

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 2021

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

ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 JULY 2021

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

M Nembhard (resigned 30 June 2021)
T Magaia (resigned 19 June 2021)
A Rahman (resigned 30 June 2021)
E Phipps (resigned 30 June 2021)
H Belcher (resigned 30 June 2021)
K Wagener
R Jenkins (appointed 1 July 2021)
M Kanikanti (appointed 1 July 2021)
N Farmer (appointed 1 July 2021)
G Henton (appointed 1 July 2021)
A Deeb (appointed 1 July 2021)

Student Trustee

E Westbrook (resigned 27 January 2021)
J Lin (appointed 1 July 2021)

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 2021

As for most across the sector, this last year has been about recovery. At Leicester, there was not only the effects of COVID and lifting of restrictions to deal with, but a vote of no confidence in the University and a relationship with a key stakeholder to rebuild. Due to a cut in our grant funding, we also had to internally restructure and learn to deliver the same output with a reduced working force, while always ensuring the student experience wasn't impacted.

The aim of this report is to share our achievements in the present, especially under the extreme circumstances, and our aims for the future. While our strategic plan is redesigned for the next five years, we can reflect on where our previous one led us and use its successes to steer us towards even greater engagement and impact with the student body.

The financial period saw a great saving on the predicted deficit, ensuring we did not have to rely on our reserves as much as previously thought. While it did lead to an unfortunate restructuring of the staffing structure that affected morale and workload, we are confident as a Union that we have recovered and are very pleased with our recruitment drive which has seen vacant posts filled by enthusiastic and value-sharing individuals.

One of those filled posts was our Business Development Lead, who has already overseen several commercially successful and profit building fairs, with views to make these staples of the Union calendar going forwards. The work being done in this role is vital to supporting our students as it increases our revenue streams and financial independence, enabling us to offer more for the student body. It brings a lot exciting opportunities to the horizon, for us to grow our revenue but also to improve our relationship with the Leicester community and local business.

The restructure meant we looked closely at our internal structures, allowing us to optimise our efficiency and strengthen our focus on key areas for students. Going forwards we will look to develop a service model that continues this focused approach and streamlines our planning processes over the summer period.

Despite the challenges that we – as a sector and a standalone Union – have faced, as Chair, I feel that we are coming out of the other side, re-energised and with even more determination to deliver the best possible student experience and amplify our students' voices across campaigns, support and societies.

Rhiannon Jenkins

TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 JULY 2021

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 2021. 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 1994 Education Act 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, receiving the essential trustee guidance from the Charity Commission. Access to additional training is also provided throughout the year.

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 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. Union Council also have the ability to call an all-student referendum on matters of wider importance, where required.

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 supported by Ambalavanar Kumaran, as 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 to manage and administer its activities. These staff members are accountable to the Chief Executive for the performance of their duties.

Senior Staff Pay Policy

Remuneration & HR sub-committee will review pay across the organisation on an annual basis. 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 £229,440

Until the end of the 2020/21 Students' Union has been in a joint commercial partnership with the University, known as Leicester Services Partnership. With the partnership continuing to make significant financial losses, it was agreed by both shareholders to end the partnership in time for the 21/22 financial year and for the University to take the liability on rather than it be shared with the Students' Union. This five-year period saw the Union compensated £275,000 per annum for services given to the partnership, which were profitable for the Union at the point of transfer. The end of this £275,000 annual payment has necessitated the Union review the affordability of its operations from the 2021/22 year. The Students' Union continues to generate supplementary funding from some trading activities such as Fresher's, Graduation and NUS card sales

Due to continuing financial pressures faced by the University, the Union is working to temporary restrictions on its core grant. A commitment to restore funding to comparable levels of 2019/20 is in place, with a view to this resuming in 2023-24. Whilst the funding is temporarily reduced, there is no reason to believe that substantial financial 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

There are a number of significant risks affecting the Union. The greatest of which are the organisation's reliance on the University for income and the health of that relationship in the event of future unconstructive tension between the Union and parent institution. This has been brought into focus earlier in 2021, with students utilising democratic mechanisms of the Union to state their lack of confidence in the University management. Steps to better codify the working relationship between the Union and University are intended to help navigate future challenges that might arise.

The University's own financial challenges have hit the Union's grant, in turn having a profound impact on our financial position over a three-year period. Assurances over a grant formula for the future have been received by trustees, with financial planning undertaken by the Union based on these figures. Steps to reduce the reliance on University income are in place, with the Union expanding its' staff team to accommodate a Business Development Manager from autumn 2021 onwards, who will be tasked with boosting existing Union-generated income streams and identifying new income streams.

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 cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability.

Other key risks on the register include the Union's representative legitimacy with election turnout falling in 20-21, the future viability of the joint trading company with the University and continuity within the board given the annual turnover of student members.

A regularly updated risk register reflecting these areas and others is received and discussed at each board meeting.

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.

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

Aims, Objectives & Activities (continued)

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 2021/22, we will be an active and inclusive Union with a powerful student-led voice; delivering meaningful change for you across your Leicester experience."

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.

A review of the Union's future strategic direction is underway following a pause during the pandemic, to assess what students' needs of us would be after the initial phases of the Covid pandemic.

