub-committees, which meet at least two times per year and focus on certain key aspects of ULSU's governance and management:

The **Finance & Audit Committee** monitors ULSU's financial performance, appraises requests for capital expenditure and reviews our commercial performance. The Committee also reviews the annual budget, scrutinises the annual accounts and meets with external auditors.

The **Remuneration & HR Committee** examines issues relating to ULSU employees, including staff policies, changes to pay and matters relating to employee wellbeing.

The **Risk Management Committee** monitors ULSU's risk profile, risk management, compliance with relevant legislation and scrutinises progress in tackling identified areas of risk on the organisation's risk register.

### **Structure, Governance & Management (continued)**

ULSU operates on democratic principles, with policy being acted upon by the six selected trustees who form the Executive Committee. During the year, members have the opportunity to bring forward ideas through Union Council or our three networks to drive student-led change. Networks are based on principles of deliberative and direct democracy. The Union's Student Ideas system also creates simple and direct opportunities for students to suggest change ideas to Union Council.

The Union has made qualifying third party indemnity provisions for the benefit of its trustees during the year. These provision remain in force at the reporting date.

### **The Senior Leadership Team**

The University of Leicester Students' Union employs a Chief Executive, Gareth Oughton, who works closely with the Student Executive Officers and Trustee Board to ensure effective management of the organisation. The Chief Executive is head of a Senior Management Team made up of Ambalavanar Kumaran (Director of Membership Services).

The Strategic Leadership Team, made up of the Union's Managers, meets monthly to oversee the Union's regular activities. ULSU also employs a number of non-student full time staff for the sake of continuity in the management of its any activities. These staff members are accountable to the Chief Executive for the performance of their duties.

### **Pay policy for senior staff**

The Trustee board will review pay across the organisation on an annual basis. The factors to be taken into consideration include individual performance, the prevailing rate of inflation and the Union's financial position as of 1 August. Staff must have worked a full financial year (1 August – 31 July) in order to have qualifying length of service. Salary increases are at the discretion of the Union and are not a guaranteed outcome of the annual review process. Senior staff will receive the same annual pay increase as all other staff.

### **Relationship with University of Leicester**

The relationship between the University and ULSU is established in the Regulations of the University and detailed in ULSU Rules approved by both organisations. ULSU receives a Block Grant from the University, and leases most of the Percy Gee Building owned by the University, which also pays for utilities. This non-monetary support is intrinsic to the relationship between the University and ULSU. An estimated value to ULSU for this free serviced accommodation has been included in the accounts, valued at £180,129. The Students' Union has entered into a partnership with the university and all commercial trading outlets have been transferred into it along with all of the university commercial outlets being The Leicester Services Partnership Limited.

The ULSU continues to generate supplementary funding from some small trading activities such as Fresher's Graduation Limited and NUS card sales. All other trading income is included within the Leicester Services Partnership with the university, at present the Student Union have a 5 year guaranteed income agreement in the form of a Commercial Grant, as compensation for loss of trading income. This will be reviewed at the end of this agreement.

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.

## Risk Management

The Board of Trustees examine the major strategic, business and operational risks faced by ULSU and confirms that systems are in place to manage those risks, including reviews by the Board.

There are a number of significant risks affecting the Union. The greatest of which is the financial threat posed to income streams by Covid-19 and the changed needs of students as a result of the pandemic. We have embarked on a phased business continuity plan to help prepare and respond to the changing environment. The Union has carried out scenario planning looking at how a potential fall in funding will impact the Union and also at the way it delivers its services to students. These scenarios will be monitored and modified on an ongoing basis.

The Trustees consider a significant source of financial risk to be that of the funding requirements of the Students' Union Superannuation Scheme. In order to mitigate this risk, the current and foreseeable service costs is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability.

Other risks on the Union's radar include the future viability of the joint trading company with the University and reliance on its physical estate highlighted by the pandemic and continued delays to development works to its building.

## Aims, Objectives & Activities

Our purpose is clear in our constitution, "The Union is devoted to the educational interests and welfare of its Members" and will seek at all times to:

- Ensure that the diversity of its Membership is recognised and that equal access is available to all Members of whatever origin or orientation
- Pursue its aims and objectives independent of any political party or religious group
- Pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

The Students' Union operates with a clear mission to be an empowering and inclusive organisation, championing students' interests and providing a home away from home.

We are the sole representative organisation for the students of the University of Leicester and we recognise that our members rely on us to represent the matters that are most important to them, to the University and to other external stakeholders. We play a key role in how students learn, develop and grow whilst at University. Each of our departments has a key role to play in this journey, overseen by elected student representatives who help shape and direct our priorities.

The values that form the core of our organisation are:

- To be **student-led**. Our students lead our organisation and come first in everything we do. As an organisation, we will ensure decisions are based on member research and we will always place students first.
- To be **inclusive**. Our students from marginalised backgrounds face complex structural injustices. We will use our platform to challenge embedded privilege and ensure what we do removes rather than builds walls
- To be **fun**. Engagement with the Union should be fun and rewarding. As an organisation, we are invested in recognising student needs and adapting processes to reflect how members will interact with them

The Board of Trustees has focused its current activities on developing an exceptional student experience, in line with its constitutional objectives. The Union's current vision is "By 2021, we will be an active and inclusive Union with a powerful student-led voice; delivering meaningful change for you across your Leicester experience."

**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**Aims, Objectives & Activities (continued)**

In pursuit of these objectives, ULSU has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students. These include a Student Voice team, to facilitate representative and campaigning functions, a Support team to deliver advice and mentoring services and an Opportunities team to deliver exceptional experiences for students in sport, society activities, volunteering and fundraising. Officer Trustees of ULSU sit on key University Committees and meet with local decision makers regarding local matters affecting students.

ULSU's commitment to its members is to place them at the heart of change and decision making within the organisation, listening to ideas and driving improvement to our services.

The Trustees have considered public benefit, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit and have concluded that as a registered charity and Students' Union, our work directly supports and benefits the students registered to study at University of Leicester.

**Review of Activities**

The Union operates around three key strategic areas of activity:

- Voice
- Opportunities
- Support

These three priorities are underpinned by three supporting enablers:

- Communication
- Spaces
- Partnerships

Our Vision		
By 2021, we will be an active and inclusive Union with a powerful student-led voice; delivering meaningful change for students across their Leicester experience.		
Our Goals By 2021		
Voice	Opportunities	Support
We will ensure students have easy to access systems to capture their ideas to drive change across all areas of the Union and University	We will offer accessible activities to students that allow them to try new things and empower the development of skills for their future	We will provide empowering information and reactive support to enable students to proactively manage their lives
Communication	Spaces	Partnerships
We will understand the needs of our students and present our work clearly to ensure all students know what we do	We will ensure our physical spaces are of the highest quality, whilst enhancing virtual platforms to enable easy access to services	We will build relations with partners based on principles of collaboration and healthy challenge to meet their needs

TRUSTEE'S REPORT (continued)  
FOR THE YEAR ENDED 31 JULY 2020

Review of Activities (continued)

- **Voice:** Our primary purpose is to represent our members at all levels to the University creating real and meaningful change for students. We aim to further increase the accessibility of our democratic structures and to ensure all our students seeking to make changes are effectively supported.
- **Opportunities:** The primary aim of our Opportunities provision is to offer students with a wide range of co-curricular activities. Both through direct delivery and through facilitating and supporting student leaders, partners, and external providers to deliver opportunities to students.
- **Support:** The Union support provision aims to ensure that students feel welcomed, comfortable and guided throughout their University journey. This work is delivered through the work of the Advice Service, Peer Mentoring and the Training department.
- **Communication:** Unless our members know about our work, our work serves no true purpose. We aim to ensure students are kept informed of the Union's campaign and operational priorities, whilst engaging them through the defining moments in their student journey.
- **Spaces:** The Union operates from a high-profile building in the centre of the main campus, which aims to showcase our work and provide spaces for our students to socialise, organise, receive support and develop new skills through the range of opportunities we provide. In a digital world, our virtual as well as physical spaces must be of the highest possible quality.
- **Partnerships:** As a charity enhancing the student experience of our members in a large educational environment, who themselves form part of a bigger city, it is vital that we build, develop and sustain healthy relationships with key decision makers in the University and community.