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 2021/22, 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 2021/22		
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

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

Review of Activities (continued)

Our Supporting Priorities		
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

- **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.
 - By 2021/22, 30% of students making democratic decisions across the Union and 80% will be aware we're separate to the University
- **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.
 - By 2021/22, we will have a student leader profile that reflects the number of students at Leicester from liberation groups
- **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.
 - By 2021/22, we will have an evidenced strategy to build and lobby for improved student support provision on campus and online
- **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.
 - By 2021/22, we will have transformed our identity, with 75% of students aware of who we are and the services we provide
- **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.
 - By 2021/22, we will have daily physical presence in multiple campus locations, bringing us closer to you and building a better insight of your needs
- **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.
 - By 2021/22, we will have launched a community engagement plan, demonstrating the positive contribution made to the area by students

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

Review of Activities (continued)

A program of work was identified to run between 2018-2021 to facilitate delivery of the above. These plans were set prior to the onset of the pandemic in March 2020, hampering year-end delivery in terms two and three of 2019-20 and for the entirety of 2020/21. As such, targets on course for 2021 completion in Voice, Opportunities and Spaces were missed – and targets for Support and Partnerships were not begun. Targets for Communication were achieved by 2019.

As a result, efforts in 2020/21 focused towards short-term responses by way of a Covid delivery plan. This plan was presented by the Students' Union to the University as our major funder, outlining the headline deliverables we would focus on delivering during the 20/21 year. In this plan, we identified a series of key service adaptations and projects that would be key to our delivery in the year ahead. We are proud to say all of the committed actions were delivered, whilst also learning to adjust to a digital environment with a very small and overstretched staff base.

The following provides an overview of service delivery in 2020/21 within each of the priority themes.

Voice

The primary aim of Voice in 2020-21 was reimagining how to capture the student voice effectively and reflecting on how best to represent our members' needs in an educational landscape that fundamentally changed how students were taught and how they engaged with the wider University experience.

As with Students' Unions across the sector, engagement in democratic processes fell in many areas over the course of the year. However, a number of noteworthy successes were achieved and a number of important projects were initiated, leading to positive impact in the student community:

- The team delivered a comprehensive review of bye-laws in time for the start of the year to facilitate the switch to a virtual mode of decision-making.
 - **Impact:** Enabled the Union to continue to be fully student-led, despite the remote location challenges.
- A virtual learning environment was established for student representatives, running alongside 42 separate induction sessions to empower them in their roles.
 - **Impact:** Enabled the Union to fully train student leaders to work in partnership with University staff on matters most requiring attention
- The annual Student Leader Conference for representatives was digitally replicated, seeing an increase in engagement to 187 participants over the day
 - **Impact:** More student leaders than ever before benefitted from training, leading to an improvement in active engagement
- The relevance and frequency of representative communications was reviewed, leading to an improved open rate on messages of 34%.
 - **Impact:** Students were kept abreast of Union developments and opportunities, despite the lack of on-campus promotional opportunities for most of the year
- 2,282 unique students engaged in research programs to identify students' key priorities of the Union
 - **Impact:** Proposals presented to the University of Leicester in areas such as value for money and student retention were fully evidence-led, creating a more compelling case for change.
- The student representation system raised just over 600 unique student-identified issues with University departments for resolution
 - **Impact:** Ensured that Union's representatives were active agents of change for their peers across all areas of the student experience.
- The 2021 Superstar Awards that recognise the contributions of the teaching community received a record 440 unique student nominations.
 - **Impact:** Fostered closer relations with teaching and support staff in the University at the end of a tough, Covid-hit year

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

Review of Activities (continued)

Voice (continued)

- Student Council enjoyed a 42% increase in attendance in comparison to 2019/20
 - **Impact:** Channelled more students towards policy debate than previous years
- Just over 2,000 unique students participated in at least one democratic action in the year
 - **Impact:** Demonstrated to stakeholders that democratic action channelled via the student is truly student-led

As we the area looks towards 21/22 and beyond, work was begun in collaboration with students and stakeholders on a top-to-bottom review of our student voice structures. The aspiration of these changes is to further strengthen the representative structures and drive increased democratic engagement.

Opportunities

With the pandemic restricting the way in which all our 230 student groups run their activities, significant time and effort was spent in year maintaining accessibility to what could take place; as well as helping student leaders reimagine social activity in a virtual environment. As the academic year progressed, engagement with activity noticeably declined, as students became increasingly digitally exhausted. Departmental focus shifted at this point towards the adaption of structures to enable student groups struggling for future leadership to be able to continue into the new year.

Despite the challenges posed to student opportunities by the pandemic, a number of noteworthy successes were achieved and a number of important projects were initiated. These include:

- Running 25 additional, bespoke skills sessions for student leaders ahead of the start of the academic year to help them adapt to the challenges posed by the pandemic
 - **Impact:** Enabled student-leaders of activities to be ready to run events for a digitally-orientated social environment ahead of the new year
- Ran three entirely online welcome fairs for student activities, plus an early event for medic induction; engaging nearly 3,000 unique students
 - **Impact:** Ensured belonging and community opportunities could be provided to an incoming cohort of students who would otherwise have lost the opportunity to join student groups
- Ran 215 digital events during October Give It A Go period, to emphasise the existence of a virtual social community for students
 - **Impact:** Enabled students to see what a digitally active student community could look like, ahead of a year in which social activities needed to be run online
- Ran the first Careers in Sports series, to create greater awareness for sporting students of the sector pathways open to them via their leadership experience
 - **Impact:** Expanded the range of careers sessions delivered to students, by creating a new strand of activity for the sports industry
- Introduced a new Societies Council to oversee distribution of over £20k of grants
 - **Impact:** Ensured student group finances became a student-led process, providing greater transparency for societies
- Launched an entirely new student group finance module, to allow student group expenses to be swiftly processed
 - **Impact:** Sped up turnaround times on basic administrative requests from student groups, a key source of frustration
- Ran an entirely online programme of student group elections with 6,588 votes cast
 - **Impact:** Ensured student groups were fully supported in selecting their leaders for the following year, despite not being able to meet to conduct elections
- Saw 258 unique student leader nominations for the online Opportunities Awards
 - **Impact:** Enabled the contributions of student leaders in a challenging year to be recognised, with a record number of nominations submitted

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

Review of Activities (continued)

Opportunities (continued)

- Launched the 'adopt a society' program, to ensure student groups without committee interest don't wither for the 21/22 year
 - **Impact:** Reduced the number of student groups who would otherwise have become dormant, due to reduced memberships resulting from the pandemic

In addition, some of our student-led activities provided through our opportunities raised significant funds for national and local charities through the pandemic. Organisations who benefitted from these funds included:

- Leicester Rape Crisis
- Heartwize
- Teenage Cancer Trust
- Student Minds
- Oxfam
- Victim First
- Turing Trust
- NHS Charities
- Guide Dogs For The Blind
- BEAT
- Lawyers Without Borders

Support

The pandemic necessitated a significant adaption from the support functions of the Union, to ensure all services were fully accessible remotely for students adjusting to learning in a new climate. Concerns regarding value for money in education and housing led to increased caseload for the Advice Service, whilst our student peer mentors found themselves trying to guide their mentees through an experience they themselves were learning to navigate. Additional mental health clinics were introduced to help students struggling with the effects of the pandemic and a wide range of self-development sessions were run digitally to assist students upskill themselves around their studies.

Despite the challenges posed through service adaption and caseload increases, a number of noteworthy successes were achieved and a number of important projects were initiated by the support function in year. These include:

- 980 unique students advised through the Advice Service, via an entirely new system of online appointments
 - **Impact:** Previous records for students supported by the Advice Service were surpassed despite the pandemic challenges, thanks to the digital service adaptations introduced
- 95 new, Covid-orientated student empowerment workshops were run in areas such as public speaking, self-care and fraud awareness for 786 unique students
 - **Impact:** Students received a wider range of support workshops than ever before, all tailored to reflect the demands of the pandemic
- 996 unique mentees signed-up to the Peer Mentor scheme before Freshers' Week, a record number.
 - **Impact:** Mentees participating in the peer mentoring scheme were able to benefit from the wisdom of their mentors earlier in their student journey than ever before
- A brand new accessibility toolbar was introduced to the Union website, to ensure students requiring support were able to fully utilise the advice pages
 - **Impact:** Ensured students could fully utilise our website, tailored to a wide range of access adjustments

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

Review of Activities (continued)

Support (continued)

- A liberation mentor scheme was launched as an extension of the existing Peer Mentor program, attracting 234 mentees
 - **Impact:** Ensured mentees could benefit from a tailored iteration of the scheme that was orientated towards a wider range of lived experiences
- 91% of mentees said they would endorse the Peer Mentor scheme to the student population and 90% said they would endorse the Advice Service
 - **Impact:** Demonstrated the continuous improvement of the Union's core support services, during a year in which they were more tested than ever
- A weekly series of new mental health clinics were introduced to support students awaiting counselling from University support services
 - **Impact:** Ensured a broader range of support services were accessed to students in a virtual setting, to help them manage the challenges of the pandemic
- Black Lives Matter support resources developed for students in the aftermath of George Floyd's murder reached over 20,000 people from inside and outside the student community
 - **Impact:** Ensured students and members of the community impacted by George Floyd's murder and the media aftermath were fully supported with a range of practical support tools.

Future Plans

A series of emerging challenges for each of our student-facing priority themes have been set for the year ahead, along with a series of service KPIs.

Support – Challenges Requiring Response

- Increased mental health challenges amongst students as a result of Covid
- Adapting to a second year of changes to education delivery, in order to provide the right advice
- Ensuring peer mentors are equipped to support new students given their own disruption
- Relaunching the service in its brand new location

Support – 2021/22 KPIs

- 1,000 recruited mentees
- 90% mentee satisfaction
- 90% advice client satisfaction
- 300 housing contracts checked
- 1,250 unique students advised

Opportunities – Challenges Requiring Response

- Supporting student leaders rebuilding in-person activities for the first time in 18 months
- Rebuilding extracurricular activity as a staple of student life with full student confidence
- Ensuring Covid-safe spaces are available for students to run activities from
- Enabling student groups to run activity with a reduced level of departmental resource