Our 2019-20 Goals		
Voice	Opportunities	Support
We completed a student-led education strategy to clarify students' vision of an inclusive and successful learning experience	We increased the number of alcohol-free events and improved promotion for student group activities	We expanded the reach of support, to include budgeting advice and an increase in workshops
We embedded community organising into our democratic structures, empowering students to lead and own change making	Due to the pandemic and staff turnover, we failed to launch an attitudes and attributes framework for student leaders	We completed a liberation strategy, using diversity as a strength and pushing for solutions to inequality
We failed to publish routine updates of changes made by elected representatives and through Union democracy	We reshaped the Union's relationship with societies, moving relationships from process support to group development	We undertook broad research into students' mental health needs and reported on gaps in provision to partners
Objective – Communication	Objective – Spaces	Objective - Partnerships



**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

We developed an improved programme of video content for the Union's digital channels, whilst building our online audience	We failed to launch the new Union spaces in Percy Gee, due to continued building project delays	We published a vision for the future of sport; addressing the need for facilities investment and improved access
<b>Objective – Communication</b>	<b>Objective – Spaces</b>	<b>Objective - Partnerships</b>
We relaunched the Union's presence at Open Days, to build member awareness before their arrival	We streamlined online support, to enable students to access information when most needed	We identified and empowered key university colleagues, leading to increased officer goal completion
We reviewed the accessibility of Union communications and initiated work to segment organisational messaging	We opened a satellite office on the Brookfield campus and identified ways we can expand to the Medical School	We reviewed external partnerships and initiated work on development plans

### **Voice**

A great emphasis was placed on improvements that would be made to the empowerment of academic representatives and how improvements could be made to better track their work at a departmental level. Significant changes introduced this year saw all reps being given local-level briefing packs on starting the role; containing NSS and module evaluation data, along with inherited issues raised by their predecessors. As a result of the empowerment and continual tracking, over 550 student-led changes were implemented at a course level last year. The Union also launched its first education strategy, setting a student-vision for what an inclusive and successful academic experience looks like.

Over 24% of the student population took part in democratic processes facilitated by the Union last year; be that through the Executive Officer elections, course representative elections or student ideas system. This places the Union comfortably above other Union's comparable democratic participation rates, as we strive to achieve 30% engagement by 2021. Attendance at student council increased by 37%, thanks in part to the changes implemented in adopting a community-organising approach to change making. The introduction of new staff capacity to the team made significant improvements in the quality of support provided to the Union's part-time officer team, as well as the equality & liberation champions.

### **Opportunities**

Priority was placed by the Activities Team in 19/20 on a society development plan for each student group, helping them reflect on the services they offer their members and how they can be improved upon for future years. This, combined with a relaunched committee training programme meant we saw a significant rise in both the quality and quantity of student-led activity, before the pandemic struck. The year saw a continued focus on community impact, with RAG fundraising a record £28,506 for local and regional charities through a wide variety of student-led activity. We also saw a 145% increase in the community volunteering opportunities offered to students through our online portal. Significant strides were made to address the lack of diversity in leadership roles for student groups, with the introduction of the first student activities' inclusion strategy and the wide uptake on training to help existing student leaders in tackling microaggressions within their groups. The department also completed work on a vision for the future of sport at Leicester; highlighting issues with facilities investment, cost of engagement and the demographic make-up of those active in sport at Leicester.

Despite the onset of the pandemic, student groups responded admirably and contributed enormously to the Union's *Leics Quarantine & Chill* community; aimed to keep students engaged during the first lockdown. Key departmental activity such as the Student Opportunities Awards were moved online, reaching a wider audience than previous in-person events had.

**Review of Activities (continued)**

***Support***

A record number of year-to-date cases were picked up by the Union's Advice Service, prior to the onset of the pandemic in March; with continued increases in support requests relating to the local housing sector and advice on university processes (navigating mitigating circumstances and submitting complaints the largest increase areas). A newly introduced user evaluation process for the advice service saw a 98% satisfaction rating from students, reflecting the high esteem the service they provide for students is held in. A series of support clinics and initiatives were facilitated through the service, including Pro Bono Society's free legal clinic and externally commissioned support clinics to aid with sexual health and mental wellbeing. The Peer Mentoring program trained a record number of mentors, to assist with the induction of the 2019/20 intake of students. The quality of work undertaken by mentors and the support provided by the staff team led to 95% endorsement rating from engaged students.

The support departments of the Union pivoted service delivery online in March when the pandemic struck; with all training opportunities moved to a virtual environment, support sessions available via Teams and new initiatives introduced such as the LeicsQuarantine support podcast to help students get through the difficult final months of the academic year. In total, over 743 accredited CPD sessions were delivered to students, ensuring students could engaged with CPD despite campus being closed.

***Communication***

The Union's social media and digital engagement statistics have drastically improved, most notably over Instagram – where increased from 3,000 followers at the end of the 18/19 year to 4615 followers by the end of the 19/20 year. This platform is still continuing to experience steady growth, with students regularly asking questions and engaging with content. The team have significantly increased accessibility of output, with all new content now captioned and actively reflecting on ways to make video content accessible for all users. The introduction of an accessibility toolbar on the Union's website for the first time now means that all site content can be amended to suit a users' specific access requirement. New and digitally engaging ways of delivering campaign content has been embedded throughout the Union's work in year, with the Executive Officers' safety tips around the Black Lives Matter going viral across the UK.

As a result of the coronavirus pandemic, the Marketing & Communications team provided digital expertise in moving Union activity online; with several activities proving to engage a wider audience than their physical counterpart. Particular highlights were the virtual award ceremonies in May, delivered at zero cost and reaching an audience of over 10,000 viewers.

***Spaces***

A major £21m redevelopment of the Percy Gee building has continued to compromise the presence of the Union on campus; with noise and temperature issues reducing the home away from home feel of the main Union Square. The continued delay of the project means this work is now likely to run through until January 2021 at the very earliest, having been initially scheduled to finish by September 2019.

Despite the challenges these building works have presented, the Union has undertaken broad research with student space users on their needs from the redeveloped areas offered and trustees have considered areas for potential investment once the project is complete. Union space development on the Brookfield campus did successfully launch in 19-20 however, with a pop-up site for volunteers and staff now in place. This should be first pop-up office space for 'off-site' academic departments, with conversations now advanced with the Medical School for a future Union presence.

## Review of Activities (continued)

### *Partnerships*

Partnerships with key stakeholders were developed over the past year, with a change in senior leadership in the University. Improvements were made over the course of the year in how the elected officer team could raise issues with senior University leaders, enabling swifter change. A new partnership framework was developed towards the end of the year, ready for full implementation in 20/21. A key aspect of the partnership with the University continues to be the provision of research findings from the student body, which are presented with a view to enacting change.

Externally, new a partnership with Leicester City Council was developed; with connections between students and the local area deepened through our relationship with Leicester Citizens.