Opportunities – 2021/22 KPIs

- 25,000 student memberships
- £25,000 raised for charity
- 75% voter turnout in 60% of group elections
- 80% Freshers' Fair group participation
- 80% leader satisfaction with competency framework

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

Future Plans (continued)

Voice – Challenges Requiring Response

- Rebuilding democratic engagement following the pandemic
- Rebuilding NSS satisfaction with representation effectiveness
- Tackling inconsistency of support provided to academic representatives
- Moving campaign delivery to a greater outcome emphasis

Voice – 2021/22 KPIs

- 2,500 student election votes
- 250 trained student representatives
- 70% representative satisfaction
- 5 point improvement on NSS representative satisfaction
- 10% student engagement in Leics Chat

In addition, a series of collaborative priorities from our officer trustees have been presented to the University Executive Board, in the following areas:

- Fulfilling Education Standards
- Sustainability
- Employability & Careers
- Inclusion
- Welfare
- Accessibility & Affordability

Financial Review

ULSU's gross income from all sources this year totalled £1,695,205 (2020: £2,452,813). Total expenditure was £1,922,325 (2020: £2,556,952) resulting in a deficit for the year of £227,120 (2020: £104,139), reducing ULSU's total reserves to £747,228 (2020: £974,348).

Whilst the Union has continued to benefit from the recognition and support of the University, the annual block grant decreased to £809,685 (2020: £1,012,103) because of financial challenges posed to the University by the pandemic. In addition to this, the Union received other grants from the University of £301,658 (2020: £477,475).

The Union has required to recognise the net present value of future contributions required to eliminate the shortfall estimated with respect to Union participation in the Students' Union Superannuation Scheme. This has resulted in a liability being recognised in the balance sheet at 31 July 2021 of £1,897,307 (2020: £1,899,776) and this has resulted in a charge to the Statement of Financial Activities in the year of £358,468 (2020: £331,169).

The Union's trading subsidiary generated a trading surplus of £12,537 (2020: £29,082 surplus) which is gift aided to the Union.

The Board of Trustees approved a deficit budget for the 2020/21 year, in order to ensure the Union could respond to a variety of possible scenarios posed by the pandemic and in order to ensure students received as much support from the charity as possible during a challenging academic year. At the time of planning, former levels of grant funding from the University seemed likely to return in time for 2021/22. Prudent expenditure controls in year managed the deficit as far as possible, reducing losses to those initially anticipated.

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 2021 are set out on pages 20-45. These were prepared applying the Accounting Policies set out on page 24-28.

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 acceptable - this return can then be spent on the charity's aims.

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 £459,462 (2020: £448,475), 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 protect the charity regarding the Leicester Services commercial grant. All remaining free reserves are held as a designated fund for capital and strategic projects to transform the student experience. Up to £134,825 of these funds have been designated to underwrite anticipated losses in the 2021/22 financial year, with a further £56,000 identified for one-off restructuring costs.

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.

TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2021

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 2021/22 has been confirmed at £900,000.

Trustees' Responsibilities Statement

The Trustees (who are also directors of University of Leicester Students' Union 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 11 April 2022 and signed on their behalf by:



R Jenkins
Trustee

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

Opinion

We have audited the financial statements of University of Leicester Students' Union (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2021 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 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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)

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 Statement of Trustees' Responsibilities set out on page 15, 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 if 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment regulations, Equality Act 2010, GDPR and data protection act, and health and safety regulations. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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. The description forms part of our Auditor's report.

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

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: 19/04/2022

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 2021**

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	2	1,351,993	82,794	1,434,787	1,812,027
Charitable activities		-	109,079	109,079	368,380
Other trading activities	3	38,364	-	38,364	175,291
Investments:	4				
Share of joint venture net income		103,279	-	103,279	86,466
Interest received		1,366	-	1,366	9,631
Other income		8,330	-	8,330	1,018
TOTAL INCOME		1,503,332	191,873	1,695,205	2,452,813
EXPENDITURE ON:					
Raising funds		27,827	-	27,827	146,209
Charities activities		1,720,028	174,470	1,894,498	2,410,743
TOTAL EXPENDITURE	5	1,747,855	174,470	1,922,325	2,556,952
NET INCOME/EXPENDITURE		(244,523)	17,403	(227,120)	(104,139)
NET MOVEMENT IN FUNDS	16	(244,523)	17,403	(227,120)	(104,139)
RECONCILIATION OF FUNDS:					
Total funds brought forward	16	723,331	251,017	974,348	1,078,487
TOTAL FUNDS CARRIED FORWARD	16	478,808	268,420	747,228	974,348

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 22.

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

GROUP BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2021

Company registration number 07303101

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	10		30,977		63,754
Investments in joint ventures					
- Share of gross assets		841,015		705,422	
- Share of gross liabilities		(86,065)		(53,751)	
Share of net assets	11		754,950		651,671
Investments in associates	11		-		-
			<u>785,927</u>		<u>715,425</u>
CURRENT ASSETS					
Stocks	13	78		78	
Debtors	14	34,051		49,340	
Cash at bank and in hand		1,897,937		2,268,400	
		<u>1,932,066</u>		<u>2,317,818</u>	
CREDITORS: amounts falling due within one year	15	(73,458)		(159,119)	
NET CURRENT ASSETS			<u>1,858,608</u>		<u>2,158,699</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,644,535</u>		<u>2,874,124</u>
Defined pension scheme liability	19		(1,897,307)		(1,899,776)
NET ASSETS			<u>747,228</u>		<u>974,348</u>
THE FUNDS OF THE CHARITY					
Restricted funds	16		268,420		251,017
Unrestricted funds	16				
General funds			1,200,516		1,125,275
Designated funds			1,175,599		1,497,832
Pension reserve			(1,897,307)		(1,899,776)
			<u>478,808</u>		<u>723,331</u>
TOTAL CHARITY FUNDS			<u>747,228</u>		<u>974,348</u>

The financial statements on pages 20 to 45 were approved and authorised for issue by the Board of Trustees on 11 April 2022 and signed on their behalf, by:



R Jenkins
Trustee

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

COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2021

Company registration number 07303101

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	10		30,977		63,754
Investments	11		2		2
Investments in associates	11		100		100
			<u>31,079</u>		<u>63,856</u>
CURRENT ASSETS					
Stocks	13	78		78	
Debtors	14	33,745		33,087	
Cash at bank		<u>1,897,937</u>		<u>2,268,400</u>	
		1,931,760		2,301,565	
CREDITORS: amounts falling due within one year	15	<u>(73,154)</u>		<u>(142,868)</u>	
NET CURRENT ASSETS			<u>1,858,606</u>		<u>2,158,697</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,889,685</u>		<u>2,222,553</u>
Defined pension scheme liability	19		<u>(1,897,307)</u>		<u>(1,899,776)</u>
NET (LIABILITIES)/ASSETS			<u>(7,622)</u>		<u>322,777</u>
THE FUNDS OF THE CHARITY					
Restricted funds	16		<u>268,420</u>		<u>251,017</u>
Unrestricted funds	16				
General funds			445,666		473,704
Designated funds			1,175,599		1,497,832
Pension reserve			<u>(1,897,307)</u>		<u>(1,899,776)</u>
			<u>(276,042)</u>		<u>71,760</u>
TOTAL CHARITY FUNDS			<u>(7,622)</u>		<u>322,777</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 £(330,399) (2020 : £(190,605)).

The financial statements on pages 20 to 45 approved and authorised for issue by the Board of Trustees on 11 April 2022 and signed on their behalf, by:



R Jenkins
Trustee

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

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £	2020 £
Cash flows (to)/from operating activities			
Net cash (used in)/provided by operating activities	18	(371,829)	279,068
Cash flows from investing activities:			
Interest received		1,366	9,631
Purchase of tangible fixed assets		-	(22,727)
Net cash provided by/(used in) investing activities		1,366	(13,096)
Change in cash and cash equivalents in the year		(370,463)	265,972
Cash and cash equivalents brought forward		2,268,400	2,002,428
Cash and cash equivalents carried forward		<u>1,897,937</u>	<u>2,268,400</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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 2021.

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 2021

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. 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.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grant will be received.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

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

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 2021

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 of direct materials.

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 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 2021

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 £1,897,307 (2020: £1,899,776).

- (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 £229,440 (2020: £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 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations and University Grants	1,111,343	-	1,111,343	1,490,768
Grant of serviced accommodation	229,440	-	229,440	180,129
Peer mentoring funds restricted income	-	48,000	48,000	48,000
Sports grant	-	34,794	34,794	36,294
Drink Aware	-	-	-	11,582
RFU development restricted income	-	-	-	2,715
Job retention scheme grants	11,210	-	11,210	42,539
Total donations and legacies	<u>1,351,993</u>	<u>82,794</u>	<u>1,434,787</u>	<u>1,812,027</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

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:

Statement of income	2021 £	2020 £
Turnover	38,364	175,291
Cost of sales	(781)	(74,745)
Gross profit	37,583	100,546
Administrative expenses	(27,046)	(71,464)
Other operating income	2,000	-
(Loss)/profit before and after taxation for the financial year	12,537	29,082
Distribution to parent charity under gift aid	(12,537)	(29,082)
Result for the financial year	-	-

The net assets of University of Leicester Students' Union Trading Ltd at 31 July 2021 amounts to £2 (2020: £2 net assets), being current assets of £14,954 (2020: £33,271) less creditors within one year of £14,952 (2020: £33,269).

4. INCOME FROM INVESTMENTS	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Share of joint venture net income	103,279	103,279	86,466
Bank interest received	1,366	1,366	9,631
	104,645	104,645	96,097

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff Costs 2021 £	Depreciation 2021 £	Other Costs 2021 £	Total 2021 £	Total 2020 £
University of Leicester Students' Union Trading Ltd	15,667	-	12,160	27,827	146,209
Costs of raising funds	15,667	-	12,160	27,827	146,209
Education & representation	367,352	8,359	225,407	601,118	682,630
Welfare	78,003	5,107	127,920	211,030	238,484
Campaigns and Communications	104,117	6,734	158,314	269,165	293,224
Societies & clubs	267,350	12,328	408,160	687,838	1,028,319
Sports grant	-	-	34,794	34,794	36,294
Peer mentoring	42,144	-	426	42,570	61,482
Training	44,290	-	3,693	47,983	57,255
Drink Aware	-	-	-	-	13,055
Costs of charitable activities	903,256	32,528	958,714	1,894,498	2,410,743
	918,923	32,528	970,874	1,922,325	2,556,952