### *Executive Officer Collaborative Priorities*

As lead representatives and remunerated trustees, the executive officers are tasked with working in partnership with the University to address the key needs of the student body. Their key priorities in 2019/20 were as follows:

- **Mental Health:** Successes included delivery of a wholesale review of the personal tutor system; which led to an improvement in the training for tutors and the introduction of a lead tutor for the University. Progress on counsellors to support students from liberation groups remains a priority, particularly therapists with lived experience of racial trauma and trauma associated to sexuality.
- **Sexual Harassment:** Partnership work with the University led to the introduction of a high-profile, bold visual statement of opposition to sexual violence on campus; via the 'erase the grey' campaign. Further progress was made, as lobbying saw the O2 Academy implement the 'Good Night Out' quality mark and the University made a commitment to introduce mandatory consent workshops in future years.
- **Black Awarding Gap:** Work was undertaken alongside the Education Excellence team to research the variety of disparities hidden with the overarching BAME label. This demonstrated the acute issue Leicester has with its' black awarding gap. Officer-led successes through partnership working saw the introduction of a sports inclusion fund to address the whiteness of sport at Leicester and significant improvements to the Equality Liberation Champions across departmental structures. The officer-led 'We Are Black History' campaign was an exemplar project of its type in the sector, featuring high-profile speakers to educate staff and students alike on the challenges facing students in higher education.
- **Student Costs:** The 19-20 officer team prioritised working with the University to introduce new schemes that could address core causes. In year-successes included collaboration with the Library to analyse the number and cost of mandatory books on each reading list, leading to an increase in available texts via the free-to-access platforms for students. Progress to ensure disabled students are able to access accommodation at the cheapest pricing bracket remains a priority, as does the cost of food on campus.
- **Decolonisation of The Curriculum:** The officer team ran a high-profile series of talks under the Why Is My Curriculum So White banner, featuring a wide range of external speakers to showcase exciting developments elsewhere in the UK and the world in addressing the lack of curriculum diversity. Progress to follow-up on the agreed goals at Ideathon ran in collaboration with the University in 2018 remains a priority for the officer team, particularly co-signing pledges to decolonise education and service delivery within a fixed timeframe.

TRUSTEE'S REPORT (continued)  
FOR THE YEAR ENDED 31 JULY 2020

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Review of Activities (continued)

**Executive Officer Collaborative Priorities (continued)**

- **Pandemic Response:** Whilst not an agreed priority at the start of the year, the officer team (like the rest of the world) were required to dramatically rethink their plans for the year and the work students needed from them. Close, collaborative work with the Registrar and the PVC Education led to important adaptations for students on assessment, mitigating circumstances, welfare provision, gym refunds and co-signed contact to the private housing sector. The summer saw the outgoing officer team hand over to the incoming team members on Ignite service delivery and the practicalities of delivering for students in a year like no other.

**Future Plans**

Going into year 3 of the 2018-21 Strategy, we expect to move closer to completion of the overarching targets set in the plan. The year will also be shaped by the objectives of the new Student Executive priorities, aligning the support they need to our ongoing strategic aims. A number of highlights in our next year include:

- Undertaking a comprehensive review of the student voice structures to maximise efficiency
- Developing a digitally-led election strategy in response to the coronavirus pandemic
- Launching an attitudes and attributes framework to develop student leaders' understanding of their employability offer
- Developing a new series of proactive support and training workshops to help students adjust to the post-pandemic landscape
- Launching a new mental health clinic to better empower students in managing their wellbeing through the uncertainties of University life
- Revamping the Peer Mentoring Scheme to incorporate liberation-specific matching

**Financial Review**

ULSU's gross income from all sources this year totalled £2,452,813 (2019: £2,674,784). Total expenditure was £2,556,952 (2019: £2,492,187) resulting in a deficit for the year of £104,139 (2019: £182,597 surplus), decreasing ULSU's total reserves to £974,348 (2019: £1,078,487) before the introduction of the share of the joint venture's results. The Union has continued to benefit from the recognition and support of the University, and this year the annual block grant increased to £1,012,103 (2019: £908,522). In addition to this the Union received other grants from the University of £477,475 (2019: £592,001).

The Union's trading subsidiary generated a trading surplus of £29,082 (2019: £107,213) which is gift aided to the Union.

The University of Leicester Students' Union Trading Ltd holds a 50% ownership in Student Union Lettings Limited. The company is registered as a charitable company limited by guarantee. 50% of the net income and assets of the company have been included in these financial statements.

**Financial Statements**

The financial statements for the year ended 31 July 2020 are set out on pages 18 to 43. These were prepared applying the Accounting Policies set out on pages 22 to 26.

**Investment Policies**

The Union aims to generate returns on the cash it holds in the bank at any given point. The purpose is to yield the best financial return within the level of risk considered to be acceptable - this return can then be spent on the charity's aims.

***Investment Policies (continued)***

Delivery of our core services is met through the block grant funding received from the University, the commercial grant and any commercial partnerships in return for access to our members. Income generated on any invested reserves should not be required to support ongoing core activities of the Union.

The level of risk must always be identified and must fall within the acceptable levels stated by the Finance & Audit sub-committee. Investment risk should also be reduced by ensuring that the savings are diversified.

Before any funds are invested the Finance Manager must prepare a cash flow to ensure that the Union has enough cash to meet its working capital requirements. Any funds not required in the short term may then be invested in short term deposits and any funds not needed in the medium-long term can then be invested wisely in longer term investments to generate a greater yield. Funds not needed for short term operational needs can be deposited with reputable institutions, provided that the agreed risk ratings and limits are adhered to. Deposits should always be split between UK based institutions with different banking licenses, to reduce the risk from institutional failure.

Where possible the Union seeks to diversify short-term deposits across different banking licenses, to reduce the exposure of the reserves from the failure of any one bank. The total deposits placed in an institution must not exceed £75,000, without the full knowledge of the Finance & Audit Committee.

In order to generate a greater return, funds not required in the short term may be invested in longer term deposits which offer a higher yield. Funds may also be invested in other financial products, considered to be low risk and offered by regulated and reputable institutions.

It is important that the Union can gain access to its funds, should some urgent need arise; therefore investment products used must allow for fund withdrawals that cover a wide range of timescales in order to enable this.

Union policies precluding investments in certain organisations would be taken into account, when considering investments.

***Funds & Reserves***

The Union aims to hold 6 months wages in free reserves £448,475 (2019: £489,670), in addition to £25,129 operating costs in the current year. This would enable an orderly winding down of the organisation in the event it was necessary.

The Board of Trustees have agreed to hold £275,000 to safeguard the organisation in the event that the commercial grant was withdrawn at the end of the initial five year period.

All remaining free reserves are held as a designated fund for capital and strategic projects to transform the student experience. Up to £200,000 of these remaining reserves were identified by trustees to underwrite anticipated financial losses in the 2020/21 financial year.

***Going Concern***

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The Board of Trustees confirms that ULSU has sufficient funds to meet all its obligations. The Block Grant for 2019/20 has been confirmed at £809,682. In addition, the Union will also receive a commercial grant of £275,000 until 2021/22 to reflect lost trading after entering into the Leicester Services Partnership with the University.

**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**Auditor**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term. In accordance with the Companies Act 2006 a resolution proposing the reappointment of RSM Audit LLP as Auditor will be put to the members.

**Trustees' Responsibilities Statement**

The Trustees (who are also directors of ULSU 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continued in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose the reasonable accuracy at any time the financial position of the charitable group 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.

**Statement of Disclosure to Auditor**

So far as each Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware. Additionally, each Trustee has taken all the necessary steps that they ought to have taken as a Trustee in order to make themselves aware of all relevant audit information needed and to establish that the charitable group's auditor is aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the Board of Trustees on 18 December 2020 and signed on their behalf by:



**M Nembhard**  
**Trustee**

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

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**Opinion**

We have audited the financial statements of University of Leicester Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group statement of financial activities incorporating income and expenditure account, the group and company balance sheets, the group statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2020 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 and Charities Act 2011.

**Basis of opinion**

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees report, other than the financial statements and our Auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
UNIVERSITY OF LEICESTER STUDENTS' UNION (continued)**

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**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, which includes the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within 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 our knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion.