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

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 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Education & representation	341,466	259,652	601,118	682,630
Welfare	5,464	205,566	211,030	238,484
Campaigns and communications	-	269,165	269,165	293,224
Societies & clubs	114,041	573,797	687,838	1,028,319
Sports grant	34,794	-	34,794	36,294
Peer mentoring	42,570	-	42,570	61,482
Training	47,983	-	47,983	57,255
Drink Aware	-	-	-	13,055
Total	586,318	1,308,180	1,894,498	2,410,743

Support costs comprised:-

	2021 £	2020 £
Staff costs	506,584	534,612
Depreciation	32,528	43,835
Rent	229,440	180,129
Insurances	14,609	17,132
NUS Subscription	25,303	36,341
Bad debts	-	69
Pension Scheme Funding	358,468	331,169
Marketing costs	8,065	15,314
Stationery and telephone	2,756	1,556
General building repairs and cleaning	4,551	127,901
Bank charges	1,932	3,026
Other support costs	123,695	119,413
Loss on disposal of fixed assets	249	-
Total	1,308,180	1,410,497

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

7. NET INCOME/(EXPENDITURE)

This is stated after charging	2021 £	2020 £
Depreciation of tangible fixed assets: - owned by the charitable group	32,528	43,835
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services as are follows:	2021 £	2020 £
Audit services – statutory audit of charitable company and consolidated accounts	16,650	13,585
Other services:		
Audit services – statutory audit of associates of the charitable company	1,950	1,835
Taxation compliance service	2,500	1,300
All other non-audit services	5,250	4,150
	<u>26,350</u>	<u>20,870</u>

8. STAFF COSTS

Staff costs were as follows:	2021 £	2020 £
Wages and salaries	799,178	934,186
Social security costs	67,234	74,718
Other pension costs	52,511	54,254
	<u>918,923</u>	<u>1,063,158</u>

During the year the charitable company made two (2020: one) ex-gratia and termination payments amounting to £17,695 (2020: £8,703).

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

	2021 No.	2020 No.
Full time	30	33
Students – term time only	21	52
	<u>51</u>	<u>85</u>

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, the Director of membership services and the Chief Executive Officer. During the year, key management personnel received remuneration (including employers national insurance contributions) of £285,630 (2020: £293,383).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

9. TRUSTEES' REMUNERATION

TRUSTEE NAME	Salary £	Pension £	Total 2021 £	Total 2020 £
O Obioha (resigned 30 June 2020)	-	-	-	20,031
A Magaia (resigned 19 June 2021)	18,784	939	19,723	21,852
A Rahman (resigned 30 June 2021)	19,077	954	20,031	21,245
C Brown (resigned 31 March 2020)	-	-	-	23,965
S Ali (resigned 30 June 2020)	-	-	-	19,771
M Nembhard (resigned 30 June 2021)	19,798	87	19,885	21,432
H Belcher (resigned 30 June 2021)	19,077	954	20,031	2,782
K Wagener	20,811	1,041	21,852	2,695
E Phipps (resigned 30 June 2021)	19,077	-	19,077	2,695
R Jenkins (appointed 1 July 2021)	1,734	87	1,821	-
M Kanikanti (appointed 1 July 2021)	1,734	87	1,821	-
N Farmer (appointed 1 July 2021)	1,734	87	1,821	-
G Henton (appointed 1 July 2021)	1,734	87	1,821	-
A Deeb (appointed 1 July 2021)	1,734	-	1,734	-
Total	125,294	4,323	129,617	136,468

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

There were no other trustee-benefits for the year (2020: £nil). Four (2020: Seven) trustees received reimbursement of expenses in relation to travel and subsistence totalling £610 (2020: £10,697).

10. TANGIBLE FIXED ASSETS

Group and Company Cost	Fixtures and equipment £
At 1 August 2020	388,518
Disposals	(87,768)
At 31 July 2021	300,750
Depreciation	
At 1 August 2020	324,764
Charge for the year	32,528
Eliminated on disposal	(87,519)
At 31 July 2021	269,773
Net book value	
At 31 July 2021	30,977
At 31 July 2020	63,754

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

10. TANGIBLE FIXED ASSETS (continued)

The net book value of fixed assets represents:	2021 £	2020 £
Assets used for charitable activities	30,977	63,754

11. FIXED ASSET INVESTMENTS

	Investments in joint venture £
Group	
Share of net assets	
At 1 August 2020	651,671
Share of profit	103,279
At 31 July 2021	754,950

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

Company Cost	Shares in Group Undertakings £	Investments in associates £	Total £
At 1 August 2020 and at 31 July 2021	2	100	102

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

12. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (continued)

c. Principal associates

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

Registered office

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

Since the year end the Student Union has disposed of its investment in The Leicester Services Partnership Limited for nil consideration.