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law 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 from the requirements to prepare a Strategic Report in the preparing the Trustees' Report.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 14, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



**UNIVERSITY OF LEICESTER STUDENTS' UNION**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**UNIVERSITY OF LEICESTER STUDENTS' UNION (continued)**

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**Use of our report**

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

*RSM UK Audit LLP*

Gareth Jones (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Rivermead House  
7 Lewis Court  
Grove Park  
Leicester  
Leicestershire  
LE19 1SD

Date: 18/12/2020

**UNIVERSITY OF LEICESTER STUDENTS' UNION**  
**(A company limited by guarantee)**

**GROUP STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>INCOME FROM:</b>					
Donations and legacies	2	1,713,436	98,591	1,812,027	1,784,635
Charitable activities		4,080	364,300	368,380	505,193
Other trading activities	3	175,291	-	175,291	266,973
Investments:	4				
Share of joint venture net income		86,466	-	86,466	106,404
Interest received		9,631	-	9,631	7,709
Other income		1,018	-	1,018	3,870
<b>TOTAL INCOME</b>		<b>1,989,922</b>	<b>462,891</b>	<b>2,452,813</b>	<b>2,674,784</b>
<b>EXPENDITURE ON:</b>					
Raising funds		146,209	-	146,209	159,760
Charities activities		1,935,051	475,692	2,410,743	2,332,427
<b>TOTAL EXPENDITURE</b>	5	<b>2,081,260</b>	<b>475,692</b>	<b>2,556,952</b>	<b>2,492,187</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(91,338)</b>	<b>(12,801)</b>	<b>(104,139)</b>	<b>182,597</b>
Transfers between funds	17	(14,955)	14,955	-	-
<b>NET MOVEMENT IN FUNDS</b>	17	<b>(106,293)</b>	<b>2,154</b>	<b>(104,139)</b>	<b>182,597</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	17	829,624	248,863	1,078,487	895,890
<b>TOTAL FUNDS CARRIED FORWARD</b>	17	<b>723,331</b>	<b>251,017</b>	<b>974,348</b>	<b>1,078,487</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing operations.

Details of the comparative group statement of financial activities are included in note 23.

**UNIVERSITY OF LEICESTER STUDENTS' UNION**  
(A company limited by guarantee)

**GROUP BALANCE SHEET**  
**FOR THE YEAR ENDED 31 JULY 2020**

Company registration number 07303101

	Notes	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	10		63,754		84,862
Investments in joint ventures					
- Share of gross assets		705,422		636,119	
- Share of gross liabilities		(53,751)		(70,914)	
Share of net assets	11		651,671		565,205
Investments in associates	11		-		-
			<u>715,425</u>		<u>650,067</u>
<b>CURRENT ASSETS</b>					
Stocks	13	78		3,995	
Debtors	14	49,340		118,363	
Cash at bank and in hand		2,268,400		2,002,428	
		<u>2,317,818</u>		<u>2,124,786</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(159,119)		(127,759)	
<b>NET CURRENT ASSETS</b>			<u>2,158,699</u>		<u>1,997,027</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,874,124</u>		<u>2,647,094</u>
Defined pension scheme liability	20		(1,899,776)		(1,568,607)
<b>NET ASSETS</b>			<u>974,348</u>		<u>1,078,487</u>
<b>THE FUNDS OF THE CHARITY</b>					
Restricted funds	17		251,017		248,863
Unrestricted funds	17				
General funds			1,125,275		1,187,545
Designated funds			1,497,832		1,210,686
Pension reserve			(1,899,776)		(1,568,607)
			<u>723,331</u>		<u>829,624</u>
<b>TOTAL CHARITY FUNDS</b>			<u>974,348</u>		<u>1,078,487</u>

The financial statements on pages 18 to 43 were approved and authorised for issue by the Board of Trustees on 18 December 2020 and signed on their behalf, by:



**M Nembhard**  
Trustee

**UNIVERSITY OF LEICESTER STUDENTS' UNION**  
(A company limited by guarantee)

**COMPANY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 JULY 2020**

Company registration number 07303101

	Notes	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	10		63,754		84,862
Investments	11		2		2
Investments in associates	11		100		100
			<u>63,856</u>		<u>84,964</u>
<b>CURRENT ASSETS</b>					
Stocks	13	78		78	
Debtors	14	33,087		79,683	
Cash at bank		2,268,400		2,000,498	
			<u>2,301,565</u>	<u>2,080,259</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(142,868)		(83,234)	
<b>NET CURRENT ASSETS</b>			<u>2,158,697</u>	<u>1,997,025</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,222,553</u>	<u>2,081,989</u>	
Defined pension scheme liability	20		(1,899,776)		(1,568,607)
<b>NET ASSETS</b>			<u>322,777</u>	<u>513,382</u>	
<b>THE FUNDS OF THE CHARITY</b>					
Restricted funds	17		251,017		248,863
Unrestricted funds	17				
General funds			473,704		622,440
Designated funds			1,497,832		1,210,686
Pension reserve			(1,899,776)		(1,568,607)
			<u>71,760</u>	<u>264,519</u>	
<b>TOTAL CHARITY FUNDS</b>			<u>322,777</u>	<u>513,382</u>	

As permitted by S408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes as it prepared group accounts. The charitable company's deficit for the year was £(190,605) (2019: £76,193 surplus).

The financial statements on pages 18 to 43 approved and authorised for issue by the Board of Trustees on 18 December 2020 and signed on their behalf, by:



**M Nembhard**  
Trustee

**UNIVERSITY OF LEICESTER STUDENTS' UNION**  
**(A company limited by guarantee)**

**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	279,068	60,264
<b>Cash flows from investing activities:</b>			
Interest received		9,631	7,709
Purchase of tangible fixed assets		(22,727)	(52,052)
<b>Net cash used in investing activities</b>		(13,096)	(44,343)
<b>Change in cash and cash equivalents in the year</b>		265,972	15,921
Cash and cash equivalents brought forward		2,002,428	1,986,507
<b>Cash and cash equivalents carried forward</b>		<b>2,268,400</b>	<b>2,002,428</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**1. ACCOUNTING POLICIES**

**Charity information**

University of Leicester Students' Union is a private incorporated charitable company (company register number 07303101) limited by guarantee, incorporated in England and Wales. Its registered office and principal place of business is University of Leicester Students' Union Percy Gee Building, University Road, Leicester, Leicestershire, LE1 7RH. The charitable company is also registered at the Charity Commission with a charity number of 1137811.

The main aims of the University of Leicester Students' Union are the advancement of the students at the university for the public benefit.

**Basis of preparation of financial statements**

**Accounting convention**

The financial statements have been prepared in accordance with Accounting and Reporting by charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)) (effective 1 January 2019) the Financial Reporting Standard applicable in the UK and Republic of Ireland including adoption of the amendments issued in December 2017 (FRS 102) and the requirement of Company's Act 2016.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

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

In accordance with FRS 102, the charitable company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures for the charitable company.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the charitable company are consolidated in these financial statements of University of Leicester Students' Union and these financial statements are available from the registered office.

**Basis of consolidation**

The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results are consolidated on a line by line basis, all intra-group transactions and balances with the subsidiary are eliminated on consolidation. Joint ventures and associates are stated at the group's share of net assets, to the extent this is not impaired, and the group's share of the net share of the profits or losses of the joint ventures and associates is included in the Statement of Financial Activities using the equity accounting basis. All the financial statements are made up to 31 July 2020.

No separate Statement of Financial Activities has been presented for the charitable company alone as permitted by section 408 of the Companies Act 2006 as it prepares group accounts and the charitable company's individual balance sheet shows the charitable company's net movement in funds in the financial year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**1. ACCOUNTING POLICIES (continued)**

**Going concern**

As a result of the Covid-19 pandemic the Students' Union has continued on a phased business continuity plan to help prepare and respond to the changing environment. Whilst assurances have been received from the main funders there is still uncertainty around the exact quantum of funding that will be available and income streams continue to be impacted as a result of physical gatherings having to be cancelled or postponed. For this reason, the charity has prepared forecasts for at least one year from the date of approval of the accounts looking at how a fall in block grant funding and other income streams will impact the Students' Union. These forecasts are based on known information at the time of compiling and will be monitored and modified on an ongoing basis. Based on this and the available cash reserves, the trustees consider that the group has adequate funds and sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts. The trustees also consider that its anticipated future objectives can be met and have therefore prepared the financial statements on the going concern basis.

**Company status**

The charitable company is limited by guarantee. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

**Funding accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objective of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**Income**

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charitable company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

**Grants**

The recurrent block grant is receivable from the University of Leicester. The grant is credited to the income and expenditure account in the year to which it relates.

Project support grants are project based and include grants which are receivable from the University of Leicester and other funding bodies.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

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1. ACCOUNTING POLICIES (continued)

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs (including governance costs) which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the assets use.

**Tangible fixed assets and depreciation**

Tangible fixed assets are initially recorded at cost and subsequently measured at cost, net of depreciation and any provision for impairment. Tangible fixed assets costing more than £1,000 are capitalised and all other expenditure is charged to the statement of financial activities in the year incurred.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and equipment	-	20% - 33% of cost
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**Investments**

The charitable company's fixed asset investments are valued at cost which is the Trustees' best estimate of fair value, as these assets are not readily saleable and a reliable market value is not readily ascertainable.

- (i)      Subsidiary undertakings  
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii)     Associated undertakings  
Investments in associates are valued at cost less provision for impairment.
- (iii)    Joint ventures  
Investments in the joint ventures are valued at cost less provision for impairment.

**Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of financial activities. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

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1. ACCOUNTING POLICIES (continued)

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material.

At each reporting date, the charitable company assesses whether stocks are impaired or if any impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in statement of financial activities.

**Financial instruments**

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financial nature. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

*Debtors*

Trade and other debtors and amounts owed by group undertakings which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade and other debtors and amounts owed by group undertakings are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents includes cash and monies on short-term deposits at the bank and other short-term liquid investments with original maturities of three months or less.

*Liabilities and provisions*

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Pensions**

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit pension scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. However, the Union has entered into an arrangement to clear the scheme deficit over a 20 year period. The Net Present Value of the Union's contributions as part of this plan are reflected as a liability on the balance sheet, which will reduce as they are paid.

The charitable company also contributes to the NUS Aegon Pension Scheme and the government approved NEST scheme. The annual contributions payable are charged to the statement of financial activities.

**Taxation**

No provision for corporation tax has been made as the charitable company is exempt from corporation tax on its income and gains to the extent that these are applied to its charitable activities. The non-charitable subsidiaries will be subject to Corporation Tax on any profits not gift aided to the charitable parent within 9 months of the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

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1. ACCOUNTING POLICIES (continued)

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

**Critical accounting estimates and areas and judgement**

The charity makes estimates and assumptions concerning the future and acknowledges that the resulting accounting estimates and assumptions will, by definition, seldom equal to related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- (i) Pension deficit contribution  
The charity has entered into a commitment to provide deficit funding to the Students' Union Superannuation Pension Scheme, of which it is a contributing employer.  
  
Under FRS 102, the fair value of the commitment is recognised. The calculation of the fair value of the commitment is subject to an assumption of the discount rate. This discount rate is determined by reference to market yields at the reporting date on high quality corporate bonds. The commitment included in the balance sheet at the balance sheet date is £1,899,776 (2019: £1,568,607).
- (ii) Donation of facilities by University of Leicester  
In accordance with the Charities SORP FRS 102, the Union and its trading subsidiary has valued the benefit it receives from occupying facilities owned by the University on a rent-free basis, at the trustees' estimate of market value at £180,129 (2019: £180,129).
- (iii) Support costs  
Many of the costs incurred by the Union such as support staff costs and service costs are shared between activities. The Union's policy is to allocate these costs on the basis of assessed consumption.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations and University Grants	1,490,768	-	1,490,768	1,507,351
Grant of serviced accommodation	180,129	-	180,129	180,129
Peer mentoring funds restricted income	-	48,000	48,000	48,000
Sports grant	-	36,294	36,294	34,794
Drink Aware	-	11,582	11,582	13,300
RFU development restricted income	-	2,715	2,715	1,061
Job retention scheme grants	42,539	-	42,539	-
Total donations and legacies	<u>1,713,436</u>	<u>98,591</u>	<u>1,812,027</u>	<u>1,784,635</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**3. OTHER TRADING ACTIVITIES**

The University of Leicester Student's Union owns 100% of the issued share capital of its subsidiary, University of Leicester Students' Union Trading Ltd, a company which is incorporated in England and Wales (company number 02821506). The registered office of University of Leicester Students' Union Trading Ltd is the same as University of Leicester Student's Union. The subsidiary participates in trading activities relating to the charitable company. Its taxable profits are donated to the charitable company. A summary of the subsidiary's results which are consolidated in these financial statements is shown below:

<b>Statement of income</b>	<b>2020 £</b>	<b>2019 £</b>
Turnover	175,291	266,973
Cost of sales	(74,745)	(88,590)
<b>Gross profit</b>	<b>100,546</b>	<b>178,383</b>
Administrative expenses	(71,464)	(71,170)
<b>Profit before and after taxation for the financial year</b>	<b>29,082</b>	<b>107,213</b>
Distribution to parent charity under gift aid	(29,082)	(107,213)
<b>Result for the financial year</b>	<b>-</b>	<b>-</b>

The net assets of University of Leicester Students' Union Trading Ltd at 31 July 2020 amounts to £2 (2019: £2), being current assets of £33,271 (2019: £78,721) less creditors within one year of £33,269 (2019: £78,719).

<b>4. INCOME FROM INVESTMENTS</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Share of joint venture net income	86,466	86,466	106,404
Bank interest received	9,631	9,631	7,709
	<b>96,097</b>	<b>96,097</b>	<b>114,113</b>

UNIVERSITY OF LEICESTER STUDENTS' UNION  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff Costs 2020 £	Depreciation 2020 £	Other Costs 2020 £	Total 2020 £	Total 2019 £
University of Leicester Students' Union Trading Ltd	62,283	-	83,926	146,209	159,760
<b>Costs of raising funds</b>	62,283	-	83,926	146,209	159,760
Education & representation	395,778	11,266	275,586	682,630	796,658
Welfare	87,044	6,882	144,558	238,484	169,560
Campaigns and Communications	114,671	9,074	169,479	293,224	206,552
Societies & clubs	286,102	16,613	725,604	1,028,319	1,009,415
Sports grant	-	-	36,294	36,294	34,794
Peer mentoring	54,234	-	7,248	61,482	57,393
Training	51,512	-	5,743	57,255	43,280
Drink Aware	11,534	-	1,521	13,055	14,775
<b>Costs of charitable activities</b>	1,000,875	43,835	1,366,033	2,410,743	2,332,427
	1,063,158	43,835	1,449,959	2,556,952	2,492,187

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

Certain central overhead support costs have been reallocated to the various activities as noted in the accounting policies. The effect of this reallocation on the various expenditure heading is shown here:

	Activities undertaken directly 2020 £	Support costs 2020 £	Total 2020 £	Total 2019 £
Education & representation	413,402	269,228	682,630	796,658
Welfare	16,764	221,720	238,484	169,560
Campaigns and communications	-	293,224	293,224	206,552
Societies & clubs	401,994	626,325	1,028,319	1,009,415
Sports grant	36,294	-	36,294	34,794
Peer mentoring	61,482	-	61,482	57,393
Training	57,255	-	57,255	43,280
Drink Aware	13,055	-	13,055	14,775
<b>Total</b>	<b>1,000,246</b>	<b>1,410,497</b>	<b>2,410,743</b>	<b>2,332,427</b>