13. STOCKS	Group 2021 £	2020 £	Company 2021 £	2020 £
Stocks	78	78	78	78
14. DEBTORS	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade debtors	8,218	16,365	7,914	114
Other debtors	2	5,281	-	5,279
Prepayments and accrued income	25,831	27,694	25,831	27,694
	34,051	49,340	33,745	33,087
15. CREDITORS: Amounts falling due within one year	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade creditors	1,678	49,918	1,678	33,091
Amounts owed to group undertakings	-	-	14,648	17,018
Amounts owed to associates	100	100	100	100
Other taxation and social security	18,899	20,312	16,394	19,502
Other creditors	10,291	17,125	10,291	17,125
Accruals and deferred income	42,490	71,664	30,043	56,032
	73,458	159,119	73,154	142,868

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

15. CREDITORS: Amounts falling due within one year (continued)

	Group 2021 £	2020 £	Company 2021 £	2020 £
Deferred income				
Deferred income at 1 August	21,775	15,832	10,943	-
Resources deferred during the year	-	10,943	-	10,943
Amounts released from previous years	(15,943)	(5,000)	(10,943)	-
Deferred income at 31 July	5,832	21,775	-	10,943

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

16. STATEMENT OF FUNDS

Group – current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2021 £
Restricted funds					
Clubs and Societies	247,224	109,079	(97,106)	-	259,197
Peer Mentoring Fund	-	48,000	(42,570)	-	5,430
Sports grant	-	34,794	(34,794)	-	-
RFU Development Fund	3,793	-	-	-	3,793
	251,017	191,873	(174,470)	-	268,420
Unrestricted funds					
General reserves	473,604	1,400,053	(1,750,324)	322,233	445,566
Shares of net income from joint venture	651,671	103,279	-	-	754,950
	1,125,275	1,503,332	(1,750,324)	322,233	1,200,516
Designated funds					
LSP designated funding	275,000	-	-	-	275,000
Capital and strategic projects designated funding	1,222,832	-	-	(322,233)	900,599
	1,497,832	-	-	(322,233)	1,175,599
Pension reserve	(1,899,776)	-	2,469	-	(1,897,307)
	723,331	1,503,332	(1,747,855)	-	478,808
Total funds	974,348	1,695,205	(1,922,325)	-	747,228

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

16. STATEMENT OF FUNDS (continued)

Group – prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2020 £
Restricted funds					
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>
Unrestricted funds					
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>
Designated funds					
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 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 2021

16. STATEMENT OF FUNDS (continued)

Charitable company – current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2021 £
Restricted funds					
Clubs and Societies	247,224	109,079	(97,106)	-	259,197
Peer Mentoring Fund	-	48,000	(42,570)	-	5,430
Sports grant	-	34,794	(34,794)	-	-
RFU Development Fund	3,793	-	-	-	3,793
	<u>251,017</u>	<u>191,873</u>	<u>(174,470)</u>	<u>-</u>	<u>268,420</u>
Unrestricted funds					
General reserves	<u>473,704</u>	<u>1,372,226</u>	<u>(1,722,497)</u>	<u>322,233</u>	<u>445,666</u>
Designated funds					
LSP designated funding	275,000	-	-	-	275,000
Capital and strategic projects designated funding	<u>1,222,832</u>	<u>-</u>	<u>-</u>	<u>(322,233)</u>	<u>900,599</u>
	<u>1,497,832</u>	<u>-</u>	<u>-</u>	<u>(322,233)</u>	<u>1,175,599</u>
Pension reserve	(1,899,776)	-	2,469	-	(1,897,307)
	<u>71,760</u>	<u>1,372,226</u>	<u>(1,720,028)</u>	<u>-</u>	<u>(276,042)</u>
Total funds	<u>322,777</u>	<u>1,564,099</u>	<u>(1,894,498)</u>	<u>-</u>	<u>(7,622)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

16. STATEMENT OF FUNDS (continued)

Charitable company – prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2020 £
Restricted funds					
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>
Unrestricted funds					
General reserves	<u>622,440</u>	<u>1,757,247</u>	<u>(1,603,882)</u>	<u>(302,101)</u>	<u>473,704</u>
Designated funds					
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 2021

16. 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 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

A transfer has been made from the capital and strategic projects designated fund to general reserves to take 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 2021

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group – current year	Restricted funds 2021 £	General funds 2021 £	Designated funds 2021 £	Pension reserve 2021 £	Total funds 2021 £
Tangible fixed assets	-	30,977	-	-	30,977
Fixed asset investments	-	754,950	-	-	754,950
Current assets	268,420	488,047	1,175,599	-	1,932,066
Creditors due within one year	-	(73,458)	-	-	(73,458)
Defined pension scheme liability	-	-	-(1,897,307)	-	(1,897,307)
	<u>268,420</u>	<u>1,200,516</u>	<u>1,175,599</u>	<u>(1,897,307)</u>	<u>747,228</u>
Group – prior 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>
Charitable company – current year	Restricted funds 2021 £	General funds 2021 £	Designated funds 2021 £	Pension reserve 2021 £	Total funds 2021 £
Tangible fixed assets	-	30,977	-	-	30,977
Fixed asset investments	-	102	-	-	102
Current assets	268,420	487,741	1,175,599	-	1,931,760
Creditors due within one year	-	(73,154)	-	-	(73,154)
Defined pension scheme liability	-	-	-(1,897,307)	-	(1,897,307)
	<u>268,420</u>	<u>445,666</u>	<u>1,175,599</u>	<u>(1,897,307)</u>	<u>(7,622)</u>
Charitable company – prior 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>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(227,120)	(104,139)
Adjustment for:		
Depreciation	32,528	43,835
(Decrease)/increase in pension deficit funding liability	(2,469)	331,169
Loss on the sale of fixed assets	249	-
Interest received	(1,366)	(9,631)
Decrease in stocks	-	3,917
Decrease in debtors	15,289	69,023
(Decrease)/increase in creditors	(85,661)	31,360
Net income from joint ventures and associates	(103,279)	(86,466)
Net cash (used in)/provided by operating activities	(371,829)	279,068