Support costs comprised:-

	2020 £	2019 £
Staff costs	534,612	334,437
Depreciation	43,835	52,102
Rent	180,129	180,129
Insurances	17,132	14,426
NUS Subscription	36,341	36,341
Bad debts	69	451
Pension Scheme Funding	331,169	96,195
Marketing costs	15,314	28,485
Stationery and telephone	1,556	2,044
General building repairs and cleaning	127,901	124,053
Bank charges	3,026	3,344
Other support costs	119,413	128,237
Loss on disposal of fixed assets	-	954
<b>Total</b>	<b>1,410,497</b>	<b>1,001,198</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

7. NET INCOME/(EXPENDITURE)

This is stated after charging	2020 £	2019 £
Depreciation of tangible fixed assets: - owned by the charitable group	43,835	52,102
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services as are follows:	2020 £	2019 £
Audit services – statutory audit of charitable company and consolidated accounts	13,585	11,790
<b>Other services:</b>		
Audit services – statutory audit of associates of the charitable company	1,835	1,790
Taxation compliance service	1,300	2,275
All other non-audit services	4,150	4,800
	20,870	20,655

8. STAFF COSTS

Staff costs were as follows:	2020 £	2019 £
Wages and salaries	934,186	878,000
Social security costs	74,718	58,142
Other pension costs	54,254	43,197
	1,063,158	979,339

During the year the charitable company made an ex-gratia and termination payment amounting to £8,703 (2019: £nil).

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Full time	33	31
Students – term time only	52	53
	85	84

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

Key management personnel of the charitable company are considered to be the trustees and the Chief Executive Officer. During the year, key management personnel received remuneration (including employers national insurance contributions) of £293,383 (2019: £255,588).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

9. TRUSTEES' REMUNERATION

TRUSTEE NAME	Salary £	Pension £	Total 2020 £	Total 2019 £
K Adamu (resigned 28 June 2019)	-	-	-	19,026
A Abdulla (resigned 28 June 2019)	-	-	-	17,564
A Moran (resigned 28 June 2019)	-	-	-	15,781
O Obioha (resigned 30 June 2020)	19,077	954	20,031	22,201
I Woolrych (resigned 28 June 2019)	-	-	-	19,347
A Magaia	20,811	1,041	21,852	1,783
A Rahman	20,811	434	21,245	1,699
C Brown (resigned 31 March 2020)	23,618	347	23,965	1,699
S Ali (resigned 30 June 2020)	19,077	694	19,771	1,699
M Nembhard	20,811	621	21,432	1,699
H Belcher (appointed 1 July 2020)	2,695	87	2,782	-
K Wagener (appointed 1 July 2020)	2,695	-	2,695	-
E Phipps (appointed 1 July 2020)	2,695	-	2,695	-
Total	132,290	4,178	136,468	102,498

During the year the charitable company made an ex-gratia and termination payment to C Brown amounting to £8,703 (2019: £nil), which is included in the above trustees remuneration.

There were no other trustee-benefits for the year (2019: £nil). Seven (2019: eleven) trustees received reimbursement of expenses in relation to travel and subsistence totalling £10,697 (2019: £8,101 ).

10. TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS		Fixtures and equipment £
Group and Company Cost		
At 1 August 2019		365,791
Additions		22,727
At 31 July 2020		388,518
Depreciation		
At 1 August 2019		280,929
Charge for the year		43,835
At 31 July 2020		324,764
Net book value		
At 31 July 2020		63,754
At 31 July 2019		84,862
The net book value of fixed assets represents:		2020 £
		2019 £
Assets used for charitable activities		63,754
		84,862

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**11. FIXED ASSET INVESTMENTS**

	<b>Investments in joint venture £</b>
<b>Group</b>	
<b>Share of net assets</b>	
At 1 August 2019	565,205
Share of profit	86,466
	<hr/>
At 31 July 2020	651,761
	<hr/>

The group's investment in its principal associate has been impaired on consolidation.

	<b>Shares in Group Undertakings £</b>	<b>Investments in associates £</b>	<b>Total £</b>
<b>Company</b>			
<b>Cost</b>			
At 1 August 2019 and at 31 July 2020	2	100	102
	<hr/>	<hr/>	<hr/>

**12. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

**a. Principal subsidiaries**

**University of Leicester Students' Union Trading Ltd**

Subsidiary name	University of Leicester Students' Union Trading Ltd
Company registration number	02821506
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%

**b. Principal joint ventures**

The University of Leicester Students' Union Trading Ltd, has a 50% joint ownership in the entity Student Union Lettings Limited, a charity which is registered in England and Wales.

The nature of the business is that of a student lettings agency and its registered office is First Floor Campus Centre Building, Mill Lane, Leicester, Leicestershire LE2 7DR.

Student Union Lettings Limited (trading as Sulets) is a company limited by guarantee and is therefore held as an investment in University of Leicester Students' Union Trading Ltd at nil value, reflecting its recoverable value to University of Leicester Students' Union Trading Ltd and therefore its parent undertaking, University of Leicester Students' Union.

**c. Principal associates**

<b>Company name</b>	<b>Country</b>	<b>Shareholdings</b>	<b>Description</b>
The Leicester Services Partnership Limited	England	50%	Operation of student related trading activities

**Registered office**

University of Leicester, University Road, Leicester, England LE1 7RH



NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

13. STOCKS

	2020 £	Group 2019 £	2020 £	Company 2019 £
NUS cards stocks	-	3,917	-	-
Safety bus cards stocks	78	78	78	78
	<u>78</u>	<u>3,995</u>	<u>78</u>	<u>78</u>

14. DEBTORS

	2020 £	Group 2019 £	2020 £	Company 2019 £
Trade debtors	16,365	4,841	114	2,747
Amounts owed by group undertakings	-	-	-	27,504
Other debtors	5,281	6,038	5,279	12,726
Prepayments and accrued income	27,694	107,484	27,694	36,706
	<u>49,340</u>	<u>118,363</u>	<u>33,087</u>	<u>79,683</u>

15. CREDITORS: Amounts falling due within one year

	2020 £	Group 2019 £	2020 £	Company 2019 £
Trade creditors	49,918	55,878	33,091	34,385
Amounts owed to group undertakings	-	-	17,018	-
Amounts owed to associates	100	100	100	100
Other taxation and social security	20,312	20,568	19,502	19,170
Other creditors	17,125	2,215	17,125	2,215
Accruals and deferred income	71,664	48,998	56,032	27,364
	<u>159,119</u>	<u>127,759</u>	<u>142,868</u>	<u>83,234</u>

	2020 £	Group 2019 £	2020 £	Company 2019 £
<b>Deferred income</b>				
Deferred income at 1 August	15,832	28,764	-	7,931
Resources deferred during the year	10,943	-	10,943	-
Amounts released from previous years	(5,000)	(12,932)	-	(7,931)
	<u>21,775</u>	<u>15,832</u>	<u>10,943</u>	<u>-</u>

Deferred income relates to amounts received in respect of multi-year contracts and grant income.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

16. FINANCIAL INSTRUMENTS

	2020 £	Group 2019 £	2020 £	Company 2019 £
Financial assets measured at amortised cost	21,646	74,115	5,393	36,287
Financial liabilities measured at amortised cost	117,032	91,359	112,423	64,064

17. STATEMENT OF FUNDS

Group – current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2020 £
<b>Restricted funds</b>					
Clubs and Societies	247,785	364,300	(364,861)	-	247,224
Peer Mentoring Fund	-	48,000	(61,482)	13,482	-
Sports grant	-	36,294	(36,294)	-	-
Drink Aware Fund	-	11,582	(13,055)	1,473	-
RFU Development Fund	1,078	2,715	-	-	3,793
	<u>248,863</u>	<u>462,891</u>	<u>(475,692)</u>	<u>14,955</u>	<u>251,017</u>
<b>Unrestricted funds</b>					
General reserves	622,340	1,903,456	(1,750,091)	(302,101)	473,604
Shares of net income from joint venture	565,205	86,466	-	-	651,671
	<u>1,187,545</u>	<u>1,989,922</u>	<u>(1,750,091)</u>	<u>(302,101)</u>	<u>1,125,275</u>
<b>Designated funds</b>					
LSP designated funding	275,000	-	-	-	275,000
Pension designated funding	250,000	-	-	(250,000)	-
Capital and strategic projects designated funding	685,686	-	-	537,146	1,222,832
	<u>1,210,686</u>	<u>-</u>	<u>-</u>	<u>287,146</u>	<u>1,497,832</u>
Pension reserve	(1,568,607)	-	(331,169)	-	(1,899,776)
	<u>829,624</u>	<u>1,989,922</u>	<u>(2,081,260)</u>	<u>(14,955)</u>	<u>723,331</u>
Total of funds	<u>1,078,487</u>	<u>2,452,813</u>	<u>(2,556,952)</u>	<u>-</u>	<u>974,348</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

17. STATEMENT OF FUNDS (continued)

Group – prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2019 £
<b>Restricted funds</b>					
Clubs and Societies	243,329	488,842	(479,319)	(5,067)	247,785
Peer Mentoring Fund	5,344	48,000	(57,393)	4,049	-
Sports grant	-	34,794	(34,794)	-	-
Drink Aware Fund	-	13,300	(14,775)	1,475	-
RFU Development Fund	1,817	1,061	(1,800)	-	1,078
	<u>250,490</u>	<u>585,997</u>	<u>(588,081)</u>	<u>457</u>	<u>248,863</u>
<b>Unrestricted funds</b>					
General reserves	448,325	1,982,383	(1,807,911)	(457)	622,340
Shares of net income from joint venture	458,801	106,404	-	-	565,205
	<u>907,126</u>	<u>2,088,787</u>	<u>(1,807,911)</u>	<u>(457)</u>	<u>1,187,545</u>
<b>Designated funds</b>					
LSP designated funding	275,000	-	-	-	275,000
Pension designated funding	250,000	-	-	-	250,000
Capital and strategic projects designated funding	685,686	-	-	-	685,686
	<u>1,210,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,210,686</u>
Pension reserve	(1,472,412)	-	(96,195)	-	(1,568,607)
	<u>645,400</u>	<u>2,088,787</u>	<u>(1,904,106)</u>	<u>(457)</u>	<u>829,624</u>
Total funds	<u>895,890</u>	<u>2,674,784</u>	<u>(2,492,187)</u>	<u>-</u>	<u>1,078,487</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

17. STATEMENT OF FUNDS (continued)

Charitable company – current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2020 £
<b>Restricted funds</b>					
Clubs and Societies	247,785	364,300	(364,861)	-	247,224
Peer Mentoring Fund	-	48,000	(61,482)	13,482	-
Sports grant	-	36,294	(36,294)	-	-
Drink Aware Fund	-	11,582	(13,055)	1,473	-
RFU Development Fund	1,078	2,715	-	-	3,793
	<u>248,863</u>	<u>462,891</u>	<u>(475,692)</u>	<u>14,955</u>	<u>251,017</u>
<b>Unrestricted funds</b>					
General reserves	<u>622,440</u>	<u>1,757,247</u>	<u>(1,603,882)</u>	<u>(302,101)</u>	<u>473,704</u>
<b>Designated funds</b>					
LSP designated funding	275,000	-	-	-	275,000
Pension designated funding	250,000	-	-	(250,000)	-
Capital and strategic projects designated funding	685,686	-	-	537,146	1,222,832
	<u>1,210,686</u>	<u>-</u>	<u>-</u>	<u>287,146</u>	<u>1,497,832</u>
Pension reserve	(1,568,607)	-	(331,169)	-	(1,899,776)
	<u>264,519</u>	<u>1,757,247</u>	<u>(1,935,051)</u>	<u>(14,955)</u>	<u>71,760</u>
Total funds	<u>513,382</u>	<u>2,220,138</u>	<u>(2,410,743)</u>	<u>-</u>	<u>322,777</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

17. STATEMENT OF FUNDS (continued)

Charitable company – prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2019 £
<b>Restricted funds</b>					
Clubs and Societies	243,329	488,842	(479,319)	(5,067)	247,785
Peer Mentoring Fund	5,344	48,000	(57,393)	4,049	-
Sports grant	-	34,794	(34,794)	-	-
Drink Aware Fund	-	13,300	(14,775)	1,475	-
RFU Development Fund	1,817	1,061	(1,800)	-	1,078
	<u>250,490</u>	<u>585,997</u>	<u>(588,081)</u>	<u>457</u>	<u>248,863</u>
<b>Unrestricted funds</b>					
General reserves	<u>448,425</u>	<u>1,822,623</u>	<u>(1,648,151)</u>	<u>(457)</u>	<u>622,440</u>
<b>Designated funds</b>					
LSP designated funding	275,000	-	-	-	275,000
Pension designated funding	250,000	-	-	-	250,000
Capital and strategic projects designated funding	685,686	-	-	-	685,686
	<u>1,210,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,210,686</u>
Pension reserve	(1,472,412)	-	(96,195)	-	(1,568,607)
	<u>186,699</u>	<u>1,822,623</u>	<u>(1,744,346)</u>	<u>(457)</u>	<u>264,519</u>
Total funds	<u>437,189</u>	<u>2,408,620</u>	<u>(2,332,427)</u>	<u>-</u>	<u>513,382</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**17. STATEMENT OF FUNDS (continued)**

**The restricted funds relate to:**

The Clubs and Societies Funds represent balances held for specific clubs and societies where the ultimate control would vest with the Union.

The Union and University have agreed to work in partnership to develop a university-wide peer mentoring scheme. The project will be managed as part of the overall volunteer support process, the University have agreed funding of £48,000 to support this scheme.

The Drink Aware fund relates to monies received towards a scheme to help students to drink responsibly and to ensure that they remain safe whilst drinking.

The RFU Development fund relates to monies received for the development of rugby at the University.

The sports grant is utilised for Team Leicester coaching costs to help subsidise the cost of sports to students.

**The designated funds relate to:**

LSP designation funding represents a year's commercial grant contributions, in light of the losses made by the associate company at present.

Pension designated funding relates to funds set aside for future contributions towards the scheme, in light of the revaluation and the known challenges faced by the scheme.

Capital and strategic projects designated funding represents the remaining funds designated for investment in strategic projects relating to the long-term development of the Union after taking account of the required funding needed to orderly wind down the Union in the event of the organisation ceasing to operate in the future in the light of the challenges facing the sector.

**Transfers relate to:**

Transfer made to the Peer Mentoring fund and the Drink Aware fund represent transfers from general reserves to cover additional costs incurred by these funds above the amount of the specific grants received for them.