19. 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 2019 and showed that the market value of the Scheme's assets was £119,100,000 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 £140,900,000.

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 2019:-

- Pre-retirement discount rate – 4.0% pa
- Post retirement discount rate – 2.0% pa
- Retail price inflation (RPI) – 3.6% pa
- Consumer Price inflation (CPI) – 2.6% pa
- Pension increase in payment for services, 1988 to 1993 (RPI min 3% and max 7%) – 3.9% pa, post 1997 (RPI min 3% and max 5%) – 3.7% pa and post 2000 (RPI max 5%) – 3.4% pa

The 2019 valuation extended the period over which the ongoing funding deficit would be cleared to August 2035, and recommended a monthly contribution requirement by each participating employer be expressed in monetary terms. For the Union this has resulted in an increase to 19.4% as at 1 October 2021 and by a further 5% each year thereafter. These rates applied with effect from 1 October 2021 and contributions due from October 2023 onwards will be reviewed following the next actuarial valuation. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

19. PENSION COMMITMENTS (continued)

These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

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 £360,937 in the year to cover the period between October 2020 and September 2023 as their contribution to eliminate the shortfall.

Therefore, at 31 July 2021, the balance sheet of the Union includes a liability of £1,897,307 (2020: £1,899,776), which represents the net present value of all future contributions towards eliminating this shortfall. The discount rate used is 1.75% (2020: 1.45%) which is comparable to that for a 15 year AA-rated corporate bond. The estimated liability is based on the 2019 triennial valuation of the scheme and will necessarily require revision after subsequent revaluations. The balance is made up as follows:

	2021 £
Balance brought forward	1,899,776
Contributions made in the year	(360,937)
Charge to statement of financial activities	358,468
	<hr/> 1,897,307 <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 £23,219 (2020: £23,032). At the year end, the charitable company owed £15 (2020: £2,874).

The total contributions paid to The NUS Aegon Pension Scheme during the year amounted to £4,288 (2020: £4,097). At the year end, the charitable company owed £489 (2020: £406).

The total contributions paid to The National Employment Savings Trust (NEST) during the year amounted to £25,295 (2020: £27,360). At the year end, the charitable company owed £4,296 (2020: £4,371).

20. 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 £12,537 in the year (2020: £29,082).

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 £15,667 (2020: £62,283). At the year end, University of Leicester Students' Union Trading Ltd was owed £14,648 (2020: £17,018) by the charitable company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

20. RELATED PARTY TRANSACTIONS (continued)

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 £809,685 (2020: £1,012,103). Additional grants are provided by the University for project support of £368,736 (2020: £477,475) and redundancy reimbursement of £15,716 (2020: £nil).

During the year the group made sales of £13,824 (2020: £84,159) to the University of Leicester and made purchases of £27,145 (2020: £21,552) from the University of Leicester.

During the year the company made sales of £12,852 (2020: £12,364) to the University of Leicester and made purchases of £27,145 (2020: £15,124) from the University of Leicester.

At the year end, the group was owed £1,983 by the University of Leicester (2020: £34,011 owed 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 £229,440 (2020: £180,129) based on market prices within Leicester.

The Leicester Services Partnership Limited

During the year the group and company made purchases of £nil (2020: £13,536) from The Leicester Services Partnership Limited. At the year end, The Leicester Services Partnership Limited was owed £100 (2020: £100) by the group.

Student Union Lettings Limited

During the year the group made sales of £10,000 (2020: £8,250) 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.

21. POST BALANCE SHEET EVENTS

Since the year end the Student Union has disposed of its investment in The Leicester Services Partnership Limited for nil consideration.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021

22. COMPARATIVE GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
INCOME FROM:			
Donations and legacies	1,713,436	98,591	1,812,027
Charitable activities	4,080	364,300	368,380
Other trading activities	175,291	-	175,291
Investments:			
Share of joint venture gross income	86,466	-	86,466
Interest received	9,631	-	9,631
Other income	1,018	-	1,018
TOTAL INCOME	1,989,922	462,891	2,452,813
EXPENDITURE ON:			
Raising funds	146,209	-	146,209
Charitable activities	1,935,051	475,692	2,410,743
TOTAL EXPENDITURE	2,081,260	475,692	2,556,952
NET EXPENDITURE	(91,338)	(12,801)	(104,139)
Transfer between funds	(14,955)	14,955	-
NET MOVEMENT IN FUNDS	(106,293)	2,154	(104,139)