The transfers made from the pension designated funds and general reserves represent a reduction in the amount of additional contributions which the trustees wish to hold in our designated reserves, which are now designated to be spent on strategic projects after taking account of the required funding needed to orderly wind down the Union in the event of the organisation ceasing to operate in the future in the light of the challenges facing the sector.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group – current year	Restricted funds 2020 £	General funds 2020 £	Designated funds 2020 £	Pension reserve 2020 £	Total funds 2020 £
Tangible fixed assets	-	63,754	-	-	63,754
Fixed asset investments	-	651,671	-	-	651,671
Current assets	251,017	568,969	1,497,832	-	2,317,818
Creditors due within one year	-	(159,119)	-	-	(159,119)
Defined pension scheme liability	-	-	-(1,899,776)	-	(1,899,776)
	<u>251,017</u>	<u>1,125,275</u>	<u>1,497,832</u>	<u>(1,899,776)</u>	<u>974,348</u>
Group – prior year	Restricted funds 2019 £	General funds 2019 £	Designated funds 2019 £	Pension reserve 2019 £	Total funds 2019 £
Tangible fixed assets	-	84,862	-	-	84,862
Fixed asset investments	-	565,205	-	-	565,205
Current assets	248,863	665,237	1,210,686	-	2,124,786
Creditors due within one year	-	(127,759)	-	-	(127,759)
Defined pension scheme liability	-	-	-(1,568,607)	-	(1,568,607)
	<u>248,863</u>	<u>1,187,545</u>	<u>1,210,686</u>	<u>(1,568,607)</u>	<u>1,078,487</u>
Charitable company – current year	Restricted funds 2020 £	General funds 2020 £	Designated funds 2020 £	Pension reserve 2020 £	Total funds 2020 £
Tangible fixed assets	-	63,754	-	-	63,754
Fixed asset investments	-	102	-	-	102
Current assets	251,017	552,716	1,497,832	-	2,301,565
Creditors due within one year	-	(142,868)	-	-	(142,868)
Defined pension scheme liability	-	-	-(1,899,776)	-	(1,899,776)
	<u>251,017</u>	<u>473,704</u>	<u>1,497,832</u>	<u>(1,899,776)</u>	<u>322,777</u>
Charitable company – prior year	Restricted funds 2019 £	General funds 2019 £	Designated funds 2019 £	Pension reserve 2019 £	Total funds 2019 £
Tangible fixed assets	-	84,862	-	-	84,862
Fixed asset investments	-	102	-	-	102
Current assets	248,863	620,710	1,210,686	-	2,080,259
Creditors due within one year	-	(83,234)	-	-	(83,234)
Defined pension scheme liability	-	-	-(1,568,607)	-	(1,568,607)
	<u>248,863</u>	<u>622,440</u>	<u>1,210,686</u>	<u>(1,568,607)</u>	<u>513,382</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	(104,139)	182,597
<b>Adjustment for:</b>		
Depreciation	43,835	52,102
Increase in pension deficit funding liability	331,169	96,195
Loss on the sale of fixed assets	-	954
Interest received	(9,631)	(7,709)
Decrease/(increase) in stocks	3,917	(1,617)
Decrease in debtors	69,023	32,535
Increase/(decrease) in creditors	31,360	(188,389)
Net income from joint ventures and associates	(86,466)	(106,404)
<b>Net cash provided by operating activities</b>	<b>279,068</b>	<b>60,264</b>

20. PENSION COMMITMENTS

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

The most recent Valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101,313,000 with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119,700,000.

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

The following assumption applied at 30 June 2016:-

- The investment return would be 5.3% per annum before retirement and 2.3% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 3.2% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 Valuation recommended a monthly contribution requirement by each Participating Employer express in monetary terms intended to clear the ongoing funding deficit over a period of 16 years and which increased by 20% from 1 October 2017, and at least 5% each year subsequently. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 28 June 2017. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

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20. PENSION COMMITMENTS (continued)

FRS 102 and Charities SORP (FRS102), require that the charitable company share of past service shortfall is reflected in the financial statements. Based on the most recent valuation, the charitable company took the option to pay a lump sum of £285,621 in the year ended 31 July 2018 to cover the period between October 2017 and September 2020 as their contribution to eliminate the shortfall. No contributions were made this year. Each October the annual contribution will increase by 5% until June 2033.

Therefore, at 31 July 2020, the balance sheet of the Union includes a liability of £1,899,776 (2019: £1,568,607), which represents the net present value of all future contributions towards eliminating this shortfall. The discount rate used is 1.45% (2019: 2.25%) which is comparable to that for a 15 year AA-rated corporate bond. The estimated liability is based on the 2016 triennial valuation of the scheme and will necessarily require revision after subsequent revaluations. The balance is made up as follows:

	<b>2020</b>
	<b>£</b>
Balance brought forward	1,568,607
Contributions made in the year	-
Charge to statement of financial activities	331,169
	<hr/>
	1,899,776
	<hr/>

The charitable company also contributes to three defined contribution schemes:

The total contributions paid to The Universities Superannuation Scheme (USS) during the year amounted to £23,032 (2019: £19,939). At the year end, the charitable company owed £2,874 (2019: £13).

The total contributions paid to The NUS Aegon Pension Scheme during the year amounted to £4,097 (2019: £3,690). At the year end, the charitable company outstanding amount due was £406 (2019: £Nil).

The total contributions paid to The National Employment Savings Trust (NEST) during the year amounted to £27,360 (2019: £19,568). At the year end, the charitable company outstanding amount due was £4,371 (2019: £Nil).

**21. RELATED PARTY TRANSACTIONS**

**Company**

**University of Leicester Students' Union Trading Ltd**

The wholly owned subsidiary, University of Leicester Students' Union Trading Ltd, is included within the consolidated accounts.

University of Leicester Students' Union Trading Ltd gift aided £29,082 in the year (2019: £107,213).

University of Leicester Students' Union Trading Ltd income and expenditure goes through the charitable company's bank account and also the charitable company has recharged for the use of staff amounting to £62,283 (2019: £63,702). At the year end, University of Leicester Students' Union Trading Ltd was owed £17,018 by the charitable company (2019: £27,504 owed to the charitable company).

**Group and company**

**University of Leicester**

The majority of the Student Unions' funding is derived from the University of Leicester, which is a related party as the Student Unions' principal activities involve providing services to its student body.

The Student Union receives a block grant from the University of Leicester £1,012,103 (2019: £908,522). Additional grants are provided by the University for project support of £477,475 (2019: £592,001).

During the year the group made sales of £84,159 (2019: £64,881) to the University of Leicester and made purchases of £21,552 (2019: £87,019) from the University of Leicester.

During the year the company made sales of £12,364 (2019: £4,892) to the University of Leicester and made purchases of £15,124 (2019: £82,172) from the University of Leicester.

At the year end, the group owed £34,011 (2019: £12,304) to the University of Leicester.

In addition, the Student Union occupies its building on a rent-free basis. This is under an informal license subject to the Student Union maintaining the building in a good state of repair. As a result, an estimated value to the Student Union for the free serviced accommodation has been included in the accounts. This has been valued at £180,129 (2019: £180,129) based on market prices within Leicester.

**The Leicester Services Partnership Limited**

During the year the group and company made purchases of £13,536 (2019: £Nil) from The Leicester Services Partnership Limited. At the year end, The Leicester Services Partnership Limited was owed £100 (2019: £100) by the group.

**Student Union Lettings Limited**

During the year the group made sales of £8,250 (2019: £11,000) to Student Union Lettings Limited.

Other related parties are the Sabbatical Officers and Trustees as detailed in the Trustees' report. Details of remuneration received by these individuals are shown in note 9. Remuneration of key management personnel is shown in note 8.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 JULY 2020

22. CONTINGENT LIABILITY

The Student Union have been made aware that due to an issue with benefits provided by SUSS pension the Union will be subject to additional unfunded liabilities. The exact amount that will be payable by the student union has not yet been determined due to factors, which will be measured again as at 30 June 2019 when the next actuarial valuation of the scheme will take place. No provision has been made for this liability on the basis it is not yet been quantified.

23. COMPARATIVE GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<b>INCOME FROM:</b>			
Donations and legacies	1,687,480	97,155	1,784,635
Charitable activities	16,351	488,842	505,193
Other trading activities	266,973	-	266,973
Investments:			
Share of joint venture gross income	106,404	-	106,404
Interest received	7,709	-	7,709
Other income	3,870	-	3,870
<b>TOTAL INCOME</b>	<b>2,088,787</b>	<b>585,997</b>	<b>2,674,784</b>
<b>EXPENDITURE ON:</b>			
Raising funds	159,760	-	159,760
Charitable activities	1,744,346	588,081	2,332,427
<b>TOTAL EXPENDITURE</b>	<b>1,904,106</b>	<b>588,081</b>	<b>2,492,187</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>184,681</b>	<b>(2,084)</b>	<b>182,597</b>
Transfer between funds	(457)	457	-
<b>NET MOVEMENT IN FUNDS</b>	<b>184,224</b>	<b>(1,627)</b>	<b>182,597</b>